



POST CRISIS NEEDS ASSESSMENT

KHYBER PAKHTUNKHWA & FEDERALLY ADMINISTERED TRIBAL AREAS

Pakistan September 2010



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Acronyms and Abbreviations

ABC	Attitudinal and Behavioural Change
ACE	Anti-Corruption Establishment
ADR	Alternative Dispute Resolution
AGP	Auditor General of Pakistan
ANC	Antenatal care
BHU	Basic Health Unit
BISP	Benazir Income Support Programme
CAF	Crisis Analysis Framework
CAT	Convention Against Torture
CBO	Community Based Organisation
CC	Competition Commission
CDD	Community-driven development
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DC	Deputy Commissioner
DCO	District Coordination Officer
DDRRR	Demobilisation, Disarmament, Repatriation, Resettlement and Reintegration
DoE	Department of Education
DPO	District Police Officer
EPI	Extended Program of Immunisation
FATA	Federally Administered Tribal Areas
FoI	Freedom of Information (Act)
FR	Frontier Region
FSC	Federal Steering Committee
GER	Gross Enrolment Rate
GoP	Government of Pakistan
GoKP	Government of Khyber Pakhtunkhwa
FCR	Frontier Crimes Regulation
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICT	Information and Communications Technology
IDP	Internally Displaced Person
IED	Improvised Explosive device
IFI	International Financial Institution
KP	Khyber Pakhtunkhwa (province)
LEA	Law Enforcement Agency
LGA	Local Government Act
M&E	Monitoring and Evaluation
MCH	Mother and Child Health
MDTF	Multi Donor Trust Fund
MICS	Multi-Indicator Cluster Survey
MIGA	Multilateral Investment Guarantee Agency

MIS	Management Information System
NAB	National Accountability Bureau
NAO	National Accountability Ordinance
NGO	Non Governmental Organisation
PaRRSA	Provincial Reconstruction, Rehabilitation and Settlement Authority
PDMA	Provincial Disaster Management Authority
PDU	Participatory Development Unit
NTFP	Non-Timber Forest Products
NWFP	North West Frontier Province
OECD	Organisation for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
PA	Political Agent
PAC	Public Accounts Committee
PATA	Provincially Administered Tribal Areas
PCNA	Post Crisis (or Conflict) Needs Assessment
PFM	Public Finance Management
PGR	Public Grievance Redress
PHRP	Pakistan Humanitarian Response Plan
PPRA	Public Procurement Regulatory Authority
SAFFRON	Ministry of States and Frontier Regions
SBA	Skilled birth attendant
SC	Steering Committee
SO	Strategic Objective
STRF	Strategic Transitional Results Matrix
TA	Technical Assistance
TARUCCI	Tribal Areas Rural-to-Urban Centres Conversion Initiative
TRF	Transitional Results Matrix
TTP	Tehrik-e-Taliban-Pakistan
TVET	Technical and Vocational Education and Training
UNODC	United Nations Office on Drugs and Crime
WATSAN	Water and Sanitation
WFP	World Food Program

EXECUTIVE SUMMARY

Chapter 1 Rationale, scope, vision, process

Years of regional instability underpinned by decades of poor governance have shaped the crisis unravelling in the north western border areas of Pakistan. Marginalisation and inequity are sustained in the Federally Administered Tribal Area (FATA) through current legislation, and in both FATA and Khyber-Pakhtunkhwa Province (KP) by underdevelopment. Militants in FATA and KP have exploited frustrations resulting from decades of weak governance, corruption and wide-ranging socio-economic deficits: this has resulted in the most acute destabilisation of the region in decades, causing huge population displacement and aggravating high levels of vulnerability.

The life-saving humanitarian, recovery and longer-term development efforts of the federal and provincial governments, the military, humanitarian agencies, donors and international financial institutions (IFIs) continue to be enormously *necessary*, but not *sufficient* to transform the situation and reverse the support for violent change. To assist in tackling this, the Government of Pakistan requested support with the preparation of a Post-Crisis Needs Assessment (PCNA) resulting in a peace building strategy for FATA and KP.

The PCNA for KP and FATA was developed by the Asian Development Bank, European Union, World Bank and United Nations, in collaboration with the provincial Government of KP and the FATA Secretariat with oversight by the Government of Pakistan. It was undertaken during 11-month period ending in September 2010, before the impact of the devastating floods could be assessed. Therefore, the impact of the floods is not taken into account in the PCNA.

The goal of the PCNA is to produce a helpful, pragmatic, coherent and sequenced peace building strategy for the Government of Pakistan that delivers an agreed vision within 10 years. The Government approved the following vision for the future of KP and FATA: **“There is an emerging peace, greater prosperity and tolerance in KP and FATA. A historic transformation is underway, where the voices of all people are being heard, the rule of law is deepening, and the State is increasingly accountable, providing equitable opportunities for better health, education and employment.”**

This vision is the distillation of inputs from wide-ranging consultations with affected communities in the region and with groups representing various sections of the broader Pakistani civil society (media, NGOs, *maliks*,¹ etc.) and public services (military, bureaucrats, police, etc.).

These consultations also established the drivers of the crisis (see below and Chapter 2) that were then translated into four strategic objectives that are achieved through

¹ Tribal elders and community decision-takers who sit on *jirgas*

a series of concurrent and mutually supporting interventions (see below, figure 4 and chapter 3).

Four Strategic Objectives:

1. **Build responsiveness and effectiveness of the State to restore citizen trust**
2. **Stimulate employment and livelihood opportunities**
3. **Ensure the delivery of basic services**
4. **Counter radicalisation and foster reconciliation**

Nine Sectors:

To assist facilitate the development of these four strategic objectives, nine sector teams were established to assess peace building opportunities in the fields of **governance, rule of law, agricultural and natural resources, non-farm economic development, education, infrastructure (comprising energy, transport and water supply and sanitation), health, social protection and strategic communications.**

Crosscutting Issues:

Cross cutting issues are themes that run throughout the strategy: these ensure that a theme of relevance to the entire strategy is reflected consistently, and that the overall vision and objectives maintain primacy in sector assessments. Three crosscutting issues (Chapter 2) were adopted:

1. **Peace building and crisis sensitivity:** recommendations are tailored to maximise peace dividends and minimise risks of unintentional exacerbation of the crisis. In their design, recommendations also take into account the impact of the crisis on their implementation.
2. **Gender:** a gender-lens is critical in understanding the drivers of the crisis as well as in developing recommendations. The extreme marginalisation of women and girls in FATA and KP, and their very restricted ability to contribute fully to peace building need to be transformed, sensitively, to achieve full, sustainable peace where all benefit and live in harmony. If only half the population enjoy basic freedoms and rights, conflict will endure.
3. **Capacity-development:** stakeholders have overwhelmingly pointed out that a deficit of individual and institutional capacity is a crisis driver. It is also a challenge to building peace that needs full recognition in the design of interventions.

Quality Control:

The process and findings were submitted to external scrutiny for verification, improvement and to build ownership across a broad section of Pakistani society.

1. Five independent peer reviewers examined the PCNA *process* in which findings were gathered, collated and analysed; sectors were assessed from a peace building perspective with a strong focus on the 3 crosscutting themes; the outcomes and outputs from 9 sector reports were developed and prioritised to

deliver 4 mutually re-enforcing strategic objectives; and an overall peace building strategy was produced to deliver the vision.

2. Consultations with stakeholders were revisited in a validation exercise to cross check *analysis*, decisions and trade-offs made during clustering, prioritisation and sequencing of inputs².

Despite the process having been impacted by limited access to the region in question, as well as by the sensitivity of the issues, and the need to respect confidentiality, every effort was made to reach out to the affected population to get maximum participation while maintaining anonymity of the feedback.

The Floods of 2010:

The recent floods in Pakistan have caused havoc and destruction throughout the country. Its toll, extent and future implications are still being assessed. However the fundamentals of governance, disaster preparedness and management of reconstruction and rehabilitation will invariably lead to interventions that look towards making all of the following more effective, sustainable and dynamic.

The PCNA report while assessing and identifying a broad spectrum of areas for interventions is based upon data and information gathered before this calamity. Thus while it has not been possible to take into account the damage and devastation brought by the floods in the PCNA report, future plans and programs will have to be cognizant of the PCNA, DNA and the impact on MDGs. At the same time, it must be underlined that the PCNA as a peace building strategy has not lost its relevance in the new environment. On the contrary it has gained even more importance and urgency as source of the crisis drivers have been exacerbated due to the flood damages.

Chapter 2 – Background and crisis analysis

Drawn from the intensive consultation process mentioned above, and from an extensive literature review, the conflict drivers below were identified. Chapter 2 of the report provides the geographic, macroeconomic, political and administrative backgrounds and crisis history to understand these drivers in their context.

Crisis Drivers

1) Political drivers:

- There is systemic state failure to protect FATA citizens' basic rights (in the Constitution and in application). Parliament has approved a partial reform package to remedy this but the fact that the signature and the implementation of the reform package is still pending has exacerbated frustrations.

² Except for affected communities as it was felt that that this might compromise the anonymity promised to them and on which basis they spoke openly and usefully during focal group discussions

- FATA's administrative system lacks sufficient accountability and is often characterised by high levels of misuse of funds.
- There are minimal avenues for participation of civil society in public affairs in FATA.
- There are substantial weakness in governance and rule-of-law in KP as well as in FATA.
- Politicisation of religion is evident in the cultivation of educational and institutional hubs linked to militancy.

2) Economic drivers:

- Longstanding economic deprivation, weak human development indicators, and acute economic disparities with national standards.
- Limited economic opportunities result in extensive out-migration, force people into the thriving illegal sector (that in turn funds militancy), and make financial incentives offered by militant groups difficult to resist. This particularly facilitates militant recruitment of young men (ages 15-29).
- A weak regulatory environment and lack of enforcement discourages investment and impacts on growth and employment.

3) Geo-strategic and insecurity-related drivers:

- The presence of foreign troops in Afghanistan inspires local pro-conflict ideology; this is continuously fuelled by the damage caused by drone attacks in Pakistan.
- Cross-border ties have resulted in a constant inflow of well-armed militants from the Afghan conflict importing extremist ideologies and practices.
- The insurgency is sustained from a variety of domestic and international financial sources.
- Police and other civilian security agencies in KP and FATA lack capacity, are ill equipped and under funded to adequately maintain law and order in this highly complex security situation, and to track and interdict militant funding sources.
- Military action to tackle insurgents tends to be undertaken without consulting affected communities; prolonged military presence in the region is unpopular.

4) Social drivers:

- Breakdown of the traditional governance system in FATA and KP (due to their ineffectiveness and corruption, but also intimidated and usurped by militant groups). Extremist religious interpretations are filling this gap.
- High levels of illiteracy contribute to the vulnerability of populations to the rhetoric and predation of extremist groups and their views.
- Radicalising influence of distorted curricula in some *madrassas*.

In a context of increasing vulnerability and insecurity, there is a fundamental lack of trust in the capacity of existing institutions to equitably and effectively deliver services and address needs. Pervasive governance deficits have created a broad political space for the militant groups to exploit, presenting themselves as a viable alternative to the state, able to provide rapid administration of justice, employment and contextualising their appeals for support and recruits in the nomenclature of opportunity, social justice, equity, and state failure. This, combined with historical

experience of disenfranchisement, corruption, poverty and underdevelopment facilitates conditions of lawlessness, insecurity and extremism.

Chapter 3 – Peace building strategy

Approach and product

- Reflecting the high level of distrust and frustration, the PCNA is focused on interventions that bear fruit in 6 and 30 months, and that **create the conditions for long-term peace and development.**
- It does this by balancing recommendations that will improve conditions immediately, with recommendations for **fundamental reform that protect basic rights and address the key governance, security and development shortfalls and inequities** that have caused the crisis.
- The report is an **integrated strategy**: each element might produce some benefit, but it is the sum of the parts that delivers peace.
- **The approach is rights-driven** recognising the links between peace and security, development and human rights, and the need to tackle marginalisation and vulnerability and empower citizens to become actors of change with rights, entitlements and duties. Core human rights principles have guided the PCNA process. These include empowerment, non-discrimination, consultation and participation, access to diversified sources of information, transparency, accountability, and stopping impunity.
- This strategy **builds on other existing efforts** such as regional development plans and international assistance strategies such as the Damage and Needs Assessment (DNA)³ and the Pakistan Humanitarian Response Plan (PHRP)⁴;
- Every effort has been made to ensure that the recommendations are more than a snapshot of limited validity: nevertheless, it is essential that throughout implementation **assumptions are reviewed regularly** to ensure that recommendations remain relevant.
- To maximise their peace-building effect, PCNA recommendations need to be designed, sequenced, implemented and monitored to **seek peace-building opportunities during the process**, as well as in the final outcome.

Indeed, as an example, whilst the success of this peace-building strategy will depend on the context-sensitive implementation of all the proposed interventions, **its endorsement and rapid adoption will be evidence of the Government's commitment** to hear its people's complaints and, through these, understand and address the drivers of the crisis.

³ Preliminary Damage and Needs Assessment: Immediate Restoration and Medium Term Reconstruction in Crisis Affected Areas , ADB and WB, November 2009

⁴ Pakistan Humanitarian Response Plan

Strategic Objective 1: Build responsiveness and effectiveness of the State to restore citizen trust

1. There is urgent need for an open, honest, consultative and Government led discussion at the highest level about the **future of FATA**: this must start with immediate implementation of the reform package approved by parliament in August 2009. The Government needs to lead a FATA-wide debate on constitutional reform; people need to be aware of, and able to seize, opportunities to contribute. The extension of political rights needs to go hand in hand with reform of law and order architecture and effectiveness, with a full administrative overhaul, and with an exploration of new economic alternatives to end FATA's budgetary dependency and promote investment, growth and employment. Recognising inequalities and inabilities to participate in this process, regular reviews need to be built into any agreements on status and new institutional architecture, as views are likely to change as the region opens up to more diverse information and opportunity for debate.
2. The GoKP and FATA Secretariat are faced with the difficult task of building public trust from a very low base. In the initial peace-building phase, the state's ability to rebuild its credibility will thus rest on popular *perceptions* as much as on the *performance* of the various government departments in delivering services, including security and justice. Hence the strategy focuses on **greater government openness to citizen scrutiny, far greater citizen participation in local government and a dramatic increase in responsiveness** to community concerns. A number of government outputs are recommended to strengthen the relationship between the state and civil society/communities (oversight functions, Public Grievance Redress (PGR) mechanisms, participation in development programming/design/ implementation/monitoring, etc). These are to be shared in a comprehensive communication strategy.
3. In addition, tangible evidence of change must be delivered in **public security**, by a thorough review of law enforcement (technical capacity, legal and judicial infrastructure, development of a professionally led police service in KP and FATA) and in **governance**, which needs streamlining and strengthening, and existing legislation⁵ implemented and extended to FATA without delay. Public Finance Management (PFM) and other **anti-corruption capabilities** also need building.

Strategic Objective 2: Stimulate employment and livelihood opportunities

4. **As the largest** economic sector, urgent support to the recovery of subsistence and commercial **agriculture** is needed (inputs, rehabilitation, etc.) to provide **livelihoods**, as well as its long term restructuring to build growth and employment. In the short-term, jobs will be generated though labour-intensive reconstruction public works; in the longer-term, growth will be facilitated through grants to firms, measures to encourage entrepreneurship and growth

⁵ The Local Governance ACT, The National Accountability Ordinance, the Freedom of Information Act

(such as energy and credit) and interdiction of the illicit economy, and promotion of new investment in the region.

Strategic Objective 3: Ensure the delivery of basic services

5. **Education** needs to be improved and expanded: incentives to encourage teachers and children into school in remote locations, and girls (especially) to stay in school, are proposed. The implementation of the new school curriculum needs accelerating.
6. People rightfully demand improved **access to basic services** including water and sanitation as well as basic health care; health facilities have to be rehabilitated and restocked, and health and sanitation behaviour change campaigns need to be developed. There is a need for improved **infrastructure**, especially transport and power, and the most vulnerable need effective **social safety nets with** more community control needed in identification and managing service delivery.

Strategic Objective 4: Counter radicalisation and foster reconciliation

7. Lay the foundations for the emergence of a tolerant society by active promotion of peace building **values** in all education (requiring registration of all educational establishments and national standards applicable to all), and by opening up the **communication space** to a plurality of sources and perspectives (incentivise private media development, enable and promote dissemination of alternative views, etc.).
8. Maximise opportunities for individual and community **reconciliation** (including with ex-combatants) based on accountability.

Chapter 4 – Institutional framework, monitoring and evaluation and risk management

The report includes a **suggested institutional structure** developed from international experience in crisis and post-crisis environments on how a strategy of this scope might be managed. Recommendations include avoiding a new single structure arrangement; building upon subsidiarity; developing oversight mechanisms; disseminating progress reports and results; strengthening the Auditor General of Pakistan (AGP) office to oversee zero tolerance for corruption; and mechanisms to ensure integration of crosscutting themes in all phases of strategy implementation.

Monitoring and Evaluation (M&E) The M&E system (based on the PCNA Strategic Results Framework STRF) informs planners, implementation entities, partners and others (including participating communities), whether financial and human resources are being used efficiently, equitably and responsibly.

The thematic and geographic scope of the strategy is extensive. Monitoring will be challenging: the system must be pragmatic and results-oriented, yet simple, inclusive and user-friendly, building upon and strengthening existing record keeping and reporting systems, and adding to this where insufficient data is available.

There are two levels of monitoring: the strategic overview level to ensure that essential priority components and preconditions are addressed in due time; and the intervention level to track inputs, activities implemented and outputs, and to ensure best use of resources.

As explained, the PCNA report presents a thirty-month Strategic Transitional Results Framework (STRF), delivering four Strategic Objectives (SOs) based on nine sectors' Transitional Results Frameworks (TRF). The STRF has multiple layers of activities, outputs, outcomes and objectives and performance indicators. It is the key M&E instrument. The STRF sets out outcomes and strategic indicators (results against outcomes) that capture and measure the immediate benefits expected from the full set of output interventions. This is translated into implementation plans which will require detailed log frame matrices for each intervention, where the monitoring event, method of assessment, actors, reporting product, and the users of the information need identifying. Performance measures are then prioritised and reduced to a manageable core set for each intervention that can be easily tracked and evaluated. Some of this is already available in the sector reports in volume II of the PCNA.

Key strategic risks for the implementation of the strategy include the ongoing military offensives, associated access limitations, geo-strategic effects, human and financial resource availability, perceptions and expectations management. Levels of distrust in government and associated trends suggest that these pale in significance compared to not acting to transform the situation. The greatest mitigation measure, integrated throughout the strategy at every level, is a comprehensive communication strategy that shares intent, builds hope, informs about approaches and consultation opportunities, publicizes results, demonstrates flexibility through consequent course changes, and reaches communities in areas under militant control.

Chapter 5 – Maximising the effect of the financial investment

In accordance with the Paris Declaration on Aid Effectiveness (2005)⁶ concerning national government leadership and control of integrated development strategies, every effort should be made by government and its partners to promote this peace building strategy as an overarching instrument to frame all humanitarian, recovery and development assistance in KP and FATA to ensure coherent, coordinated and effective use of all assistance funding to the region. There are two types of alignment to pursue:

⁶ <http://www.oecd.org/dataoecd/30/63/43911948.pdf>

- a. Aligning existing and planned interventions around the new peace building strategy; and
- b. Maximising the peace building effect of all recommended interventions by developing them specifically to benefit from synergies with existing programmes.
- c. Integrating Flood responses in KP and FATA with the implementation plan of the strategy.

Finance and Funding

With the overall budget of \$ 2.7 billion needed for the implementation of the peace-building strategy, the Government will need to find an appropriate mechanism to ensure mobilisation. A breakdown of estimated costs by sector is included in Chapter 5. However, care should be exercised when interpreting it as the different sector estimates do not reflect their relative importance. On the contrary, **the cost of reform is very manageable (about \$100m) and absolutely fundamental to bring peace to this region.** Further engagement with stakeholders is needed for prioritising the sector recommendations and sequencing.

A Multi Donor Trust Fund (**MTDF for KP, FATA and parts of Balochistan established in early 2010**) is a coordinated financing mechanism to channel reconstruction, development and peace-building funding. It is one of the **funding mobilisation mechanisms** for the implementation of the peace building strategy. Federal and provincial development plans, and DNA and PCNA recommendations would guide the strategic priorities of the MDTF. As such, the MDTF could play a role in improving coherence, efficiency, transparency and value for money.

Summary – Next steps

This peace building strategy is only a first step in the Government's concerted effort to bring peace to the people of FATA and KP. It cannot resolve all (or even most) issues of equity and equality in the short-term: the strategy therefore balances the need for tangible evidence of change in the short term with sound approaches that in themselves create an environment where sustainable peace (and trust, hope, access -- far more than the cessation of hostilities) and long-term development can take root.

Successful implementation of the PCNA will require:

- Full endorsement of all aspects (the strategy falls apart if any part is dropped);
- Commitment to budgetary reallocation;
- Support from donors;
- Immediate establishment of the institutional structure to oversee and implement it at all the right levels (and begin developing the activity plans, timelines, sequencing and mapping); and
- Continued resolve to pursue peace transparently and communicate intent, progress and challenges to stakeholders.

Over and above all of this, the quantum leap in peace building is to understand that attitude and behaviour change usually have to start at the top. This must be candidly communicated and that there are no short-cuts. Without true commitment to fundamental reform, no amount of road and rehabilitation can bring peace to Pakistan.

1. INTRODUCTION

1.1 Rationale and scope

The crisis in the northwest frontier region of Pakistan is shaped by decades of history: the political and administrative legacies of colonial governance; the impact of Cold War regional dynamics and the pervasive availability of weapons; radicalization; the post-9/11 era; the coalescing of disparate groups around extremist ideologies; and the ascendance of the region into a key transit corridor for the multi-million dollar drugs and arms trades. This is compounded by years of marginalisation and inequity that is sustained, in the Federally Administered Tribal Areas (FATA), by current legislation, and in both FATA and Khyber-Pakhtunkhwa province (KP) by underdevelopment. Militants in FATA and KP have exploited frustrations at decades of weak governance, perceived corruption and wide-ranging socio-economic deficits: this has resulted in the most acute destabilisation of the region in decades, causing huge population displacement and even greater vulnerability. The scope of the Post Crisis Needs Assessment (PCNA) is FATA and KP.

The acute humanitarian crisis entailed an immense relief effort by the government, military and international community. A Damage and Needs Assessment (DNA), undertaken in a more limited geographical area, followed the humanitarian and recovery response in 2009, highlighting the critical reconstruction needs. Recognising that to overcome a crisis of this complexity and dimension and build peace, more is needed than humanitarian relief, recovery assistance and the reconstruction of damaged assets, the Government requested multinational assistance in the preparation of a PCNA for the entire area of KP and FATA.

A PCNA complements the humanitarian and recovery efforts therefore, focusing on the reforms and other interventions needed to build peace and create the conditions for sustainable development.

1.2 PCNA Goal and Vision

The goal of the PCNA is to produce a helpful, pragmatic, coherent and sequenced peace building strategy for the Government of Pakistan that delivers the vision below within 10 years.

Recognising the dynamic nature of the crisis, the focus of the PCNA recommendations is on creating the enabling conditions – peace, trust, hope, responsiveness, access – that make further long-term development, and sustained peace, possible. It does this by proposing recommendations for fundamental reform that protect basic rights and address the key governance, security and development shortfalls and inequities that have caused the crisis. In doing so it recognises the current levels of frustration and immediate need for tangible evidence of change needed to strengthen government legitimacy, also providing therefore a series of proposals that will deliver results in 6 months as well as within 30 months.

PCNA Vision:

“There is an emerging peace, greater prosperity and tolerance in KP and FATA. A historic transformation is underway, where the voices of all people are being heard, the rule of law is deepening, and the State is increasingly accountable, providing equitable opportunities for better health, education and employment.’

In the face of complex and difficult odds, the vision for peace, as described above, is pragmatic; it recognises that the road to comprehensive peace will be long.

The resilience of the people from this region is well-known, but disillusionment with the hardships which they face and the development that has not come, combined with worsening security, ‘legal violation’ of international human rights commitments, and the acute fragility of survival in conflict-affected areas has turned many to support the forces of violent change. Nothing less than evidence of *transformation* by the State is needed to counter the alternative of “any change is better than more of the same”⁷, or “what choice do we have?” that is turning potential peace-makers into fighters.

Despite the geo-political challenges, and other factors that complicate resolution of the crisis, a peaceful outcome is within the gift of the state: recommendations therefore focus on the urgent reforms required by Federal and Provincial Government without which the peace building benefits from the proposed development interventions recommended by the PCNA will not be realised. These State-led reforms must come first, and urgently.

1.3 PCNA Process

1.3.1 Background

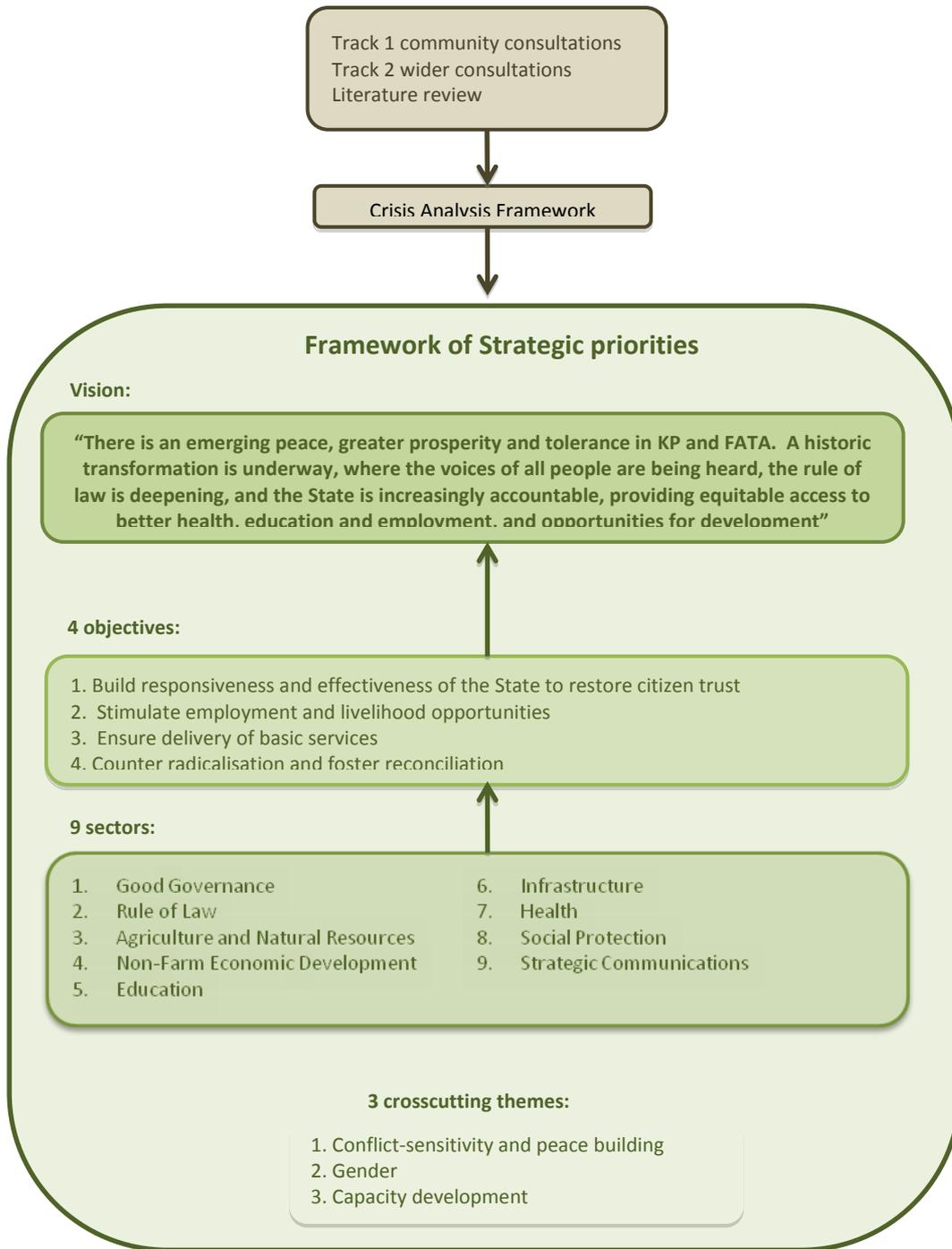
The PCNA process was formally triggered in August 2009, following a request by the Government of Pakistan (GoP) to the Asian Development Bank and World Bank. Inter-institutional arrangements were then put in place between the Asian Development Bank, European Union, United Nations and the World Bank to deliver this PCNA together with the Government of Pakistan, the Government of KP (GoKP) and the FATA Secretariat (see Annex A). A general PCNA roadmap was agreed among this group and endorsed by the Strategic Oversight Council, headed by the Prime Minister of Pakistan (see Annex B). Three bodies within the GoP were mandated to participate in and oversee the PCNA: the PCNA Secretariat, the KP Provincial Steering Committee, and the Strategic Oversight Council. The process comprised four phases: Pre-Assessment, Assessment, Validation and Finalisation.

1.3.2 Pre-Assessment phase

⁷ Desperate communities told PCNA representatives that their situation was so tenuous and they felt so helpless that it felt like Government and Militants were two sides of one coin, so why not try a change?

The pre-assessment phase laid the analytic foundations for the overall PCNA process; it ensured that the direct voices and priorities of affected communities were the foundation on which the PCNA was built. This phase included the following major elements:

- a) **Track I Consultations** - directly engaged a representative cross-section of community members affected by the crisis and sought their input on its causes and potential solutions. Focal group discussions were held in 14 affected areas (10 KP districts and 4 FATA agencies) with 1,350 participants selected to form a representative cross-section of society (including women and youth) in the region.
- b) **Track II Consultations** – These sought wider views of Pakistani regional and national stakeholders on the drivers and solutions of the crisis. Consultation sessions were held with expert groups comprising of NGOs, civil society, military, police, civil bureaucracy, media, justice experts, academia, independent analysts, development partners, *jirga* representatives and elected representatives of various political parties.
- c) **Review of existing literature**
- d) **Crisis Analysis Framework (CAF)** Consolidation of the views from the three inputs above; the CAF is the analysis underpinning the recommendations in the PCNA. Summary at annex C.
- e) **Development of the PCNA vision** (see above)
- f) **Framework of Strategic Priorities:** Distillation of the drivers and root causes of the crisis in KP and FATA from the CAF and identification of resulting peace building priorities for further assessment: this resulted in the identification of 9 priority sectors to be assessed as well as the development of 4 strategic objectives and 3 crosscutting themes to contribute towards achieving the PCNA vision (see chapter 2 and 3).



1.3.3 Assessment Phase

Mixed government and multilateral agency sector teams were mobilised to undertake assessments in these nine fields. Teams assessed the main issues that drive crisis within each sector, and identified sector interventions that would allow the GoKP and FATA Secretariat to achieve the four Strategic Objectives and build peace. Advisers from the three crosscutting teams also guided the teams.

This report emerges from 9 sector reports and the Transitional Results Framework (TRF) (bound in a separate volume of the PCNA report). These sector reports include

a situational analysis of the sector, assessed needs, and targeted results in a 6-month and 30-month transition plan, within a 10 year vision. Sector priorities are laid out in a costed TRF.

Based on assessments carried out in the 9 sectors, a dedicated team (government and multi-agency) was tasked with building a peace building strategy to meet the 4 strategic objectives of the PCNA. This is laid out in chapter 3. The outcomes sought, outputs recommended and financial implications are laid out in a Strategic Transitional Results Matrix (STRF) at the end of Chapter 3. The strategic narrative is complemented by the sector detail in the 'Prioritised Sectoral Summaries' annex of the main report.

1.3.4 Validation and Finalisation

Peer review

To ensure the quality of products produced throughout the PCNA process, a peer review mechanism was adopted, whereby the four institutions and the Government each invited an individual of high standing and expertise who had not been involved in the PCNA exercise to objectively comment on the draft products, prior to official submission to Government and dissemination to stakeholders.

Validation

The validation process is designed to build ownership for, and participation in the PCNA. Early conversations with national and local counterparts and key international partners about drivers and objectives were revisited to cross check decisions and trade-offs made during prioritisation and sequencing. PCNA findings were validated with track II interlocutors, but not with track 1 (communities) as it was felt that returning to them would compromise the promised anonymity of their contributions.

Finalisation

It is important to stress that the peace building process has only just begun; the PCNA is just the first step. It is now up to the Government, possibly with the support of donors, implementing agencies and multilateral institutions, to ensure that these findings are incorporated in future planning and financial programming.

1.4 Remit, limitations and risks

Remit

Although the interdependence with the conflict in Afghanistan is clear, and the geo-strategic environment informs the analysis, the PCNA has focused recommendations to areas within the control of the Government of Pakistan. It is obvious of course, that as an example, the withdrawal of international forces from Afghanistan will have an impact on the situation in FATA and KP – it is not known when this will be, what other factors will be in play and what impact GoP might have on decisions and their timings.

Every effort has been made to ensure that the recommendations are more than a snapshot of limited validity, but it is also essential that during implementation, assumptions are revisited regularly to ensure that recommendations are still helpful. Led by the Government, the implementation of this peace building plan will need to link in very closely with security and military strategy in the region and, also, be continuously informed, and if necessary amended, to reflect events over the border. These discussions are obviously beyond the remit of a technical team; the practical implications will be for Government to pursue during in-depth planning and implementation of the peace building strategy.

Limitations

The development of the PCNA has been hampered by lack of access to most parts of KP/FATA due to security constraints. However, in order to make up for this constraint, community consultations were carried out by third party partner organisations. Every effort was made to ensure that these networks of community-based organisations (CBOs) from the area were fully cognisant with PCNA objectives. This was done through a 4-day workshop with all facilitators and reporters of focal group discussions was held prior to fieldwork, and included two pilots and a feedback and revision loop. During Track-II Consultations representatives of the spectrum of stakeholders were consulted in KP and Islamabad.

The PCNA cannot resolve all (or even most) issues of equity and equality. It is a first step and guide for Government in its difficult journey on the path to these long-term goals, progressively addressing the critical and highly complex issues mentioned in this report.

Risks

The risks in implementation are many (most importantly security) but they pale by comparison with not acting to transform the situation for the people of FATA and KP. Practically of course certain areas are far more difficult to reach than others, and a careful appraisal of approach will be necessary for every element of the strategy. The way forward to mitigate risk of misunderstanding or perceived favouritism is for the government to develop a highly comprehensive communication strategy: the PCNA strategy is based on this. This also carries risks however, risks of raised expectations and impatience with delivery delays that will need to be taken into account in the communication campaign and in the delivery of the peace-building

strategy. It is for this reason that the strategy suggests that the Government kick-start a number of proposed activities immediately and by so doing demonstrate tangible benefit on the ground. Effect, though more difficult, is even possible in the remotest areas, even in areas under majority militant control: just awareness that reforms are planned, that the future could be different, underpinned by a delivery timetable meeting some fundamental needs will be a step to building support for peaceful transformation over more violent conflict.

2. BACKGROUND AND CRISIS ANALYSIS

Development of an effective peace building strategy requires an understanding of the genesis and drivers of the crisis, of the geographic/demographic profile of the region, the political and administrative systems of KP and FATA, and the macroeconomic environment. This chapter begins with an overview of these background elements, and then provides a summary of the key drivers of crisis, way forward and crosscutting approaches to maximise peace building benefits.

2.1 Geographic and Demographic Overview

The province of KP covers an area of 74,521 sq. km and the FATA 27,220 sq. km. KP and FATA lie in the shape of two parallel arcs along the west bank of the Indus as it runs southward. The Sulaiman mountain range constitutes the western rampart of these arcs; its projections into the plains give rise to valleys, the biggest of which is Peshawar. The western edge of this region is the international border with Afghanistan.

The people of KP and FATA are predominantly *Pukhtuns* or *Pushtuns*.⁸ Genealogy is important among *Pukhtuns*, with most of the eastern *Pukhtuns* (occupying KP) tracing their descent to a common ancestor. The famous tribes of FATA – Orakzai, Afridis, Mahsuds, Bangash and Wazirs – similarly all trace their lineage to a common ancestor. The vast majority of these *Pukhtuns* speak *Pukhto* (or *Pushto*).

Tribal family groups straddle the Durand Line that separates Afghanistan from Pakistan; the links are very strong and the border is porous. Many of the Afghans who fled the fighting after the Soviet invasion in 1979 have not returned since. Refugee numbers vary but are estimated to be currently around 2 million. Due to their nationality, and no doubt the hard economic times and competition for employment, refugees have suffered discrimination by association with imported militancy.

