Effects of Militancy and Impact Trends of Rehabilitation in Malakand Division

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Acronyms/Abbreviations

ADB  Asian Development Bank
AHQ  Agency Headquarter
BBB  Bring Back Better
BHU  Basic Health Unit
C&W  Department Communication & Works Department
CBI  Community Based Infrastructure
CBIDNA  Community Based Infrastructure Disaster Needs Assessment
CERINA  Conflict Early Recovery Needs Assessment
CH  Civil Hospital
DAC  Divisional Approval Committee
DCO  District Coordination Officer
DHQ  District Headquarter
DNA  Disaster Needs Assessment
DRRC  District Reconstruction, Rehabilitation Committee
DSM  Diagnostic Manual
ERALP  Economic Recovery, Agriculture and Livelihood Programme
ERRA  Earthquake Reconstruction and Rehabilitation Authority
EU  European Union
FATA  Federally Administered Tribal Areas
FCR  Frontier Crimes Regulation
FFS  Farmer Field Schools
FGD  Focus Group Discussion
FHA  Frontier Highway Authority
GoKP  Government of Khyber Pakhtunkhwa
GoP  Government of Pakistan
HH  Household
HT  High Tension
IDP  Internally Displaced Persons
INGO  International Non-Governmental Organization
JFM  Joint Forest Management
KP  Khyber Pakhtunkhwa
LGRDD  Local Government and Rural Development Department
LT  Low Tension
M & E  Monitoring and Evaluation
MPA  Members of Provincial Assembly
NA  National Assembly
NATO  North Atlantic Treaty Organization
NGO  Non-Governmental Organization
NRSP  National Rural Support Program
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>NWFP</td>
<td>North West Frontier Province</td>
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<tr>
<td>OCHA</td>
<td>Office for the Coordination of Humanitarian Affairs</td>
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<tr>
<td>PA</td>
<td>Provincial Assembly</td>
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<tr>
<td>PaRRSA</td>
<td>Provincial Relief, Rehabilitation and Settlement Authority</td>
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<tr>
<td>PaRRSA</td>
<td>Provincial Reconstruction, Rehabilitation and Settlement Authority</td>
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<tr>
<td>PATA</td>
<td>Provincially Administered Tribal Areas</td>
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<td>PCNA</td>
<td>Post Conflict Needs Assessment</td>
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<td>PDMA</td>
<td>Provincial Disaster Management Authority</td>
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<tr>
<td>PERRA</td>
<td>Provincial Earthquake Reconstruction and Rehabilitation Authority</td>
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<tr>
<td>PESCO</td>
<td>Peshawar Electricity Supply Company</td>
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<td>PHED</td>
<td>Public Health and Engineering Department</td>
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<td>PIDS</td>
<td>Pak-Italian Debt for Development Swap Agreement</td>
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<td>PKR</td>
<td>Pakistan Rupee</td>
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<td>PSC</td>
<td>Provincial Steering Committee</td>
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<td>PTDC</td>
<td>Pakistan Tourism Development Corporation</td>
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<td>PTSD</td>
<td>Post Traumatic Stress Disorder</td>
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<td>RHC</td>
<td>Rural Health Center</td>
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<td>SDPI</td>
<td>Sustainable Development Policy Institute</td>
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<td>SEA</td>
<td>Strategic Environmental Assessment</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<td>SO</td>
<td>Strategic Objectives</td>
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<td>SPO</td>
<td>Strengthening Participatory Organizations</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>SRSP</td>
<td>Sarhad Rural Support Programme</td>
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<td>STG</td>
<td>Secondary Transmission and Grid</td>
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<td>TDCP</td>
<td>Tourism Development Corporation of Pakistan</td>
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<td>THQ</td>
<td>Tehsil Headquarter</td>
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<td>TMA</td>
<td>Tehsil Municipal Administration</td>
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<td>TRF</td>
<td>Transitional Results Frameworks</td>
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<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UC</td>
<td>Union Council</td>
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Dr. Abid Qaiyum Suleri
Executive Director
Executive Summary

A wave of terrorism and insurgency erupted and gradually gained momentum during the last decade in Khyber Pakhtunkhwa (KP). Violence unleashed by extremist groups reached a climax during 2007 as militants bombed public places, schools, places of worship and hospitals and adopted other forms of violence such as targeted killings and kidnapping for ransom. The epicenter of the catastrophe was the tribal areas comprising Malakand and Federally Administered Areas of KP.