Religion is important and the outlook of the people is generally conservative. In addition, the *Pukhtun* way of life preserves, to varying degrees, the code of *Pukhtunwali* which includes the following values and concepts: revenge (*badal*), hospitality (*melmestia*), escort⁹, *jirga*, honour (*ghayrat*), tradition, *tor*¹⁰, asylum (*nanawatay*),¹¹ *swarah*,¹² *baramtah*¹³, *hujrah*¹⁴ and *tigah*.¹⁵ *Pukhtun* society is highly

⁸ *Pushtun*, the softer version of the word, is used mostly in the south, while *Pukhtun* is used mostly in the north. *Pathan*, another appellation of the word, has been in use mostly in the Indian Subcontinent but the *Pukhtuns* seldom refer to themselves with this name.

⁹ Formal escort or a guarantee of safe conduct, even to an enemy, is to be honoured.

¹⁰ One tainted with moral turpitude.

¹¹ Expressing regret and asking for forgiveness.

¹² Matrimonial relations resulting from a truce.

¹³ Tit for tat.

¹⁴ Multi-purpose and community-owned spaces for gatherings and social interaction.

¹⁵ Truce.

paternalistic, and the marginalisation of women is reflected in their exclusion from most of public life.

2.1.1. Khyber Pakhtunkhwa (KP)

The province of KP comprises the districts of Abbottabad, Bannu, Battagram, Charsadda, Dera Ismail Khan, Hangu, Haripur, Kohistan, Kohat, Karak, LakkiMarwat, Mansehra, Mardan, Nowshera, Swabi, Peshawar, Kohistan and Tank. The Provincially Administered Tribal Areas (PATA) of KP has a population of 831,000 and consists of Malakand Agency and the districts of Upper Dir, Lower Dir, Chitral, Swat, Buner, Shangla and the pocket of Kala Dhaka.

According to the 1998 census, the total population of KP was approximately 17 million with an annual growth rate of 2.82 percent and a sex ratio of 105. The under-enumeration of women could stem from the social stigma associated with mentioning women to strangers.

In addition to *Pukhtun* tribes, KP is also home to other ethnic groups and languages. In the northern mountainous region Khowar, Hindko, Kohistani, Shina, Torwali, Kashmiri, Kalasha and Kaghani are spoken. Hindko is also spoken in Peshawar and Kohat cities. In DI Khan Seraiki is the language of majority. Migration out of Afghanistan has brought Tajiks and Hazaras. Nearly all the inhabitants of the province are Muslim with a Sunni majority, while there is a minority of Shia groups (including Ismailis), as well as a small population of Shamanists in Chitral.

2.1.2. Federally Administered Tribal Area (FATA)

FATA comprises seven Tribal Agencies and six Frontier Regions. The Tribal Agencies are Bajaur, Mohmand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan. The Frontier Regions include F.R. Bannu, F.R. Dera Ismail Khan, F.R. Kohat, F.R. Lakki, F.R. Peshawar and F.R. Tank.

According to the 2008-09 estimates, the total population of FATA is about 4.02 million with an annual growth rate of 2.19% and a sex ratio of 108.4¹⁶. About 24.4% of the employed population of FATA (which is overwhelmingly male), is employed outside the country, 29.5% in another province and 10.3% in another district or agency.¹⁷ This casts considerable doubt over the abnormally high sex ratio and suggests a stark lack of visibility for women.

2.2 **Macroeconomic Overview**

The economic situation and prospects in KP and FATA have chronically been constrained by factors such as difficult geography, the adverse effects of international tensions, limited investment in human capital (especially women), and a policy environment not conducive to private sector growth. These have combined

¹⁶ Population estimates provided by FATA secretariat

¹⁷ MICS 2007, FATA

to produce low levels of growth, high unemployment and high incidence of poverty across the region. Escalation of conflict in almost a fifth of the combined territory of KP and FATA has complicated the already major economic challenges.

During the five-year period between 2003/4 and 2008/9 growth was strong, poverty rates were falling towards convergence with the rest of Pakistan, unemployment was abating, and public spending was rising in support of better services. However, the intensification of conflict in mid-2009 has reversed these advances. The deterioration in security, weak rule of law and absence of public service provision in the affected areas have all greatly undermined economic development.

2.2.1 Economic Growth

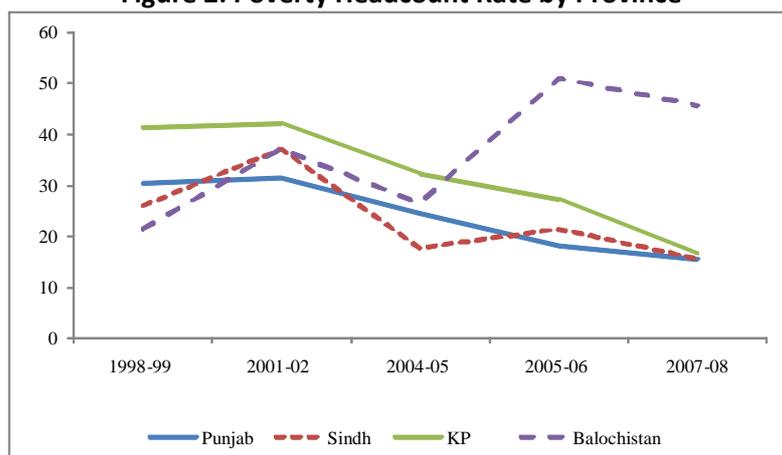
With most of its economic potential still unexploited, the KP-FATA region has consistently under-performed against other parts of the country and is one of the poorest parts of Pakistan. Estimated GDP growth was already slowing in the period leading up to mid-2009, decelerating to around 3% in 2007/8 and 2008/9, compared with an average of about 5.7% during the previous four years. Higher growth in the earlier period was led by services, especially retail trade and remittance-fuelled financial services. Agriculture (the biggest employer, accounting for 42% of employment) and industry also contributed positively.

In 2007/8 and 2008/9, growth in these sectors slowed, while industry also contracted. The conflict has imposed a huge economic cost, on top of the obvious human tragedy. Fighting gave rise to as many as 2.3 million internally displaced persons (IDPs) and caused considerable damage to physical and social infrastructure. Whole industries have come to a standstill: tourism in Swat has ceased entirely because of security concerns. Mining of gems and dimension stones is continuing at less than 10% of previous output levels because of the ban on dynamite - an essential input. The experience in other sectors is similar, and overall the economy of KP and FATA is likely to have contracted in 2009/10.

2.2.2 Poverty

Mirroring stronger growth in the period 2003/4 to 2007/8, the poverty rate in KP fell from an estimated 41.4% in 1998/9 – by far the highest of Pakistan’s provinces – to 16.6% by 2007/8, bringing it close to those of the more affluent provinces of Sindh and Punjab (see Figure 2). Available data indicates that this impressive reduction in poverty was strongly supported by remittances. In 2007/8 the average household in KP received remittances equivalent to about 21% of expenditure, a much larger share than any other province in Pakistan. However, as with growth, this progress in reducing poverty is likely to have been *reversed* with the deepening of conflict.

Figure 2: Poverty Headcount Rate by Province



Source: World Bank staff estimation based on PIHS 1998-99, 2001-02, PSLM 2004-05, 2005-06, 2007-08.

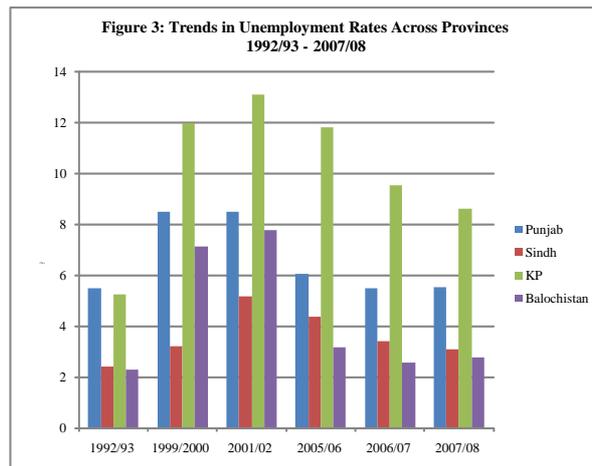
With a population of over three million, FATA is the most underdeveloped region in Pakistan with 60% of its people living below national poverty line. FATA is characterized with high incidence of poverty ratio, high employment and under developed infrastructure. Most of population depends upon subsistence agriculture with a per capita income of \$ 250 per year which is half of the national per capita income. The poor and the near poor in KP and FATA are especially vulnerable.¹⁸ Comparatively small shocks translate into large increases in destitution and poverty rates, as people close to the poverty line slip. Thus the large shocks associated with conflict escalation will doubtless have caused much hardship and increased poverty rates substantially.

2.2.3 Employment

The Pakistan Labour Force Surveys show that KP has consistently experienced far higher rates of unemployment than the rest of Pakistan (see Figure 3).¹⁹ FATA is not included in the surveys, but the issue is likely to be even more pronounced there. Moreover, unemployment is particularly high among young men aged 15-29, the main resource pool for militant recruitment.

¹⁸ *Pakistan Poverty Assessment*, World Bank, forthcoming second half of 2010.

¹⁹ The “unemployed” comprise all persons ten years of age and above who during the reference period were: i) “Without work” (were not in paid-employment or self-employment); and ii) “Currently available for work” (were available for paid employment or self-employment); or iii) Not currently available for the following reasons: illness, will take a job within a month, is temporarily laid off, is an apprentice and is not willing to work; or iv) Seeking work during last week. The unemployment rate is the unemployed population expressed as a percentage of the currently active population.



The ranks of the unemployed are likely to have risen with the intensification of the crisis in 2009/10, and accelerated growth will be needed to re-absorb workers into productive employment. Even under favourable assumptions about employment growth, the ranks of the unemployed are likely to rise in the coming years. Jobs need to be generated for the 500,000 workers that were unemployed before the crisis, and additionally for those who have become unemployed as a result of the conflict.

2.2.4 Public spending

The GoKP and the GoP, supported by a range of development partners, have launched several initiatives to address the drivers of conflict, and fiscal trends show that nominal spending by all parties has risen substantially in recent years. Spending in KP increased by almost 30% in 2008/9 compared with the previous year, led by a jump in development expenditure and spending on law and order. Less data is available for FATA, but total development expenditure there also rose by over 15% between 2007/8 and 2008/9.

Sustaining this level of spending, and boosting it further to enable the range of initiatives necessary for durable peace building, will be challenging. Given the tight fiscal constraints faced by the federal government, substantial external resources will be needed. Furthermore, the effectiveness of spending in the affected areas will depend largely on ensuring security and law and order. Not only is the cost of delivering public services elevated by conflict, but in the absence of security, newly maintained or created assets may subsequently be damaged or destroyed, reducing the development impact per rupee spent.

2.3 **Political and administrative overview**

2.3.1 British rule and independence

During the late 19th and early 20th centuries, the British ruled the KP area directly, and FATA somewhat indirectly. In 1901 the Frontier Crimes Regulation (FCR) separated the Pashtun region from the province of Punjab, and divided it into 'tribal

agencies' and 'settled districts'. The settled districts became the North West Frontier Province (NWFP)²⁰ while 'Political Agents' administered the tribal agencies under the orders of the NWFP Governor who reported directly to the Viceroy of India.

The Governor, through the Political Agents (PA), disbursed the tribal allowances that had been agreed by a series of treaties with the tribal leaders, ensuring that the tribes fulfilled their treaty responsibilities. The PA was responsible for the governance of a tribal agency; his job was to maintain peace in that agency via bargaining, cash gifts to *maliks* (state-recognised tribal leaders) and military force. The FCR was intended to reflect local tribal law rather than British law, and was enforced by the tribal leaders and their constabularies.

After the formation of Pakistan, the Government of Pakistan adopted the British governance approach to FATA. In 1949 it was agreed that the tribal agencies would retain the same semi-autonomous status and administrative arrangements that prevailed under British rule. Thus FATA remained completely outside Pakistan's parliamentary process, and the tribes were expected to manage internal security and judicial issues on their own. The 1901 FCR still serves as the legal framework for governing FATA.

2.3.2 FATA administrative and political system

FATA comes under the authority of the federal government; the Governor of KP is designated as its agent, while in Islamabad the area is under the overall supervision of the Ministry of States and Frontier Regions (SAFFRON). Laws framed by the National Assembly do not apply in FATA unless specifically ordered by the President.

The Governor maintains control over the agencies via Political Agents (PA). Each tribal agency is administered by a PA, assisted by a number of officials and members from various informal/local law enforcement agents (e.g. *khassadars*; levies, scouts). The PAs are career bureaucrats with broad political, administrative, financial and judicial powers. They oversee the working of line departments and service providers, handle inter-tribal disputes, control use of natural resources, and play a supervisory role in development projects. They enjoy broad discretionary powers with little transparency in the day-to-day working of agency administration and in the collection of tolls and disbursement of funds.

FATA is divided into two administrative categories: 'protected' areas which are regions under the direct control of the government, and 'non-protected' areas which are administered indirectly through local tribes. In protected areas, PAs decide criminal and civil cases. The 1901 FCR gives the PA wide-ranging powers, including "collective punishment" of a tribe for actions by individuals from that tribe. The six Frontier Regions are administered by the District Coordination Officers (DCO) of the

²⁰ Known as Khyber Pakhtunkhwa since April 2010.

adjoining KP districts, each functioning as a Political Agent for their designated Frontier Region.

Until 2002 decisions related to development planning in the tribal areas were taken by the FATA section of the KP Planning and Development Department, and implemented by provincial line departments. In 2002 a FATA Secretariat was set up in Peshawar, headed by the Secretary FATA, followed in 2006 by the Civil Secretariat FATA which took over decision-making functions and project implementation. The KP Governor's Secretariat plays a coordinating role between the FATA Secretariat and the federal and provincial governments.

FATA does not have a legislative assembly. Universal suffrage for elections to the national parliament was not introduced in FATA until 1997; prior to this suffrage was limited to designated *maliks*. Political party activity is still not authorised despite reforms approved in August 2009 by Parliament. At present FATA is represented by 12 Members of the National Assembly, however despite being entitled to vote on laws pertaining to the rest of Pakistan, they have no power over decisions taken for FATA that are decided by presidential decree alone.

2.3.3 KP administrative and political arrangements

In contrast to FATA, the provincial government has governed KP, and political parties are active and participate in elections. A provincial bureaucracy has managed the province since Pakistan came into being and the Constitution of Pakistan applies fully. However KP differs in one respect from other provinces of Pakistan: it is divided into 24 districts, most of which comprise the 'settled areas', but six of which (along with one tribal agency) form the Provincially Administered Tribal Areas (PATA).

The Chief Minister – an elected official and the chief executive of the province – and a 124-member Provincial Assembly govern KP. The federal government appoints a Governor who serves as head of the provincial government. A Chief Secretary heads the province's civil bureaucracy and supervises the working of various departments headed by Departmental Secretaries. The Provincial Police Officer is in charge of policing at the provincial level. At district level, the District Coordination Officer (DCO) looks after law and order, with support from the District Police Officer (DPO). A new local government system to replace the 2001 system is being considered by the KP Provincial Assembly; in the interim period the DCO is responsible for functions devolved to local government.

2.3.4 Provincially Administered Tribal Areas (PATA)

PATA consists of Pakistani administrative sub-divisions designated in Article 246(b) of the Constitution of Pakistan. No Act of the provincial assembly can be applied to PATA. The Governor of the respective province has a mandate parallel to that of the

President of Pakistan over FATA. PATA includes former princely states, tribal areas, and tribal territories within districts.

PATA falls under the responsibility of the KP Chief Minister and is represented in the provincial legislature. The KP Governor can change or extend laws to PATA only with the President's approval. Pakistan's Criminal Procedure Code is not applicable to PATA. However, unlike FATA, PATA is subject to the jurisdiction of Pakistan's regular court system.

2.4 Overview of the crisis

2.4.1 Post-2001 developments and crisis onset

The post-9/11 military activity in Afghanistan and (to a limited degree) Pakistan, served to unite some militant elements in *Pukhtun* tribes. In the early days of the war, thousands of Afghan fighters retreated from Afghanistan across the border into FATA. Militant groups in both countries used FATA as a staging ground for their activities.

In 2002 the Pakistan army started operations in FATA in search of foreign militants, ostensibly with the support of local tribes. In some areas they were met with resistance, and battles between the military and militant groups became increasingly common in 2003 and 2004. This led to increased attacks by the military on suspected militant bases. However, in May 2004, June 2005 and September 2006 a series of peace deals was struck between the Government and militant groups in various agencies, all of which had limited success in curbing violence throughout FATA. The Waziristan Accord (2006) was initially effective but deteriorated following the Lal Masjid siege in July 2007.²¹

2.4.2 Spread of militancy to KP and peace agreements

In late 2007 militants led by Maulana Fazlullah and his Swat Valley-based subgroup of the *Tehrik-e-Taliban-Pakistan* (TTP)²² began taking over villages across the Valley. This was the first time that militants had attempted to take control of a significant area of Pakistan outside of the tribal areas. They had a lot of support, impressing local residents with their commitment and ability to dispense justice and address the State's neglect of their social welfare priorities. Slowly however, as the reality of life under the militants sunk in – the targeting of schools, assassination of anyone opposing them, extreme violence – local sympathies dwindled, and when in mid-2009 the Pakistani Army launched a major offensive and drove them out of Swat, it had widespread local and national support.

²¹ The siege of the Lal Masjid ("Red Mosque") in Islamabad in July 2007: confrontation between the Government and militants.

²² Pakistani Taliban, based in Pakistan and distinct from the Afghanistan Taliban.

In February 2008 a peace agreement had been signed with the TTP. This had led to a temporary decrease in violence in Waziristan, but clashes continued throughout 2008, and were particularly intense that autumn in Bajaur Agency and in Swat. Large numbers of people fled Bajaur as a result. In September 2008 a group of tribal elders began raising an anti-militant *lashkar* (local militia) in Bajaur, but a concerted series of militant attacks on tribal leaders aligned with the Government greatly undermined the localised anti-militant movement.

2.4.3 Militants reach Buner and military counter-offensive

In late 2008 and early 2009, the Pakistan military focused on Bajaur Agency, and by 1 March had declared victory over the militant groups there. Meanwhile, the militants continued extending their control of the Lower Dir and Swat Valleys of KP, reaching Buner in early April 2009. The Pakistan military then launched a major offensive in Swat and Dir, and by 14 June 2009 claimed to have pushed the militants entirely out of those valleys.

The heavy fighting that took place in April and May 2009 created a humanitarian crisis, with over 2 million people fleeing their homes. Many opted to stay with relatives elsewhere in the region, significantly increasing vulnerability among non-displaced host communities too. In June the military continued into South Waziristan, where a campaign against the TTP was undertaken and completed in early 2010. This too led to substantial displacement.

A significant military presence remains in both areas.

2.4.4 The gender aspect of crisis

Traditional community decision-making bodies tend to be constituted of men, and the channel for women's voice in these forums is mainly through their husbands (although some cases cited of older women leading extended family *jirga* suggest opportunities for greater voice exist).

Gender dimensions of the crisis fall into three main areas:

First, young men and boys are more vulnerable to recruitment by militia (and criminal elements) when they are unemployed or under-employed than are girls and young women. Out-of-school and illiterate boys and young men are even more vulnerable, due to lack of alternative employment opportunities. Some interventions must therefore specifically target this sex- and age-specific group in the population. Second, militant propaganda not only targets men but also sometimes women, to generate their support both in material ways and in encouraging their sons to join militia. While not all women who responded to such propaganda were illiterate, high levels of illiteracy (97% in FATA; 67% in KP) and trust in teachings of religious leaders contributed to the considerable and active support mobilised from women (as well as men) by militant groups.

Militants particularly targeted girls' schools, resulting in disruption of basic education and undermining progress being made towards reducing the gender gap in education. In these dangerous times especially, community consultations calling for efforts to bring education closer to home, support functional literacy training and other measures to address barriers that inhibit girls' and women's access to schools and training need to be urgently headed.

Third, poverty as a radicalising factor has gender dimensions. While male employment is a critical factor in securing household livelihoods, women's participation both in agriculture-related activities and in home-based production / cottage industries also contributes to food security and minimum survival. Tightened restrictions on women's mobility and interaction with non-family members have destroyed part of this security margin, particularly where income used to come from farm-gate sales to traders (in Swat, for example). This has resulted in many cases in mothers encouraging their sons to accept militant incentives. The needs assessment has therefore taken care to ensure that women and girls are not excluded from interventions aiming to increase livelihoods and income earning opportunities. The cultural context necessitates separate measures for this in most cases.

Community consultations, irrespective of sex of respondents, highlighted widespread perceptions of inequities and exclusions in access to government support services, often linked to corruption affecting decision-making concerning rights and benefits related to justice, social protection, appointments to official posts and development aid. The poor and vulnerable groups (including women) are often very conscious of lack of access to services and benefits to which they have rights. The resulting lack of trust is a critical crisis driver.

2.5 Key drivers of crisis

In broad-based consultations across KP and FATA, political, economic, security and geo-strategic, and social drivers of this crisis were discussed. These are the findings:

2.5.1 Political drivers

There is broad consensus, in both track 1 and 2 consultations, that substantial failings in governance and rule-of-law, and state failure to protect basic citizen rights are the major structural causes of crisis across the region. These deficits are particularly acute in FATA and the PATA districts of KP. They perpetuate a historical experience of disenfranchisement, alienation, corruption, poverty and under-development, and facilitate conditions of lawlessness, insecurity and extremism.

Following the end of colonial rule in the Indian subcontinent and the creation of Pakistan, the administrative system for the tribal belt remained distinct from the rest of the country. In FATA broad authority remained invested in Political Agents responsible for administration through negotiated treaties with individual tribes. Today much of the administrative and judicial framework for FATA is largely the same as in the colonial era. Track 2 consultations cited the challenge, if not

impossibility, of building effective governance within a system that concentrates such broad authority in Political Agents. Citizens have no voice. The system is unaccountable, lacks transparency, and is often characterised by high levels of misuse of funds for vested interests and personal gain. This point was also made directly by representatives from the civil administration.

In KP as well, consultations widely cited a fundamental lack of trust in the capacity of existing institutions to equitably deliver services and address needs. Ineffective and incomplete reforms of provincial and local government structures have further weakened the civil administration. A weak regulatory environment and lack of enforcement discourages investment and impacts on growth and employment as well.

The pervasive and persistent governance deficits have created a broad political space for the militant groups to exploit, presenting themselves (successfully in some areas) as a viable alternative to the state, able to provide rapid administration of justice in particular and, to a lesser degree, administration of other civil needs.

The emergence of extreme interpretations of Islam has also contributed to reshaping the region's political landscape, allowing ascendant proponents of this view to gain popular support in the political sphere and as an alternative to the state. Politicisation of religion has been systematically used as a basis for division both within and outside Pakistan. In the former it has been used to maintain control or weaken opposition through secular-religious political alliances and strategic use of religious authorities to advance political interests where convenient; in the latter, to influence developments in Afghanistan and Kashmir through the cultivation of ideological educational and institutional hubs linked to militancy. The exploitation of religion for political ends, therefore, remains a primary driver of the crisis in the northwest of Pakistan.

Lastly, a strongly perceived marginalisation of KP/FATA citizens within Pakistan has also contributed to a broad sense of alienation in the northwest region that is skilfully manipulated by militants to broaden their support. Consultations made constant reference to citizens' lack of voice, minimal avenues for participation and inadequate involvement of civil society in public affairs. The resulting lack of trust between the state and its citizens is thus both a symptom and a cause of the crisis. Thus, in the objective of building peace, it is vital to build the effectiveness and responsiveness of the state and enable civil society to participate in local governance.

2.5.2 Economic drivers

Longstanding economic deprivation, weak human development indicators, and acute disparities with national standards have created an environment in both KP and FATA that is very much conducive to opportunistic exploitation by militant groups. It enables them to contextualise their appeals for popular support and recruits in the nomenclature of opportunity, social justice and equity.

Economic opportunities are limited for all population groups in FATA and KP. Most of those employed in FATA must leave their home areas to go elsewhere within or outside Pakistan, for work. This has serious social impacts, weakening resilience to militancy. Young men (aged 15-29) in particular lack access to capital and other avenues to productive livelihoods. The region hosts among the largest demographic segments of unemployed young men in the country; this base of young men has been exploited as the most critical human resource pool for rank-and-file militants. In the absence of substantial, competitive economic alternatives, financial incentives provided by the TTP and other militant groups sway many of those remaining. As illustrated in the table below, the stipend for a legal, well-paying unskilled job is as much as half as much as the typical militant stipend.

Table 1: Income Comparisons for Young Men²³

Economic Activity	Income (Rs)	Income (\$)
Militant stipend (monthly)	15,000	176
Suicide attacker payout (sum)	500,000	5,882
Unskilled labourer (monthly)	6,210	73
Tribal levy/paramilitary (monthly)	3,500	41
Police (monthly)	8,000	94

Economic stress not only boosts militant recruitment, but also participation in illicit livelihoods, including drug, arms trafficking and other criminal activity. The illicit economy in FATA and KP has developed into a thriving criminal industry which has fragmented society, funded militancy and further degraded the security environment. The pursuit of illicit livelihoods, the paucity of the effort to counter these, and the consequences this unregulated environment has on discouraging legal alternatives has been – and continues to be – a key driver of the crisis.

FATA consistently ranks lowest in Pakistan across key human development indicators in health, education, water-sanitation and other critical areas, and KP follows not far behind. This is even more dramatic when indicators are disaggregated by gender. There is a broad-based awareness of the region’s acute development disparities with the rest of Pakistan. The absence of visible progress and perceived lack of interest by both local and federal government in redressing this contribute to widespread lack of faith in government institutions. This creates opportunities for militant groups: they are known to frequently contextualise their calls to violence and popular recruitment in the language of redressing the substantial disparities which persist. It also enables them to present themselves as an emerging alternative to the state through direct and indirect provision of services.

²³ Systematic summaries for rates relating to militant rates of payment are not available. The figures are based on feedback from communities and other key stakeholders during consultations.

Table 2: Selected Development Indicators for Pakistan, KP, and FATA

Indicator	Pakistan	KP	FATA
Literacy rate	56.2%	49.8%	17.4%
Literacy rate (Female)	43.6%	31.7%	3.0%
Population to doctor ratio	1,226	4,916	7,650
Population per health facility bed	1,341	1,594	2,179
Access to clean drinking water	86%	58%	43%
Roads (per square km)	0.26	0.13	0.17

Sources: Pakistan Federal Bureau of Statistics; CSIS FATA Report.

The economic disparities between the region and the rest of Pakistan, and lack of adequate employment, point towards important peace drivers in the context of PCNA. A responsive and effective state which is able to provide basic services, meaningful employment and means of livelihood thus is an essential prerequisite to building peace.

2.5.3 Security and geo-strategic drivers

The crisis in KP and FATA is also rooted in the overall dynamics of the region.

Afghanistan

The permeability of the Afghanistan-Pakistan border, and the socio-cultural commonalities of the populations on either side, facilitate the regular movement of militants between the two countries. This consequently results in comingling of extremist ideologies and violent capacities. The approximately 2 million refugees still in Pakistan are another pool of young, unemployed individuals, many of whom have been educated in *madrassas* that espoused a militant, *jihad*-oriented version of Islam. Some are or are accused of fomenting unrest in Pakistan. Increased counter-insurgency operations in Afghanistan often lead to greater numbers of Afghan-based militants seeking refuge in Pakistan: the regular movement of militants between the two countries makes it difficult to address militancy on either side as an independent phenomenon.

International powers and international challenges

As a result, NATO countries, notably the US, increasingly address engagement with Pakistan as a part of a geo-strategic Afghanistan-Pakistan policy, making regional geopolitics an inextricable part of the crisis in the northwest frontier region. This is further exacerbated by the radicalizing consequences and support for insurgency that result at times from aerial attacks on militants that result in civilian casualties. The challenges are trans-border: militant groups financially sustain the insurgency from a variety of domestic and international sources: charitable fronts, diverted remittance flows and the proceeds of criminal activity in both Afghanistan and Pakistan. Inadequate capacity of public security organs and financial oversight institutions has made it even more difficult to interdict these sources.

The complex geopolitics and diverse strategic priorities of the various international powers also have substantial impact on the security and political dynamics of Pakistan's northwest frontier region. The widespread perception in Pakistan is that the many vested and competing interests by external states are not in the interests of peace in the region.

Civilian Security

At the community level a widely perceived sense of insecurity persists. Government security forces in both KP and FATA are lacking capacity and broadly viewed as underfunded, poorly trained and ill-equipped to maintain law and order and oversee the substantial security undertakings required in the region. The persistence of corruption and linkages to militants further undermines community-level trust in the police. Both Track I and II consultations clearly highlighted the perception of the security forces as ineffective and suffering from lack of trust. The absence of effective policing and civil security has created a space for militants to exploit – again, they successfully gain support by offering themselves as a more effective alternative to the state, in this instance through the provision of security and “speedy justice”.

Military Action

Military operations to tackle insurgents tend to be undertaken without consulting affected communities, and leave a security vacuum in its wake which the civil administration cannot fill, requiring a prolonged military presence, a military necessity unpalatable to all. The recognition it is due for its widely publicised and very effective relief and disaster response efforts is being lost to this oversight in basic community-military relations. Strained relations contribute to support for militant groups. Gaining the trust of the local communities of the region must become a State priority to turn the tide of militant support and bring about peace, and a quick and orderly return to civil administration.

The devastation caused by drone attacks, and the inability of communities affected by them to fight back other than through support for militancy is also a very significant conflict driver.

So Pakistan's military operations in KP and FATA present a dilemma: on the one hand the need for military forces to tackle militants was widely acknowledged; on the other, operations and their aftermath continue to generate resistance and animosity. Track 2 consultations pointed to the need for the military to coordinate better with tribes and communities in advance of military operations, and to mitigate the damaging effects of destroyed infrastructure, civilian deaths and injuries, and the repeated impositions of curfews and other restrictions.

2.5.4 Social drivers

Breakdown of the established social order and of traditional forums and processes in FATA and KP has created space for the emergence of new, younger, radical leaders and groups. This has been accompanied by the rise of extremist interpretations of

tenets of religion that are alien to the region, and is fuelled by low levels of literacy and education and propagation by extremist *madrassas*.

Education

Lack of access to education, the radicalising influence of distorted curricula in some *madrassas*, no agreed standards for non-state schools generally and poor enforcement of registration requirements for education establishments are all viewed as integral structural drivers of the crisis in KP and FATA. Track 1 consultations routinely cited the critical importance of education in the overall context of the crisis and drew attention to the need for women and girls also to be educated. Communities viewed the high levels of illiteracy stemming from lack of access to education as a major contributor to the vulnerability of populations to the rhetoric and predation of extremist elements. Unregistered, extremist *madrassas* are a broadly cited dimension of extremism in the northwest frontier region and were widely viewed by communities as a central platform from which militants draw recruits. It was also recognised that many *madrassas* adhering to curricular standards perform an invaluable social function where there are no schools or for families unable to afford education, and as such need consideration as part of the solution.

Forcible closure of schools further reduced opportunities to develop knowledge and skills that would help access work, and added to numbers of boys and young men with no productive activity, who were then recruited by militants. Illiteracy, combined with strong religious beliefs, has left the population – especially but not only women – very vulnerable to the distorted messages.

Social organisation

Over the last decade FATA and KP have witnessed a rapid shift in the social organisation of communities. In FATA, the traditional governance of tribal *maliks*, often hereditary and land-owning, functioning in concert with Political Agents, has largely collapsed; traditional processes and forums have eroded in significance and following, in no small part due to their ineffectiveness and corruption. At the community level, religious and other leaders able to attract supporters, have usurped *maliks* in the social power structure using various ideological, political, and monetary means. There has been a shift from the *mashers* (the dominant traditional power holders) to the *kashars* (the young, the poor, and those belonging to less powerful tribal lineages). This shift of traditional social infrastructure has taken place over several decades, with great acceleration during the post-9/11 era: since the beginning of the crisis many hundreds of *maliks* have reportedly been targeted and killed by militants.

The vacuum left by a rapidly changing environment of social governance has given ample opportunity to militants to assert their claims to leadership and promise effective and non-corrupt governance to communities. Junior level members of clergy with less or no significant command over tenets of religion, once at the margins of traditional decision-making processes and forums such as the *jirga* and

hujrah, have taken on more substantial governance roles across communities. At the same time, these traditional forums have eroded in significance and influence.

2.6 Peace building priorities and crisis drivers

The Framework of Strategic Priorities (below) distils the information from the crisis analysis (above) into manifestations and drivers of crisis. Interlocutors were also asked for their recommendations and commentary on the most fundamental characteristics of the peace that they envisioned, and the conditions necessary to build that environment. These are summed up in the framework under “effects sought”. The 4 strategic objectives were developed by ‘joining up of the dots’: the peace building strategy that follows in chapter 3 is the recommended path between the manifestations of conflict and those effects sought; the *way* by which the Government can deliver peace to FATA and KP. The 4 strategic objectives are the paving stones – each is needed to arrive safely at destination.

Figure 4: Framework of Strategic Priorities

STRATEGIC FRAMEWORK OF PRIORITIES DERIVED FROM THE CAF

Crisis manifestation	Crisis driver	➔ Effect sought
A Perceived deficits in state insitutions: - governance - capability - participation - responsiveness	Has created a lack of trust in state which has been exploited in militant rhetoric	1 Trust in state restored Effective state apparatus Accountable insitutions Equitable and transparent state institutions and decision-making Strong civil society able to hold government to account
B Insufficient rule of law: - inability by state insitutions to address insecurity - lack of access to justice - FCR, human rights	Opportunity seized by militants for violent transformation	2 Security: trust in Government commitment and ability to protect citizens Funded, equipped, trained professional law enforcement agencies
	Inequities feed the militants' social justice justification for conflict	3 Access to fair and speedy justice
C Political and adminsitrative system inefficient / unfair / unrepresentative / outdated in FATA/PATA	Idem	4 Constitutional, political and judicial reform in FATA/PATA: consultively define a fair and effective governance system that meets the needs of all
D Community cohesion negatively affected by: - social infrastructure destroyed (worsened by displacement) - realignment of power in favour of junior representatives of religion - loss of many tribal elders	Communities vulnerable to militants' messages	5 Cohesive, peaceful, participating communities
➔ PCNA Strategic Objective no.1: BUILD RESPONSIVENESS AND EFFECTIVENESS OF THE STATE TO RESTORE CITIZEN TRUST		
E Frustration at absence of employment opportunities (demand) combined with low literacy and skills (supply)	Government is perceived as either failing to, or uninterested in , restoring and improving livelihood options: militant recruitment opportunities become the only option	6 A vibrant, legal economy Employment opportunities Availability of training, vocational education, promotion of literacy Economic growth support strategies Investment
F Illegal economy	Spawns corruption, lack of transparency, no investment	Legal economy, revenue, enforcement of interdiction on illegal activities
G Inadequate livelihood opportunities (exacerbated by conflict and displacement)	Militant exploitation of perceived failings and militant recruitment opportunities become the only option	7 A revitalised agriculture and livestock based-economy Livelihood support, credit, inputs, expertise
➔ PCNA Strategic Objective no.2: STIMULATE EMPLOYMENT AND LIVELIHOODS OPPORTUNITIES		
H Poverty, lack of development, marginalisation, exclusion, vulnerability	Inequities feed militants' social justice justification for conflict	8 Improved provision of basic services in line with rest of country Social protection
➔ PCNA Strategic Objective no.3: ENSURE DELIVERY OF BASIC SERVICES		
I Distorted religious messages and inducement to support conflict	Illiteracy and isolation from diversified views and information increase communities' vulnerability to militants' messages	9 Diverse, open, tolerant, forgiving society Educated, tolerant society Availability of multiple sources of diversified information Peaceful, informed society able to discuss and share diverging views
J History of conflict	Risk that cycle of conflict and revenge continues despite efforts to address drivers	Communities involved in design and implementation of government peace-building efforts Post-conflict reconciliation
➔ PCNA Strategic Objective no.4: COUNTER RADICALISATION AND FOSTER RECONCILIATION		

2.7 Crosscutting issues

The purpose of crosscutting issues is to bind a strategy together from the viewpoint of one or more particular themes. This ensures that a theme of relevance to the entire strategy is reflected throughout, consistently. It ensures too that contributors with different fields of expertise are guided to look at their area through a particular

lens, thus leveraging on each field of expertise to deliver results in the crosscutting theme as well.

In the case of the organisation of the PCNA around 4 strategic objectives with assessments carried out in 9 sectors, crosscutting issues were of particular importance to ensure that the focus remained constantly and explicitly on the agreed outcome: peace. Peace building and sensitivity to the dynamics of conflict is, therefore, first crosscutting theme.

Because of the extreme marginalisation of women and girls in FATA and KP, and their very restricted ability to contribute fully to peace building, and because there is no 'positive peace' – full, sustainable peace – when half the population cannot benefit, the second crosscutting theme of gender is fundamental to the PCNA.

Thirdly, stakeholders have overwhelmingly pointed to deficits of capacity, individual and institutional, as a crisis driver, and as a challenge to peace building. Without addressing weaknesses in this field, building peace will be hard; sustaining it will be doomed to failure.

Each sector assessment, and the strategy building effort drawn from their findings, was supported by advisers in these three crosscutting areas.

2.7.1 Peace building and Crisis-sensitivity

The PCNA process, from the early phases of its design, ensured that peace building and crisis sensitivity were the driving lenses in the design of all recommended interventions, and that these were tailored to avoid further exacerbation of crisis and to maximise peace dividends. This approach took into account detailed analysis of crisis drivers and ensured their linkage to PCNA recommendations. The overall strategy also seeks to provide guidance to future implementers to minimise negative impacts and reduce the risk of crisis relapse through crisis-sensitive design of intervention and mitigation strategies

The peace building and conflict-sensitivity crosscutting contribution ensures that the interventions recommended are considered from a process perspective as well as from a final results angle. Inclusiveness and participation are key means as well as objectives. Enhancing civil society and state institutions familiarity with participatory approaches, for example, delivers better programming and builds bridges between constituencies—the process itself becomes a driver of peace.

A crisis-sensitive approach entails considering the impact of recommendations on the crisis, but also the impact of the crisis on the delivery of those recommendations. The military operations are not over, which complicates peace building. There is no right time to start addressing the causes of crisis with a view to overcoming it, so it is laudable that the Government has committed to doing so. Through endorsement of the recommendations, the PCNA commits to directly engage with the crisis drivers that have impacted on the lives of its citizens,

providing incentives for peace, disincentives for violence and robust support for reconciliation. Trust levels are low: decisive and clear Government leadership is needed at all levels. Engagement with the military will also be critical. Without this, the proposed strategy will not succeed in its entirety.

A conflict-sensitive approach also guides the PCNA away from overextension. Feasibility and pragmatism have guided the development of the recommendations; these can be achieved in 30 months. But, unmet expectations can be an important crisis driver: the PCNA recommends a strong and sustained communication effort by the government to mitigate associated risks. Careful consideration must be given to realistic delivery timeframes, and communication of Government intentions and plans must be very carefully balanced with evidence of change.

Considering risks inherent in each intervention and in the combination of their effects, planning mitigation measures is critical to success. Some mitigating measures may be in the approach employed, such as careful sequencing or pilots in areas of lesser risk, others will be in ensuring that capacity, for example, is adequate to carry out the task, and that expectations are realistic.

Peace building actively looks for opportunities where others may see threats: steps to achieve the PCNA vision, even if to be delivered over 10 years, must start now with for example, very sensitive but fundamental topics such as reforms in FATA, or, as another example, with robust actions to end corruption within the government administration.

The design, substance and implementation of interventions in this report is an integrated strategy: each element might produce some benefit, but it is the sum of the parts that delivers peace.

2.7.2 Gender

Gender has been mainstreamed as far as possible in all sectors within the Pakistan PCNA process. Attention was paid to ensure that both women and men participated in stakeholder and community consultations during the crisis analysis phase, and that gender dimensions were considered in the needs assessment phase.

Militant propaganda has paid particular attention to reinforcing barriers to women's mobility and other freedoms, not only by forceful promotion of extreme segregation practices but also by playing on sensitive *Pakhtun* cultural values concerning honour and using rhetoric about external attempts to pollute *Pakhtun* religious and moral values. Any initiative promoting women's active participation or benefiting women in any way is transformed by such rhetoric into something from which women's honour must be protected. This places a particular constraint on approaches to include women and address their needs, which must be done in ways that are seen to respect *Pakhtun* values and religion.

The necessity of seeking mechanisms to ensure women's participation; access to information about recovery and reintegration resources; benefit from support services; and reflection of their perceptions of needs and priorities, is underscored within the discussions in the sector reports, the sector TRFs and the main PCNA report. A critical component of all such mechanisms will be to ensure that every effort be exerted to identify ways in which women can be trained and appointed, or at least supported, by service delivery systems to serve as an interface with women in communities, especially but not only in FATA.

Particular attention will be required when translating the PCNA into specific interventions to ensure that necessary components address the gender issues identified in the needs assessment, and make allowance for specific conditions necessary for enabling an acceptable interface between services and female target groups. In so doing, attention to countering "western conspiracy" rhetoric will be essential.

2.7.3 Capacity development

Sector reports confirmed comments made in stakeholder consultations that capacity is weak across all sectors of the PCNA: this has contributed to the crisis. Its address is essential for effective peace building. Capacity constraints in the provision of public services, the governance structure, civil society and the private sector to create jobs must be tackled to fully address the drivers of crisis.

Capacity is defined in this PCNA as the ability of individuals, organisations and institutions to perform functions effectively, efficiently and sustainably. A holistic view is taken that includes individual knowledge, skills, and motivation, as well as organisational processes, procedures, and resources that function within an institutional framework of policies and laws, all of which strive to achieve societal goals. Capacity is not abstract; it is the ability to undertake specific tasks to accomplish goals. Sector reports address capacity holistically, covering areas such as reforming laws and policies, developing new processes and procedures. Capacity development is far more than training.

It is critical to conduct capacity gap assessments immediately at the beginning of the PCNA implementation phase so that appropriate capacity development strategies can be designed. These will necessarily be phased: implementation strategies will need to take limited capacity into account and look at ways of using less qualified human resources that are available locally, and providing on-the-job skill development in order to meet service delivery needs.

Of critical importance with regards to capacity development is the issue of the implementation modality for the PCNA itself. In the short-term, capacity can be augmented by technical assistance and/or supporting structures. However, over the medium to long-term such parallel systems deplete capacity. Great care needs therefore to be taken in balancing short-term impact requirements with the influence of the delivery modalities on capacity and capacity development.

3. PEACE BUILDING STRATEGY

3.1 Introduction

As explained in Chapter 2, the framework of strategic priorities, drawn from the crisis analysis, sets out 4 strategic objectives that together will assist the Government of Pakistan and its people to realise the PCNA vision.

The four Strategic Objectives (SO) are:

1. Build responsiveness and effectiveness of the State to restore citizen trust
2. Stimulate employment and livelihood opportunities
3. Ensure delivery of basic services
4. Counter radicalisation and foster reconciliation

The recommendations, in the form of outcomes (to produce) and outputs (to deliver to produce the outcomes) to meet these objectives are selected because they address the crisis drivers; they can and must be carried out sensitively to seize potential peace building opportunities *in the process* as well as in the final outcome. The three crosscutting themes of crisis-sensitivity, gender and capacity development enable this.

In addition the following principles have also guided the development of this strategy and must apply, also, in its implementation:

a) *Human Rights*

Peace and security, development and human rights are interlinked and mutually reinforcing. This strategy is underpinned by a rights based approach to effectively tackle the marginalisation of the inhabitants of FATA and KP. Such an approach transforms the individuals from objects of charity into subjects and actors of change with rights, entitlements and duties. Core human rights principles have guided the PCNA process and must permeate the implementation of activities. These principles include empowerment, non-discrimination, consultation and participation, access to diversified sources of information, transparency, accountability and addressing impunity. This approach will also help foster reconciliation.

b) *Access and Equity*

The State must strive to provide equitable and affordable services to all, irrespective of language, tribe, gender, religion or any other factor, which, in addition to reducing vulnerability (SO3), will contribute to stability in these communities. This will also counter militant propaganda (SO4) that claims to deliver speedier justice for example, but omits to mention that these services it improves are not necessarily available to all (such as education for girls).

This state responsibility for access goes beyond delivery of services and social protection; the State also needs to ensure that the inputs needed to grow the

economy (energy, transport, infrastructure, security, a regulatory environment, (SO1 and SO2)) are also provided efficiently, cost-effectively and gender-sensitively.

In order to convince local people of their commitment, the GoKP and FATA Secretariat must ensure that changes and access are visibly improved at the local level.

c) Community Participation

Increased community participation in planning and implementation of interventions, combined with an increased sense of community share in the ownership of service facilities and community infrastructure will strengthen visibility of state concern for the people and hence rebuild trust in the Government (SO1). Strengthening community participation in service delivery, along CDD²⁴ principles, also opens opportunities for building greater social cohesion within communities (SO4).

Establishing civic oversight mechanisms to address corruption and mismanagement by the state is critical for the efficient delivery of basic services and for encouraging investment into the region (SO1 & SO2). Such mechanisms must make allowance for the special requirements that are a pre-requisite for women and girls to access services, as well as take into account the generally low levels of capacity in these areas. New systems and legislation will need to be developed to strengthen accountability and transparency of all state services, including security (SO1).

d) Communication

The State needs to improve its communication to communities so that they are more aware of available services, assistance packages, grants, credit, technical assistance and informed of ways to access them (all SOs). This is part of their rights. Past failure has fed perceptions, not necessarily founded, that large development budgets available to them have passed them by. The upshot is distrust and the sense that the state is not interested in public needs.

Centralised information collection and dissemination is required (SO4), including for grievance redress (SO1). Development of ICT²⁵ could help (SO1 and 2), but most critically the government must develop a comprehensive information strategy drawing on the different strands of the PCNA (SO4). This should include communication of commitment and values, planning of the approach, level and timing of the communication of the PCNA themes (such as mechanisms for greater participation), the sequencing of interventions, as well as develop targeted messages for specific audiences on local priorities and alternative approaches (such as child-to-child, SO3).

²⁴ Community-driven development: approach focuses on channelling the flow of information and funds between communities and formal state institutions. Communities have a high involvement and oversee priority aspects of post-conflict development engagement.

²⁵ Information and Communication Technology

e) Coordination

Sector assessment and the PCNA strategy development have been informed by Government and other development strategies, such as the FATA Sustainable development Plan, Malakand Strategy and other national and international humanitarian, recovery, disaster response and development programmes. Coordination of the recommendations proposed with other initiatives is essential during implementation to foster synergies and economies of scale.

f) Implementation

The implementation of the strategy will likely require the set up of new structures and/or organisations and teams which can ensure timely implementation, monitoring and transparency and overcome low absorbcency capacity in KP and FATA. Oversight and policy-level committees headed by very senior members of government must also be constituted for effective implementation. This is addressed in Chapter 4.

Flexibility is emphasised to allow for adjusting to evolving events. Reliable, frequent and close monitoring will be essential for early decision-making and risk management.

3.2 STRATEGIC OBJECTIVE 1: BUILD RESPONSIVENESS AND EFFECTIVENESS OF THE STATE TO RESTORE CITIZEN TRUST

3.2.1 Rationale

Citizens in KP and FATA question the legitimacy of public institutions due to the high levels of perceived corruption, arbitrary use of discretionary powers (especially in FATA), poor basic service delivery, and mismanagement of state resources. At the community level, widespread perception of state disinterest and lack of responsiveness, along with feelings of disempowerment and inability to affect state decision-making, are compounded by a widely felt sense of insecurity and lack of justice. Militants have effectively exploited the rule of law vacuum and the demands for swift justice, generating significant revenues from the illicit economy and positioning themselves as an alternative provider of security and justice for local populations. Communities have, therefore, become more vulnerable to supporting violent transformation as an alternative to 'more of the same'.

The GoKP and FATA Secretariat are thus faced with the difficult task of building public trust from a very low basis in some areas. In the initial peace building phase, the state's ability to achieve legitimacy will thus rest on popular *perceptions* as much as on the *performance* of the various government departments in delivering services, including security and justice. Hence the strategy needs to focus on greater government openness to citizen scrutiny and a dramatic increase in responsiveness to community concerns.

The vast majority of FATA residents and Track 2 interlocutors strongly emphasized the desire to participate in public life, and address injustice and impunity. They identified the lack of clarity (and in some respects absence) of FATA citizen rights, and resulting sense of alienation, as a key crisis driver; many see no way out of the crisis until all Pakistani citizens have equal protection under the law.

PCNA consultations identified lack of transparency and prevalence of corruption in public offices as reasons why people in KP and FATA mistrust the government and feel disenfranchised. The militants have capitalised on this feeling and present themselves as an alternative form of governance with higher levels of integrity. Reversing this situation would counter extremism and support peace building.

The crisis situation has weakened the ability of traditional governance structures to exercise power and fulfil citizen expectations. Some *jirgas* have been overtaken by militants, while all are reportedly under constant threat of attack if their proceedings are perceived to be "anti-militant"²⁶. Therefore, while people may be able to access 'quick' justice through these channels, the quality of decision-making is poor. In addition, the illegal economy has in some places dominated *jirga* proceedings.²⁷

²⁶ ICG and other reports estimate that the militants have killed more than 600 traditional leaders since the beginning of the crisis.

²⁷ For example, in **Bara** Tehsil located in Khyber Agency, a review in 2009 demonstrated that a significant majority of *jirgas* in session were adjudicating disputes over profits of illegal economic

Despite these issues – and others relating to inadequate inclusion, voice and representation of marginalised groups in society – the erosion of the tribal *malik* and *jirga* system combined with the difficulty to access the formal justice system has left a severe vacuum of governance and genuine civic engagement in the region. Whether elements of this traditional system can be restored and reformed or whether jirgas are fundamentally unable to conform to human rights safeguards contained in the Constitution of Pakistan and international human rights treaties is itself a highly contested issue. In order to ensure that the state is able to fulfil its obligation to protect the rights of citizens, the objective must be to ensure that all Pakistani citizens are included under mainstream governance and justice arrangements, and that any parallel systems do not violate their rights.

Broader criminal justice services are also deficient. There are delays in the disposal of cases, although in KP there is an independent criminal prosecution service with full-fledged Directorate under the Home department, while in FATA there is no independent criminal prosecution service. To the citizen, this system is not transparent and appears unpredictable, reinforcing the public’s reliance on extra-judicial dispute resolution. This weakness also invites militants to compete with the State in providing faster services. Inadequate provision of security has been a further integral dimension of the crisis. As mentioned in Chapter 2, military action to tackle insurgents tends to be undertaken without consulting affected communities, and leaves a security vacuum in its wake, which the civil administration and security institutions cannot fill with their present capacity.

The proposed immediate interventions therefore focus on the restoration of citizen-state relations: improving the enabling environment for the realisation of rights (such as political and judicial access); improved civic participation in decision-making and oversight; security; and better governance contributing to responsive administration and delivery of critical services.

3.2.2 Summary of recommendations

Table 3

	Outcome		Output
1	Political reforms in FATA and PATA respond to citizens demands	1	Immediate application of the integrated reform package which is ratified
		2	Consultatively develop and agree steps to further reform
		3	Develop communications strategy (part of a overarching communication strategy on peace building (SO4))
		4	Facilitate consensus-building and dialogue towards a decision on status of FATA
		5	Implement further phased FCR amendments
2	Legal/judicial infrastructure reformed and strengthened in FATA.	1	Specialised support in investigation and prosecution in aid of <i>jirga</i> deliberations
		2	Extend the jurisdiction of the Federal Ombudsman
		3	Introduce systems to enable access to justice for the most vulnerable
3	Legal/judicial infrastructure reformed and strengthened more	1	Rights-based (gender / HR) justice sector competency-based training systems/methodologies (incl. case management, Investigation and Prosecutorial Services) (KP and PATA)

activity, including the opium and hashish trade. International Crisis Group (2009) *Pakistan: Countering Militancy in FATA Crisis Group, Asia Report N°178* (21 October 2009)

	generally	2	Review of <i>Sharia Nizam-e-Adal</i> (PATA) in accordance with the Constitution
		3	Scale-up of the <i>Anjuman Musalihat</i> (community ADR ²⁸) system. (KP)
		4	Public awareness campaign (explanation of diversity of legal systems available and how to access them) (KP and FATA)
4	Improved governance	1	Multi-level government team on streamlining regional governance arrangements
		2	Approval of Local Governance Act (LGA); re-invigoration of the land issue discussion
		3	Capacity gap analysis followed by institutional and technical support to government entities
		4	PFM processes improved, including citizen voice
		5	Public planning, implementation and monitoring of service delivery enhanced
		6	Design and implementation of an information & communication strategy
5	Anti-corruption mechanisms are strengthened; greater transparency and accountability.	1	National Accountability Ordinance (NAO) finalized and covers FATA
		2	FATA: requirement for a running budget discussed, unaccountable practices are replaced with a phased and transparent revenue collecting system
		3	Safe opportunities provided to citizens to discuss corruption issues
		4	Government strengthened in anti-corruption capabilities: <ul style="list-style-type: none"> ▪ Relevant institutions re-established, staff trained ▪ Ombudsman's office has more visibility ▪ Committee clears selection of key positions in public service based on criteria /merit(KP and FATA) ▪ Decline in corruption verified in annual perception surveys and reversed trend established over time
		5	All-parties conference: agree national anti-corruption strategy including a Right to Information Act
6	Effective and professional state provision of public security and law enforcement.	1	Expert group tasked with a review of security and law enforcement requirements across the region (FATA and KP)
		2	Police investigation, intelligence and prosecution services and management processes are improved.
		3	Request military to consultatively develop of a domestic results-based application of civil-military doctrine
		4	Improved State-society dialogue on public security
		5	Urgently and consultatively develop and communicate a compensation strategy for human and material war-related damage
7	Strengthened relationship and trust between state, communities and civil society	1	Government commitment to greater engagement with civil society (participation and oversight of civil society in its decision-making, implementation and accounting) at all levels institutionalised in the new LGA and a key pledge in its communication to citizens. An alternative, gentler approach might be beneficial in FATA
		2	Provision of TA, capacity development and funding (KP and FATA) to civil society (technical) and to government (processes, mindsets)
		3	PGR established with presence of Ombudsman's office locally, staffed with male and female workers. (KP, FATA)
		4	Foster debate and discussion, starting with a 'public information and citizen dialogue mechanism', application Fol act to KP/FATA

3.2.3 Recommended areas of intervention

a) *Constitutional and political reform in FATA and PATA*

The need for fundamental reforms to ensure that all Pakistani citizens benefit from equal rights and protection under Pakistani and international law is of paramount importance to communities in FATA and in KP, as well as to track 2 stakeholders. Aspects of this, such as the need for constitutional reform and repeal of the FCR, apply to FATA only but the issue is considered seminal to all; many believe that

²⁸ Alternative Dispute Resolution

without constitutional and political reforms to protect citizens' rights, the crisis cannot be resolved.

Grievances have very explicitly focused on the imposition and abuse of “collective punishment” under the FCR, and the discretionary powers of the office of the Political Agent. The Federal Government announced a partial reforms package for FATA in August 2009, which won widespread agreement/support, but has to date failed to move beyond the drawing board. The reforms include:

- *Lifting restrictions on political party activity*: this would lead to greater political mobilisation and space to build consensus on further FCR reform and status issues.
- *Excluding women and minors from “collective responsibility” under the law.*
- *Establishing a full-time appellate tribunal*: at present, defendants do not have the right to legal defence. This tribunal would hear appeals against jirga/PA decisions.
- *Audit of funds received and disbursed in FATA by the auditor general*. All funds received in FATA are subject to audit by the Auditor General of Pakistan. However funds generated by the political agents locally are not covered or audited
- *Curtailing the Political Agent’s arbitrary powers of arrest and detention (including granting right to bail)*: Further, this will require an accused person to be produced before an Assistant Political Agent (APA) within 24 hours of arrest; the case must be referred to a jirga within 10 days, which in turn must submit findings to the political administration within 90 days.

Desired Outcome: Political reforms in FATA and PATA respond to citizens needs

Outputs:

- 1) Presidential signature enabling immediate application of the integrated FATA reform package.
- 2) Develop and agree steps to bring about further reform.
- 3) Design a communication campaign on proposed consultative process (as part of a strategic communication strategy addressing peace building in general (SO4)).
- 4) Initiation of broader public dialogue on future status of FATA and review of its governance system; facilitate consensus-building.
- 5) Further phased FCR amendments (starting with arbitrary arrest); abolishment under discussion.

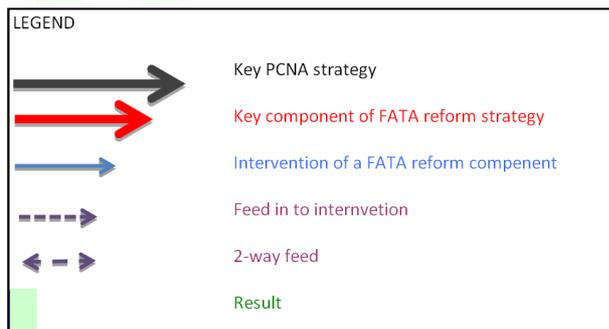
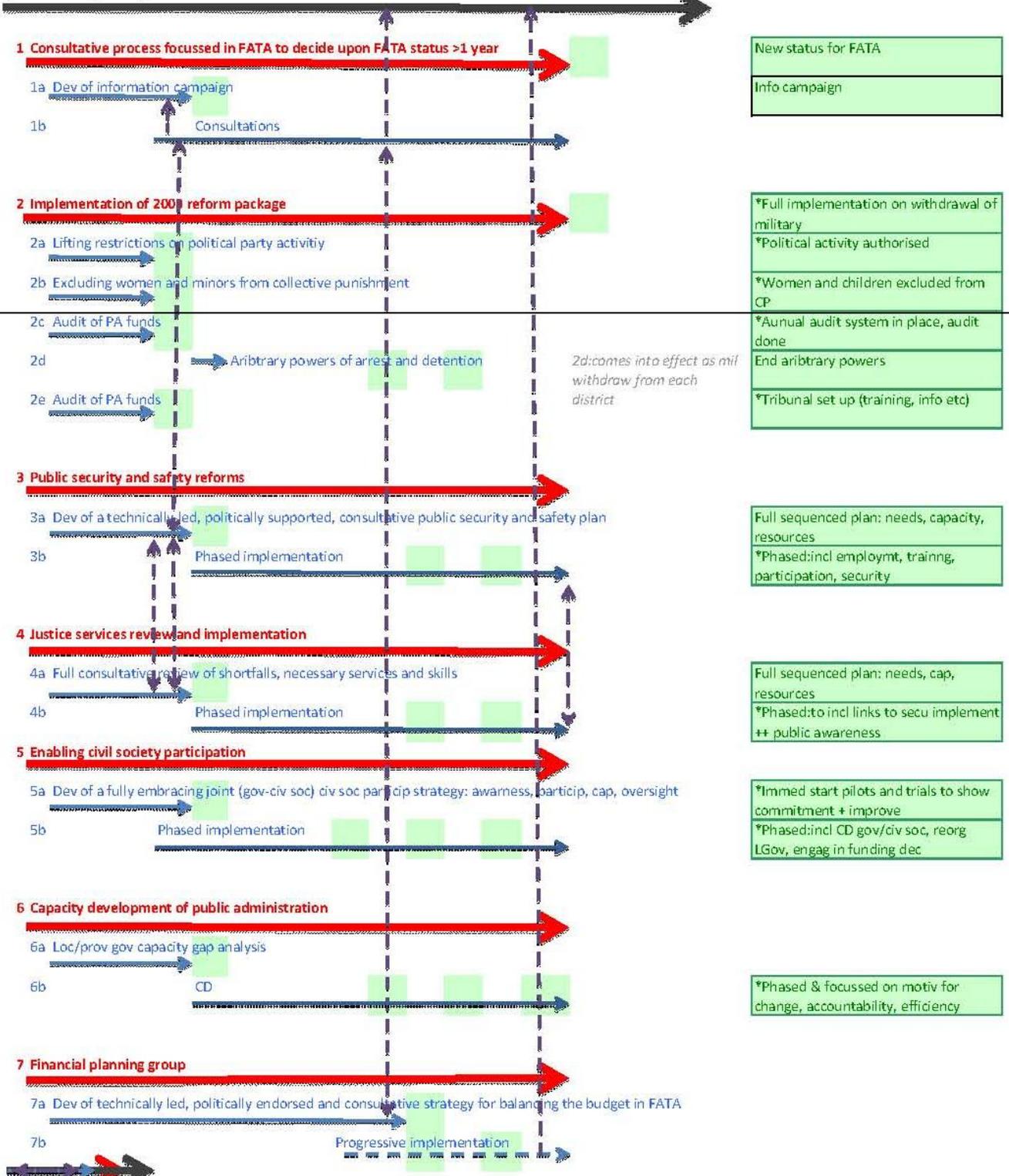
The speed with which the State moves to ensure that the package is implemented will be a demonstration that the highest levels of Government are committed to reform in FATA. The implementation of the package of reforms should not be stalled any further.

This needs to be accompanied by the launch of a longer-term process that leads to more fundamental reforms – the need for such a pragmatic approach is reinforced by both the challenges of comprehensive reform and lack of broad consensus on the overall nature of long-term political and constitutional change. There is a high degree of uncertainty among people on how they wish to be governed in the future (24% of persons interviewed were unsure whether FATA should be integrated into KP province, 22 % believed the status quo should be preserved, yet a year ago, 34% of the population opted for full integration of FATA into the KP province²⁹). Caution needs to be exercised against any impulse to jump to quick or seemingly obvious solutions for political reform in FATA. Any reform that is perceived by the people as being imposed is likely to fuel conflict rather than prevent it, and considering the low level of exposure to debate about alternatives it is strongly recommended that any final agreement on status include provisions for regular review.

Communication and evidence of strong government leadership will be needed to ensure that dialogue and debate are inclusive, and to assist the people of FATA as they develop their vision of a governance system. A similar process will be required for the PATA areas of KP. These interventions emphasise the need to engage people in a *process*, as much as ensuring the delivery of *products* in the form of public services.

²⁹ Understanding FATA 2009, Volume III, p. 43. These findings are supported by the results of the PNCA consultations in track 1.

PCNA-wide communications and information strategy (planned content, sequencing, timing to maximise peace building effect)



Box 1 above sets out a collated inter-sectoral proposal for reform in FATA. This is described in further detail in annex D. Seven key lines of activity are proposed as part of an integrated strategy that is itself an integral component of the Government peace building communication strategy. They address all of the issues of greatest importance to interlocutors in consultations, as well as recognising the requirement for FATA's progressive economic self-sufficiency to guarantee sustainability of the reforms.

b) *Access to affordable, timely and equitable justice*

The realisation of rights related to access to justice, effectiveness of remedy, fairness, right to appeal, impartiality and independence of the judicial process, is a very high priority for the people of KP (and FATA although in FATA there are legal barriers to these rights and so the focus there begins on removing these barriers first – see above). This also addresses a core element of the militant narrative that purports to dispense quick justice in an environment where this is often seen as lacking.

Across KP and FATA, there are differing legal systems with a varying mix of state involvement, reliance upon indigenous dispute resolution systems (*jirga*), customary (*Riwaaj*), and local interpretations of religious (*Sharia*) laws. Whatever their form, access to justice and legitimate dispute resolution are fundamental to stability, directing personal and political grievances into peaceful channels, and improving trust between citizen and state.

Approaches to improve access to justice are different in KP than in FATA reflecting their different legal and justice systems. In parts of KP where the formal court system applies, this needs to be improved so it works efficiently; this will entail strengthening the police, prosecution and judicial services. In FATA, which is dominated by informal institutions, notably *jirgas*, greater efforts need to be made to ensure that citizens are not excluded from the judicial protection enjoyed by other Pakistani citizens. The Government should ensure that the proceedings of any informal institutions that are allowed to operate in FATA comply with international human rights conventions as well as the rights enshrined in the Pakistani constitution. A more progressive approach is required that institutes appellate mechanisms, promotes inclusiveness and provides support for more effective functioning.

FATA and PATA

In FATA's 'unprotected areas', the local tribe is itself responsible for security, justice and enforcement of their *jirga* decisions. But *Jirgas* have, on many occasions, attracted criticism for elite capture, exclusion of the poor, women and marginalised groups, lack of accountability, failure to protect basic human rights and resistance to change. Efforts in support of fair decision taking may be beneficial.

In the short-term, in order to fulfil its obligation to exercise due diligence in protecting human rights, the Government must ensure that any *jirgas* that are

allowed to operate comply with the human rights enshrined in the Constitution of Pakistan and international human rights treaties. Measures to facilitate this could include a check on any irregularities within the *jirga* system, the speedy disposal of appeals against *jirga* decisions, a full time appellate tribunal and extension of the Ombudsman's jurisdiction to FATA. It is important that the structure and set-up of *jirgas* avoids the perpetuation of discriminatory social structures that become either vulnerable to or drivers of crisis, and that the constituency base for civic engagement and oversight is broadened over time. In addition, criminal cases in KP should be handled exclusively by the formal court system.

The FATA Secretariat could demonstrate its commitment by developing some quick, high-impact enhancements, for example, supporting the most vulnerable so that they can invoke the *jirga* without having to incur 'hospitality' expenses during deliberations. It could also provide more specialised support in investigation and prosecution, in aid of *jirga* deliberations.

In PATA, steps towards testing the legitimacy of *Sharia Nizam-e-Adal Regulations (2009)* should be taken. A review is recommended of both the substance and application of this law to ensure that it is in line with the Constitution of Pakistan and the fundamental rights it enshrines for all citizens.³⁰

KP

Parts of KP have a relatively developed legal system, and residents' fundamental rights (as laid out in the Constitution) are protected by a professional judiciary, which implements the regular criminal and civil procedural and substantive laws. The court system, however, is known for its delays, and the conviction rate is low due to inherent weaknesses in the court procedures, and prosecution and investigation services. To address these bottlenecks in the justice system, the GoKP should consider making prosecutorial services more accessible and effective by addressing the feed-through from police services to prosecution services. Rights-based institutional and staff capacity development in these fields to promote inclusiveness and is urgently required. Attention should also be paid to the informal dispute mediation role that the police themselves play. A thorough review and considerable improvement in the courts system are needed. In terms of the longer-term vision, the PCNA recommendations envisage an efficient and functional justice system that integrates the police, prosecutors and courts.

In support of these goals across both FATA and KP, awareness of rights and justice processes should be increased through legal literacy campaigns and targeted training, focusing on women and men in communities through structures such as the media, schools, colleges, *madrassas* and *imams*. Greater awareness and empowerment will enable citizens to approach government representatives directly with their concerns rather than through *maliks* acting as intermediaries. Such changes might move quite rapidly in KP, but would depend on evolution of reforms

³⁰ As against the norm, the law was not sent to the official Council of Islamic Ideology at the time of its promulgation, which expressed strong interest in a discussion of its effects on individual liberties. Council of Islamic Ideology (2008-09) *Annual Report of the Council of Islamic Ideology*

in FATA. Since most of these institutions are male-oriented, alternative entry points for engaging with women need to be identified and strengthened.

Desired Outcome: Legal/judicial infrastructure reformed and strengthened in FATA.

Outputs:

1. The state provides specialised support in investigation and prosecution, in aid of *jirga* deliberations, and preferably through the Levy Force (c.f. Khurram system).
2. Fast-track modalities developed that extend the jurisdiction of the Federal Ombudsman to FATA.
3. Systems are established to ensure barriers to access to justice for the most vulnerable are dismantled, notably through gender-sensitive legal literacy campaigns and development of options so that all can afford to invoke *jirga*

Desired Outcome: Legal/judicial infrastructure reformed and strengthened more generally.

Outputs:

1. Rights-based (emphasis on human rights and gender) capacity development of justice sector competency-based training systems/methodologies (KP and FATA) to include:
 - Case management improvement programme implemented (standards, staff trained, etc).
 - Investigation Services Programme and Prosecutorial Services Programme established throughout the regions.
 - Development of standards to include job descriptions, performance standards and evaluation, core training curricula and strengthening of relevant training bodies
2. A review of both the substance and application of Sharia Nizam-e-Adal Regulations (2009) to ensure that it is in line with the Constitution of Pakistan and the fundamental rights it enshrines for all citizens. (PATA)
3. Government patronage is provided to help a comprehensive scale-up of the Anjuman Musalihat (community alternative dispute resolution) system. (KP)
4. Well-structured media public awareness campaign is rolled out (explanation of diversity of legal systems available and how to access them) (KP and FATA)

c) *Strengthening local government institutions*

Administrative reforms in KP and FATA are required to enhance the effectiveness of the state to deliver services reliably and equitably. The public administration system in the region covered by the PCNA is divided into four categories (i.e. the settled areas, FATA agencies, PATA, and the Frontier Regions), making it difficult for a weakened administration to operate consistently, efficiently and effectively throughout the region. Streamlining the complex web of federal-provincial and intra-provincial governance arrangements is critical. While requiring immediate attention, this should be approached incrementally in order to ensure that these structures respond to local needs.

Far-reaching reforms are needed to boost the capabilities of the administrative systems and to address identified risks to peace building. Adopting a community-driven development approach as a *modus operandi* under the local government act (LGA), and civil service reform are important instruments to achieve citizen voice and participation in planning, as well as transparency and accountability (more below). However, longer-term reforms are contingent on several externalities, not the least of which are constitutional constraints, the on-going crisis and a low base from which to commence dialogue on the required reforms.

Legislators (federal and provincial) have a crucial role to play in demonstrating change regarding state responsiveness and in institutionalising civic engagement and voice. However, access to information and capacity has been identified as a constraint. Support must be provided to parliamentary committees at federal and provincial levels to help legislators better understand their role and responsibilities in peace building; discuss options for reforms in the context of the PCNA; and build their understanding of the need for more civic engagement and oversight as an integral element of local government.³¹

Systems and structures

Effective and participatory local governance is critical for building both peace and gaining the trust of the citizens in the GoP, and for ensuring that government priorities are focused on the wishes of the electorate. The local government system in Pakistan has been in flux for some time. In order to clarify and strengthen the role of local government in KP, the provincial assembly must approve the LGA as soon as possible. For FATA, the role, capacity and powers of elected councillors must be clarified.

Public Finance Management (PFM)

Robust and accountable PFM is also a key element in the local government's ability to ensure efficient and transparent delivery of public services. In KP, the absence of linkages in most departments between sector strategies, multi-year development and recurrent expenditure estimates, and with other departments and programmes to benefit from synergies, translate into inefficient public expenditure. Such linkages

³¹ Please refer to the Governance sector summary in Chapter 4 for more specific suggestions on how to support parliamentarians.

could initially be implemented in some key departments during the peace building phase, with a full roll-out within 30 months to enhance the efficiency and effectiveness of the line departments.

In FATA, there is also a very pressing requirement to establish a PFM system. In the immediate, however, it is urgently necessary to improve the current system. Citizen participation and demands for greater accountability need to extend beyond FATA-residents in KP and beyond the Secretariat out into the Agencies and Frontier Regions of FATA itself.

To transform perceptions of poor responsiveness and to build trust, there is a very significant role to be played by civil society in KP in processes for transparency and financial oversight. Furthermore, clear channels need to be developed with civil society and communicated to the wider populace on the ways in which all people can communicate with their government and its officials.

Further benefits of community participation in public financial management include: (1) frictionless fund flow while minimising fiduciary risk; (2) strengthening the internal control environment, reducing the risk of financial misappropriation/corruption; (3) more reliable reporting of results; (4) transparent decision-making; and (5) more effective delivery of services.

One way to augment the consultative process is to devolve decision-making and budgeting to the lowest tier of the government (district) through the formal devolution process. This may well, however, take time. To date, development work is still the responsibility of provinces, and only salaries and payroll have been devolved to districts. This contributes to the feeling that the budget is serving the objectives of the few rather than the larger public interest. Therefore, there is an immediate need to involve communities in development work by introducing small community-based spending schemes. This can be achieved in a very short period of time and will not only instil a sense of ownership, but may also serve as a counter-radicalisation measure.

Reporting and Land Records

Reporting systems, information management and communication needs improvement in many areas, such as health and land records. Pilot projects could be designed, aimed at 'quick wins', which might then become integrated as part of the general system, and in turn deepen state effectiveness. In KP, costly civil and land disputes have resulted from a breakdown in the land record system and lengthy judicial process. Hence updating land records, including through the use of a computerised system, could be one of the Government's immediate priorities. This would address one source of corruption that has eroded the trust of the people in the state.

In FATA and PATA, there has never been a formal system of land records. Traditionally, property rights were known by the concerned tribes. If a court system is to replace the tribal *jirga* in handling land disputes, a more formalised land record

will be required. It is recommended that consensus-building take place among stakeholders on how to modernise the present system.