The massive destruction impelled the authorities to seek assistance of the World Bank and Asian Development Bank to assess the extent of damages, cost of rehabilitation and to recommend strategies to comprehensively address the problems responsible for the crisis. A comprehensive ‘Preliminary Damage and Need Assessment’ (DNA) was consequently launched in 2009 with the primary objective of assessing the losses suffered in the areas affected by militancy. The main focus was on quantification of immediate and medium term reconstruction and recovery cost in Malakand Division (Buner, Lowe Dir, Upper Dir, Shangla and Swat) of KP and two agencies of Bajaur and Mohmand in FATA.

The study has been initiated at the request of the Government of Khyber Pakhtunkhwa and Strengthening PRS and Monitoring Project of UNDP and aims at conducting a comprehensive academic investigation to evaluate the effects of militancy and the impact trend of rehabilitation. The objective is to provide input for fine tuning the future policies and programmes for these areas and to address their needs on the basis of research investigation in the sampled area. Although the earlier studies have comprehensively dealt with the assessment of damages incurred, their rehabilitation cost and the factors responsible for the crisis, their findings have been supplemented and updated with a probe into the latest situation on ground. The latest position is summed up in the paragraphs that follow..

The education sector in the affected areas is comprised of both public and private schools. However, most of the schools are public sector institutions and very few are run privately . . The militants threatened the administration and teaching staff and targeted the primary schools, especially girls’ schools. Multifarious reasons led to a sharp decline in the attendance and enrolment ratios which touched the lowest levels in the history of the Malakand Division. Rehabilitation activities have been undertaken at the right time by the GoKP with the support of the international donors including USAID and UAE. The enrollment rate has surpassed the pre-militancy position due to the provisional arrangement of make-shifts schools in tents and rented buildings. In addition to the support provided by GoKP, CSOs are also playing a vital role in bringing back the education sector to its previous position. It is important to mention that the community members and especially the parents are satisfied with the rehabilitation process. The ongoing uplift activities in education sector may take more than five years to complete the rehabilitation process.

Health care services remained non-functional due to the damages mostly to the basic health units. The large scale migration from the region also caused the non-availability of doctors at the rural/basic health units. Findings reveal that those who were serving prior to the outbreak of militancy are now refusing to serve again in the same health care units. PaRRSA reviewed and
verified the damaged health infrastructures and demanded US7.0 million for the revival of health care services. GoKP signed MoUs with the international donors for the timely recovery of basic health units and restoration of their services. Additionally, USAID has also devised a comprehensive health care delivery programme for the Malakand Division. USAID also supplied equipments for improved functioning of these basic health providers. Although the GoKP is actively engaged in rehabilitation of health sector, the pace of work is not satisfactorily. That is why the community and the health officials are not satisfied with the ongoing rehabilitation effort.

Transport is one of the major businesses of the valley due to its significance in the local economic structure as it drives tourism, businesses and livelihoods. Prior to militancy, the Swat district was well connected through the local roads as well as the highways. All the roads and bridges were badly damaged due to blasts by the militants and movement of army tanks to counter militancy. Among other transport, inter-city transport such as coaches, medium sized vehicles and commercial pickup services were severely damaged due to the destruction of roads and bridges, causing a big loss to the transporters of the district. Owing to shortage of transport facilities, a sharp decline was observed in the traffic of tourists towards the valley. Temporary bridges were installed by the army which were still in use by the local community both for personal and commercial purposes. The roads used by the army against the militants have not yet been fixed due to lack of payments to the local government NHA and provincial C&W. The army is also involved in rebuilding the road infrastructure. These agencies are proceeding in accordance with the policy and strategies of the GoKP.