Civil Service

Good governance and improved delivery of services are not possible without a competent and accountable civil service. Criteria for ensuring merit-based and transparent selection of key positions within the public service should be developed. All recruitment procedures must include gender-sensitive considerations and ensure that more women are involved at all levels of the civil service. Additionally, civil service reform must focus on curbing corruption. Both the vigorous adoption of a far reaching e-government system, and a review of the adequacy of civil service salaries (particularly for lower grade officers) to cover living expenses could make a difference here.

Capacities of the public administration and civil society must be enhanced in the short-term for basic service delivery and stabilisation activities in KP and FATA. These capacities must relate to project design, contracting, monitoring, oversight and reconstruction policy management all underpinned by a rights-based approach. As emergency capacity is boosted, efforts must be made to transform these functional areas through selective and modest improvements in administrative procedures, IT, basic administrative reform and civic oversight, respectively. It is proposed that a capacity gap analysis be conducted in the first six months of the implementation phase, from which a capacity development strategy can be prepared. Suggested activities include initiating a programme to recruit skilled civil servants on incentive contracts into priority functional areas.

Desired Outcome: Governance improved to demonstrate state responsiveness to community needs.

Outputs:

1. Multi-level government team set up to lead consideration of streamlining the complex web of federal-provincial and intra-provincial governance arrangements, including maximizing the peace building effects from devolution.
2. Approval of LGA; re-invigoration of the land issue discussion: inclusion as part of discussions on FATA status; consideration of the benefit of piloting a records system in KP.
3. Capacity gap analysis followed by institutional and technical support to government entities (including FATA Secretariat, the FATA Development Authority, FATA councillors, and FATA Disaster Management Authority (FDMA), PDMA/PaRRSA) (KP and FATA), and possibly, review of salary structures
4. PFM processes improved (based on international best practice for output based budgeting) including more citizen voice. (KP and FATA)

5. Public planning, implementation and monitoring of service delivery enhanced, including through the selection and expansion of a high-impact and broadly accessed service. (KP and FATA)
6. Design and implementation of an effective communication strategy, including public dialogue mechanisms, which disseminate information (including in support of legislators) about existing government services and support systems, as well as appeal processes (see also SO 3 and 4).

d) *Corruption*

Corrupt behaviour, or the perceived misuse of office for private gain, has contributed directly to the crisis in KP and FATA, a view clearly expressed during PCNA consultations. Though corruption is a national challenge, the governance structures in KP and especially in FATA create a particularly conducive environment for the capture of state resources. Low levels of accountability and transparency in the region have contributed to the failure of the state to meet the basic needs of citizens while rewarding elites and compounding inequality. The GoP must therefore prioritise addressing corruption without delay. At the same time it should be appreciated that successful anti-corruption initiatives require systemic institutional and behavioural change, and will require much effort beyond the initial implementation period of PCNA recommendations.

Corruption is to a large extent driven by incentives and disincentives for abusing office.³² Measures to enhance transparency and accountability have the potential to reduce opportunities for corruption. These must be applied at every level and corruption pursued ruthlessly, starting from the highest level. Providing safe opportunities for citizens to discuss these issues is an important first step in raising men and women's trust in the state's ability to deal with corruption. Such feedback would provide the state with a practical guide to tackling corruption in its institutions.

Another driver of corruption is the state failure to interdict the flourishing illicit economy – the smuggling, trafficking, narcotics for which the border areas are now infamous: not only does this feed a downward spiral of weakening government writ (and pervasive corruption), it is also a big disincentive to the 'legal', long-term investment that the region needs so badly (to exploit its mining opportunities for example). Commitment translated into effective measures is needed to counter these activities combined with support for legal alternatives (see SO 2).

Invariably, the corruption that matters most to individuals is at the local level, such as the unofficial payments required to access services. Within FATA, the imposition

³² See UN HABITAT (2004) *Tools to Support Transparency in Local Governance* (Nairobi: Kenya), accessed at <http://ww2.unhabitat.org/cdrom/TRANSPARENCY/html/transpc.html>, which explains a formula whereby corruption tends to flourish when 'officials have a monopoly power over a good or service, unlimited discretion in deciding who gets that good or service or how much they get, and there is no accountability whereby others can see what that person is deciding'.

of a toll by the Agency administration is open to misuse. These tolls should be curtailed across FATA and the Federal Government should provide an adequate budget for the running costs of the Agency administration. Immediate steps to be taken are: 1) the strengthening and empowerment of the Governor's Inspection Team to undertake investigations and audit of all tribal agencies; 2) the deployment of an audit professional in each tribal Agency on deputation from the Auditor General of Pakistan (both addressed above).

Political will is necessary to back the overall effort to curb corruption. It is proposed that the National Accountability Ordinance (NAO), delayed by two years, is finalised as a priority. Its effectiveness should not be compromised in the draft Act stage to provide an escape route for political elites. The law should cover FATA and the President's approval should be obtained without delay. Over the longer-term, an all-parties conference should be convened to agree on a national Anti-Corruption Strategy that would also outline how to implement the Right to Information Act³³ to increase transparency and accountability.

Institutions such as the Anti-Corruption Establishment (ACE) are present at the provincial, and partly at the district, levels in KP, but should be extended to FATA as well. There should be at least one watchdog with primary responsibility for anti-corruption in FATA. In parallel, however, the Government should dedicate a taskforce to exploring why its existing institutions aimed at providing transparency in public spending, enhancing access to information, and prosecuting corruption remain weak.³⁴ Given the disappointing history of tackling corruption in the country to date, the contribution of informal institutions in fighting corruption needs to be enhanced considerably.

The Federal Ombudsman office enjoys high credibility, so is one of the few anti-corruption mechanisms that does appear to function well. The Federal Ombudsman handles almost 25,000 complaints against Federal Agencies like the Water and Power Development Authority (WAPDA), Sui Gas, the National Database and Registration Authority (NADRA) and others each year. No lawyer is needed, nor is any expense incurred, while the normal period of complaints redress is less than six months. In the short-term, the KP government should be supported in its current process of approving the law for the creation of a provincial Ombudsman. It is also important that the jurisdiction of the Federal Ombudsman is extended to FATA (see above) as a priority so that the people of FATA are not denied the benefits of such an institution. Since its visibility to the people is low, public information campaigns are needed to explain its functions and effectiveness.

³³ 19A. Right to Information. "Every citizen shall have the right to have access to information in all matters of public importance subject to regulation and reasonable restrictions imposed by law".

³⁴ These include the National Accountability Bureau (NAB) created under the National Accountability Ordinance, the Public Accounts Committee (PAC), Competition Commission (CC) and the Public Procurement Regulatory Authority (PPRA). A body of legislature and national strategies (e.g. National Anti-Corruption Strategy and Anti-Corruption laws) set the legal and political framework in which these organizations operate.

Reforming the civil service and achieving higher levels of integrity among the civil service is crucial to restore trust of citizens, and for effective service delivery. Merit and transparency in the public sector need promoting, as well as strengthening of court-based and administrative justice mechanisms. Increasing the demand for good governance, and raising the capacity of civil society and assembly members to fulfil (financial) oversight functions, is essential for this to happen.

Corruption is also an issue to address in traditional governance structures, through different instruments and mechanisms. It is important to re-establish the credibility and trust in traditional decision-making bodies like *jirgas* as they are likely to remain an important interface between the administration and the public.

Corruption is notoriously hard to measure. It is recommended that decline be verified in annual perception surveys.

Desired Outcome: Anti-corruption mechanisms are strengthened; greater transparency and accountability.

Outputs:

1. The National Accountability Ordinance is finalised, and its effectiveness is not compromised in the draft Act stage. The law covers FATA, taking into account its specific context. (KP and FATA)
2. In FATA, as part of the general debate on its future status, the requirement for a running budget is discussed and tolls and other unaccountable practices are replaced with transparent revenue collecting systems. These may need to be phased considering the low capacity by FATA residents to pay tax, and their unfamiliarity with it. (FATA)
3. Safe opportunities are provided to citizens to discuss corruption issues. Community feedback provides the state with a practical guide to reinforcing its own institutions, and communicating its activities to reverse inaccurate negative perceptions. (KP and FATA)
4. Government strengthened in anti-corruption capabilities:
 - PAC, CC, PPRA re-established clear mandate, re-named/re-packaged if necessary, and staff fully trained in role and competencies, down to local level.
 - The Ombudsman's office has more visibility.
 - Criteria for ensuring the proper selection of key positions within the public service is developed, including clearance by a committee comprising a balanced set of stakeholders. (KP and FATA)
 - Decline in corruption verified in annual perception surveys and reversed trend established over time.
5. An all-parties conference is convened to agree on a national anti-corruption strategy passed by the National Assembly, including a Right to Information Act.

e) *State provision of public security services*

Improved public safety is critical to winning the trust of the population and a top priority for the people of KP and FATA. In addition, law enforcement and judicial services create an enabling environment in which other services can be delivered effectively.

Track 2 consultations pointed to the need both to coordinate better with tribes and communities in advance of military operations, and to compensate for the damaging effects of destroyed infrastructure, civilian deaths and injuries, and the repeated impositions of curfews and other restrictions. The importance of a quick and orderly return to civil administration following military operations was also highlighted.

In FATA and some parts of KP, the military has been unable to withdraw from areas that have been cleared of militants due to the lack of effective civil security institutions. A protracted military presence hinders freedom of movement, economic recovery and community cohesion and has been identified by communities as a driver of crisis. In areas where the military is not strictly required, civil law enforcement institutions must urgently be strengthened to take over from the military, and the rules and conditions for military withdrawal should be clarified and communicated publicly. Where they are required to remain (a very recent report on Swat suggests that militants are lying in wait, ready to take over again as soon as the military withdraw)³⁵, the application and possibly the content of civil-military relations doctrine needs strengthening.

FATA

There is no formal police in FATA. Policing is principally conducted by irregular forces operating under the Political Agent – locally recruited tribal levies and *khassadars*, totalling around 23,500.³⁶ These forces tend to be poorly trained, disorganized and lacking authority. Moreover, the use of *lashkars* – tribal militias – has often exacerbated existing community fault lines and created independent powerbases.

The state has recognised that it must assume more responsibility for the oversight and direct provision of rule of law. Hence, as stipulated in the new Levy Force regulation (2010), informal and irregular forces will be properly recruited, trained, and made accountable. Levies will be provided with sufficient benefits and over time, evolved into a well-established, well-equipped and professional modern force in FATA and PATA, under the control of a professional civilian law enforcement official.

The official should be provided with proper investigation and intelligence powers/capability, and a professional command and control structure under the respective Agency administration. Given the absence of police in FATA, the levies and *khassadars* should be used to patrol community areas, not just key installations, in

³⁵ Human Rights Commission of Pakistan report, 5/8/2010 'Swat: Paradise Regained?',

³⁶ PCNA (2010) *Pakistan Crisis Analysis Framework: KPK and FATA*

order to provide security. In due course, and with FCR reforms, there would be one modern levy force in each Agency, with the eventual phasing out of *khassadars*.

Additionally, the mandate, role and authority of *lashkars* needs to be better analysed and debated with relevant stakeholders, and clarified and re-defined. In any case, there needs to be better alignment with formal security forces to ensure accountability and adherence to common standards and citizens' rights. Recommendations include convening such a stakeholder dialogue and presenting options for consideration within the first 6 months of implementation.

Steps must also be taken to return the Frontier Corps to the agency/FR level so that they can resume policing duties. The Frontier Corps was the prime law enforcement and policing agency in FATA until 2003, when the Army began to deploy members into military operations. Over time their absence created a vacuum that the militants were able to exploit during the crisis period. It is important that the communities are engaged regarding the future role of this Corps.

KP

In KP, policing is more formal; the Frontier Police strength is currently at 53,000, and the Frontier Constabulary – which complements the Frontier Police in performing law enforcement functions in the settled areas – currently having 80,000 paramilitary troops. But these forces are experiencing significant capacity, training, and equipment constraints, as well as mandate issues due to the persistent crisis situation.

Police are increasingly engaged in clashes with militants and other anti-terrorist operations, rather than public security and crime – an area for which they are neither trained nor equipped. This focal shift also reduces the attention given to criminal activity, which has as a result dramatically risen in KP since the spread of insurgency. The ability of police to conduct investigations, gather evidence and secure convictions is limited, partly due to a widespread fear among citizens of testifying in court, lack of a witness protection programme and limited forensic capacity of the police. The provision of competitive wages, training and benefits is a critical factor in attracting and retaining recruits.

The exploration of different forms of community-level policing is a priority, and one which directly affects ordinary citizens' perception of security. In Peshawar, Track 2 meetings revealed very positive feedback about the 'community liaison group' which the Chief of Police had established. Replication of this approach elsewhere could be explored.

In Swat, the direct support of local villagers has led to a joint State-society effort in defeating the militants. A 7,000-strong "Special Police" force was deployed to meet the capacity gaps in local law enforcement.³⁷ Despite the short-term successes that

³⁷ This is progress made since the development of the GoNWFP (2009) *Malakand Comprehensive Stabilisation and Socio-Economic Development* (August), which recommended a similar surge.

these police have brought to their areas of deployment,³⁸ there is a need for a more formalised treatment of the training, equipment needs, and strategy within which such forces and liaison groups will work towards broader police reform in the region.

It is suggested that the state task an appropriately expert group with a review of security and law enforcement requirements across the region to establish the requirement and capacity and resourcing gaps for the eventual (most likely phased) creation of integrated professional law enforcement capability. Communities themselves are active stakeholders in the provision of security services and hence community liaison groups should be established to promote state-society dialogue on public security.

Desired Outcome: Effective and professional state provision of public security and law enforcement.

Outputs:

1. Expert group tasked with a review of security and law enforcement requirements across KP and FATA to establish the requirement and capacity and resourcing gaps for the eventual (most likely phased) creation of integrated regional professional law enforcement capability (FATA and KP).
2. Police investigation, intelligence and prosecution services and management processes (including training, procurement, doctrine) are improved.
3. Request the military to consultatively develop and apply a domestic interpretation of civil-military doctrine to improve local level relations (local application, training, including communication with local tribes, communication of conditions for withdrawal etc).
4. Improved State-society dialogue on public security, including on the role of *lashkars* and community policing options.
5. Urgently and consultatively develop and communicate a compensation strategy for human and material war-related damage.

f) Civic engagement and oversight

Civil society organisations in KP and FATA exist but their ability to fulfil their functions has been severely constrained by the crisis. In terms of emergency response however, the local population in many areas created informal associations providing relief to the most vulnerable (e.g. hosting IDPs), ensuring the delivery of basic services and taking measures to safeguard their areas from conflict; community-based organisations (CBOs) often provided essential services at community-level before the Government was able to resume its delivery of services;

³⁸ An indication of their success in stabilising the area is the 50,000 kg of explosives which they were able to locate and dispose of within just 3 months.

and local and national NGOs provided services and addressed needs across the region throughout the crisis.

Civil society groups that advocate for political reform and function as watchdog institutions, raise awareness and conduct capacity development have been far more constrained.

Improved civic engagement and oversight are important to the success of interventions in all the areas above, as a means to an end, as well as to improve trust in government. The GoKP and FATA Secretariat cannot underestimate the importance of public engagement, and the need to respond urgently and robustly to calls from their citizens to create a meaningful space for dialogue, participation and oversight, in parallel to the improvements in service delivery and systemic reform discussed above.

The building blocks that constitute more durable downward accountability include: (1) the awareness and existence of avenues for dialogue, combined with (2) citizens' ability to contribute usefully, and (3) the government's interest and openness in hearing them.

(1) An essential pre-requisite for citizens' engagement with the State is their awareness of government intentions in this regard and a belief that their demands are taken seriously and that they can contribute to the decisions that impact on their present and futures. Government needs to design a communications strategy to build trust and share its intentions, communicating its peace building strategy built upon grass-roots priorities. This is developed further in SO4 and in the Strategic Communications report summary.

(2) Capacity development for civil society is necessary to equip it to mediate between communities and Government. The levels of distrust and disappointment are high, communities feel let down, and there will be loud voices across the region urging people not to believe the Government. Civil society can play a useful role in translating concerns and apprehensions (and very likely demands for quick wins) from communities to Government and inform communities through various channels (*jirgas*, community meetings, media) about the mechanisms set up by Government to discuss issues openly. In traditional areas it is likely that elders and *maliks* will represent their people, but in Peshawar and IDP communities, where traditional ways are more often challenged, there may be opportunities to include women and minorities in groups representing their communities.

Over time, communities will need to agree on persons to represent them in technical groups, such as to discuss farming outreach programmes or community electrification schemes – these people will also need support. There will be conflict of interest between villages for assistance; however, with careful support, these possible conflicts can be turned into bridge-building exercises between families and tribes.

(3) The bureaucracy also requires support: mechanisms for participation need to be set up, internal processes need development to ensure that community contributions are considered, and rejection explained where not. This will require a fundamental mindset change so that the benefits of seeming loss of control by bureaucrats can over time be perceived as an opportunity to transform one's country. Incentives, such as senior-level recognition and new opportunities for those that embrace these changes also need consideration. Citizens' participation needs to be encouraged at various levels:

Participation

The State needs to strengthen the representation and inclusion of civil society in the identification, planning, targeting, tendering, recruitment procurement, implementation, and monitoring process of projects. Options will vary in different sectors as is addressed in the sector reports.

As an implementation option for development assistance, community-driven development approaches have shown good results and strong CDD models already exist in Pakistan.³⁹ There are also examples of CDD successes in post-conflict and fragile contexts around the world.⁴⁰ Grants are channelled to communities who democratically decide on a development plan managed through village development councils, trained by local government (and NGOs) and supported by technical committees. Communities must contribute labour or money. Projects need government technical certification and a full maintenance and distribution plan. . CDD interventions should be complemented by activities that also empower communities to be aware of and demand their rights, and to hold authorities and implementing partners to account.

Feedback

The State should establish effective public grievance redress (PGR) mechanisms, such as the Ombudsman offices mentioned above, supported by systems at community level, which provide direct feedback to the State about the quality of service delivery, and help to re-establish trust and confidence in the State. Critical here is the development of mechanisms to incorporate this feedback into planning, and the communication of this back to communities. The results of this new approach are likely to be mixed to start with, and will initially reflect whether and how much senior civil servants champion these concepts.

Oversight

Civic oversight mechanisms should hold the state accountable. Their composition is key: these bodies must be inclusive but must also be staffed with qualified skill sets. Communities need representation on these bodies; this should be an accompanied process where candidates benefit from training to assist them in their duties. Over time a modus operandi should be developed between civil society and Government

³⁹ Examples include the National Rural Support Program.

⁴⁰ such as the National Solidarity Program in Afghanistan which since 2003 has used CDD mechanisms to channel nearly US\$1 billion in funds

to establish procedures such as tenure duration, confidentiality, strict penalties for abuse, reviews etc.

Communication

Although the 18th amendment to the Constitution enshrines access to information as a fundamental right, the current legislation does not allow for such rights to be put into action in KP and FATA. A new act to address this is required both for KP and FATA.

Communication is seminal to the delivery of peace, trust in government and implementation effectiveness. The public information and citizen dialogue campaign proposed in the Communication sector report initially seeks to build local capacity through programs on (a) legal literacy which raise awareness around key rule-of-law concerns, and (b) PFM which facilitates and disseminates social audits, especially of PCNA-related interventions. These initiatives can serve as catalysts of broader civic oversight.

Implementation

Efforts at Agency and FR -level in FATA should follow this same format but expectations of transformation will likely be more modest. Various options exist for a gentler introduction of the same strategy. Certain districts could for example be selected as pilots where PAs are supportive of greater transparency. Information about this and results should be communicated across FATA to motivate other districts. An alternative could be to start with measures to include communities in decision-making on project design, implementation and monitoring for example, as well as set up a public grievances mechanism, and work towards oversight functions once lessons have been learned from these efforts in KP. With respect to FATA Secretariat the same proposal of a package of interventions in support of transparency and accountability as in KP should be possible, although greater thought needs to be given to innovative ways to attract true representation.

Due to the ubiquity and historical use of the radio, in addition to its lesser reliance on continuous electricity for operation, this is proposed as the prime medium of wider public exchange and communication of the results from all the above, though the whole spectrum of media channels will be employed to reach different population segments. Relevant debates can and should carry over into the classroom for example, and be orchestrated around discussion of privately reviewed public sector performance surveys. Ideas and views will permeate working groups set up to manage various funding envelopes, committees on recruitment, procurement, tendering, planning and project implementation.

Civil society representation and community participation mechanisms need to be institutionalised at community, union council, district and provincial levels so as to link policy-making and community-level activities. The envisaged new local government Act is an opportunity to adopt and institutionalise a participatory approach to state-society interaction.

The above forms of participatory decision-making will require behavioural change in both Government and civil society and create a sense of ownership among the beneficiary communities. Government, civil society and communities all need support in making the best use of new participatory approaches to avoid the risk that if one side fails, the relationship collapses as it relies on hope rather than true trust. Should this be the case, the options for starting anew are slimmer, and the risks of an increase in popular support for counter-state alternatives get greater. To mitigate this it is recommended that if a pilot approach is selected it include a number of locations as success in the early stages is likely to be highly personality dependent.

Desired Outcome: Strengthened relationship and trust between state, communities and civil society.

Outputs:

1. Government commitment to greater engagement with civil society (participation and oversight of civil society in its decision-making, implementation and accounting) at all levels, is institutionalised in the new LGA and a key pledge in the overarching peace building strategy that it communicates to citizens. An alternative, gentler approach might be beneficial in FATA.
2. Provision of TA, capacity development and funding:
 - To civil society including CBOs, to enable them to participate in and oversee public affairs, including technical training to civil society on budgets, audit and oversight
 - To government on internal processes for citizen participation, including its benefits (investigate incentive schemes) and possibly an e-government system in support of enhanced communication. (KP and FATA)
3. PGR established with presence of Ombudsman's office locally, staffed with male and female workers. (KP)
4. Foster debate and discussion, starting with a 'public information and citizen dialogue mechanism' promoting the two themes of legal literacy and PFM. This needs underpinning with discussion on how the Freedom of Information Act will be applied in KP and FATA.

3.3 STRATEGIC OBJECTIVE 2: STIMULATION OF EMPLOYMENT AND LIVELIHOOD OPPORTUNITIES

3.3.1 Rationale

KP and FATA are amongst the poorest and most economically lagging areas in the country. Economic backwardness, low human development and relative poverty do not by themselves give rise to violence, but provide the underlying structural conditions that militant groups can exploit to achieve their goals by promising better opportunities and hope for social justice and equity. In a permissive environment that provides few economic options (other than the illicit economy), militants' prospects for success are greatly enhanced.

The area is predominantly rural– and is characterised by poor infrastructure, acute shortage of basic services, lack of economic opportunities and serious governance issues that collectively fuel the crisis. Large sections of the population still lack access to electricity, clean drinking water and sanitation facilities. Even where rudimentary facilities exist, service levels are barely functional. FATA consistently ranks lowest in the country in terms of human development indicators, with KP not far behind.⁴¹

Agriculture and livestock are the dominant sectors in the area, which also hosts among the largest demographic segments of unemployed young men in the country. Unemployment among young men aged 15-24 years is 10.5% in KP and dramatically higher in tribal areas than settled districts. Age-disaggregated figures are not available for FATA, but overall under-employment and unemployment rates in each agency are estimated to exceed 50%.⁴² According to a recent survey (MICS⁴³), more than 60% of those employed (mostly male) have to leave their tribal agency to find employment. This means that the economy of the area only provides employment to a small fraction of its working-age population.

Inadequate livelihoods and the absence of sufficient employment opportunities in FATA and KP are important crisis drivers. A militant recruit can earn between PKR 15,000 and 20,000 (\$176 to \$235) per month, which is nearly double the remuneration for unskilled work available in Peshawar. Militants have also capitalised financially and in terms of popular support on economic opportunities in the illicit sector. Smuggling and related business are a major source of employment in the region; militant control of supply routes has helped sustain those activities contributing to livelihoods for individuals outside of their support base.

⁴¹ Many indicators demonstrate these substantial disparities between both FATA and NWFP and national averages (literacy, healthcare access, potable water access but also GDP per capita, unemployment rates, average income etc.).

⁴² Extrapolated from figures available from the Multiple Cluster Indicators Survey undertaken by UNICEF, FATA Secretariat, and the Federal Bureau of Statistics.

⁴³ Multi-Indicator Cluster Survey, 2007.

In sum, there are compelling economic incentives for young men to join the insurgency. It is critical therefore for the State to respond to counter these with interventions to generate employment and increase legal livelihood options. Whilst focus on young men will have the most pronounced peace building impact, women and vulnerable groups remain acutely marginalised in the region, and thus also need special efforts to ensure their access to income opportunities.

3.3.2 Summary of Recommendations

Table 4

	Outcome		Output
1	Urgent recovery of the subsistence and commercial agriculture sectors	1	Restocking of livestock, distribution of seeds and fertilizer, tools and implements.
		2	Rehabilitation of destroyed infrastructure (irrigation, flood control, reforestation, nurseries, animal shelters, storage facilities, fruit trees)
		3	Outreach programmes and credit facilities reviewed and strengthened
2	In the longer-term, agriculture sector is revitalised	1	Community planning and implementation of rural livelihoods interventions
		2	Matching grants delivered for community development schemes (CDD?)
		3	New micro credit and revolving funds schemes extended and strengthened, and legal impediments to access to credit removed in FATA (part of SO 1 reform.
		4	Deepening and widening of commercial agricultural sector to maximize its potential for employment and revenue
3	Immediate job creation	1	Targeted labour-intensive public works programmes. Design to include transfer of skills to contractors and communities.
		2	Rehabilitation and support to currently closed but viable businesses.
		3	Clear communication strategy explaining in particular why the private sector is being supported.
		4	Employment information centres established
4	Sustainable employment base in KP and FATA	1	Integrated, context-driven skills and capacity development programme to include: review of TVET, on-the-job training grants to firms, targeting of women and young men, gender-sensitive business development outreach services
		2	Firm-based grant programmes in support of employment generation
		3	Employment-generating entrepreneurial initiatives
5	Improved investment climate generating growth and employment	1	Develop a business friendly environment in FATA and KP by: building geographical synergies between infrastructure development and economic growth, informed access to credit and regulatory reforms and investigating alternative sources of energy.
		2	Substitute the illicit economy in tandem with building alternative employment opportunities by strengthening LEAs, with closer links to counterparts across the border and between LEA head offices and local efforts.
		3	Communication strategy to share government intentions, explain investment choices and prioritisation, inform women and other targeted groups about new support systems, communicate clearly the benefits of investment, growth and sustainable employment over higher wages from militant recruitment.
		4	Establish a promotion and investment facilitation unit .

3.3.3 Recommended areas of intervention

a) *The primacy of agriculture and livestock in employment and livelihoods*

KP and FATA are predominantly agrarian economies (79% and 97% respectively) with livelihoods largely based on agriculture and livestock. Both Track 1 and Track 2

consultations emphatically identified agriculture and livestock as the most critical sectors in restoring employment and livelihood opportunities across the region. In KP agriculture accounts for around 22% of the provincial GDP (divided about equally between crops and livestock) but about 44% of employment in the province; 80% of the population relies on agriculture for a large part of their income.⁴⁴ Since many men work away from home, large numbers of women are engaged in agriculture while simultaneously managing households with limited access to support services. In FATA most people are involved in subsistence agriculture and livestock rearing. Due to the harsh agro-climatic conditions, the rural economy is mainly pastoral, with agriculture only practiced in a few valleys.

There are two distinct farming systems in KP. The first is seen, for example, in Swat and parts of Buner. Extensive areas of flat valley bottom and good water supply from surface and underground sources mean agriculture in these areas has good income potential, particularly from fruits and vegetables. In addition, livestock is a major source of food for families, providing milk and milk products, as well as a form of savings that can be converted into cash in times of need. By contrast in the arid areas, livestock is more important for livelihoods than crops. In these areas a typical family keeps up to 3 cows or buffalos, 5-8 sheep or goats, and 6-10 poultry. Women play an important role in livestock care, and much of their limited income derives from this. Extensive loss of livestock occurred during the crisis.

The highest priority is quick revival of agriculture through replacement of basic lost assets such as livestock, feed, seeds, fertilizer and farm tools⁴⁵. Along with this, facilities for basic agriculture need to be restored to provide essential services (expertise, support, credit), particularly related to animal health; and fruit, forest and fish nurseries. Interventions will need to be geared to the needs and requirements of specific agro-ecological areas.

Small-scale Subsistence Farming

Most farmers in KP and FATA have small plots of less than 5 acres (2 ha) of land and a few livestock. In areas that lack good land and water resources, agriculture alone cannot provide the income and employment needed for sustained livelihood and prosperity. Many of these households experience food deficits and rely on remittances to meet their needs. As a result, it is expected that out-migration, and the resulting inflow of remittances, are expected to remain important.

The traditional pattern of migration is that young men leave for jobs to other parts of the country or abroad, while women, children and the old remain behind and rely on farm production for most of their meat, milk, vegetable and fruit consumption, as well as for much of their cereals. It is important to improve the living standards and reduce the vulnerability of the populations that do not migrate.

⁴⁴ Pakistan: NWFP Economic Report 2005.

⁴⁵ Every effort must be made to merge these proposed recovery activities with one already planned for in the Pakistan Humanitarian Response Plan (PHRP).

This can be done through the provision of good advisory and marketing services; quality agriculture inputs, tools and implements (as noted above); promotion of related income-generating activities such as silkworm rearing, bee-keeping, etc; better animal husbandry; improved technologies for crop production; and improved water management and harvesting. A crop and livestock system is required that makes best use of available resources to provide food items such as milk, meat, fruit and vegetables which cannot be transported from other areas. Enabling households to accumulate livestock and poultry would strengthen their asset base. Lastly, better management of common-use resources, mainly forests and grazing lands, would help people lacking their own assets.

Stimulating Commercial Agriculture

There are modest prospects for commercial growth (and therefore employment) in some areas. In Swat, as well as in pockets of other districts and FATA where there is good land, water and transport links, the commercial production of fruits and vegetables has expanded rapidly over the last two decades and sales in urban centres of Peshawar, Islamabad/Rawalpindi and Lahore have become an important source of income. In a number of these key pockets, particularly in Swat, private investments by some of the medium to larger farmers have resulted in the creation of profitable value chains. A quick injection of assistance is needed to restore assets destroyed by the crisis⁴⁶ and to restart production and trade, including restocking of lost animals, provision of seeds and fertilizer, and rehabilitation of fruit and forest nurseries, rehabilitation of forests and pastures, and repair of damaged irrigation and water storage structures.

The economic benefits of commercial agriculture have not been fully exploited by the local economy. For example, much of the harvesting, packing, storage and marketing is done by people from outside the area. Local small farmers and the landless - who have surplus labour to sell - are often not employed in these activities, representing lost employment opportunities. The benefit of the commercial crops sector could be increased by promoting more local activities, including harvesting, packing, grading, processing and marketing. Some of these activities can be home-based, opening additional opportunities for women's involvement. The commercial production of high value crops could be expanded - both in terms of area planted and range of crops, e.g. off-season fruit and vegetables, seed potatoes, vegetable seed, mushrooms, cut flowers and medicinal plants. These improvements will require a mix of technical support, training and credit.

Desired Outcome: Urgent recovery of the subsistence and commercial agriculture sectors

Outputs:

1. Restocking of livestock, provision of feed and fodder [this will be especially important for women who take care of and who derive income from the livestock] and distribution of seeds and fertilizer, tools and implements.

⁴⁶ And now (August 10) by terrible flooding

2. Rehabilitation of destroyed infrastructure: repairs to damaged public irrigation and flood control schemes, reforestation and rehabilitation of forest nurseries, repair of animal shelters and poultry/dairy farms; replanting of fruit trees; repair of post harvest/storage facilities .
3. Technical outreach programmes and credit facilities reviewed and strengthened (the latter especially in FATA) including for alternative rural income-generating activities and marketing

Desired Outcome: in the longer-term, agriculture sector is revitalised

Outputs:

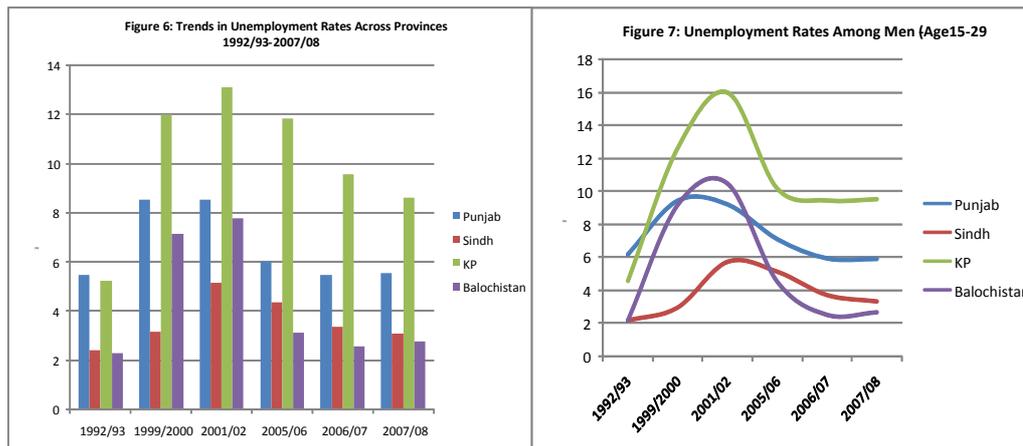
1. Community-based planning and implementation of rural livelihoods enhancement interventions (crops, animal husbandry, fisheries, off-farm activities, post harvest and storage, water management and harvesting, NTFPs⁴⁷, small enterprise development, etc.).
2. Matching grants delivered for community development schemes, management of common-use resource such as forestry plantations and range management (possibly through CDD).
3. New micro credit and revolving funds schemes extended and strengthened, and legal impediments to access to credit removed in FATA (part of SO 1 reforms).
4. Expansion of commercial agricultural sector to maximise its potential for employment and revenue: high value crops promoted through introduction of new technologies, improvement of market information and infrastructure; incentive system to give preference to local area for related value-chain activities.

b) Generating employment

Data from the Pakistan Labour Force Surveys show that since the mid-1990s KP has experienced higher rates of unemployment than the rest of Pakistan. This is seen in Figures 2 and 3 (below) that show trends in unemployment rates across the four provinces, and among young men aged 15-29 years. FATA is not included in the surveys, but the issue is likely to be even more acute there. Rates are likely to have risen in 2009/10, because of displacement and other repercussions of the crisis; accelerated growth will be needed to re-absorb workers into productive employment⁴⁸.

⁴⁷ Non-Timber Forest Products

⁴⁸ For example, if population and the workforce are assumed to grow at the rate of 3 % observed in 2006/07 and 2007/08, and employment is estimated to have fallen by 10% in 2009/10, it will need to expand by at least 5% per year in the subsequent years just to return to the pre-crisis level of unemployment rate around 10% by 2015.



But analysis⁴⁹ suggests there is a significant gap between the jobs needed and the likely supply of sustainable jobs through job creation efforts. Even if job creation efforts generate a compound growth rate of 15% per annum, it will take ten years to bridge the gap. Hence a two-pronged strategy is required that (1) addresses immediate needs with targeted public work programmes, and (2) builds a sustainable economic base.

Targeting challenges and a rights-based approach

Young men will need to figure centrally in employment strategies because of their particular vulnerability to militant recruitment. Options include:

- Immediate short-term opportunities in reconstruction projects
- Training young men in high-value skills and thereby enhance their employment prospects
- Support for entrepreneurial drive including a combination of skills-building, basic capitalisation/finance, and inventory/business support to facilitate the entry of young men into low-barrier retail, commercial, and trading sectors.

At the same time, it is also important to address the employment needs of women. In addition to enhancing income in vulnerable households, this would also offer

⁴⁹ The sector report on 'Non-farm growth' developed a rough sense of the magnitude of the employment challenge by using the following assumptions:

- The affected areas have a population of approximately 10 million.
- Approximately 50% of the population is between 16 – 64 years.
- Of these, approximately 1 million will not choose to enter the work force for maternal, educational or disability reasons.
- The agriculture farm sector can absorb productively 50% of these people leaving approximately 2 million people in need of a non-farm job.
- The existing non-farm sector (including informal activities) employs in a “normal environment” approximately 500,000 people, leaving a balance of people (1,500,000) who are either unemployed, under employed or engaged in illicit activities.
- The population will continue to grow in the range of 3-4% per annum.
- KPKK unemployment levels when under-employment is accounted for, comes to approximately 20%.

h. This base is already depleted as a result of the crisis by a factor of 20%. With catch up of 20% over, say, a three-year period (100,000 people), and base growth in the order of 15% per annum it will take slightly less than 10 years to bridge the gap.

women prospects for empowerment beyond their traditional roles as wives and mothers, but still within the socio-economic fabric of the community.

Beyond these economic and social concerns, targeting must also reflect the particular vulnerabilities in this crisis and post-crisis environment: poverty levels are high – over half the population is poor⁵⁰; 3.2 million people are considered extremely poor. They include small *barani* (non-irrigated) farmers, landless households who depend on daily wage labour or petty trade, households with few productive (livestock, land) and households assets, female headed households, or households whose head has no/just primary schooling. A significant percentage of these vulnerable groups have been displaced during the last year, and lost crops, livestock and other assets.

Immediate employment generation

The most immediate employment dividends will almost certainly emerge from a comprehensive, carefully targeted, quick disbursing, labour-intensive reconstruction programme. Past post-conflict experiences offer lessons on how to maximise the benefits of such projects in terms of employment and skills-development for local populations through targeted contracting and procurement mechanisms. Information is critical so that these programmes truly benefit those in most need: setting-up of job centres throughout the area is recommended. Smart project design, which encourages and supports local firms to carry out projects, can also help. For example, the contractor can be required to sub-contract a project, e.g. development of rural roads, to a number of local subcontractors and train them and their workforce in construction and project management skills.

The construction sector has the greatest immediate potential for job generation (although a number of other sectors, such as mining, niche manufacturing⁵¹, tourism, also have potential for long-term growth and employment).

The rehabilitation of businesses that are no longer operating but that could become viable again if assets were restored also represents an opportunity for job creation. Employment dividends are likely to be less immediate than in public works however as implementing programmes that support the private sector require multiple layers of coordination and consultation at provincial, district, and community level.

While employment and income generation were of great importance to persons consulted, and are a critical step towards enabling the people of FATA and KP to improve their environment and lives, jobs alone will not be a fool-proof disincentive to militant recruitment. Militant funding sources can afford to continue inflating salaries as necessary. That is why beyond jobs alone it is important to build a sustainable economy and provide additional disincentives to militant recruitment:

⁵⁰ Almost half the population, or 6.3 million people have inadequate food intake, according to the World Food Program's Food Security and Market Assessment, and 1.3 million are considered severely food insecure.

¹⁴ scored less than 16.5 – the national poverty cut-off score - on the poverty scorecard

⁵¹ Furniture, silk weaving etc

the state will need to communicate convincingly the benefits of secure, sustainable jobs which offer long-term prospects for skills-development and improvement in earnings that can translate into education opportunities and savings.

Desired Outcome: Immediate job creation

Outputs:

1. Targeted labour-intensive public works reconstruction/ rehabilitation programmes. Clever design to include transfer of project management and general construction skills to local contractors and communities.
2. Rehabilitation and support to currently closed but viable businesses (such as damaged shops, hotels, factories).
3. Clear communication strategy explaining in particular why the private sector is being supported.
4. Employment information centres established.

Building an employment-driven sustainable economic base

The early introduction of a skills enhancement drive in the region could lead to significant results in the medium term. A combination of (i) formal TVET⁵² programmes, (ii) on-the-job training, and (iii) innovative approaches which “piggy-back” off the reconstruction programme is recommended. Raising awareness about available training opportunities will also be essential; this could be arranged through the job centres recommended above.

Existing TVET programmes already in place are not particularly effective however. There is an urgent need therefore to completely revise TVET curricula, and make its courses more practical and responsive to market demand, so graduates can be absorbed by industry or enter into home-based production of marketable items.

Grant support to firms can be used to encourage on-the-job training, and voucher type schemes can be deployed which allow private sector providers to enter the market (particularly for ICT, business and language skills). Innovative approaches, as described earlier, which embed skill building into reconstruction programmes, can also help.

As a general principle, training should not only focus on introducing new skills, but also on raising productivity and earnings by enhancing existing skills and including functional literacy linked to basic business management. Introduction of new production methods and enhanced quality of handicrafts, for example could increase women’s livelihood opportunities. There are sufficient examples from socially conservative environments where simple distribution systems have enabled women’s production to successfully reach sophisticated markets. Training in ICT can also increase opportunities for women to work from home. All of these activities

⁵² Technical and Vocational Education and Training

could offer more durable employment opportunities, and raise productivity and earnings.

New investment targeted specifically at promoting employment (such as for the commercial agriculture value chain referred to above) in existing firms is another employment generating option. A targeted firm-based grant programme to support these efforts is recommended.

Desired outcome: Sustainable employment base in KP and FATA

Outputs:

1. Integrated, context-driven skills and capacity development programme to include:
 - Demand-driven review of TVET; targeted skills-building for young men and women established
 - Functional literacy, ICT, enhancing existing capabilities
 - On-the-job training grants to firms
 - Local enterprises trained through integrated work/vocational training
 - Women have opportunities for learning skills and trades (such as stipend programme for girls in high schools to be trained and engaged in health sector)
 - Skills training included in demobilisation packages (see SO4)
 - Gender-sensitive business development outreach services.
2. Firm-based grant programmes in support of employment generation
3. Employment-generating entrepreneurial initiatives (such as a challenge fund, a women's employment generation fund).

c) Stimulating the economy and encouraging investment

The strengthening of value chains in the agri-business sector referred to above and economic rejuvenation of the region requires more than investment alone:

Improving infrastructure, particularly energy and rural roads is fundamental for growth. Development plans are considering extending grid coverage to the many villages not yet electrified. But extending the grid without increasing available power is more likely to cause frustration than satisfaction, particularly if competing with new employment-related interventions calling for power supply. Local, off-the-grid energy sources (micro-hydro and solar), currently being developed by CSOs⁵³ and the private sector, have potential to meet the energy needs of isolated communities more reliably at lesser cost.

Transport network improvements will enhance efficiencies, mainstream and better integrate the local economy, and thus reduce disparities with the adjoining districts

⁵³ Civil Society Organisation

and the larger urban centres. Such works will also provide opportunities for local employment. Attention is needed to ensure that adequate norms are applied, in respect of disaster risk principles, since the region is vulnerable to a range of natural disasters.

Stimulating demand and supply to encourage investors is also needed: new markets will arise out of reconstruction; and incentives around trade preferences (e.g. the proposed 'Reconstruction Opportunity Zones') will all contribute to drawing business if known inhibitors to growth such as access to capital and regulatory reform are also addressed.

In FATA there are particular restrictions on credit that need consideration as part of FATA reform discussions, but credit is also hard to access in KP. Government needs to enable and encourage greater access to finance (working and investment capital). Availability of credit needs to go hand in hand with awareness-raising (financial literacy) and geographical expansion (points of access), so that all can benefit.

Remittances play a critical role in supporting livelihoods in KP and FATA, especially in rural areas. The importance of migration is reflected in the high levels of remittances received by households in KP, equivalent to about 20% of expenditure, far higher than in other provinces. They can play an important role in helping to develop the financial system, encourage investment, and build markets. Estimates suggest that 42% are used to cover basic family needs, a further 29% are spent on other consumer goods, while the remainder is saved or used for some form of investment in a business venture. The latter varies considerably, with higher income households investing greater amounts. It is likely that these reserves could be more effectively harnessed to create opportunities for future growth; financial literacy support should focus on this aspect too.

The fourth requirement to boost investment (along with access to finance, infrastructure and a greater skills base addressed above) is reform of the regulatory environment supported by security and rule of law (SO1). In FATA this includes greater clarity on regulations, possibly the curtailment of the PA's discretionary powers that creates insecurity for potential investors, greater accountability and transparency, first steps to land reform where collective ownership is a big disincentive to investment, and review of legislation constraining population movement. The reforms discussed in SO1 are critical to rejuvenating the economy and addressing people's priority demand for employment.

Security is obviously key to attracting investment. In addition to the military and political aspects of this, the state also needs to transform the illicit economy that funds the insurgency. A long-standing network of cross-border trade, much of it contraband, provides employment to a large number of the people, as do drug, arms trafficking and other criminal activity. The United Nations Office on Drugs and Crime estimates that Pakistan is now the destination and transit country for approximately 40% of the opiates produced in Afghanistan; militants in Pakistan earn a

considerable part of their revenue from this⁵⁴. Law enforcement agencies need strengthening to control drugs, human trafficking and money laundering, and stem the flow of finances to the militant groups. Greater cooperation with agencies across the border and stronger links between the Frontier Corps, Frontier Constabulary, Anti-Narcotics Force and other federal, paramilitary law enforcement bodies with local level enforcement efforts would increase the effectiveness of these efforts.

Converting the economy of FATA and KP into a legal, investment friendly one must be sequenced very carefully with alternative livelihood opportunities in the legal economy.

Militants also fund the insurgency out of the capture of the sizable remittance flows. Interventions will be needed to progressively formalise parts of the *hundi/hawala* remittance transfer system. While a transition to wide deployment of formal banking/transfer systems may be a long-term aim, in the short term there is an urgent need to closely monitor and supervise the *hundi/hawala* system to limit extortion and diversion by militant and criminal groups.

Likely sources of investment in KP and FATA include the diaspora, local investors, donor risk mitigated investors and foundation-type investors. Investment is a function of risk and reward, so, initially, investors best able to define and mitigate risk will be best placed to take advantage of investment opportunities in the affected areas. For the diaspora, this risk mitigation will be through local cultural and social connections, for others through more formal mechanisms, such as the political risk insurance provided by entities such as the Multilateral Investment Guarantee Agency (MIGA) and the US Overseas Private Investment Corporation (OPIC). Some non-governmental entities may also be in a better position to take risk because they are funded and mandated for that purpose. The government incentives to improve the business environment (regulation, enforcement, infrastructure, finance, new markets, skills etc) need to be both significant and clearly communicated to encourage the purely commercial investors. Set-up of an investment promotion unit is recommended.

The main cities, in particular Peshawar, are the key to economic development in the region. These cities are markets in themselves, places where 'agglomeration productivity-type' benefits can accrue and the hubs that connect to wider markets. In the areas outside of Peshawar the formal private sector is small both in terms of size and numbers of firms. Available data suggests that there is only one firm in this region outside of Peshawar that employs more than 250 people. In FATA the challenge is particularly acute: not only is the base very small, the crisis-related damage level is reportedly even higher than in KP⁵⁵. Hence greater effort will be required there: specifically, a greater emphasis will need to be placed on integrated projects that combine skills-building for basic trades, marketing/financial support and public works.

⁵⁴ The value in Pakistan has been roughly estimated at US\$1 billion annually.

⁵⁵ Pakistan –Food Security & Market Assessment in Crisis Affected Areas of NWFP and FATA, UN (WFP, FAO, UNIFEM and others) 2010, pages 17-20.

Desired outcome: Improved investment climate generating growth and employment

1. Develop a business friendly environment in FATA and KP:
 - Prioritise public works infrastructure rehabilitation programmes where they will they also benefit economic growth
 - Address known inhibitors of growth such as paucity of transport networks and investigate alternative energy supply
 - Amend regulation to encourage wide available of credit (with a particular focus on accessibility for the poor and most vulnerable who are often left out of these schemes, financial literacy programmes and geographical spread)
 - Regulatory reforms to encourage business investment (such as government guarantees to mitigate against risks associated with collective ownership, review mobility restriction legislation)
 - Establish a promotion and investment facilitation unit targeting investors, particularly the diaspora.

2. Legalise the illicit economy in tandem with building alternative employment opportunities:
 - Specialised law enforcement agencies strengthened to control drugs, human trafficking and money laundering, and stem the flow of finances to the militant groups
 - Cooperation strengthened between agencies in Pakistan and across the Afghanistan-Pakistan border
 - Links between the Frontier Corps, Frontier Constabulary, Anti-Narcotics Force and other federal, paramilitary law enforcement bodies are strengthened with local level enforcement efforts.

3. Communication strategy to share government intentions, explain investment choices and prioritisation, inform women and other targeted groups about new support systems, communicate clearly the benefits of investment, growth and sustainable employment over higher wages from militant recruitment.

3.4 STRATEGIC OBJECTIVE 3: ENSURE DELIVERY OF BASIC SERVICES

3.4.1 Rationale

Service delivery, living standards and key human development indicators in FATA and KP rank amongst the lowest in Pakistan. The perceived ineffectiveness of service providers, inequities in access to critical basic services and non-inclusive policies have alienated ordinary citizens. The growing sense of deprivation has made people vulnerable to a militant narrative about state disinterest in their welfare and has been a driver of the crisis.

Available data shows that large populations still lack access to electricity, clean drinking water and sanitation and adequate physical access to social services. Where some rudimentary facilities exist, services are often barely functional or of low quality. Women, minority and vulnerable groups are among those worst affected by these deficits. Special programmes need development to enhance the capacity of vulnerable groups, including women and girls, to monitor and evaluate service delivery, and to be able to articulate and advocate on behalf of their concerns.

Militant actions and their consequences have further increased gaps between demand and service delivery through destruction and closure of state-supported institutions such as schools (especially girls' schools) and health facilities, and fear (compounded with inadequate security and rule of law) undermining mobilisation of the human and material resources necessary to provide the services. Displacement has further increased vulnerability. PCNA consultations point to widespread perceptions that state assistance is not reaching those most in need – adding to disappointment with the state.

Ultimately, to work against the militant narrative of state disinterest and address the crisis impact on services, the Government must improve access to education, stimulate licit livelihoods (around service delivery in this context), increase people's well-being through health care delivery and availability of clean drinking water and sanitation systems, provide safeguards for the most vulnerable segments of the population (in the form of cash/food/other transfers) and extend access to energy and to adequate road networks (to improve conditions and so that services can be reached). This will lead to improved development indicators for FATA and KP, enhance the legitimacy of the state and weaken the claim of militants to be a viable alternative to the state.

Community participation is essential: it promotes ownership, sustainability and accountability. Involving communities in planning, construction and maintenance/protection of service facilities can also yield other benefits such as employment opportunities and enhanced social cohesion. It is also vital that the state communicate this to people. Communication will raise awareness of service availability and enable people to see the state working for them and meeting their needs – thereby enhancing its legitimacy. To ensure maximum effectiveness

information campaigns should be sector-specific, location-specific, gender-specific, needs-specific and vulnerability-specific. In FATA, for instance, radio is the most appropriate medium for communicating information and seeking support (a fact well understood by the militants). Ensuring availability of appropriate teachers, as discussed earlier, and training them to transmit effectively such messages will be essential. The proposed child-to-child program will also serve as a vehicle for sharing such messages, with girls and boys able to carry them into homes.

In some of the worst-affected areas, the provincial government has been channelling support to crisis-affected people through the Provincial Disaster Management Authority (PDMA)/Provincial Reconstruction, Rehabilitation and Settlement Authority (PaRRSA). Key ‘early recovery’ operations are underway, such as rebuilding homes and community-based infrastructure and identifying livelihoods opportunities. Life-saving support has also been provided by humanitarian agencies and the military. It is important that this work continues with the complementary (but far from exhaustive) support of the proposed PCNA intervention⁵⁶.

3.4.2 Summary of Recommendations

Table 5

	Outcome		Output
1	Immediate greater reach of basic education services	1	Improve access to education <ul style="list-style-type: none"> ▪ Reconstruction of damaged infrastructure with particular attention to girls’ schools ▪ Adopt temporary measures so that some education is available to all ▪ Vouchers to attend private education where no public options exist ▪ Increase opportunities for functional literacy and non-formal (including at home) education
		2	Measures to incentivise the most vulnerable into or to stay in education: <ul style="list-style-type: none"> ▪ School feeding programmes in all girls’ and boys’ public primary schools ▪ Stipends for girls in high school ▪ Cash / in kind incentives for the most vulnerable
2	Greater quality of basic education	1	Improve education delivery system <ul style="list-style-type: none"> ▪ Task force to develop a scheme to incentivise teachers into rural and less secure areas ▪ Accreditation system for madrassas based on a national curriculum
		2	Accelerate implementation of curriculum reforms and build on them <ul style="list-style-type: none"> ▪ Accelerate teacher training and distribution of textbooks on new curriculum ▪ Develop national standards applicable to public and private schools alike (+ enforcement)
3	Access to basic health and water and sanitation services	1	Prioritised BHUs rehabilitated and restocked. Local health workers trained
		2	Psycho-social support efforts extended
		3	Innovative schemes to increase general basic health knowledge
		4	2.8 million people provided access to WATSAN, community plumbers trained, PDU staff trained, drilling programme; awareness campaign for eradicating open defecation, latrine-building campaign
4	ABC with respect to	1	Full targeted ABC campaign linked to sequenced interventions

⁵⁶ There are better avenues than the PCNA to set out the recovery and development priorities of the region. The attempt here is to focus on some critical sectors that need address and without which reforms in governance for example will be meaningless. The report is not intended to be comprehensive: housing for example has not been included. As an immediate life-saving requirement in Pakistan’s climate, housing reconstruction is addressed in other needs assessments and humanitarian programmes. PCNA implementation must be sympathetically tailored about existing initiatives for best overall recovery, development and peace building effect.

	health and sanitation	2	Periodic surveys to determine public satisfaction with basic amenities
5	Improved energy and access	1	Further consultative investigation into off-grid energy supply sources and management (solar, hydro)
		2	Balance out economic growth led targeted improved road network in KP/FATA with community access needs
6	Effective social safety nets reach the neediest	1	To complement existing social protection programmes and reach 320,000 extremely food insecure households, provide additional cash/food transfers in exchange, for some, for participation in community works.
		2	Targeting system is communicated
7	State delivers basic services efficiently and equitably	1	Appropriate percentage of state employees trained in Education, Health, Water and Sanitation, Transport, Energy, Agriculture and other relevant sectors to enable the efficient delivery of basic services within these sectors
		2	Preparation of public guidelines and benchmarks for measuring efficient service delivery
		3	Special programmes developed to enhance advocating capacity of vulnerable groups
		4	Coordination mechanisms established across sectors to minimise waste and duplication in service delivery

3.4.3 Recommended areas of intervention

a) *Education*

Poor delivery of and insufficient access to public education in KP and FATA, together with radicalisation through some unregistered *madrassas* are major crisis drivers. Access to quality basic education for all, standardisation of basic education across public and private systems, including *madrassas*, and promotion of opportunities for skills development/vocational training geared to meeting market needs will go a long way in reducing radicalisation and disappointment with the state.

In KP, the official EMIS 2009-10 published data indicates that about 718,489 primary age children are out of schools. In terms of access past primary school, there is one middle school for every 9 primary schools (the ratio for girls is 1:8), one high school for every 1.6 middle schools (girls 1:2) and one higher secondary school for every 5.8 high schools (girls 1:4.5)⁵⁷. The lack of adequate facilities - no building for 190, no electricity in 10,706, no water in 7,392, no latrines in 5,195, no boundary walls in 6,161 schools as per NEMIS 2007-08 - makes the continuation of education extremely challenging as students progress through a well developed education system. Although immediate focus must be on delivery of basic services, there is also a very real need for secondary education as well.

Gross primary enrolment rate in FATA is half of that for KP, while net enrolment varies significantly between agencies, from a high of 63.3% for boys and 43.8% for girls in Frontier Region (FR) Kohat to a low of 18.6% for boys and 4.0% for girls in FR Bannu. The GER indicates that around 1.6 million children are out of school, but the true number may be much higher. School facilities are comparably sparse, e.g. there is one higher secondary school for every 18.1 high schools (girls 1:7.6). Systematic destruction of girls' schools by the militants has further exacerbated cultural obstacles to girls' accessing even basic education.

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The poor quality of education is reflected in high drop-out rates. For KP the year-to-year overall transition rate is 76% (71% for girls), with a drop-out rate of 49% (57% for girls) up to 5th grade, meaning that half the students who start school never finish the 5th grade. In FATA, only 68% (67% for girls) of students entering *Kachi* class successfully finish the first primary cycle of 5 years. Equally alarming is the drop-out rate in 5th grade: 43% (59% for girls).

Literacy rates in the crisis area are exceptionally low: only 29% of men and 3% of women are literate in FATA; rates are somewhat better for KP as a whole (68% and 32% respectively for men and women). Illiteracy and limited access to skills development are important crisis drivers, as they serve as barriers to informed decision-making as well as to opportunities for licit employment and productive livelihood activities. Lack of education and qualifications hampers local hiring (teachers, health workers and technical outreach workers in fields such as agricultural production, vocational training and legal aid) and through that service delivery. Service personnel who come from local communities are more easily trusted than those coming from other parts of the country, and eligible candidates from elsewhere are not easily persuaded to take up rural postings in FATA and the neighbouring areas of KP.

This shortage of qualified service personnel is especially marked in the Tribal Areas, and especially true of women. The large gender gap in education means few local women are qualified for official postings in basic service delivery. As a result local women are also further disadvantaged, since they can only access and be reached by services delivered by women. The overall result is that absenteeism and vacant posts even in existing basic service facilities is a serious problem. This has been aggravated by the crisis and militant attacks. Only by allowing interim special arrangements concerning eligibility can this problem of personnel be addressed – in education and other services.

The rapid growth of private schools, including *madrassas*, reflects poor provision of public education, both in terms of access (physical and financial) and quality. Unregistered schools pose a potential hazard as some are run by organisations with radical agendas; the government has little or no control over *madrassas*, even those that are registered. On the other hand *madrassas* are charitable organisations that have also enabled some of the very poor to access some schooling. The radical few tend to tarnish the reputation of all religious schools, which is both inaccurate and unhelpful⁵⁸.

Implementation of educational reforms, including elements addressing civic and religious education to counter extremist propaganda, is slow. There are delays in production and distribution of relevant textbooks and teaching materials, and capacity of teachers requires further development.

⁵⁸ Numbers and enrolment figures are incomplete but some studies indicate that less than 3% of students are enrolled in such schools. See Education sector report, reference Tahir Andrabi.

Major interventions necessary to ensure adequate access to education include: rehabilitation of schools damaged or destroyed during the crisis; expansion of coverage of basic education to bring primary level schooling closer to communities; measures to attract and retain male and female teachers for rural schools; and incentives to improve both enrolment and continued attendance of girls and boys in schools. A school attendance-based food supplement programme is proposed in the context of social protection, and stipends are proposed for girls in high school. The latter would be given to enable girls to complete schooling. This could be in exchange for accepting to then engage in training as local health workers in their communities.

Further enhancement to quality in primary and high school education will need to be achieved through a variety of measures including: efforts building on existing curricular reform to introduce practical skills into general education as well as peace messages (see SO4); introduction of improved and standardised textbooks accessible to all students; teacher training programmes to ensure effective implementation of the revised national curriculum; and improved parental and community oversight mechanisms to supervise individual schools. Further enhancement of access will also require interventions such as: schemes to motivate teachers to return to work in difficult and remote areas; reconstruction and rehabilitation of school facilities on the basis of prioritised need; voucher systems to facilitate access to approved private education facilities in the absence of government schools; and broader cash/in-kind incentive programs to encourage the most vulnerable families to send their children to school.

Speeding up of educational reforms, and especially availability of texts concerning tolerance, peace building and religion for use in schools, *madrassa* and literacy programmes will contribute to communicating alternative messages to those promoted by extremists and militants. The state must increase efforts to include a gradually broader general education syllabus for *madrassas*, linked to an accreditation system.

The excluded and vulnerable groups tend to be less formally educated and to have little access to public information on the availability and access to existing services. Concerted efforts are needed to increase functional literacy and non-formal education in order to facilitate access to employment and to information that can enable informed decision-making by individual women and men, as well as by communities.

Formal and informal technical and vocational training (TVET) has, to date, seldom been oriented to market needs; courses tend to be provided more on the basis of available teachers and stereotypes of appropriate activities according to gender, than on real marketable skills (see SO2).

Desired outcome: Immediate greater reach of basic education services

Outputs:

1. Improve access to education
 - Reconstruction of damaged infrastructure with particular attention to girls' schools
 - Apply temporary exclusion clauses on minimum criteria to ensure that some education is available to all communities
 - Vouchers to attend private education where no public options exist
 - Increase opportunities for functional literacy and non-formal (including at home) education
2. Measures to incentivise the most vulnerable into or to stay in education:
 - School feeding programmes covering 100% of girls' and boys' public sector primary schools
 - Stipends for girls in high school
 - Cash / in kind incentives for the most vulnerable

Desired outcome: Greater quality of basic education

Outputs:

1. Improve education delivery system
 - Task force to develop a scheme to incentivise teachers into rural and less secure areas
 - Accreditation system for madrassas based on a national curriculum
2. Accelerate implementation of curricula reforms and build on them
 - Accelerate teacher training and distribution of textbooks on new curriculum
 - Build on content with respect to civic education and peace building elements (SO4)
 - Develop national standards applicable to public and private schools alike (and enforced)

b) Health

Health indicators for KP and FATA are poor. In KP infant, under-five and maternal mortality rates are slightly lower than national averages, but some districts (Shangla, Upper Dir and Hangu) have higher infant mortality rates than the provincial average. This reflects intra-provincial inequities in service provision and has likely served as a driver of crisis. Similarly FATA experiences higher levels of mortality vis-à-vis KP and the rest of Pakistan. Empirical evidence⁵⁹ suggests that coverage indicators, namely antenatal care (ANC) visits, deliveries attended by skilled birth attendants (SBA), and immunisation of women in districts of Malakand Division are below KP provincial averages. Inequities in health care provision between FATA and KP, and the rest of Pakistan, are also seen in significant differences in doctor-to-population ratios, population per hospital bed and Lady Health Worker-to-population ratios.

⁵⁹ MICS 2001, 2008 data sets

Health facilities in KP and FATA suffer from lack of equipment, medicines and other essential supplies. Moreover the provincial Department of Health supplies medicines on a quota basis with no consideration for needs, seasonal variations, disease outbreaks, and so on. Physical conditions are poor: a 2008 study⁶⁰ found that over 460 health facilities in FATA were severely under-equipped and dysfunctional. Almost half lacked basic facilities including proper boundary walls, and most did not have a continuous supply of electricity. This is compounded by lack of medicines. Post crisis and general rehabilitation and restocking of health facilities are urgent.

As with education, so health services are hampered by lack of qualified personnel, vacant posts and high levels of absenteeism. It is reported that more than a third of rural health centres in FATA have no Medical Officer, Lady Health Visitors in Mother and Child (MCH)⁶¹ centres are in short supply, and 78% of female senior medical officer posts are currently vacant⁶². Other posts are recorded as filled, but reports suggest that in reality staff is not present. Critical preventive health care suffers as a result, impacting on the health status of the population. For example, the Extended Program of Immunisation (EPI) is failing to cover large parts of FATA and KP, with resultant rise in preventable diseases such as polio – more than half the new cases of polio diagnosed in recent years have occurred in KP and FATA, and this proportion has been rising.

The crisis has had a severe impact on health care provision in FATA and KP. Militants have attacked facilities, carried out vandalism (theft of expensive equipment), coercions, killings and kidnappings of health personnel. In KP health infrastructure - over 95% Basic Health Units⁶³ (BHUs) - was reportedly damaged or completely destroyed in 4 districts: Shangla, Buner, Upper Dir and Swat. In Swat alone more than 30 facilities were damaged. In FATA 50 facilities were damaged or destroyed, of which 30 (60%) were BHUs. As a consequence, health facility based services have been partially or completely shut down. In FATA peripheral health facilities were shut down forcibly. Lack of security both for the providers and users of services has been a major stumbling block. Even where facilities are still functional, women in particular have been unable to actually reach them because of on-going militancy.

Recommendations in the DNA and other recovery programmes and development plans, centre around the reconstruction and operation of health facilities damaged during the crisis; this will take time. But, unless the challenges of finding and retaining qualified health personnel are resolved rapidly, these efforts are unlikely to solve access challenges.

Interim solutions for bringing very basic health care to the community level must be explored, and measures to develop a larger cadre of local health workers should be set in motion. These include training local young people and teachers (male and

⁶⁰ Evaluation Report, Save the Children's USAID funded improved child health project, FATA, 2008

⁶¹ FATA Secretariat Data sets, April 2010

⁶² FATA Secretariat Data sets, April 2010

⁶³ Damage Needs Assessment (DNA) Report ,KP/FATA, 2009 and KP/FATA Health Department data sets , April 2010

female) in basic first aid and emergency response skills, and providing incentives to female secondary school students on condition that they engage to follow community health worker training afterwards and then return to their communities. It is also proposed to develop child-to-child activities as a means of taking key health messages into households. Capacity to respond to psycho-social problems (including Post Traumatic Stress Disorders) in communities will also be developed, responding both to a crisis-related need identified through community consultations and to a process in support of reconciliation efforts.

c) *Water and Sanitation*

There is a need to improve provision of water and sanitation services in rural areas of KP and in all agencies of FATA and the FR. Compared to an overall KP average of 77% of households with access to improved⁶⁴ sources of drinking water, less than half of households in areas worst affected by the crisis have this. In rural areas, only about a quarter of households have access, having to collect water from sources often more than 500 metres away, a task usually assigned to women. Accurate data on FATA is not provided, but being predominantly rural the situation is believed to be similar or worse.

Poor water supply and sanitation creates and exacerbates sickness among vulnerable populations, especially children, which has direct impact on school attendance and on local livelihoods, reducing the capacity of people to engage in productive activity. International experience shows that the most critical need is attitude and behaviour change among policy-makers, communities and individuals with regards to sanitation. Once attitudinal change is achieved, behavioural change follows closely. Communication campaigns to bring about behaviour change are therefore the core intervention here. This needs to be in tandem with meeting demand for improved sanitation, to avoid generating frustration with service delivery deficits.

For water and sanitation interventions, adoption of a participatory development approach is recommended, involving the community in planning, implementing and managing systems introduced. Other measures to be undertaken are: appropriate delivery of safe water supply systems to human settlements currently not served across FATA and the target districts; social mobilisation to eradicate open defecation practices; promotion of household latrine construction on a self-help basis; infrastructure investment for safe disposal of liquid and solid waste. The latter includes septic tanks for small communities, shallow sewers, fully-fledged sewerage systems with treatment facilities, and solid waste disposal facilities. Health education activities will support these efforts. The combination will improve general health as well as state-citizen relations.

Access to services that will improve health status and hence people's ability to participate more fully in productive activities is essential. This will require

⁶⁴ « Improved » water supply: piped to homes; standpipes; pumps. Improved water is not necessarily pure, safe.

repair/construction of accessible health facilities and ensuring there are sufficient and qualified personnel to run these.

Desired Outcome: Access to basic health and water and sanitation services

*Outputs*⁶⁵:

1. Prioritised BHUs rehabilitated and restocked. Local health workers trained, emergency measures in place to attract more qualified health workers to areas of greatest need.
2. Psycho-social support efforts extended.
3. Innovative schemes to increase general basic health knowledge (stipends to secondary school girls in exchange for community health worker training; child-to-child health messaging; basic first aid training etc)
4. 2.8 million people provided access to water and sanitation, number of community plumbers trained, PDU⁶⁶ staff trained, units equipped, government and contractor drilling programme operational; awareness campaign implemented for eradicating open defecation, latrine-building campaign,

Desired Outcome: ABC⁶⁷ *with respect to health and sanitation*

Outputs:

1. Full targeted ABC campaign, including signalling government intent, to link with sequenced interventions above
2. Periodic surveys to determine public satisfaction with basic amenities.

d) Energy

The absence of reliable, clean, affordable and convenient energy is a major impediment to economic growth as well as to the provision of civic facilities and services - such as water and sanitation, health, education and communication - contributing to high levels of dissatisfaction, known drivers of crisis.

The entire FATA and KP region is currently facing electricity load-shedding to the extent of 12 to 18 hours each day, which causes severe hardship. Women suffer most, they collect the fuel and dung for domestic use. In rural communities boys and especially girls' family duties, such as this, compete with schoolwork for completion during daylight hours.

⁶⁵ See sector reports for detail

⁶⁶ Participatory Development Unit

⁶⁷ Attitudinal and behaviour change

The provision of reliable, clean, affordable energy supplies is thus considered important for reducing poverty and supporting economic growth, through increasing productivity and incomes and improving standards of living. Access to electricity can impact positively on school performance and hence continuation of education, itself a peace building objective. In addition, it provides increased opportunities for functional literacy and vocational training for school drop-outs, adults, and for small-scale production (including home-based work/cottage industries) that enhances family livelihoods, especially but not only for women.

Extending the grid without adequate power being supplied over it would be more likely to cause frustration than satisfaction, particularly if other employment-related interventions call for power supply. Local, off-the-grid energy sources (biogas, micro-hydro and solar), currently being developed by CSOs and the private sector, have potential to meet the energy needs of isolated communities more reliably at lesser cost.

Local alternative energy options are explored in detail in the energy sectoral report and are a recommended output to generate livelihoods and employment in SO2. Another option is Biogas which is a renewable source of energy and can be used as fuel for cooking, lighting, running vehicles and generators, etc. Production of biogas from animal dung or waste vegetables is very cheap option and environmentally sustainable.

e) Transport Infrastructure

Poor transport infrastructure and lack of rural access leads to physical isolation that inhibits access to basic services and markets, which in turn directly contributes to poverty. A community survey in Pakistan shows that selected social human indicators are low in communities with low transport access.⁶⁸ In FATA and KP poor road networks also result in high end-user costs.

Targeted road sector investments are expected to impact directly on poor and marginalised communities, and are to be developed in consultation with communities under CDD principles.

Desired Outcome: Improved energy and access

Outputs:

1. Further consultative investigation into alternative energy supply sources and management (solar, micro-hydro)
2. Targeted investment into improved road network in KP/FATA balancing access and vulnerability needs with economic growth incentives. (SO2)

f) Social Protection

⁶⁸ Rural Access and Mobility in Pakistan: A Policy Note, World Bank 2005

Marginalised and vulnerable groups of men, women, boys and girls represent at least a third of the population (an estimated 3.2 million persons⁶⁹). As well as their needs, those of some three million internally displaced persons (IDPs), returnees and vulnerable host families in FATA and KP, as well as victims of natural and other disasters and the Afghan refugee populations still living in Pakistan, have to be addressed.

Pakistan is a party to the International Covenant on Economic, Social and Cultural Rights (ICESCR)⁷⁰, which commits the state to working towards fulfilling the rights of all people to health, education, an adequate standard of living, social security and work. This commitment to provision of basic services to all is reflected in social protection strategies at national and provincial level (KP).⁷¹ In the case of KP and FATA, provision of services to the poor and marginalised groups is preceded in priority by the imperative to meet their basic food and survival needs.

Food security for impoverished citizens must be addressed in a clear and transparent way, ensuring that targeting reaches those with the greatest need. The consultations in a recent Food Security and Market Assessment survey⁷² in this area reflected widespread perceptions among people that assistance through a range of channels is not reaching the most vulnerable but being diverted to less vulnerable beneficiaries. The resulting distrust contributes to militant rhetoric against the state. Clear criteria of eligibility must be seen as being applied and equitable distribution ensured.

In order to avoid exclusion of the poorest and most vulnerable from benefits brought through the peace building efforts, existing safety net systems (such as BISP⁷³, Pakistan Bait-ul-Mal and Zakat, which do not provide full coverage in areas in crisis) need to be complemented by a system of additional conditional and unconditional transfers, with clearly communicated specific targeting criteria and timeframe for benefits.

The state needs to provide comprehensive cash/food transfers for extremely food insecure households, the poorest population. Female-headed households have the highest incidence of food insecurity. Conditional cash/food transfers should also be

⁶⁹ Based on a vulnerability mapping, using the World Food Program (WFP)'s criteria and Benazir Income Support Programme (BISP)'s poverty scorecard.

⁷⁰ The ICESCR is part of the International Bill of Human Rights. Pakistan signed the ICESCR on 3 Nov 2004 and ratified it on 17 Apr 2008.

⁷¹ "Salient social protection goals include a) supporting chronically poor households and providing them protection against destitution, food insecurity, exploitation, and social exclusion; b) protecting poor and vulnerable households from the impacts of adverse shocks to their consumption and wellbeing, that, if not mitigated, would push non-poor households into poverty, and poor households into deeper poverty; and c) promoting investment in human and physical assets, including health, nutrition, and education, by poor households capable of ensuring their resilience in the medium run and of interrupting the intergenerational cycle of poverty." Social Protection Sector report

⁷² op.cit., WFP, 2010

⁷³ Benazir Income Support Programme

provided to other vulnerable groups such as primary school students and selected secondary school students from very poor families. Careful conditionality needs to be consultatively worked out that does not inadvertently discriminate against those it seeks to assist. It should be linked to training and/or participation in community works. In addition to providing cash to poor households, such conditional transfers would also contribute to countering crisis drivers in three ways: equipping beneficiaries better to find subsequent work; supporting social cohesion through planning and implementing community works⁷⁴; and contributing to visible proof of state support being received by those most in need of it.