The farming community left their homes, fields and livestock because of fear of militants who burnt the ripened crops, destroyed the orchards and slaughtered the livestock, damaged the fish ponds as well as the irrigation water channels in almost all areas of district Swat. The establishment of Farmer Field Schools (FFSs), Farm Service Centers (FSC) and training and capacity building activities of both the agriculture department officials and the farming communities are in progress along with the establishment of hatcheries by the Provincial Livestock Department. A number of INGOs and UN-Agencies including the local NGOs are engaged in the provision of agriculture farm inputs, tools, livestock, poultry birds and animal vaccines. The GoKP has also successfully delivered an Early Recovery of Agriculture and Livelihood Programme (ERALP) for conflict affected areas through PaRRSA and PDMA in collaboration with Pak-Italian Debt for Development Swap Agreement (PIDS).

The major proportion of water channels belongs to the community and the flow of almost all the channels is by natural gravity. Only two water channels, namely, Npiki-Khel and Fateh-Pur Channels are owned by the Provincial Irrigation Department. All these irrigation channels suffered some damage. Being quite deep these water channels were often used as hideouts by the militants. Activities for rehabilitation of the irrigation system in the area are so planned that they meet the needs of the people.

The tourism sector has been badly affected because of destruction of main roads leading to recreational spots such as the Malam Jaba Chair Lift, tourists’ visiting places, hotels, handicraft shops and transport. A sizeable number of hotels and roads were totally damaged and the supply
chain of food, beverages and other non-food items was disrupted during the militancy in Swat district, fuelling food inflation and hampering tourist inflow.

Most of the tourist facilities have been rehabilitated and restored as a result of the efforts of GoKP and self support by the community but the tourist traffic remains subdued. USAID provided cash grants and in-kind production inputs and construction materials to 235 hotels across the district. Under the programme, a hotel management skills training was also organized in which many people participated. An advisory tourism group was also formed to share and discuss the recovery process and other issues. However, the GoKP must formulate a tourism policy with the consultation and engagement of key stakeholders.

Energy is one of the important sectors for economic growth and social development. The militants also targeted the energy sector by blasting to the main grid station of Swat which resulted in a two month complete shutdown of electricity in the district. This left a deleterious impact on the psychological, social and economic well being of residents. The militants took away electricity polls and transmission lines with them in far flung remote areas of district Swat which resulted in disconnection of electricity for several months. Something to note during this process was the lack of involvement of the donors and the NGOs in the revival of the energy sector affected by militancy. The provincial government through the local DCO made temporary arrangements from time to time and place to place as the need arose. The main focus of the government now is on restoration of the system and provision of electricity to the masses.

Forests and the Provincial Forest Department were also adversely affected by militancy in district Swat because of harm inflicted on natural resources including the illegal cutting of natural forest trees, destruction of official buildings and vehicles. This led to ecological loss as well as migration of birds and wild animals to other areas thereby disturbing the wildlife. Indirectly, this resulted in climatic change, soil erosion, change in precipitation and rise in temperature affecting agricultural production and health of the locals. On the other hand, heavy and continuous bombardment also damaged the aesthetic value of the environment resulting in atmospheric, soil and water pollution, and damages to plant nurseries in this area. As far as rehabilitation is concerned neither the provincial government nor any other development sector actor played its proper role in rehabilitation work. Only the Pakistan Army and the District Forest Office established a few nurseries for re-plantation which neither fully met the needs of the area nor made up for the loss suffered in this sector. However, illegal cutting and smuggling of precious wood and hunting of precious birds has been stopped by the efforts of Pakistan army and the Forest Department The Forest Development Fund has also helped out in revival of forests in certain specific areas.