Overall, these schemes would address targeted beneficiaries amongst those scoring less than 16.5 (the national poverty line) on the poverty scorecard, i.e. some 320,000 households (30% of the population) affected by this crisis.

Desired Outcome: effective social safety nets reach the neediest

Outputs:

1. To complement existing social protection programmes and reach 320,000 extremely food insecure households, provide additional cash/food transfers in exchange for some for participation in community works.
2. Very carefully targeting is communicated to avoid the risk that claims of ineffectiveness outweigh benefit in terms of perception of government.

Desired Outcome: State delivers basic services efficiently and equitably

Outputs:

1. Appropriate percentage of state employees trained in Education, Health, Water and Sanitation, Transport, Energy, Agriculture and other relevant sectors to enable the efficient delivery of basic services within these sectors.
2. Preparation of public guidelines and benchmarks for measuring efficient service delivery and designing sector-specific grievance/redress procedures for the public (SO1).
3. Special programmes developed to enhance the capacity of vulnerable groups, including women and girls, to monitor and evaluate service delivery, and to be able to articulate and advocate on behalf of their concerns.
4. Coordination mechanisms established across sectors to minimise waste and duplication in service delivery.

⁷⁴ These should include works that address disaster risk management needs, such as plantations reinforcing slopes against earth-slippage. Such activities could also involve women beneficiaries, for example, in growing plants suitable for soil retention.

3.5 STRATEGIC OBJECTIVE 4: COUNTERING RADICALISATION AND FOSTERING RECONCILIATION

3.5.1 Rationale

Growing alienation and disenchantment with the state and its administrative mechanisms (for reasons of weak governance (SO1), unemployment (SO2), poor living conditions and few services (SO3)) coupled with high levels of illiteracy among communities in FATA and KP have enabled militants to find fertile ground for political and ideological inducement through distortion of religious and *Pukhtun* cultural precepts.

This, coupled with lack of exposure to alternative viewpoints among affected groups has strengthened the hand of militants attempting to position their agenda as the legitimate narrative about the marginalisation of communities, the way this marginalisation can be overcome, and the only right way for people to think and believe. The State has not been able to effectively confront the militants' campaign to shut down alternative sources of knowledge. This oversight has enabled militants to build a broad active constituency of support in key communities, especially among unemployed young men.

By countering radicalisation, through building shared value-sets (notably through education) and determinedly increasing people's exposure to, and freedom to hold, alternative viewpoints, this strategic objective looks at ways that the state can bolster people's ability to resist extreme coercion, or where coercion is neither perceived nor needed, to demonstrate tangibly the benefits of siding with non-violent change.

Religious and cultural opportunities should be more effectively harnessed to disseminate perspectives consistent with traditional Islamic and cultural practices from the region that run counter to the militants' extremist and externally-introduced worldview. Pro-active attitudinal and behavioural change (ABC)⁷⁵ interventions are needed to enable reconciliation in and between communities divided by their support for the insurgency or for the state, to support the re-integration of former combatants into their communities, and to rebuild state-citizen relations.

Reconciliation and forgiveness hinder further radicalisation, by confronting rhetoric with human values. But if radicalisation is not countered first, then it prevents reconciliation and reconciliation is necessary to achieve 'positive peace'⁷⁶. Anything

⁷⁵ The need for attitude change and behavioural transformation both at the individual (client) and state (delivery) levels was strongly borne out in the Track 1 & 2 consultations as well as the sectoral discussions.

⁷⁶ Positive peace is a concept developed by John Galtung in 1964, and that has been seminal in peace and conflict studies. In brief, positive peace is "the integration of human society" as opposed to

less is just remission, a temporary halt to violent confrontation. Interventions in support of reconciliation are essential and urgent therefore.

The military

The military is a key stakeholder and participant in peace building, and central to transitional arrangements: its relations with communities in crisis areas are addressed under SO1, it is an integral part of the state-citizen compact, as is security, for which it remains responsible in areas in active conflict. The military also has a direct impact upon de-radicalisation (which in turn affects prospects for reconciliation) whilst detaining prisoners. This can be an opportunity or a threat to peace and therefore merits consideration.

Strategic objective 4: binding the PCNA strategy

Taking as a given that security and rule of law are essential ingredients of an enabling environment for reconciliation (SO1), as is address of legitimate demands for better living conditions and prospects (SO2 and 3), countering radicalisation and reconciliation are then paradoxically, both an *outcome* and a *pre-condition* (and means) for the durable fulfilment of the other strategic objectives. For instance, for the State to be responsive to public needs and for the public to accept the State's good intentions, prior reconciliation needs to take place, while at the same time meaningful reconciliation in a context of disillusionment and distrust requires the prior demonstration of change through greater state responsiveness (SO1). So too with employment generation (SO2) and service delivery (SO3). Thus, a mutually reinforcing sequenced process between the four SOs is imperative if SO4 is to provide both the pre-conditions and a durable basis for non-slippage back into crisis.

Urgency

Due to continuing uncertainty on the security front, and understandable sensitivities, countering-radicalisation and reconciliation both have great importance but very little space to manoeuvre. Even if the main drivers of conflict are addressed, through increased incomes and employment, better, more transparent and more equitable governance, service delivery and rehabilitated infrastructure, that if there is greater access and quality in education, and if direct crisis-related damage was remedied, it should not be assumed that reconciliation, tolerance and peace will happen without further complementary interventions.

However, given the ideological factor involved, and the reality that external pressures and (huge extra-legal) resources are also driving the crisis, it is unwise to assume that extremism can be effectively thwarted through redressing grievances only (SO1, 2 and 3). While this is *necessary*, it is not *sufficient* because it does not address the entirety of the militants' rhetorical appeal, nor the reality that their

negative peace which is "the absence of violence, absence of war". Galtung J, (1964). An Editorial. *Journal of Peace Research*, 1(1), 1-4. Positive peace includes concepts such as communication, cooperation, resolution, education and prevention. Negative peace focuses around enforcement to include concepts such as coercive action, balance of power strategies and international conventions..

funding, motivation and their lack of alternatives will be unchanged in the medium term.

The counter-radicalisation and reconciliation element of the PCNA strategy seeks therefore to address the cultural, psychological and ideological elements, above and beyond political and economic grievances, that are fundamental to peace building in the context of FATA and KP.

In line with this, and given the specific character, history and composition of the societies involved, the main driver of the reconciliation process in these areas must be the communities themselves. Thus, in the implementation phase of this strategy, sequencing/phasing and geographical mapping will be key to ensure that locations and communities are chosen carefully to maximise benefits and minimise risks to all those involved.

A rights-based approach

Addressing real and perceived issues of vulnerability, exclusion, inequality, discrimination, corruption and elite capture lie at the heart of peace building. Hence, in order to provide the basis for durable reconciliation and to counter extremist forces that continue to exploit legitimate public grievances on this score, vulnerable and excluded groups must be brought into the mainstream; their voice must be heard, their needs delivered. They must become equal citizens enjoying the same rights and privileges as all others, and the State must be accountable to them.

There is some way to go on this despite ratification of the International Covenant on Civil and Political Rights (ICCPR), the Convention Against Torture (CAT) and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

Indeed for this transformation to be achieved and the spirit and letter of these conventions to be reflected in the daily lives of all, changes in attitude and behaviour have to take place at all levels. The end of sectarianism, a manifestation of extremism directed at the broader community as opposed to the state, is therefore also integral to the PCNA vision and to this objective in particular.

3.5.2 Summary of recommendations

Table 6

	<u>Outcomes</u>		<u>Outputs</u>
1	Emergence of a diverse, open, tolerant society	1	Accelerate and extend the impact of the inclusion of peace building values in education <ul style="list-style-type: none"> ▪ Accelerate the dissemination of the new national education curriculum to FATA and KP ▪ Application of standards (including peace building elements of new curriculum) to private and non-formal education as well ▪ Registration of all education establishments ▪ DoE to visit all schools in region to discuss holistic education with teachers and prioritise teachers from region for training
		2	Open up the communication space to a plurality of information sources and perspectives and ensure these can be safely shared and

			held <ul style="list-style-type: none"> ▪ Saturate the government peace building communication strategy with value-rich and culturally-appropriate language about tolerance and rights ▪ Incentivise private media development in FATA and KP, including enactment of legislation to protect journalists' (and others) rights + enforcement capability within the LEAs ▪ Actively recruit and involve respected scholars and other culturally respected figures in promotion of peace building ▪ Extend the PPA to FATA
2	A harmonious environment where people and communities are at peace with each other	1	Drive the repair of the social fabric of the region and ABC through support to community and individual reconciliation and healing <ul style="list-style-type: none"> ▪ Maximise opportunities for inclusiveness and intra and inter-community reconciliation in all interventions, including positive action in state employment policy ▪ Consultatively design and support specific reconciliation mechanisms such as ADR ▪ Establish a taskforce to develop recommendations to promote accountability on all sides ▪ Expand culturally sensitive and informed psycho-social services
		2	Rehabilitate ex-combatants and militant sympathisers into tolerant and peaceful members of society <ul style="list-style-type: none"> ▪ Immediately begin human rights compliant and culturally appropriate de-radicalisation and rehabilitation programmes for detainees, including re-integration support ▪ With communities, develop a broad de-radicalising tolerance - driven re-education programme to foster reconciliation within and between communities ▪ In the longer term, design a culturally-relevant DDRRR programme that includes a strategy for foreign fighters

3.5.3 Recommended areas of intervention

a) Countering radicalisation

To foster the emergence of a diverse, open and tolerant society, of peaceful, harmonious and inclusive co-existence of diverse groups with divergent perspectives, and counter the attraction of radical discourse, three elements are essential:

1. **Building, or in the case of this region, maybe rekindling culturally-familiar value sets**, and developing the skills needed to draw on these when confronted by pressure to abandon them in favour of new intolerant and destructive ideologies or other threats;
2. **Exposure to other views** and the right and ability to analyse these critically, discuss them openly, and safely hold divergent views; and
3. **Evidence that grievances and discontent are being addressed**. This is addressed in SO1, 2 and 3, including for example, and of relevance to counter-radicalisation, recommendations to improve relations between the military and local populations and compensation for war-related damage (SO1). This is not addressed further here.

Values

This region is increasingly culturally and religiously homogenous today (although it has historically experienced coexistence of different religious and ethnic groups) but values have been easy to attack by pointing at evidence of inequities, building fear and turning people against the government and against each other. Widespread anti-government and security forces attacks by militants are well reported but attacks on people adhering to different religious schools of thought have also increased (including wider afield as in Lahore). The message has been clear and violent: people need to espouse militant ideology or are under threat.

The importance of quality education for all is a much repeated theme in this strategy. Indeed, the promotion of literacy/education ranked third in priority in community consultations. There was strong emphasis on educating girls and women; many people realise and lament the negative effect this gap is having on social, economic and political dynamics: there is very significant support for government action in this regard. The provision of quality education to all groups, especially women and girls, is a fundamental hedge against support for extremism, providing people with analytical reasoning tools with which to process propaganda, and raising personal and community expectations, linked to competence and self-worth, of a say in decisions about one's present and future.

The new national curriculum significantly strengthens the tolerance, respect and peace messages in the old one (which was considered by many to also espouse some very narrow views and historical interpretations). Unfortunately very few areas have benefited from the new curriculum yet; dissemination needs accelerating along with revised teacher training. Many students in FATA and KP fall out of the public schooling net however; new legislation needs developing to enforce the new national curriculum's applicability (possibly somewhat modified in religious establishments) to all registered schools. A practical enforcement system needs developing. New measures also need putting in place so that all educational facilities are registered in Pakistan: the education of the nation's children is a state responsibility and this oversight only fuels perceived state disinterest in the very poor who often cannot afford public education, and have no alternative other than *madrassa* schooling, registered or not. In this same vein, a flexible functional literacy curriculum needs to be developed so that these peace building messages are also conveyed to those audiences.

Education is also a shared experience that brings communities together– this is an additional benefit of greater mainstreaming of the curriculum between public and private establishments. Education can cut across all differences and provide a shared means of addressing the future. It can nurture harmony among and within groups through promoting acceptance, tolerance, respect of otherness and diversity. So, in addition to broadening the reach of the national curriculum so that children going through *madrassa* and public schools share a similar base of higher peace building value, taking a more holistic approach to education than the content of what is taught in the classroom alone will also deliver extra peace building and counter-radicalisation opportunities. There are many ways in which this can be achieved including teacher-parent discussion groups on peace messaging, interface of school

with current affairs around peace, exchanges between public and religious institutions. Functional literacy and public media can also provide synergies towards breaking down barriers of distrust and isolation.

Teachers will need support in carrying out this greater education agenda: this region should be given priority for expanded teacher training linked to the new curriculum. In the meantime, dissemination of the new curriculum's content and peace building approaches should not wait: Department of the Education representatives should visit all schools to inform teachers about the content, and introduce holistic education concepts, so that benefits can be passed on without delay.

During the PCNA validation exercise a very strong recommendation came through to use values dear to the heart of people in this region to build cohesion: the overwhelming suggestion was national pride.

Exposure to alternative viewpoints and right to divergent perspectives

A second continual thread throughout the PCNA is the importance of government communication of its overarching peace building strategy. This will share government intent, approaches such as its desire and plans for consultation in many areas, and introduce the different elements of its peace building strategy. A 'high-risk, high-reward' approach is recommended here of communicating all government plans and inviting citizens to participate in design, targeting and development so that funding allocations are widely known. People will be interested in hearing about proposed interventions, but it is also an opportunity to share peace building principles and build bridges with communities through a language of shared values.

This communication strategy should extend beyond communicating government intent and plans only. It is also an opportunity to open up communication space for all to seize. The fact that the conflict in Afghanistan will continue for the foreseeable future will naturally engender different local and national responses for and against it; managing these divisions peacefully and productively will depend on having created a tolerant and inclusive space for dissent and divergence.

The Media

Government needs to facilitate, possibly incentivise private media to penetrate this space and join its efforts to break down isolation, and the power of militant monopoly of information. Interventions such as competitions offering bursaries to home grown journalists and seed funding for new radio stations will multiply and deepen government's direct efforts.

Protection will be needed for the men and women working in this sector. Militants do not tolerate defiance: legislation needs enacting to protect journalists with robust enforcement through rapid reaction. Whether this is through a special unit protecting citizens from harassment, or a more general task of the police and levies, journalists will need reassurance that robust protection is available before wholeheartedly launching new or expanded operations in KP and FATA. This challenge is simplified

by the likelihood that these activities are very likely to be geographically concentrated in urban centres.

Application in this region of the Right to Information act (SO1) is also necessary to enable the media to carry out its role usefully and accurately.

Other voices

Slowly, recognising the sensitivities around any externally proposed transformation, this new space must become accessible to all, especially women but also other silenced voices. A first step could be through the augmentation of their role in the downward accountability mechanisms proposed in SO1, such as participation in oversight bodies. Recognition of the value of women's participation, as well as their own expectations, will grow slowly as part of this phased (generational) process to break down their current isolation. Similarly, deliberate inclusion of minorities, through priority given to projects supporting groups espousing different schools of thought from each other, or from different tribes for example, will demonstrate the value of peaceful co-existence with neighbours of another creed or tribe, thereby buttressing the legitimacy of the existence and views of minorities. Provisions to ensure diversity and equitable representation in state employment will likewise pragmatically demonstrate the value of inclusion and undermine segregation.

Until the Political Parties Act is extended to FATA (SO1), another entire category of alternative viewpoints is silenced. Indeed, rather counter-productively, current restrictions protect the single militant voice that circumvents legislation by spreading its messages in the mosque. Final presidential signature allowing extension of the act is urgent.

In parallel, within this new information space, the state needs to support and enable the exposure of citizens from areas under militant influence to more scholarly and peaceful interpretations of their religion. Eminent scholars and trusted public figures need support and protection to speak out; the militants will target them. Active countering of the radical rhetoric is urgent.

Desired outcome: Emergence of a diverse, open, tolerant society

Outputs:

1. Accelerate and extend the impact of the inclusion of peace building values in education
 - Accelerate the dissemination of the new national education curriculum to FATA and KP
 - Review the organisation of schooling in Pakistan to ensure standards (including content through the national curriculum) apply to private and non-formal education as well, and that all establishments come under the responsibility of the Ministry of Education through registration
 - Establish a provincial task force with responsibility for visiting all schools to share new ideas about holistic education with teachers and prioritise teacher training on the new curriculum.

2. Open up the communication space to a plurality of information sources and perspectives in which alternative views can be safely shared and held
 - Saturate the government's overarching peace building communication strategy with value-rich and culturally-appropriate language about tolerance and rights
 - Incentivise private media development in FATA and KP, including enactment of legislation to protect journalists' (and others) right to free expression supported by development of an enforcement capability within the LEAs
 - Actively recruit and involve respected scholars and other culturally respected figures in open and vocal support for peace building through government and/or media
 - Demonstrate the value of inclusion (increasing women and minorities' representation and voice) through reviewed 'positive action' state employment policies, downward accountability mechanisms and carefully designed development interventions
 - Extend the PPA to FATA.

b) *Fostering reconciliation*

Reconciliation is a necessary step to move out of the cycle of conflict: for centuries tribes have confronted each other and central authority, signed expedient peace deals which collapsed as interests changed, sliding communities back into cycles of violence. Development based on growth cannot take root in this environment; hardship and suffering endure.

There is a tendency to associate *Pukhtun* culture with revenge and not with forgiveness, yet there are key tenets in the culture and certainly within religion that greatly value clemency. It is inevitable that there will be divisive issues within communities after every violent period, but these can be overcome and the difficult discourse emphasising this healing process must start as soon as possible. Reconciliation and forgiveness are not just necessary: they are essential. They must not wait until 'the end' of the crisis – it will not come without these. Like elsewhere, it is incumbent upon leaders to stand up and guide their people. Moreover, to be effective these measures need to be implemented in gender sensitive ways, since women and men access and share information in different ways and play different roles in cultural reconciliation processes. Associations of reconciliation with weakness also need to be overcome. There are multiple ways in which the state can contribute and support this process:

Firstly, as already mentioned, infusing the government's strategic communication campaign with peace building language, including support for reconciliation, is essential. One day ex-combatants will return to their communities to live as peaceful family men and farmers; if they do not feel that this is a possible aspiration, they are left with no other option than to continue fighting.

Rehabilitation of ex-combatants

Secondly, ex-combatants will need robust 'rehabilitation'. Reports⁷⁷ suggest that the Government is currently detaining many thousand militants: their rehabilitation and reconnection with their cultural values, with the peace building tenets of religious texts, possibly also guided by respected scholars, should start without delay. The objective should be to turn this captive audience into peacemakers. Without wishing to over-simplify, some elements will of course not be amenable to this: the military will already have made this triage. Many however will be, especially those who have supported the insurgency out of economic duress. These individuals must feel that there is still hope for them. Providing skills and other support for re-integration will mitigate the risk of fighters returning to the only source of income that they know.

The scope of this peace building strategy does not stretch to the issue of foreign fighters. The government will have its own policy on this. However their home countries are unlikely to be seeking their return and peaceful re-assimilation. Some have presumably married locally and are connected to Pakistan in ways that will demand the development of a sustainable peaceful integration strategy.

In time too, after the crisis is completely resolved, an integrated, context and culturally appropriate DRRR programme of Demobilisation, Disarmament, Repatriation, Resettlement and Reintegration will likely need planning.

'Rehabilitation' needs to extend to militant sympathisers as well. Families and communities will be split along support lines; sympathisers too will need 'rehabilitation' of some kind, and communities will need healing, so that all can co-exist harmoniously and partake and contribute fully in the post-crisis environment. Every attempt must be made to resist the victor's imposition of a worldview – this rehabilitation is not about imposition of a view, but about promotion of tolerance of other viewpoints and respect of the right of each to hold these.

This rehabilitation will need to go hand-in-hand with expanded psycho-social counselling to meet the needs of victims and perpetrators alike, accountability by all parties and with the promotion of an 'active rapport' between antagonistic parties.

Accountability

In order to prevent impunity or cavalier claims of responsibility without any accountability, meaningful and non-hierarchical reconciliation requires some form of redress that goes outside legal and institutional regimes. This involves acceptance by both parties to the conflict, the perpetrators and the survivors/victims. It is not necessary that redress even be uniform, but it is crucial that the process is dialogic and consensual, as in the recent instance of accidental bombing of a village in Khyber Agency in 2010 where the military's public acknowledgement of guilt and plea for forgiveness paved the way for the community to obtain closure and dignity over their loss through the magnanimity of forgiveness. These innovative processes and more traditional alternative dispute resolution mechanisms (ADR) provide much-needed social and psychological closure for the tragic events that invariably

⁷⁷ See Human Rights Commission of Pakistan report, August 2010, op.cit.

comprise the bulk of instances causing animosity and conflict. Some similar process to express contrition will also, presumably, be expected from returning former combatants: preparation for this can happen in captivity.

Active rapport among all stakeholders, including between antagonistic communities

This moves the process of reconciliation beyond the immediate to the longer-term and from the modality of crisis-mitigation to the level of positive harmony. This is the only sustainable and synergistic approach to peace building that avoids the self-perpetuating morass of violence and counter-violence, suspicion and counter-suspicion. It follows the adage that the conflict is only over when former enemies coexist peacefully.

Social and societal cohesion (referring here to intra and inter-community rapport) has distinct culturally relevant implications and manifestations in the region. The tribal nature of *Pukhtun* society and the clan-/extended family-based social structures mean that the fulfilment of most of an individual's needs derive from this social safety net. It is therefore extremely important to build harmony at the social level (and repair the social fabric) as well, as mentioned throughout the PCNA, as promote and protect individual rights. Without significant change in attitudes and behaviour, vulnerable, unprotected groups will become more vulnerable still, and peace building will not be sustainable or productive because suspicion and non-cooperation will prevail, dooming even necessary interventions to failure. The state and civil society cannot, respond effectively to the needs and aspirations of the population of KP and FATA unless and until positive attitudes and behaviour replace the prevalent distrust, apathy and lack of open dialogue. Interventions in support of 'active rapport' include proposals related to shared development project planning and implementation by hitherto antagonistic groups, collaboration in government interface committees and in training, or creation of occupation-based (i.e. farming) or service-oriented (i.e. health service users) inclusive organisations. The design and sequencing of all interventions proposed in the PCNA needs to be viewed through this lens.

Desired outcome: A harmonious environment where people and communities are at peace with each other

Output:

1. Drive the repair of the social fabric of the region and ABC through support to community and individual reconciliation and healing
 - Use of peace building language and objectives in all aspects of public communication and decision-making demonstrates government's concerted, holistic and integrated counter-radicalisation campaign
 - Conscious design of all peace building and other interventions, including state employment policy, in the region to maximise opportunities for inclusiveness and intra and inter-community reconciliation.
 - Consultatively design and support specific reconciliation mechanisms such as ADR

- Establish a civil-military taskforce, consulting with communities, to develop recommendations to promote accountability on all sides, address perceptions of impunity and bring closure to outstanding disputes (this goes hand in hand with demands for compensation (SO1))
 - Expand culturally sensitive and informed psychosocial services to assist victims and perpetrators of violence and conflict.
2. Rehabilitate ex-combatants and militant sympathisers into tolerant and peaceful members of society
- Based on lessons learned elsewhere (Yemen, Saudi Arabia), immediately begin human rights compliant and culturally appropriate de-radicalisation and rehabilitation programmes for detainees (possibly including the support of respected scholars to share peace building tenets of religion with extremists). This should include provision of re-integration skills and support as well.
 - With communities, develop a broad de-radicalising tolerance-driven re-education programme to foster reconciliation within and between communities
 - In the longer term, design a culturally-relevant DDRRR programme that includes a strategy for foreign fighters

Strategic Objectives	Outcome	Baseline	Outputs	Transitional Period			Costs (million USD)
				December 2010	December 2011	December 2012	
Strategic Objective #1 : Build Responsiveness & Effectiveness of the State to Restore Citizen Trust.				90			
1. A responsive and effective state and civil society 1.1 Political reform in FATA/PATA beginning to take place	1. Political reforms in FATA and PARA respond to citizens demands. 1.1 Increased political participation & awareness of rights/entitlements: organized demand among poor/vulnerable/women: e.g. demonstrations, petitions, meetings, media coverage, voting. 1.2 PA decisions regarding FATA administration, law enforcement, et al, documented, published by the media		1. FATA Political Reforms package implemented 1.1 Immediate application of the integrated reform package which is ratified 1.2 Using a consultative approach, building consensus and agreements on steps to further reform 1.3 Develop communications strategy (part of a overarching communication strategy on peace building (SO4)) 1.4 Facilitate consensus-building and dialogue towards a decision on status of FATA 1.5 Implement further phased FCR amendments	1. Notification of Political Parties Act to FATA	1. FATA reforms package announced in 2009	1. FATA integrated by constitutional amendments.	10
				2. Review the PA's powers of arrest, detention, right to bail; exclusion women & minors from collective responsibility			
				3. PA internal auditors established, audit processes improved	2. Annual audit report of government and donor assistance to achieve transparency in public spending in FATA	2. Information access legislation prepared, approved for FATA	
				4. Additional audits accounts branches set up in FATA federal authority			
				5. SAFFRON administrative functions delegated to FATA secretariat			
1.3 Increasing access to fair and speedy justice in FATA	2. . Legal-judicial infrastructure reformed and strengthened in FATA 2.1 PRG/Ombudsman complaint mechanism operational and being accessed: # complaints processed 2.2 # Non-court complaints redressed (# women, # men) 2.3 # cases reviewed by		2. Legal/Judicial infrastructure reformed & strengthened in FATA 2.1 Specialized support in investigation and prosecution in aid of <i>jirga</i> deliberations: e.g. Governor's Inspection Team is strengthened (staffed, trained) and authorized to undertake investigations and audit of all tribal agencies; an audit professional is deployed on deputation from the Auditor General of Pakistan; State provides specialised support in investigation and prosecution, in aid of <i>jirga</i> deliberations, and preferably through the Levy Force (c.f. Khurram system). 2.2 Extend the jurisdiction of the Federal Ombudsman Introduce systems to enable access to justice for the most vulnerable (Fast-track modalities are in place that extends the jurisdiction of the Federal	1. Successful AJP reforms expanded and replicated			10
			2. Law Reforms Bill proposed reforms reviewed	1. Judges, lawyers, business persons and public's awareness of law reforms enhanced			
			3. Recommended law reforms enacted				
			4. Nizam-i-Adl Regulation 2009 (NAR) reviewed (Constitutional conformity)				

<p>Increased access to/use of fair and speedy just system (both KP & FATA)</p>	<p>High Court (FATA)2 2.4 Long-term FATA status resolved: near term review initiated with discussions and debate. 2.5 # Applications/ requests processed increased 2.6 # cases (# women, # men) and disposal rate of cases increased 2.7 increased PA transparency: decisions recorded, with explanations and published in media 2.8 Cases of collective accountability arbitrary arrest and detention by PA reduced</p> <p>3. Legal/judicial infrastructure reformed and strengthened more generally</p> <p>3.1 PRG/Ombudsman complaint mechanism identifying and responding to # complaints 3.2 # Non-court complaints redressed (# women, # men) 3.3 # cases (# women, # men) and disposal rate of cases increased</p>		<p>Ombudsman to FATA).</p> <p>3. Legal/judicial infrastructure reformed and strengthened more generally</p> <p>3.1 Rights-based (gender / HR) justice sector competency-based training systems/methodologies (incl. case management, Investigation and Prosecutorial Services) (KP and PATA) 3.2 Review of sharia Nizam-e-Adal (PATA) in accordance with the Constitution and citizens' rights 3.3 Scale-up of the Anjuman Musalihat (community ADR) systems (KP) 3.4 Public awareness campaign (explanation of diversity of legal systems available and how to access them) (KP ad FATA) 3.5 Case management improvement program implemented (standards, staff trained, etc). 3.6 Investigation Services Program and Prosecutorial Services Program established throughout the regions. 3.7 Gender and Human Rights training program for rule-of-law service providers established. (KP and FATA) 3.8 PGR established with presence of Ombudsman's office locally, staffed with male and female workers. (KP)</p>	<p>5. Performance of AJP reforms reviewed</p>	<p>2. Review, formulate and implement follow up AJP reforms</p>		<p>20 (FATA-10mil + KP-10mil)</p>
	<p>6. PHC's monitoring and evaluation functions including public grievance redress (PGR) reviewed and strengthened</p>	<p>3. Public awareness of PHC's monitoring and evaluation functions including PGR enhanced</p>					
	<p>7. Training competency/skills-based modules for each occupational position/function drafted and notified</p>	<p>4. Justice & LEAs' training institutions curricula revised in line with competency/skills-based training systems</p>	<p>1.Competency/skills-based training implemented</p>				
	<p>8. Human, organizational and technical capacities of the subordinate judiciary enhanced</p>	<p>5. Human, organizational and technical capacities of the subordinate judiciary enhanced</p>	<p>2. Human, organizational and technical capacities of the subordinate judiciary enhanced</p>				
	<p>9. Prosecution services law reviewed (sufficiency and public interests tests; and effective use of prosecutorial powers)</p>						
	<p>10. An independent prosecution monitoring service established, operationalized</p>	<p>6. Law enacted resourced for independent Monitoring service(for prosecution services)</p>	<p>3. HR, organ., technical capacities of the prosecution monitoring service enhanced</p>				
	<p>11. Training facility for prosecutors resourced, staffed operationalized</p>		<p>4. HR, organ., technical capacities of the prosecution services enhanced</p>				
	<p>12. Guidelines dev., training provided in effective case</p>						

				prosecution			
				13. Prosecutor Code of Conduct established			
				14. Gender Justice strategy drafted	7. Gender Justice strategy notified.	5. Gender Justice strategy implemented	
				15. Regular laws of Pakistan and KP enforced in PATA	8. Family courts at all District HQ increased 9. Number of female judges increased		
1.5 A growing counter militant narrative about state non-responsiveness	<p>4. Improved governance in KP and FATA (intended to demonstrate state responsiveness to community needs)</p> <p>4.1 Services delivery objectives met, increasingly, by government or by out-sourcing: immediate focus on subsidized priority social & growth services (education, health, WATSAN, power-heating & lighting-for school/mosques/hospitals--hydel, solar, LPG). (See SO#3)</p> <p>4.2 # vulnerable/needly accessing cash transfers as compensation for collateral damage</p> <p>4.3 Improved transparency and accountability (and media coverage) in Public Resources Management: public oversight; publication of government budgets, audits, and procurements.</p>		<p>4. Improved Governance: structures reformed to be responsive to the people.</p> <p>4.1 Multi-level government team on streamlining regional governance arrangements established, operational</p> <p>4.2 Approval of Local Governance Act (LGA); re-invigoration of the land issue discussion</p> <p>4.3 Capacity gap analysis followed by institutional and technical support to government entities</p> <p>4.4 PFM processes improved, including citizen voice (based on international good practice for output based budgeting).</p> <p>4.5 Public planning, implementation and monitoring of service delivery enhanced</p> <p>4.6 Design and implementation of an information & communication strategy</p> <p>4.7 Mechanisms of public involvement in governance of service delivery expanded and institutionalized, including arrangements for elected representatives. (KP and FATA)</p> <p>4.8 institutional and technical support to government entities (including FATA Secretariat, the FATA Development Authority and FATA Disaster Management Authority (FDMA), PDMA/PaRRSA) that are responsible for carrying out PCNA-related activities and recovery. (KP and FATA)</p> <p>4.9 SOPs for infrastructure projects established (selection of interventions, communities and households; and a robust management and monitoring system for program oversight and course correction</p>	<p>1. Design of citizen service delivery report cards: 5 KP depts.</p> <p>2. First round of citizen report cards prepared for key five public services (F/M).</p> <p>3. Design for community based participatory planning, budgeting, spending and auditing in conflict context. KP/FATA.</p>	<p>1. Preparation, publication second round citizen report cards for key five public services.</p> <p>2. Implementation of the framework for community based spending and auditing. KP/FATA</p>	<p>1. Roll out</p>	10

<p>1.6 Trust in state is being restored;</p>	<p>5. Increased accountability and transparency in anti-corruption efforts.</p> <p>5.1 # corruption cases prosecuted increased, including public media review/monitoring 5.2 Safe opportunities being used by citizens to discuss corruption issues. 5.3 Community feedback provides the state with a practical guide to reinforcing its own institutions, and communicating its activities to reverse inaccurate negative perceptions.</p>		<p>5. Anti-corruption mechanism strengthened (to increase transparency)</p> <p>5.1 National Accountability Ordinance (NAO) finalized and covers FATA 5.2 FATA: requirement for a running budget discussed, unaccountable practices are replaced with a phased and transparent revenue collecting system 5.3 Safe opportunities provided to citizens to discuss corruption issues 5.4 An all-parties conference is convened to agree on a national Anti-corruption strategy passed by the National Assembly, that includes a Right to Information Act 5.5 Government strengthened in anti-corruption capabilities: <ul style="list-style-type: none"> ▪ Relevant institutions re-established, staff trained ▪ Ombudsman's office has more visibility (media coverage) ▪ Committee clears selection of key positions in public service based on criteria /merit(KP and FATA) 5.6 Decline in corruption verified in annual perception surveys and reversed trend established over time.</p>	<p>1. Initiate dialogue on role of <i>jirgas</i>-their interface with formal governance structures</p>			<p>10</p>
<p>1.5 Restoration of security and trust in Government's protection of citizens</p>	<p>6. More effective and professional direct state provision of public security services in KP and FATA regions.</p> <p>6.1 Effective security cover being provided: reduced crime levels; increased # crimes (including, against women) investigated 6.2 Community policing/Civilian engagement expanded: civic oversight, public debate regarding police and security initiated 6.3 Law Enforcement Agents are gradually</p>		<p>6. Improvements in state provision of public security and law enforcement</p> <p>6.1 Expert group tasked with a review of security and law enforcement requirements across the region (FATA and KP) 6.2 Police investigation, intelligence and prosecution services and management processes are improved: e.g. Police Training and Equipment Plan developed. 6.3 Military consultatively develops domestic results-based application of civil-military doctrine 6.4 Improved State-society dialogue on public security, including on the role of <i>lashkars</i> initiated. 6.5 Urgently and consultatively develop and communicate a compensation strategy for human and material war-related damage 6.6 Public Communication strategy to stimulate community oversight and engagement regarding public security implemented.</p>	<p>1. NACTA announced operative policy for countering terrorism</p>			<p>10</p>
				<p>2. Assess, improve AC reform programs in KP and FATA</p>			
				<p>3. Develop/implement Anti-Corruption Establishment (ACE) in KP/ FATA</p>			
				<p>4. Develop formal and informal institutions based reform strategies in KP and FATA</p>	<p>1. Review and institutionalization of reform strategy and measures in KP and FATA</p>	<p>1. In KP/FATA assess beneficiary oversight processes 2. Develop policy recommendations for integration, long term institute.</p>	
				<p>5. Initial monitoring evaluation and impact assessment</p>	<p>2. Monitoring evaluation and impact assessment</p>	<p>3. Monitoring evaluation and impact assessment</p>	
				<p>1. Justice, security, legal, organizational frameworks reviewed</p>		<p>1. ROL organizational capacities enhanced</p>	
				<p>3. Legal aid clinics established, expanded</p>			
				<p>4. Police and LEAs training systems reviewed</p>	<p>1. Review report's recommendations implemented</p>		
				<p>5. Civil society and ROL Institutional relationships notified</p>			
				<p>6. Job descriptions, standards drafted; position/function notified</p>			

	forming an accountable, transparent and democratic policing force: public exposure/publication of actions, results; inclusion of public in setting priorities, reviewing progress			7. Civil LEAs trained (counter insurgency, human trafficking, money laundering).	2. LEAs HR, organizational and technical capacities enhanced	2. Transition from military to civil security initiated	
				8. PEMRA's capacity enhanced			
				9. Strategy drafted, announced to withdraw military personnel from Civilian LEAs			
				10. Community policing implemented	3. Pilot program for community policing implemented	3. Community policing implemented	
1.2 Civic oversight /increased public identification with the State	<p>7. Strengthened relationship and trust between state, communities, and civil society</p> <p>7.1 State/community engaged in dialogue on key issues; driving resource allocation decisions, priorities</p> <p>7.2. Media coverage increased, covering public involvement, PFM in KP, budgets, audits (provincial & tribal), procurements, reforms, and corruption cases, et al.</p> <p>7.3 Increased community level provision of basic infrastructure (through CDD)</p> <p>7.4 Civil social function as watchdog institutions, citizens systematically assessing Government service delivery.</p>		<p>7. Communities strengthened to collaborate with government in local governance</p> <p>7.1 Government commitment to greater engagement with civil society (participation and oversight of civil society in its decision-making, implementation and accounting) at all levels institutionalized in the new LGA and a key pledge in its communication to citizens. An alternative, gentler approach might be beneficial in FATA</p> <p>7.2 Provision of TA, capacity development and funding (KP and FATA) to civil society (technical) and to government (processes, mindsets)</p> <p>7.3 PGR established with presence of Ombudsman's office locally. staffed with male and female workers. (KP, FATA)</p> <p>7.4 Foster debate and discussion, starting with a 'public information and citizen dialogue mechanism', application Fol act to KP/FATA</p>	<p>1. Design of citizen service delivery report cards: 5 KP depts.</p> <p>2. First round of citizen report cards prepared for key five public services (F/M).</p> <p>3. Design for community based participatory planning, budgeting, spending and auditing in conflict context. KP/FATA.</p>	<p>1. Preparation, publication second round citizen report cards for key five ervipublic sces.</p> <p>2. Implementation of the framework for community based spending and auditing. KP/FATA</p>	1. Roll out	10
Strategic Objective #2: Stimulate Employment and livelihood Opportunity						604/5	

<p>2. Stimulation of employment & livelihood opportunities</p> <p>2.1 Revitalized agriculture and livestock based economy</p> <p>2.2 Enhanced resource flows stimulate new economic opportunities Agricultural commerce leads to employment and income opportunities</p> <p>2.3 Vibrant, legal economy</p> <p>2.4 An enabling environment for commerce and business</p> <p>2.5 Focus especially but not exclusively on young men</p>	<p>1. Urgent recovery of the subsistence and commercial agriculture sectors</p> <p>1.1 production levels return, increase 1.2 livestock production levels return 1.3 Fisheries production increased 1.4 # ha forests replanted/replanting of fruit trees 1.5 farm income returns to X levels 1.6 Post harvest business and storage facilities in productive use 1.7 Improved water management & harvesting using improved techniques</p> <p>2. Longer term improvements in agriculture</p> <p>2.1 # farmers/FFs using credit access to invest in farms 2.2 production increases 2.3 increased production of value added corps/products.</p>		<p>1. Agriculture infrastructure and capacity rehabilitated/restored:</p> <p>1.1 Restocking and restoration of livestock are completed: # animals restocked; amount feed and fodder provided. [This will be especially important for women who take care of the livestock and who derive income from it.] Distribution of recovery materials completed: quantity seeds and fertilizer; provision of tools and implements. 1.3 Rehabilitation of destroyed infrastructure (irrigation, flood control, reforestation, nurseries, animal shelters, storage facilities, fruit trees) Outreach programmes and credit facilities reviewed and strengthened</p> <p>2. Longer-term Agriculture revitalization strategy implemented.</p> <p>2.1 Community planning and implementation of rural livelihoods interventions (<i>crops, animal husbandry, fisheries, off-farm activities, post harvest and storage, water management and harvesting, NTFPs, small enterprise development, etc.</i>). 2.2 Matching grants delivered for community development schemes (CDD <i>development schemes, forestry plantations and range management.</i> 2.3 New micro credit and revolving funds schemes extended and strengthened, and legal impediments to access to credit removed in FATA (for livestock and agriculture, including special provisions for the poorest and most vulnerable group) 2.4 Deepening and widening of commercial agricultural sector to maximize its potential for employment and revenue 2.5 High value crops promoted through introduction of new technologies, improvement of market information and infrastructure.</p>	<p>1. restocking livestock; provision of feed and fodder; repair of animal shelters and poultry/ dairy farms; vaccinations</p> <p>2. distribution of seeds, fertilizer, tools and implements; provision of tree seedlings; repair of post harvest/storage facilities</p> <p>3. Repair of damaged public irrigation and flood control schemes</p> <p>4. Rehabilitation of fisheries</p> <p>5. Reforestation and rehabilitation of forest and rangelands</p> <p>6. Support to community mobilization and group formation</p> <p>7. service provision; technical support; facilitation for access to microfinance services and market; matching grants</p> <p>8. high value crops through introduction of new technologies, Improvement of market information</p>	<p>1. restocking; provision of feed and fodder; repair of animal shelters and poultry/ dairy farms; vaccinations</p> <p>2. distribution of seeds, fertilizer, tools and implements; provision of tree seedlings; repair of post harvest/storage facilities</p> <p>3. Repair of damaged public irrigation and flood control schemes</p> <p>4. Rehabilitation of fisheries</p> <p>5. Reforestation and rehabilitation of forest and rangelands</p> <p>6. Support to community mobilization and group formation</p> <p>7. service provision; technical support; facilitation for access to microfinance services and market; matching grants</p> <p>8. high value crops through introduction of new technologies, Improvement of market information</p>	<p>1. restocking; provision of feed and fodder; repair of animal shelters and poultry/ dairy farms; vaccinations</p> <p>2. Reforestation, rehabilitation of forests, rangelands</p> <p>3. Support to community mobilization and group formation</p> <p>4. service provision; technical support; access to microfinance services, market; matching grants</p> <p>5. high value crops through introduction of new technologies, Improvement of market information</p>	<p>487.45</p>
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vulnerable to militant recruitment			<p>2.6 #young men/women provide skills training (agriculture, livestock, MSME) (see below)</p> <p>2.7 agriculture resources public awareness campaign implemented</p>	<p>9. restocking livestock; provision of feed and fodder; repair of animal shelters and poultry/ dairy farms; vaccinations</p>	<p>9. restocking; provision of feed and fodder; repair of animal shelters and poultry/ dairy farms; vaccinations</p>	<p>6. restocking; provision of feed and fodder; repair of animal shelters and poultry/ dairy farms; vaccinations</p>	
	<p>3 Immediate Job Creation.</p> <p>\Effective employment opportunities created with an emphasis on skilled and unskilled youth</p> <p>3.1 # new people (m/f, age, region) employed in agriculture</p> <p>3.2 # new people (ma/f, age, region) employed non-farm</p> <p>3.3 # new people (m/f, age, region) employed in immediate public works/infrastruct</p> <p>4. Sustainable Employment base in KP and FARA</p> <p>4.1 # new people (m/f, age, region) employed in agriculture</p> <p>4.2 # new people (ma/f, age, region) employed non-farm</p> <p>4.3 # new people (m/f, age, region) employed in immediate public projects</p>		<p>3. . Targeted employment/job creation program implemented</p> <p>3.1 Targeted labor-intensive public works programmes. Designed to include transfer of skills to contractors and communities. Government procurement for reconstruction optimized to maximize local employment generation: % local employment by project Rehabilitation and support to currently closed but viable businesses. Employment guarantee scheme (cash for work program) implemented</p> <p>3.5 Clear communication strategy explaining in particular why the private sector is being supported.</p> <p>3.6 Employment information centres established</p> <p>3.7 Targeted skills-building program for youth established: # young men/women enrolled</p> <p>3.8 women's employment generation fund established</p> <p>4. Targeted employment/job creation program implemented</p> <p>4.1 Integrated, context-driven skills and capacity development programme to include: review of TVET, on-the-job training grants to firms, targeting of women and young men, gender-sensitive business development outreach services</p> <p>4.2 Firm-based grant programmes in support of employment generation</p> <p>4.3 Employment-generating entrepreneurial initiatives</p> <p>4.4 Employment opportunities public awareness campaign implemented</p>	<p>1. Review/amend Govt. policies that constrain worker mobility</p>			57
				<p>2. Develop capacity of Labor Market Stakeholders (Employers, Workers, Government) to International Labor Standards Introduce "Labor Statistics" (LMIS) to focus accurately on labor needs</p>	<p>1. Implement employment guarantee scheme (cash for work program)</p> <p>2. Employment Centers established</p>		
				<p>3. Encourage GCC to incentivize hiring more workers from affected areas</p>	<p>3. Reorient government procurement/contracts to focus on local jobs</p> <p>4. Establish a women's employment generation fund that supports through grants skill building, critical infrastructure</p>	<p>1. Establish challenge fund to support entrepreneurship for more jobs</p>	
				<p>4. Implement TVET programs</p> <p>5. Integrated Work/Vocational Training program implemented (local enterprises)</p>			
works/infrastructure projects							

	<p>5. Generating growth and employment (through improved investment climate)</p> <p>5.1 Small enterprise sector rehabilitated and expanded</p> <ul style="list-style-type: none"> ▪ X# small enterprises initiated ▪ # MSMEs using credit/loans to invest in firms/expand business ▪ # m/f entrepreneurs using BDS ▪ Firm revenues building 		<p>5. Improved Investment climate Enhanced.</p> <p>5.1 A business friendly environment developed in FATA and K: e.g. building geographical synergies between infrastructure development and economic growth, informed access to credit and regulatory reforms and investigating alternative sources of energy.</p> <p>5.2 # damaged shops, # factories; # hotels etc provided financial support for renovation, expansion and up-gradation.</p> <p>5.3 Substitute the illicit economy in tandem with building alternative employment opportunities; strengthening LEAs, with closer links to counterparts across the border and between LEA head offices and local efforts.</p> <p>5.4 Communication strategy established to share government intentions, explain investment choices and prioritization, inform women and other targeted groups about new support systems, communicate clearly the benefits of investment, growth and sustainable employment over higher wages from militant recruitment.</p> <p>5.5 A promotion and investment facilitation unit established, operational.</p> <p>5.6 Business development services established, with focus around ensuring at least 30% female businesses.</p> <p>5.7 A matching grant scheme established for firm renovation, replacement and upgrading: #/\$ vol grants meeting criteria provided.</p> <p>5.8 A challenge fund established that, on a competitive basis, supports entrepreneurial initiatives (produce jobs- with a quota for home-based/ cottage industries employing women): # grants provided.</p> <p>5.9 Frontier Corps, Frontier Constabulary, Anti-Narcotics Force, other federal, paramilitary law enforcement bodies links to local level enforcement efforts is strengthened.</p> <p>5.10 Trade in consumer goods and durables deregulated. Specialized law enforcement agencies strengthened (drug control, human trafficking, money-laundering, militant groups financing).</p>	<p>1. Establish grant scheme for firm renovation, replacement and upgrading</p> <p>2. Support the financial institutions to increase their outreach through supporting their operational costs</p>	<p>1. Establishment of business development services</p> <p>2. Expand public works programs as part of infrastructure rehabilitation program</p>	<p>1. Peshawar-based Integrated firms program for new markets development</p>	60
Strategic Objective #3: Ensure Provision of Basic Services						1520.75	
<p>3. Benefitting from the provision of basic services</p> <p>3.1 State provision of basic services meets public</p>	<p>Excluded and vulnerable groups, especially women and girls, accessing basic services (which they have been unable to use due to the crisis and inadequate resource allocation)</p> <p>1. Immediate grater reach</p>		<p>1. Improve access to education</p> <p>1.1 Reconstruction of damaged infrastructure with particular attention to girls' schools</p> <p>1.2 Adopt temporary measures so that some education is available to all</p> <p>1.3 Vouchers to attend private education where no public options exist</p> <p>1.4 Increase opportunities for functional literacy and non-formal (including at home) education</p> <p>Measures to incentivize the most vulnerable into or to stay in education:</p>	<p>1. Identify government educational facilities to be reconstructed or rehabilitated</p> <p>2. Reconstruction & Rehab. of damaged schools</p> <p>3. Implement scheme to</p>	<p>1. Reconstruction & Rehab. of damaged schools & TVET facilities to continue</p> <p>2. Continue scheme</p>	<p>1. Reconstruction & Rehab. damaged schools & TVET facilities to continue</p> <p>2. Evaluate</p>	14.70

<p>needs and expectations, especially of crisis-affected, excluded and vulnerable groups:</p> <p>3.2. Militant claims to be a viable alternative to the state are effectively countered through the demonstration of government commitment to delivering basic services efficiently and equitably:</p>	<p>of basic Education Services:</p> <p>1.1 # people by gender/age enrolled, and 50% re-enrolled, in primary, secondary schools, in literacy and TVET & life skills programs both with 75% completion rates</p> <p>1.2 # prisoners enrolled in TVET</p> <p>1.3 # Communities and families providing oversight for education of their children</p> <p>2. Greater Quality of basic education</p> <p>1.2 # Participating <i>Madrassas</i> providing education programs with revised peace building syllabus.</p>	<ul style="list-style-type: none"> School feeding programmes in all girls' and boys' public primary schools Stipends for girls in high school Cash / in kind incentives for the most vulnerable 	<p>motivate teachers to return to work, especially targeting women</p>	<p>to motivate teachers to return to work, especially targeting women</p>	<p>motivation schemes targeting students and teachers</p>	
	<p>3. Access to health services and WATSAM</p> <p>3.1 # People using/receiving basic health services: first-aid, mid-wifery, immunization, psycho-social care, rehabilitation care for disabled (both m & f)</p> <p>3.2 25% increase in patients receiving tertiary care and improved patient satisfaction</p> <p>3.3 15,224 C.O.s owning</p>	<p>Improve education delivery system</p> <ul style="list-style-type: none"> Task force to develop a scheme to incentivize teachers into rural and less secure areas Accreditation system for madrassas based on a national curriculum <p>2.2 Accelerate implementation of curriculum reforms and build on them</p> <ul style="list-style-type: none"> Accelerate teacher training and distribution of textbooks on new curriculum Develop national standards applicable to public and private schools alike (+ enforcement) 	<p>4. Implement a scheme to motivate students to return to school in areas where they are not</p> <p>5. Pilot a voucher program for use of non-gov't. schools where no schools</p> <p>6. Prepare in-service program for teachers on peace and human values</p>	<p>3. Continue scheme to motivate students to return to school in areas where they are not</p> <p>4. Continue pilot program</p> <p>5. Implement in-service peace & values program for teachers</p> <p>6. Develop criteria for peace content in textbooks & TLM</p>	<p>3. Continue pilot voucher program</p> <p>4. Integrate peace & values modules into regular in-service and pre-service programs</p> <p>5. Notify requirements for peace content in textbooks & TLM</p>	
	<p>3. Health Services and WATSAN services improved.</p> <p>3.1 Prioritized BHUs rehabilitated and restocked. Local health workers trained: # Reconstructed health facilities damaged or destroyed, and operational in first 24 months</p> <p>3.2 X# tertiary service centers restored to operation, temporarily staffed by medical school students</p> <p>3.3 # paramedics (m/f) trained, equipped and deployed to # communities</p> <p>3.4 Psycho-social support efforts extended : implement community-based mental care program and psychosocial care of crisis survivors; rehabilitation care for the disabled</p> <p>3.5 Innovative schemes to increase general basic health knowledge</p> <p>3.6 2.8 million people provided access to WATSAN, community plumbers trained, PDU staff trained, drilling programme; awareness campaign for eradicating open defecation, latrine-building campaign.</p>	<p>1. EHSP implemented</p> <p>2. Vouchers for transport acquired</p> <p>3. Develop health promotion messages for FM radios</p> <p>4. Conduct mothers and child health days at girls schools</p> <p>5. NGO hired to design and implement child to child program</p>	<p>1. Specialist care available in AHQH / DHQC</p>	<p>1. Implementation continued</p>	31.67	

	and maintaining water and sanitation facilities and providing acceptable quality water to 2.8 million people (in FATA, in KP) tion (survey).			6. Damaged health facilities reconstructed and refurbished	2. Commission newly constructed facilities		
				5. Water Supply KP- 863 schemes FATA- 1,464 schemes FR- 117 schemes	4. Water Supply -14 Water Quality testing labs established (7 each) KP- 3,883 schemes FATA- 6,587 schemes - 526 schemes costed	3. Water Supply KP- 3,883 schemes FATA- 6,587 schemes FR- 526 schemes	
				6. Sanitation KP- Schemes costing 4.5 US\$M FATA- Schemes costing 2.8 US\$M FR- Schemes costing 0.2 US\$M	5. Sanitation KP- Schemes costing 10.1 US\$M FATA- Schemes costing 6.3 US\$M FR- Schemes costing 0.7 US\$M	4. Sanitation KP- Schemes costing 9.8 US\$M FATA- Schemes costing 6.1 US\$M FR- Schemes costing 0.5 US\$M	
	4. ABC with respect to health and sanitation		4. Media Campaign Implemented: 4.1 Full targeted ABC campaign linked to sequenced interventions 4.2 Periodic surveys to determine public satisfaction with basic amenities				
	5. Increased sustainable use of energy resources 5.1 (By region) X# new communities/HHs consuming affordable (subsidized), reliable energy (grid, hydel, solar)		5. Improved energy and access to energy 5.1 Further consultative investigation into off-grid energy supply sources and management (solar, hydro) 5.2 Balance out economic growth led targeted improved road network in KP/FATA with community access needs 5.3 By region, 330,000 new HHs, 4,712 new villages electrified; 1040MVA added in KP & X in FATA; 400,000 HHs have access to LPG; X amount power available from hydel, solar, wind, water generation.				
	6. Effective social safety nets reach the neediest 6.1 330,000 targeted people in need receive cash/in-kind grants.		6. Social Safety programs established, operational. 6.1 Safety Net/ Cash Transfer and in-kind support program established using improved targeting and distribution system, reaching 330,000 (30% of population) needy and vulnerable, by gender 6.2 Targeting system is improved. 6.3 Targeting system, the Social Safety Net program is communicated through the media 6.4 School feeding programs established (100% in primary schools) for boys and girls public schools in crisis affected districts of KP and FATA: # school fee transfers provided to needy girls/boys for each school level; # stipends	1. EHSP implemented	1. Specialist care available in AHQH / DHQC	1. Implementation continued	585.015 (incl. 350 million for electricity subsidy in FATA)
				2. Vouchers for transport acquired			
				3. Develop health promotion messages for FM radios			
				4. Conduct mothers and child health days at girls			

			provided to female high school students training as health workers; # TVET fees provided.	schools			
				5. NGO hired to design and implement child to child program			
				6. Damaged health facilities reconstructed and refurbished	2. Commission newly constructed facilities		
				7. Conditional Cash Transfers acquired			
	7. State delivers basic services efficiently and equitably		7. Government delivery capacity strengthened. 7.1 Appropriate percentage of state employees trained in Education, Health, Water and Sanitation, Transport, Energy, Agriculture and other relevant sectors to enable the efficient delivery of basic services within these sectors 7.2 Preparation of public guidelines and benchmarks for measuring efficient service delivery 7.3 Special programmes developed to enhance advocating capacity of vulnerable groups 7.4 Coordination mechanisms established across sectors to minimize waste and duplication in service delivery	1. Develop a functional capability in KP and FATA Secretariats to support peace-building and reconciliation efforts and strengthen e-government features		1. Community consultations and oversight mechanisms operational 2. Impact assessment completed : provide baseline for medium term reform program KP/FATA	9.9
				2. Skilled civil servants on incentive contracts recruited: priority areas.			
				3. Reform of priority functional areas to support reconstruction developed, approved.		Core functional units reform completed	
				4. E government features installed at the district and agency levels			
				5. Pilot Implementation of Risk Management Strategy on selected departments, KP/FATA.			
				6. Assessment of existing PFM at KP and FATA using PEFA Framework.		4. 3 rd party evaluation & adoption of PFM system developed during PCNA into mainstream existing PFM FATA	

				7. Implementation of the framework for community based spending and auditing. KP/FATA				
Strategic Objective #4: Counter-Radicalization and Foster Reconciliation							35.25	
4. Counter-extremism & Reconciliation 4.1 Emergence of a diverse, open, tolerant, society Peaceful and harmonious co-existence of diverse sectarian groups 4.2 Increasing Social cohesion among and within communities: 4.3 Establishment of an alternative discourse to extremist religious and ideological messag	1. Emergence of a diverse, open, tolerant society 1.1 Diversity and broad representation evidenced in civic oversight and other accountability mechanisms 1.2 Equitable representation in State employment 6.3 In public works projects people working together, both men and women of diverse sectarian groups 1.4 Media/radio discussions and debates about diverse points of view; systematic provision of a plurality of information and perspectives, including alternative voices, from which the public can make informed choices		1. Accelerate and extend the impact of the inclusion of peace building values in education 1.1 Accelerate the dissemination of the new national education curriculum to FATA and KP 1.2 Application of standards (including peace building elements of new curriculum) to private and non-formal education as well 1.3 Registration of all education establishments 1.4 DoE to visit all schools in region to discuss holistic education with teachers and prioritize teachers from region for training 2. Open up the communication space to a plurality of information sources and perspectives and ensure these can be safely shared and held 2.1 Saturate the government peace building communication strategy with value-rich and culturally-appropriate language about tolerance and rights 2.2 Incentivise private media development in FATA and KP, including enactment of legislation to protect journalists' (and others) rights + enforcement capability within the LEAs 2.3 Actively recruit and involve respected scholars and other culturally respected figures in promotion of peace building 2.4 Extend the PPA to FATA	1. Militant propaganda content analysis carried out			16.5	
				2. Counter-Radicalization/peace issues publicly discussed/messages disseminated	1. Counter Radicalization Campaign continues	1. Counter Radicalization Campaign closes down 12/6		
				3. Public Information material disseminated -school writing and poetry contest on issues of tolerance and peace - # of face to face discussions with the mosque Imams' wives and the wife of the head of house/village. - # of SMS and calls providing answers to religious questions and daily life issues - # of advocacy meetings with opinion leaders - # of journalists trained in thematic areas - # of radio/TV shows - # of leaflets/posters/hot-lines/SMS on thematic areas/new services	2.Public Information material disseminated -# of articles referring to peaceful initiatives -# of reconciliation workshops and interactive seminars -# of citizen journalism training and # of competitions for citizen journalism material -# of messages on trucks, radio spots -# of cultural events promoting peace and local culture			
				4. Comprehensive KAP survey as baseline		2. Comprehensive KAP survey to identify attitude changes		
				5. Mapping of moderate				

				opinion leaders			
				6. Moderate religious scholars run Q&A service			
	<p>2. A harmonious environment where people and communities are at peace with each other</p> <p>2.1 vulnerability to extremism of the wider population reduced</p> <p>2.2 crisis-related grievances addressed, using traditional structures (jirgas and nanawate)</p> <p>2.3 Growing reconciliation between communities and among individuals</p>		<p>3. Drive the repair of the social fabric of the region and ABC through support to community and individual reconciliation and healing</p> <p>3.1 Maximise opportunities for inclusiveness and intra and inter-community reconciliation in all interventions, including positive action in state employment policy</p> <p>3.2 Consultatively design and support specific reconciliation mechanisms such as ADR</p> <p>3.3 Establish a taskforce to develop recommendations to promote accountability on all sides</p> <p>3.4 Expand culturally sensitive and informed psycho-social services</p> <p>4. Rehabilitate ex-combatants and militant sympathizers into tolerant and peaceful members of society</p> <p>4.1 Immediately begin human rights compliant and culturally appropriate de-radicalization and rehabilitation programmes for detainees, including re-integration support</p> <p>4.2 With communities, develop a broad de-radicalizing tolerance -driven re-education programme to foster reconciliation within and between communities</p> <p>4.3 In the longer term, design a culturally-relevant DRRR programme that includes a strategy for foreign fighters</p> <p>4.4 Broad communication campaign established to disseminate alternative views to the general public, and enlarge public discourse through facilitated dialogue</p>				11.7
				1. Registration of victims of conflict,,	1. Registration of victims of conflict,,	1. Registration of victims of conflict,,	
				2. Provision of social care service that include ; *Psycho social support; medical support *Support to victims of conflict *Drug rehabilitation *Women crisis centers *Support/protection centers for children and women at risk	2. Provision of social care service that include ; *Psycho social support; medical support *Support to victims of conflict *Drug rehabilitation *Women crisis centers *Support/protection centers for children and women at risk	2. Provision of social care service that include ; *Psycho social support; medical support *Support to victims of conflict *Drug rehabilitation *Women crisis centers *Support/protection centers for children and women at risk	
				3. Awareness raised of prison population on bail provisions	3. Awareness raised of prison population on bail provisions	3. Awareness raised of prison population on bail provisions	

4. INSTITUTIONAL FRAMEWORK, MONITORING AND EVALUATION AND RISK MANAGEMENT

4.1 Institutional framework

4.1.1 Scope

The design of the institutional framework that will manage and deliver implementation of the PCNA recommendations will need to be pragmatic and flexible, considering the need for a quick start, the relatively limited timeframe of 30 months, the multiple government agencies and departments to be involved, and the diversity of outputs to achieve. It is therefore strongly recommended that the Government designs a framework that is as simple as possible, favouring existing mechanisms over new teams and/or structures.

Immediately after (or even before) full government endorsement of PCNA recommendations, the core implementation arrangement needs to be considered and set-up. The lesson learned from the DNA experience was that the major delay in setting up the core institutional capacity and mechanisms to manage it was one of the major reasons for the delay in the realisation of funding pledges.

The objective of this chapter is therefore to assist the Government with this process by proposing a few guidelines for consideration. It is obviously the role and responsibility of Government to design this system and install it – the following suggestions are therefore just that; they are not intended in any way to be prescriptive, seeking only to share best practice from other post-crisis situations and, where relevant, apply these to the PCNA implementation management mechanisms.

PCNA implementation management will require a multi-sectoral mandate, with sufficient influence and credibility to be able to elicit cooperation from the range of line agencies that will be involved in different interventions. To achieve the right institutional make-up the key outputs of the STRF will have to be mapped to determine the following issues: where the final decision-making about an intervention or reform lies; which agency is directly related to a particular output in terms of mandate; which agency has the comparative advantage in terms of capacity, critical mass and will to champion the initiative/reform.

A major set of outputs is structural and requires changes in the constitution, in policy, in political and administrative organisation. To develop requisite strategies and bring about changes, different processes of consultation and consensus building will have to be put in place. These processes will require their own institutional arrangements and dynamics. At the same time the processes (including their sequencing), and especially their outcomes, are inter-related and have a mutually reinforcing impact on each other. Hence, in addition to identifying the right institutional homes to champion each set of reforms, an institutional mechanism

needs to be established that coordinates, monitors, guides and sequences these activities.

Furthermore, the institutional arrangements need to deliver successful implementation of the STRF within 30 months. Key elements, particularly those effective in countering crisis drivers, should then be transitioned or integrated into longer-term development plans. The urgency of the purpose requires simplified approval and efficient implementation procedures. These may wish to mirror extraordinary approval powers/ concessions provided to the Earthquake Reconstruction and Rehabilitation Authority (ERRA) after the 2005 earthquake. Some of these have also been extended to PaRSSA. However, this flexibility must be matched with clear checks and balances to ensure transparency and accountability. It is also important that, as implementation progresses, the arrangements are robust and resilient enough to cater to the changing requirements.

4.1.2 Lessons from national and international experience

Generic national and international experiences related to institutional arrangements in post-crisis and post-disaster situations are presented below. These can help guide the institutional design for implementation of PCNA recommendations:

a) At strategic level:

- **Coordinated and coherent approaches, avoiding multi-function, inter-governmental structures:** International and national experience recommends avoidance of new single structure arrangements where: (i) control over execution/ operations is at stake; (ii) the legal status of the agency is likely to be contested; (iii) political contests amongst levels of government are likely to be exacerbated; and (iv) transaction-intensive responses are required. This would suggest therefore the set-up of multiple arrangements with different institutional homes represented under a single umbrella steering mechanisms at the federal level, supported by an apex steering committee at the operations (FATA and KP) level. Both these steering mechanisms could be supported by small secretariats that coordinate, monitor, ensure information exchange, and steer the sequencing of different initiatives under different agencies at the federal level and operational (KP and FATA) levels respectively.
- **Secure gains and existing initiatives:** Crises can reverse hard won gains in poverty reduction, and new institutional arrangements/initiatives can undermine on-going initiatives. Institutional arrangements for PCNA implementation must attempt to re-establish and secure previous development gains and establish well-defined relationships and coordination with existing and new initiatives directly or indirectly supporting the PCNA peace building objectives (FATA sustainable development plan, Malakand Strategy, DNA, humanitarian). In this regard it is important that the mapping of existing and on-going institutional arrangements and activities be carried out immediately after PCNA approval.

- **Transparency and accountability:** It is in the general interest of the Government that transparency and accountability is accorded a high priority and focus. This is also a concern repeatedly raised by the local population. This requires establishing agreed procedures for transparent oversight mechanisms with civil society and affected community participation, standardised reporting (meeting government/donor requirements), strengthening PCNA monitoring through technical support, and allowing third party monitoring of the PCNA implementation as part of the institutional arrangements. Accountability should also be ensured through the effective operation/extension of the judicial system and/or existing related institutions to the crisis-affected areas. Transparency can be strengthened through open processes and wide dissemination of all information.
- **Crisis sensitivity - avoid creation of new crisis:** The mechanisms, processes and institutional arrangements that are put in place, and the level of inclusion or exclusion within them, convey the initial message of purpose and intent. It is therefore, important that the institutional arrangements are well thought out so as to be crisis-sensitive and carry the message of reconciliation, inclusion, harmonisation and nation building. It will be important to have a robust system of M&E to maintain the peace focus, as well as to deliver each input according to relevant subject-matter indicators.
- **Audit, validation, interdiction:** A common Government, donor, and civil society commitment to zero tolerance for corruption (which in this case is also a driver of conflict), must be backed by full extension of the Auditor General of Pakistan's (AGP's) jurisdiction to all agencies involved in this peace building effort, third party verification of contracts, and use of Pakistan's existing (and new) arrangements for community-based social audit. The AGP office should also be strengthened to undertake this task.

b) At operational level:

- **Local trust, ownership and self-sufficiency:** Implementation arrangements themselves can also be used for peace and trust-building. Community engagement in the decision-making and implementation process is essential (see Chapter 3). This requires clear definition of roles, responsibilities and capacities of KP/FATA representatives and local communities. Implementation arrangements should also maximise use of local initiative, resources, skills, knowledge and capacities.
- **Subsidiarity and restoration of responsibility to legally-mandated institutions:** In centralising the strategic planning, monitoring and coordination of the peace building strategy, it is also important to return responsibility for all other executive functions to the lowest level of mandated and competent authority. Government will need to develop and implement protocols for responsibility and reporting at all levels. Existing coordination and regulatory arrangements should be capitalised on and strengthened in the planning, execution and accountability of interventions. Local capacity will likely need strengthening, incentive

arrangements might be considered as well as and the contracting of additional technical specialists (after a capacity gap analysis). Contracting must be based on comparative advantage, including private and non-government sectors.

- **Integrating key crosscutting themes** – gender, vulnerability, and socially disadvantaged groups, such as children, women, and the disabled: A crisis situation increases the vulnerability of all, but especially those who are already disadvantaged. Post-crisis programmes need to put special focus on vulnerable groups and the hitherto excluded, and should take account of those with special needs, to avoid their being overlooked. All cross-cutting challenges including vulnerability, gender and crisis sensitivity should be mainstreamed in planning and implementation as well,. This will have implications for staffing both in selection and for capacity development.

4.1.3 Proposed institutional framework

Some of the initial activities that are expected to follow PCNA endorsement are:

- i. Taking into account the risks mentioned above, establish an inter-government high-level team, possibly supported by a technical assistance facility to plan the implementation arrangements;
- ii. Identify and establish the core planning/institutional requirements and existing capacities and define roles, responsibilities, and relationships;
- iii. Design and approve the fund flow, financial management, monitoring, auditing and other procedures;
- iv. Assess, map and design the processes required to deliver the reforms;
- v. Put in place/define the sector and inter-sector planning / sequencing / coordination mechanisms;
- vi. Define specific strategies for key initiatives - policy parameters, reforms, standards, criteria and scope, with resource requirements;
- vii. Mobilise resources through government reallocations, by identifying existing funding, realising commitments, finalising agreements, etc;
- viii. Hire and train staff, and arrange logistics for the respective institutional homes;
- ix. Select individual interventions, conduct detailed surveys, collect data, prepare process/intervention plans and designs (PC-I and PC-II);
- x. Approve sub-projects/intervention/processes (reforms); and fund flow, implementation, and M&E arrangements.

Based on the above activities, a possible initial institutional structure is suggested below. It is provided in support of a rapid start-up of PCNA activities, as guidance only.

All levels of government must be involved in various capacities in the implementation of the STRF. The federal government must lead on reforms at the policy and constitutional level, restructuring and/or extending mandates of some federal agencies, and implementation related to federal agencies. This would ideally require a single Federal Steering Committee (FSC) headed by the Prime Minister with representation from all key administrative, judicial and sectoral agencies that will implement macro-level recommendations. The FSC should also have representation

from FATA and KP. The heads of agencies responsible for relevant sectoral intervention and specialist agencies responsible for crosscutting and multi-sectoral areas should also be included in the FSC. The various sector/crosscutting/reform teams could work with this committee, under the leadership of the sector/administrative heads.

The federal steering mechanism should be supported by a dedicated autonomous Secretariat (the Secretariat). The Secretariat could be entrusted with coordination, monitoring, documentation, information sharing, and planning/sequencing responsibilities at the strategic level. It should also have the mandate to interact with stakeholders, and to manage the financing of PCNA. It must have a critical mass and authority to engage with the respective agencies in establishing process roadmaps and initial planning work for the various initiatives. The responsibility for implementing these processes/activities should remain with the respective agencies; once the individual agencies/institutions are capacitated with the required resources, the PCNA Secretariat could eventually migrate into monitoring, coordination, etc. International experience has demonstrated that for transparency as well as optimal management reasons, the steering mechanism and secretariat should remain distinct from other implementation and administrative arrangements.

GoP might consider one federal level secretariat to be sufficient to oversee the process.

An alternative more complex model but one reflecting the reality that most of the operational recommendations fall under the mandate of either or both GoKP and FATA Secretariat, is to augment this secretariat with a framework at provincial level. This could either consist of

- One policy-level (Apex) Steering Committee (SC) (having representation from GoKP and FATA Secretariat, chaired by the Chief Secretary), mandated to provide general policy orientation and direction for all recommendations that have bearings at the supra-provincial/FATA levels and also supported by a local secretariat, or
- Two separate steering committees for KP and FATA, dealing with reforms and other initiatives specific to each.

The decision between these two options should be dependent on the balance of joint outcomes to independent ones. Experience shows that too many levels of strategic management and coordination create confusion however; therefore it is recommended to limit coordination to either one federal level steering committee only (preferably), or one at federal level and just one at provincial level. Neither would have direct implementation responsibilities, but would ensure that the strategic outputs and outcomes based on the STRF are realised.

The Steering Committees (federal, apex or separate) and the Secretariats (Federal/Local) should have extraordinary powers of approval in order to expedite project/initiatives processing and financing.

Implementation will presumably be carried out through the mainstream technical line agencies in GoKP and FATA Secretariat. These technical line agencies will be responsible for routine planning and design, coordination, implementation, oversight, progress monitoring and reporting. The capacity of the line agencies will have to be considerably strengthened through injection of specialised skills to fill gaps and build capacity, in addition to responding to the increased staff need. Staff will also have to be imparted training in certain skills, and will have to be given special pay packages or other financial incentives to perform well. The regular process and systems of the line agencies would be used, but with special concession/powers to increase efficiency, and revised procedures ensuring higher levels of oversight and accountability. Inter-line agency coordination will be essential for many interventions to respond to Strategic objectives that build on complementarities between sector inputs.

The membership of these steering committees, exact structure of the bodies that support implementation and requirement for additional staff and capacities by different agencies involved is to be worked out during the early part of implementation.