Private businesses such as retail outlets and other shops, mines and minerals, the manufacturing industry, gems, jewelry and handicrafts, banks, financial institutions, and restaurants cumulatively suffered multiple losses because of militancy and restricted movement and operations. This led to economic loss to both rural and urban communities as most of them directly and indirectly relied on these sectors for survival. The private enterprises had to endure a dual setback in the form of destruction of their production units and the loss of their valuable skilled labor. This forced many people to adopt alternate professions for income generation and
for economic growth in the area. The change in the economic situation and the scarcity of skilled workforce in the area has created a hindrance in the continuity and regular operations of all businesses.

Housing facilities were also extensively damaged, some partially and others completely, which forced migration of communities to other areas and consequent aggravation of their economic conditions. Additionally, water and sanitation schemes were also destroyed by bombardment which left the hapless residents to languish in a poor and unhygienic environment with risk of exposure to infections and diseases. The development sector including the INGOs and different donors played a significant role in the re-establishment of sanitation schemes while the contribution by GoKP is still negligible and not in accordance with spatial-temporal requirements.

The key coordination and supervisory tasks rest with PaRRSA whose officials are in dire need of money and trained manpower or at least experienced trainers who can train regionally available workforce. There are certain risks attached with the ongoing implementation of rehabilitation policies and strategies as the lack of community interaction in the project management activities may hinder or slow down the implementation process. It must be ensured that all the project activities are undertaken with community involvement. Unless the private sector becomes the engine of growth in Malakand, there can be no sustained arrangement for the creation of jobs which in turn implies a delay in achievement of poverty-related objectives. Although the militancy has ended, there remains a serious lack of trust between the public and the private sector which needs to be reestablished with concerted efforts.

The private sector and community’s role in the implementation process needs to be further reinforced. In order for commercial activities to revive, the private sector will need trained manpower which is currently lacking. Therefore urgent measures for reinvigoration of private industries must be taken in collaboration with Chambers of Commerce and trade associations. The role of ICT in this context is of critical importance. Similarly restoring farm to market channels, removal of import restrictions / industrial licensing and removing barriers to inter-provincial trade and increase in commercial activity will make the economy stronger. Therefore investment in strengthening connectivity channels (transport and communications) will promote transit trade and in turn revenues for the entire region.

The PCNA report was inspired by the vision of a peaceful, prosperous and tolerant KP and FATA where the state is increasingly accountable, providing equitable opportunities for better health, education and employment. The road map drawn up by PCNA for sustained long term development on the basis of investigative and consultative inputs was endorsed by the Strategic Oversight Council headed by the prime minister. Transformation of the Vision into a living reality is to be accomplished by achieving four strategic objectives. These objectives and a few brief comments on the current scenario are given below:

- Stimulation of Employment Opportunities: Since agriculture and livestock are major sources of employment in Malakand Division and properly maintained and functioning water channels are essential for agriculture, it has been rightly recommended that their
restoration be taken up on priority basis. Much ground has already been covered and more schemes are in the pipeline to gear up agriculture and its sub sectors. Other programmes for immediate job creation include reactivation of the Public Works Programme and human resource development to enhance employment potential.

- Delivery of Basic Services: PCNA had recommended more educational facilities for the entire province of KP and quick restoration of damaged schools in Malakand. It also stressed the need for temporary teaching places, involvement of private sector in education and adoption of non formal channels of learning as also to provide incentives to girl students so that they keep pursuing their studies. Reconstruction in this sector was found to be quite encouraging on the whole, with PARRSA and the army playing leading roles. The. US AID and NGOs also offered valuable assistance. However, more cohesive efforts and increased funding are needed to revitalize this important component of social services. The slogan of Bring Back Better is laudable but raising the quality of basic education calls for improvement of curricula and text books and designing teacher training courses. These issues have yet to be adequately addressed because of financial and other constraints. PCNA also highlighted the need for providing wider access to health services, clean drinking water and sanitation. Massive funding is required for repairing the damages to the health facilities, for purchase of equipment and for improving the delivery of curative and preventive health care. Although the government of Khyber Pakhtunkhwa has been striving to secure necessary financial assistance, progress on this front has not been very satisfactory. However, serious attention has been paid to rehabilitation of water supply schemes for provision of safe drinking water to households. Similarly, considerable progress has been reported in restructuring and maintenance of sanitation network through training of concerned staff as well a good number of community plumbers.