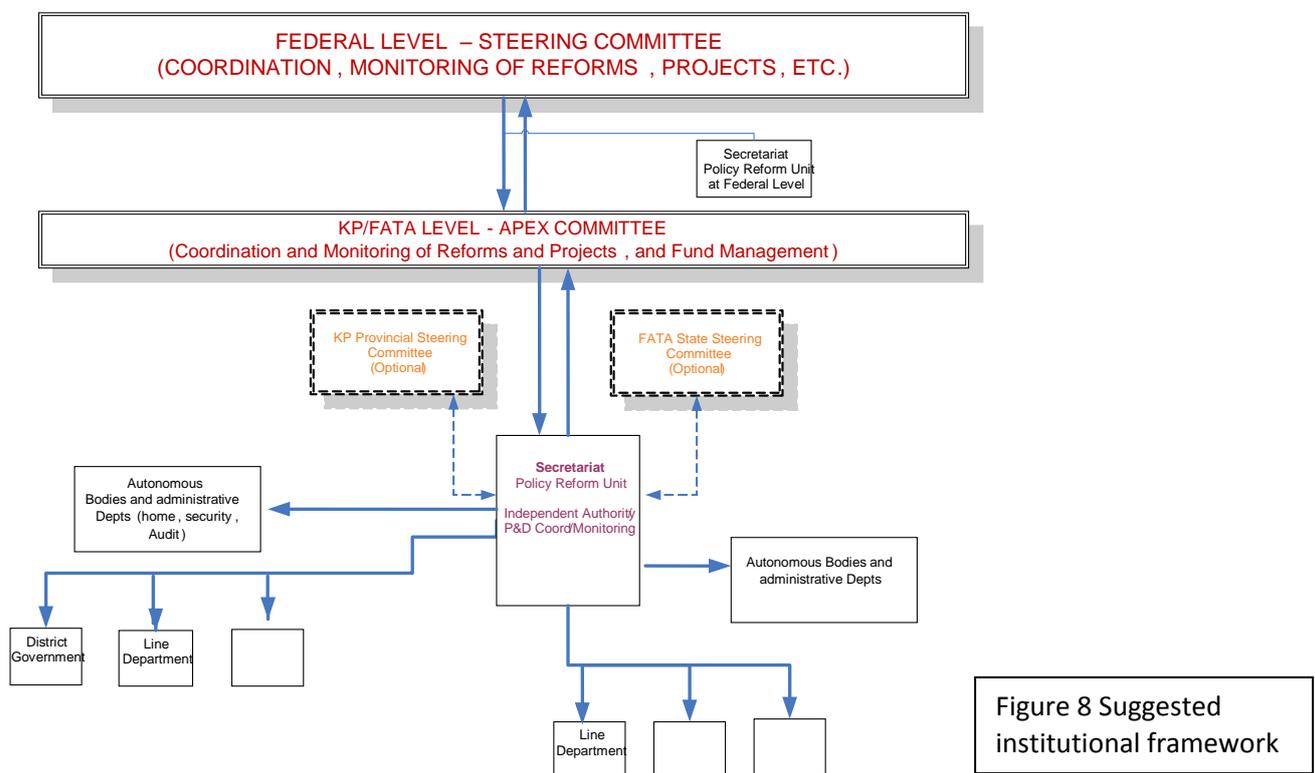


Figure 8 Suggested institutional framework

4.2 PCNA monitoring, evaluation and learning process

4.2.1 Introduction

The PCNA report presents a thirty-month STRF, delivering four Strategic Objectives (SOs) based on nine sectors' TRFs. The STRF has multiple layers of activities, outputs,

outcomes and objectives and performance indicators. It is the key M&E⁷⁸ instrument. Although as a recapitulative table it is helpful, practically effective monitoring of the different PCNA tiers will be a challenge: activities are dispersed over a large geographical area, encompass a range of themes and include a number of different actors and sectors. This is further complicated by the fact that the context is evolving (the crisis is not over) – in such environment regular review of the assumptions as the context evolves is essential for the duration of interventions, underpinned by a flexible management mechanism to adapt peace building content as necessary⁷⁹.

It is therefore imperative to develop a detailed M&E system that is pragmatic and result-oriented, yet simple and user-friendly, building upon and strengthening existing record keeping and reporting systems, and adding to these where insufficient data is available. Its purpose is to enable informed and timely decision-making by the government management bodies in response to lessons from implementation and to changes in context. For this to be effective, critical information needs to be established at outset (is the project being implemented as intended? Has the context changed and what are the implications?), and implementing staff must understand how, what and when to capture the results of their work, and how their reports are to be used by decision-makers.

As this report is produced for Government at Government's request, it assumes, at this stage, that the Government has full responsibility for all aspects of implementation including M&E. Whilst there may well be technical assistance provided in support of M&E by donors, multilateral organisations or others, and recognising that implementing partners are likely to include national and international development partners and private sector companies, these are not givens, so the report is focused on Government exclusively at this stage. As Government develops the M&E framework further after endorsement of the PCNA, it will be essential to include the roles and responsibilities of committed third parties, including beneficiary communities, within the framework.

This M&E system needs setting up without delay. There are two levels to monitor:

- The strategic overview level to ensure that essential priority components and preconditions are addressed in due time; and,
- The intervention level to track inputs, activities implemented and outputs, to ensure that resources are being used efficiently, effectively, equitably and in a coordinated and coherent manner.

The monitoring process is also an aid to transparency and accountability. A feedback system between state, civil society and community levels also needs developing and communicating.

⁷⁸ Monitoring and Evaluation

⁷⁹ Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC), "Principles for Good International Engagement in Fragile States and Situations", April 2007

It is critical that the M&E systems are put in place as fast as possible, and in a way that allows capacity to be built so that the FATA Secretariat and GoKP can make optimum use of monitoring data for decision-making. This chapter explores broad mechanisms that need to be developed for adequate monitoring and evaluation of PCNA recommendations. A fully-fledged M&E framework needs to be developed at a later stage.

4.2.2 Overview and features of a recommended M&E system

M&E is the assessment of the value (result) of the assumed causal relationship in converting inputs into desired outputs, measured against agreed performance indicators. The M&E system will inform planners, implementation entities, partners and others (including participating communities), whether financial and human resources are being used efficiently, equitably and responsibly.

M&E can be and should be designed as a learning process as well as a progress monitoring system. The system should generate early warnings of deviation as well as responses to management questions in order to prompt timely and appropriate adjustments to planning and implementation. The system should not only record and report implementation progress but also describe and analyse what is being learned and how this learning is being applied. This focus on the learning process will require a clear collaborative relationship among the concerned stakeholders, hence the importance of addressing M&E early in tandem with designing the institutional structure that will have coordination responsibility.

The STRF provides an overview of the desired outcomes of interventions and is a management tool for strategic planning for Government and partners, as well as enabling simple and effective progress monitoring by implementing partners.

At the strategic level, the M&E system informs policymakers and planners:

- Is the PCNA strategy working? Are the inputs and outputs effectively countering the crisis drivers, creating more of a peace-enabling environment? Are all target groups benefiting in an equitable, socially inclusive way?
- Can the process be improved? Are there lessons from some interventions that can be applied to enhance implementation of others? Can outputs be redesigned to better realise outcomes?
- Is there a better way? Would outsourcing in the near term for example be more effective than building government capacity?

At the intervention level, M&E should be process-oriented: area-specific solutions emerge for example; these inform planning; strategies can then be adapted to local conditions. The result is greater sustainability and impact.

Including partners and beneficiaries in the development and implementation of monitoring arrangements can be a highly effective strategy. It builds capacity, effectiveness and ownership ensuring that those with a strong interest in successful

delivery monitor projects. Likewise communication of targets, approaches and results will create expectations that will encourage locally-owned quality control, and contribute to building trust in government and directly addressing a key crisis driver.

It may also be of value to hold senior level annual stakeholder meetings to consider the implications of monitoring results on strategic decision-making on future PCNA interventions.

Results

The STRF sets out outcomes and strategic indicators (results against outcomes) that capture and measure the immediate benefits expected from the full set of output interventions. This is translated into implementation plans will require detailed log frame matrices for each intervention, where the monitoring event, method of assessment, actors, reporting product, and the users of the information need identifying. Performance measures are then prioritised and reduced to a manageable core set for each intervention that can be easily tracked and evaluated. Some of this is already available in the sector reports in volume II of the PCNA.

Peace building results will be evaluated against quantitative and/or qualitative output indicators at strategic and intervention level. Indicators must be relatively easy to track, address crisis-divers and clearly demonstrate peace building gains. Peace building results are notoriously difficult to measure, and are very often negative (defined by the absence of evidence of crisis). Indicators might include:

- **Levels of conflict**, measured through indicators such as deaths in combat, population displacement, numbers of violent incidents (including suicide bombings, IEDs⁸⁰) reported in the media
- **Progress on addressing direct consequences of conflict** such as return of IDPs/refugees, restoration of freedom of movement, reconstruction of crisis-related damage, in time DRRR
- **Progress towards a durable political settlement**, such as the implementation of commitments in a peace settlement, levels of interaction among hostile groups, negotiation and implementation of new constitution or electoral systems, and civil and political rights among minority groups.
- **Development of core state functions**, such as the percentage of the territory controlled by the state, levels and geographical spread of revenue collection, ability to formulate a budget, levels of personal security among different population groups, of legislation passed by parliament.
- **State-society relations**, such as progress on restoration of basic public services, state vs. non-state role in service delivery, and changes in citizen attitudes towards the state (e.g., through surveys, % of people aware of decisions, of funding allocations, who feel they can question and/or influence/change decisions).

⁸⁰ Improvised Explosive device

- **Overall governance conditions**, seeking evidence of rejuvenated/improved community governance systems, % of people who feel represented by them. Global ranking systems⁸¹ may be helpful although are rarely relevant in real-time evaluations.
- **Measures of inclusion/exclusion**, with socio-economic data disaggregated to expose horizontal inequalities (e.g. by tribe, geographical area, age, gender) that have been identified as possible drivers of conflict

The public's perceptions and interpretations of progress will be at least as important as more conventional performance measures. Extensive use of surveys is foreseen. A survey of perceptions is recommended 9 months to 1 year into the programme, to provide a reality check on whether actions have actually had an impact on citizen confidence in state institutions, economic prospects or perceptions of security. Lessons from the PCNA pre-assessment consultative process in which perceptions of a cross-section of stakeholders within affected communities⁸² was gathered and fed into analysis should be integrated into survey design. Public perceptions can be especially volatile in these settings however, responding to very recent events. It is worthwhile therefore to reinforce these surveys with indicators that capture the objective situation such as, for example, how often respondents have encountered corrupt behaviour in a given period.

Development interventions (of which there are many proposed in the PCNA) carried out in support of a peace-building goal must be measured against multiple indicators. The peace-building goal adds to but does not cancel out development indicators: both are needed for measuring success at intervention/output level and for measuring success against outcomes. As an example, water and sanitation interventions in the PCNA are recommended because of the need for them, but also, more significantly (in this context) because of the peace building impact of providing them. They must be effective, of course, or the anticipated peace-building dividend will not be realised. So at intervention level for example delivery needs monitoring (i.e. 6 latrine blocks built), as well as peace building value (for example: do people translate this as a reflection of government commitment to improve conditions, and has this intervention therefore addressed a key driver of the crisis?).

Finally in a number of sectors, baseline data is not available. Establishing this is a critical first step to provide a basis for measuring impact. Even assuming that aspects of this can be addressed, data is likely to remain scarce in some sectors (gender-disaggregated household income contribution in FATA for example): indicators need to be understood within their context. For triangulation purposes, engaging independent monitors may be valuable.

⁸¹ Such as: IDA Resource Allocation Index (CPIA) scores (<http://go.worldbank.org/S2THWI1X60>), the World Bank Institute voice and accountability index (<http://info.worldbank.org/governance/wgi/index.asp>), the Press Freedom Index (http://en.rsf.org/spip.php?page=classement&id_rubrique=1001.)

⁸² Collaboration with civil society organisations can facilitate mobilisation of female fieldworkers, without which there is liable to be gender bias in survey coverage.

Best practice

Drawing on best practice elsewhere it is recommended that the PCNA M&E system include:

- a) **Simultaneous evaluation monitoring and risk management** - The post-crisis context, given its short time-frame and rapidly changing environment, requires particularly intensive monitoring and early (i.e. simultaneous) evaluation of interventions to ensure the continued relevance of the strategic programme in terms of its efficiency (inputs into outputs) and effectiveness (outputs into outcomes and Strategic Objectives). In areas in crisis, risk management needs to be done in parallel to monitoring: changes in context, emerging risks and assumptions about drivers of crisis and vulnerability need regular reassessment during the lifespan of peace building interventions.
- b) **Monitoring the logical sequencing of activities and outputs** - The STRF as well as the sector TRFs identify priority activities that need to be undertaken during the course of the 30 months, in some cases suggesting optimal sequencing to maximise peace dividends. The M&E system plays a pivotal role ensuring that the STRF is being implemented in the right priority order. This also depends on external factors (like accessibility linked to security) so the M&E system needs to be flexible and dynamic to keep track of the sequencing of the various activities, identify any disconnects or gaps, and bring these rapidly to the attention of decision-makers for appropriate adjustments. Clear reporting lines need establishing.
- c) **Establishing comprehensive information systems** – By tracking the activities and investments of multiple line agencies and implementing partners, well-designed record keeping and databases will provide close to real-time monitoring of programme outputs and expenditures, ideally using web-based communication to the extent possible. A web-based PCNA implementation reporting system database would enable Government agencies and any other implementing partners (NGOs, CBOs, contractors) to enter data and contribute to monitoring inputs from relatively remote locations in real-time⁸³ (data is inputted from a variety of sources, but collated and analysed centrally).

To the extent possible, the different reporting systems currently in use for the various sectors should be used. Many existing management information systems (MIS)⁸⁴ need strengthening (e.g. to include age and sex data disaggregation), and

⁸³ A living example is the UN humanitarian information centre which coordinates, aggregates, and shares information among numerous agencies and NGOs.

⁸⁴ The education sector identifies need to revise and further strengthen EMIS; the health sector identifies extensive weaknesses in HMIS, including inadequate linkages with key health extension programme databases such as the Extended Program of Immunisation, TB-DOTS etc.; while the Non-Farm Economic Development sector identifies development of a Labour Management Information System to serve both as a link between employers and job-hunters and as a tool to monitor improved employment support strategies.

possibly expanding to include PCNA M&E. In designing modifications (preferably) or new systems, consideration should be given to overall effect: in addition to intervention-specific information MIS should provide the collated picture of how all interventions are contributing to the peace building objective.

- d) **High-level leadership is indispensable to the establishment and maintenance of effective M&E in post-crisis settings** - Given the competing priorities and technical complications of PCNA implementation, mid-level government staff will not prioritise M&E unless senior management makes visible use of the reports. It is therefore recommended that a multi-directorate M&E coordination team be established. A senior official from each of the implementing agencies as well as at provincial/FATA level should be identified as a focal point responsible for PCNA M&E. The M&E coordination team will also have to work in collaboration with (and be downwardly accountable to) Agency and District level staff and community representatives.
- e) **Adequate human and technical resources must be assigned to M&E of PCNA implementation** -The final structure for PCNA implementation will need a dedicated team of M&E specialists at both the secretariat and field level to analyse the data and share findings with PCNA management bodies. It will need expertise in conflict and gender analysis, planning specialists and, IT expertise to design record-keeping and reporting formats and analysis systems that will simplify database management and reporting.

4.2.4 Evaluation

Evaluation in post-crisis situations is challenging; in Pakistan even more so as the crisis is not over yet. It is likely that access in 30 months will still be problematic in some areas; site visits and interviews will be less representative and less valid as a result. In addition to the insecurity, the majority of the area remains very isolated and is tribal and very conservative. The ability to have direct exchanges as part of the evaluation will reflect this.

The multi- and inter-sectoral nature of outputs and outcomes might, possibly, present an extra challenge to line departments. But even more familiar sectoral outcomes are never restricted to factors that reflect one sector only; such a world is an artificial creation. So despite the unfamiliarity with integrated strategic objectives, these do reflect reality far more usefully, and the mental leap required in evaluating success against these strategic objectives is not that sizeable.

Frequent monitoring should feed into quarterly analysis of progress on implementation of activities and achievement of outputs. For evaluation purposes, however, it will also be necessary to assess progress in terms of immediate benefits (outcomes) and overall impact (against the Strategic Objective). While specific

interventions will doubtless build in their own evaluation plans within project documents, it will be critically important that an overall mid-term evaluation be initiated during the second half of the first year, to evaluate initial impact on crisis drivers and make clear recommendations on adjustments to strategies for the remaining PCNA lifetime.

The standard DAC⁸⁵ evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability are equally applicable to evaluations in crisis environments. It would be useful to augment these with evaluation of progress against the three PCNA crosscutting issues of crisis-sensitivity, gender and capacity development. This will require regular re-assessment of crisis and vulnerability drivers, consideration of the different impact of the crisis and of the peace building recommendations on men and women, disaggregation of data to inform on impact on men and women separately, and new baseline data to establish capacity at onset and set clear targets.

The following evaluation tools and approaches are useful in post-crisis settings:

- Opinion surveys and focus group discussions with men and women in communities, as well as among other stakeholders, with strong involvement of local professionals, can complement field visits by evaluators.
- Independent studies by organisations and news media provide important insights on what is happening on the ground, what the populace think, and whether underlying assumptions of the overall programme are holding up.
- The human-level experiences of individual beneficiaries provide an important insight into the effects of programmes.
- Independent validation and verification surveys, several of which are included within the STRF (especially in relation to governance) should present a balanced view of the experiences and viewpoints.
- Analysis of monitoring data offers important insights into accomplishments, problems, patterns, and trends.
- Communication of results demonstrates transparency and commitment and is a peace building measure in itself.

The need for multiple sources that deliver information from a variety of perspectives is even greater where evaluators are unable to visit the field and these should therefore be explored even more extensively in the post-crisis context.

4.2.5 Implementation arrangements, responsibilities and capacity issues

The Government should immediately develop/decide upon/address the following:

a) Policy – A policy agreement on integrated programme cycle management and performance-based M&E will need to be established and agreed amongst the implementing partners of the Government.

⁸⁵ Development Assistance Committee

b) Leadership - The Government institution charged with coordination of the PCNA strategy will have to ensure that monitoring, evaluation and learning processes are duly supported and integrated into the PCNA implementation programme cycle management, and that field-level staff are aware of active leadership level implication in the process.

c) Staff skills - A staff development programme will be important to assure consistency of methodology and nomenclature, quality of monitoring (collection and analysis, especially concerning crisis and gender), consistency of reporting and timeliness of alerts where decisions are urgently required. Capacity development should also include crisis-sensitivity and gender analysis skills.

d) Set up of a M&E system

The following steps need to be undertaken to set up the M&E system:

- Development of the M&E framework based on a), b), c);
- Establishment of M&E unit(s);
- Design of record-keeping and reporting procedures⁸⁶; timeframe for sector reporting; audience; data disaggregation; design and organisation of a quarterly analytical M&E report to management; scope and design of support for existing MIS that serves PCNA needs;
- Design and set-up of an appropriate IT M&E support system which may include web based communications;
- Establishment of cross-sectoral M&E arrangements at the implementation (district/Agency) level;
- Similar framework for line agency M&E systems in order to have compatibility for reporting from the ground to higher levels without creating double work at field levels.

f) Weak or missing baselines - The PCNA M&E system will analyse change by making comparisons to both baselines and targets and, occasionally, to comparison or control groups. However data systems have been weakened, destroyed, or discredited by their association with a deposed government. Hence, as identified in sector reports, there is a need to either commission rapid assessments that establish baselines, or recover/update already established baselines, or analyse results without reference to baselines.

e) Institutional complexity -Problems of institutional complexity, derived from the number of government agencies , may affect the proposed PCNA M&E . It is recommended to keep the structure and reporting lines as simple as possible.

4.3 Risk analysis and management

⁸⁶ The requirement procedure here refers specifically to feeding Government decision making, yet should be comprehensive enough to be useful for all partners.

Risk analysis is an assessment of the potential *impact* of a risk on a desired outcome(s) and the *likelihood* of it materialising. There are risks at all levels: stakeholder, provincial, institutional, agency, and intervention levels – indeed, the post-crisis context is characterised by risk. Risk management is the application of mitigation measures to counter assessed risks, and the ability to adapt flexibly to mitigate new risks.

Key risks for the implementation of the proposed programme of PCNA recommendations have been identified. Further risk analysis will be necessary for each outcome, output and intervention. These single layer risks need to be dynamically related to capture the impact of the different interventions on each other. Mitigation may lie in the compound effect of multiple interventions; careful geographic mapping is a key potential mitigation measure.

Table 7: Strategic-level risks include:

Risks	Mitigating measure
<p>Strategic: Failure of political will to carry out the breadth of recommendations (danger of cherry-picking) or of communicating as openly as is recommended</p>	<p>PCNA has been developed with provincial Government and has had regular (if not optimal) interface with federal Government at key junctures: there are therefore no surprises in the recommendations. That said, it is still a candid document, the government should be applauded for asking for it and encouraged by all stakeholders to implement all of its recommendations. Through the various consultations many constituencies have been involved: expectations have been created: there may be more risk if the decision is taken not to endorse and carry out the recommendations. Cherry picking would discourage donors and not deliver any change.</p>
<p>Resource-related: Insufficient resources (whether from reallocation or external)</p> <p>Delayed release of funds</p> <p>Limited local absorption capacity delays implementation</p> <p>Fiduciary risk (i.e. elite capture, militants)</p> <p>PCNA driven doubling of development expenditure in KP and FATA will enhance the demand for key commodities and skills, cause wage and price inflation and worsen income and asset disparities</p> <p>The debt-to-GDP ratio has been rising for the last three years and is expected to exceed 60%in the next fiscal year. If a large portion of donor-assistance for PCNA interventions is provided as loans, problems could be encountered in their disbursement, as the Fiscal Responsibility and Debt Limitation Act stipulates a ceiling of 60%for overall government debt as a percentage of GDP.</p>	<p>All elements of the PCNA as it stands mutually re-enforce each other to deliver an environment conducive to peace building. The strategy comes as a whole. If funds just do not stretch then prioritisation must be made – there are very important cost-neutral reforms proposed for example that can take place now, but there are risks of selecting one part of the PCNA without another (i.e. improving capacity to break the illicit economy without providing economic alternatives). A partial approach is strongly discouraged.</p> <p>All stakeholders must jointly share responsibility for keeping the momentum on an urgent implementation of these recommendations There are many cost-neutral activities that need to be carried out before implementation and these should start without delay</p> <p>This is a fact that needs taking into account in early programmatic responses. Care must be taken however not to direct all resources into areas of higher absorbency as they often are in less need.</p> <p>A robust framework and diligent monitoring and audit of implementation of PCNA activities is essential both by the federal and provincial governments and by communities to prevent this. The recommended intensive communication of intent and results if applied should mitigate risk too.</p> <p>Appropriate phasing of these inflows, and associated PCNA activities, is required but the risk cannot be entirely mitigated. Those with skills and able to seize new market opportunities always benefit from development funding. This is particularly detrimental to peace. Very careful attention must be paid to the evolution of vulnerability with flexible mechanisms in place to counter unintended effects.</p> <p>Favour government budget reallocations + grants and over majority of loans</p>
<p>Implementation-related: Inability to recruit and retain appropriate government staff, especially but not only women, in</p>	<p>New incentive structures are built into the recommendations as are flexible temporary measures to overcome this</p>

Risks	Mitigating measure
<p>posts in insecure areas</p> <p>Staff capacity challenges for example in M&E of multi-sectoral objectives</p> <p>Poor sequencing of interventions could fuel crisis drivers</p> <p>Insecurity impedes access and project delivery</p> <p>The volatile political context and operational environment may result in foreshortened timeframes for project preparation and delivery, and work against an integrated approach</p> <p>Implementing partners can become activity-focused and lose sight of the strategic issues</p> <p>Negative impact on environment (e.g. sourcing of reconstruction materials)</p>	<p>Peace building is a process. Capacity is known to be weak and PCNA recommendations are an opportunity to build capacity. The risk lies in not recognising the deficiency: capacity gap assessments must be carried out in the planning stage and TA requirements generously assessed.</p> <p>Combined effect risk assessment is required in addition to intervention-specific risks assessments. It needs to include assessment of effects from other non-PCNA initiatives too. Careful geographical mapping will help. The real issue here is really how to maximise peace building opportunities by clever and informed sequencing?</p> <p>Innovative ways need to be found to avoid unnecessary risks to staff and project (see M&E). Favour working as much as possible through local entities that face different threats. Build third party monitoring capacity/</p> <p>Despite the pressing urge to deliver results fast, poor programming will not build peace, and could increase the risk of worsening the crisis. Rigorous programme preparation, planning, implementation and reporting requirements need to be established without delay to prevent the challenging environment becoming an excuse for expediency and tokenistic gestures.</p> <p>This is always a risk. The integrated approach of an overarching government strategy that frames all interventions in the region, with one federal level coordination body lessens this risk.</p> <p>Principles extended to contractors supply-chain can mitigate this: this needs inclusion in the tendering process</p>
<p>Results and M&E – related:</p> <p>Inequitable targeting of interventions is perceived; failure to deliver a peace dividend, especially to the poor and excluded</p> <p>Crisis-reducing goals are challenging to measure and to attribute to specific interventions</p> <p>Access is limited</p> <p>National data is often incomplete and unreliable</p>	<p>Careful crisis-sensitive planning and development of mitigation measures for all interventions is essential – for ex. free electricity in FATA could backfire if benefits do not also reach displaced persons Clear communication of intentions, communication of progress and results</p> <p>M&E needs to triangulate results between objective events and perceptions, with regularity compensating for specific event-driven distortions</p> <p>Innovative approaches to collecting data are required, usually drawing on several sources or methods. Options might include:</p> <ul style="list-style-type: none"> ▪ Varying the geographical sample for monitoring purposes; ▪ Engaging local companies or NGOs with greater access to the area in question as independent monitors; ▪ Identifying representatives able to speak on behalf of target groups, and bringing them out of the insecure area for focus groups, or providing them with the means to communicate electronically; ▪ Simple, low-cost technology such as digital cameras can provide useful evidence of activities and outputs, to supplement regular reporting; ▪ Aerial photography to monitor construction projects <p>Baselines must be established where they are missing</p>
<p>External risks and the ongoing crisis environment:</p>	

Risks	Mitigating measure
<p>Expansion in breadth/depth of the crisis affects focus on KP/FATA</p> <p>Other events (such as natural disasters) impact on focus</p>	<p>Commitment on funding to deliver interventions for no less than first 30 months</p> <p>Inevitably, and rightly, the impact of the floods will draw the focus to life-saving requirements. The crisis will not abate however; it may worsen if government response is considered too slow. Potential donor funding is likely to be impacted less as new funds could potentially be made available to support Pakistan in its hour of need, but government finances and the economy will be extremely adversely impacted.</p>
<p>The macro-economic environment deteriorates (oil price; inflation)</p>	<p>Some shocks are foreseeable (impact of the floods on next harvest and therefore prices for example) and should be integrated into project design.</p>
<p>Human rights situation; governance environment deteriorates</p>	<p>If the situation in some areas worsens, programmes can migrate to other areas and inform the areas left of results elsewhere through radio/distance mechanisms that will still have a (reduced) impact on building trust in government</p>

5. MAXIMISING THE EFFECT OF THE FINANCIAL INVESTMENT

5.1 Introduction

Notwithstanding the risk mitigation measures suggested in Chapter 4, peace building remains high-risk by default and even higher risk prior to the end of hostilities, as is the case in Pakistan. Building on the previous section on risk management, this chapter first suggests additional and necessary measures to increase value-for-money by maximising the impact of peace building spend on conditions in FATA and KP, and concludes with the anticipated costing of the PCNA.

5.2 Alignment

The PCNA has been a technical exercise to develop peace-building recommendations for the Government of Pakistan. Its purpose, approach and delivery is entirely in line with the spirit of the Paris Declaration on Aid Effectiveness (2005)⁸⁷ where donors committed to actively support national government leadership and control of integrated development strategies.

As such, the government's peace building strategic framework should become the overarching instrument to frame all humanitarian, recovery and development assistance in KP and FATA. This includes transformation of activities that are not primarily peace building by nature into contributions to peace building by adopting a new conflict-sensitive lens (for flood recovery efforts for example). So once fully endorsed, it is recommended that the Government present the PCNA concept to all stakeholders, within government as well as to external parties (donors, NGOs etc) as the government policy and demonstrate commitment for alignment of all relevant existing and relevant strategies, frameworks and programmes to ensure coherent, coordinated and effective use of all funding to the region.

A programme of consultative events would help to ensure a positive interpretation of this development by all stakeholders, as a means to achieve shared peace and development objectives in the region. These consultations should focus on tailoring the short and medium term goals and programmes of government agencies/departments to the PCNA vision, followed by due alignment of detailed operational, manpower and training plans. Similarly, in the case of donors present in Pakistan, this would/may result in shifts in sectoral focus, and in calibrating funding streams and country-level assistance frameworks. Seeking to achieve a truly coherent multi-agency peace building and development effect in KP and FATA might even inspire modification of global apportionment of funds. Similarly, at local level, CSOs should be encouraged to reframe their strategies and activities to contribute to this swell of focused delivery.

⁸⁷ <http://www.oecd.org/dataoecd/30/63/43911948.pdf>

In the same vein, as PCNA recommended interventions are developed, the detailed design and mapping of interventions (to ascertain where which type of intervention will have greatest peace building benefit) needs to link in very clearly with existing processes and programmes, such as with the government's Annual Development Program and Public Sector Development Program, and the bilateral, donor, IFI⁸⁸, NGO and multilateral efforts (including the DNA, PHRP and One UN Program amongst others).

There are therefore two types of alignment to pursue:

- a. Aligning existing and planned interventions around the new peace building strategy;
- b. Maximising the peace building effect of all recommended interventions by developing them specifically to benefit from synergies with existing programmes.

The humanitarian interventions underway under the PHRP will continue, and multiply to meet the needs of the current natural disaster. Integration of a peace-building lens, and conflict-sensitivity in particular, in their design and implementation should be encouraged if not already included.

5.3 Estimated cost implications

The responsibility for peace building rests with Government. The commissioning of a PCNA is not a resource triggering exercise. Particularly so in the case of Pakistan where a donor conference had already taken place (in Tokyo) and a trust fund set up (see below). All parties, not least Government, are fully aware that political reforms are part of the required response to the crisis facing the country at present: the PCNA was an opportunity to explore the drivers of that crisis in more detail and to make concrete recommendations as to how these might be addressed.

The costing of the PCNA is therefore not included as a pledging proposal. It is an informed estimate of the cost of the peace building recommendations proposed in the PCNA. Although donors are interested in the recommendations, they are particularly interested in the total product: an efficient and effective government-led overarching strategy to optimise all assistance to the region. For them, the PCNA is also evidence of the Government's level of commitment to the transformations necessary to bring peace to this region.

A donor conference in the sense of a pledging exercise is therefore not proposed. Instead, it is anticipated that a mix of government budget re-allocations and new funding will meet the financial requirement. That said in addition to the consultative workshops proposed above, the PCNA recommendations will also need official presentation to the international community. This would also give the international

⁸⁸ International Financial Institution

stakeholders the opportunity to communicate their views in supporting Government efforts.

So to sum up, peace building recommendations have been grouped under four Strategic Objectives that together will deliver the PCNA vision. Particular attention has been given to ensuring that they deliver dividends that are crisis-sensitive, cognisant of gender sensitivities and challenges in this region and delivering much needed improvement to women, and are informed by realistic capacity assessments and deliver improvement in this area also. The Strategic Objectives will be achieved through interventions across nine sectors.

The cost of delivering the recommended PCNA interventions is estimated at US\$ 2.759 billion (or 1.6% of national GDP). This is a considerable amount when compared with the combined development programmes of KP and FATA. The expenditure for the first phase (first 30 months) of the programme is of US\$ 2.25 billion; this is only marginally lower than the combined development programmes of KP and FATA for the same period (estimated at about US\$2-2.5 billion⁸⁹). Given the constrained financial resources of the federal and provincial governments, realistically, assistance will be required to meet these needs. Table 4 provides the breakdown of the necessary investments.

Table 8: Aggregate investment in each area of intervention

	US\$ Million	Percent
Governance	75	2.7
Rule of Law	70	2.5
Agriculture and Natural Resources	635	23.0
Non-Farm Economic Development	160	5.8
Education	17	0.6
Infrastructure	952	34.5
Health	34	1.2
Social Protection	786	28.5
Strategic Communications	31	1.1
Total	2,759	100.0

[Note: This table reclassifies US\$ 350 million allocated for provision of free electricity for FATA consumers from infrastructure to social protection.]

Improved governance was identified by PCNA consultations as a major requirement to reduce citizens' dissatisfaction and disengagement with the state institutions in KP and FATA. A series of measures to build the capacity of the governance institutions have been identified for which US\$75 million has been allocated; these are designed to restore trust and confidence in state institutions.

⁸⁹ The 2010/11 development budgets of KPKK (PKR 60 billion) and FATA (PKR 8.6 billion) total US\$ 800 million (or 16% of the estimated GDP of KPKK and FATA).

To counter the ineffectiveness of formal justice, discriminatory legislation, collective punishment, inability of law enforcement agencies to ensure security and to crush the illicit economy – a critical dimension of the crisis, interventions costing an estimated US\$ 70 million are called for under the Rule of Law component.

These two areas are seminal to overcome the crisis and build a strong constituency of support for peaceful evolutionary improvement and development in these regions. At a cost of \$145 million this represents less than 6% of the total cost of the PCNA. Government must prioritise resource mobilisation from within and if necessary without of its budget to meet this requirement. Without investing in these areas, other recommendations lose most if not all of their peace building value.

Investments in infrastructure and in the agriculture sector will provide the basis for substantially higher and sustained economic growth in the area, which through backward and forward linkages would generate other economic activities. As agriculture is the main source of income for a large segment of local population, improving the productive capacity of the agriculture sector would help considerably in enhancing local livelihood opportunities. Quick revival of agriculture is a high priority: about 23% of the financial resources estimated under the PCNA for revitalisation are earmarked for agricultural development, with the aim of migrating the current subsistence agricultural into commercial agriculture.

The area lacked adequate infrastructure even before the advent of this crisis. By limiting economic activity and contributing to the relative isolation of these areas, this has perpetuated poverty and backwardness. The crisis has made it more difficult to develop local infrastructure and led to destruction or damage of existing structures, further exacerbating the infrastructural shortages. Reflecting the high cost of infrastructure programmes, more than 35% of the cost of the PCNA is attributable to rehabilitation, reconstruction and development of the local infrastructure. Large investments in electricity, roads, water supply and sanitation, along with development of required institutions to maintain and sustain this infrastructure, will give a big boost to the local economy, promoting employment and generating income for the local population.

The area also has very high levels of poverty. This has been exacerbated by the crisis, in turn further increasing public anger and contributing to violence. Investment in infrastructure and agriculture will take time to jump-start the local economy; hence poverty needs to be tackled through strengthening and financing of social safety nets in these areas. Unconditional cash transfers or generating income through public works schemes would not only provide income for economically vulnerable households but, by enhancing aggregate demand, these incomes will provide a growth impetus for the local economy. Assistance to small businesses and entrepreneurs for employment growth is also needed. Lack of any sustainable source of income makes it difficult for the population, especially FATA, to pay for utilities. Given this, a key short-term measure advocated by the PCNA is to provide free electricity to the local population. Free electricity would not only serve as a “transfer payment” having a direct impact on reducing poverty, but also as an input

to help promote economic activity. Considering the size of the displaced population, this programme will need careful management however so that it is not perceived as only delivering benefit to the fortunate people with houses. 29% of PCNA costs are allocated to improving social safety nets.

Finally, as a healthy and educated population is the most effective mode of transiting out of poverty, significant investments are planned in the education (US\$ 17 million) and health (US\$34 million) sectors. It is critical that this state provision of basic services meet public needs and expectations, especially of crisis-affected, excluded and vulnerable groups.

It should be abundantly clear that the value of the different elements in the strategy does not reflect their relative importance. On the contrary, the cost of reform is very manageable and these are desperately needed to bring peace to this region.

5.4 Financial Governance

It is foreseen that a dedicated entity, such as the apex steering committee proposed in Chapter 4 oversee the programmatic and financial linkages between the various platforms and frameworks committing development assistance to this region, and PCNA-related funding allocations. Very robust systems of checks and balances will need to be put in place to mitigate fiduciary risk and to satisfy government, donor and public demands for transparency. This entity should have links to the established MDTF for KP, FATA and parts of Balochistan. An independent oversight and audit entity must also be set up.

The MDTF

The Multi Donor Trust Fund is a coordinated financing mechanism administered by the World Bank for the Government of Pakistan to channel reconstruction, development and peace building funding to FATA, KP and Balochistan. The fund was officially launched in early August 2010; nine donors have so far pledged to commit funding. The Trust Fund will support a comprehensive reconstruction and development strategy designed to restore infrastructure, services and livelihoods while addressing governance and other challenges that contribute to crisis. The strategic priorities of the MDTF will be informed by federal and provincial development plans, DNA and PCNA recommendations. As such, the MDTF plays a very important role in improving coherence, efficiency, transparency and value for money.

The MDTF is also an important tool for PCNA resource mobilisation, although it is not anticipated that it will be the only avenue for external funding.