- Benazir Income Support Programme, Bait-ul-Mal and Zakat Foundation are trying to provide a degree of social security but considering the level of financial hardship faced by the people; these efforts need to be supplemented with the help of the international community. No worthwhile effort was in evidence for capacity building of the government officials to enable them to deliver basic devices efficiently and equitably.

- To counter radicalization and foster reconciliation: PCNA had made recommendations to foster tolerance and to build a peace loving society. Registration of all madrassas (religious seminaries) was stated to be a pre requisite for the achievement of this goal. All the provinces have taken necessary steps and most of these institutions are registered with the Madaris Board. However, some madrassas operating in inaccessible regions still need to be registered formally.
Chapter 1: Contextual Background

1.1 Introduction

Pakistan in general and Khyber Pakhtunkhwa in particular witnessed a radical escalation in incidents of terrorism and insurgency during the last nearly one decade. These reached their climax in 2007 in the shape of bombings of public installations, schools, places of worship and hospitals, and other forms of violence such as targeted killings and kidnapping for ransom. The epicenter of the catastrophe was the tribal areas comprising Malakand and Federally Administered Areas of Khyber Pakhtunkhwa. The situation became so grave that the government had to resort to military action on a massive scale in the tribal areas to suppress rebellion, to establish its writ and to wrest control of areas almost taken over by the insurgents. The military action resulted in a mass movement of population within different parts of the province. The country had to pay an enormous cost in terms of lives lost and widespread devastation leading to acute erosion in almost all segments of the economy as well as in governance and environment because of the militancy and the counteraction by the security forces.

The destruction caused was so extensive that in 2009 the government decided to seek the assistance of the World Bank and the Asian Development Bank to assess the extent of damage, cost of rehabilitation and to recommend strategies to comprehensively address the issues responsible for the crisis. These organizations launched two studies; the first one titled ‘Preliminary Damage and Need Assessment’ (DNA) with the primary objective of assessing the losses suffered in the areas affected by militancy. The study also focused on the background of the rise of extremism as well as on quantifying immediate and medium term reconstruction and recovery cost in Malakand Division (Buner, Lowe Dir, Upper Dir, Shangla and Swat) of KP and two agencies of Bajaur and Mohmand in FATA.

The second study was devoted to ‘Post Crisis Need Assessment’ (PCNA) which after identifying various drivers of crisis in the backdrop of socio-economic deprivation and poor governance, deliberated on the strategies to deal with the immediate post crisis transition and stabilization phase, medium term transformation as well as the long-term institution building. The studies were undertaken on the basis of data provided by the Government of Khyber Pakhtunkhwa which were verified through various means of authentication. PCNA also came up with appropriate policy formulations and practical strategies after taking into account the collaborative exercise carried out by Khyber Pakhtunkhwa as enshrined in their documents titled ‘Malakand Compressive Stabilisation and Socio-economic Development Strategy’ and ‘Seizing Momentum Through CERINA: Early Recovery Priority Interventions in NWFP/FATA’. All pertinent aspects such as the genesis of the crisis, assessment of damages, recovery cost, and the policies and programmes needed to address the issues have been dealt in adequate detail by the DNA and PCNA.

The study at hand which has been initiated on the desire of the Government of Khyber Pakhtunkhwa and Strengthening PRS and Monitoring Project of UNDP for Khyber Pakhtunkhwa aims at conducting a comprehensive academic investigation to evaluate the effects of militancy and the impact trend of rehabilitation. The objective is to provide input for fine
tuning the future policies and programmes for these areas and to address their needs on the basis of research investigation in the sampled area. Although these studies have comprehensively dealt with the assessment of damages incurred, their rehabilitation cost and the factors responsible for the crisis, these background elements need to be recapitulated briefly along with some recent developments as a starting point. The purpose is to provide a contextual background for evaluating empirically the effect of militancy and the efficacy of ongoing rehabilitation policies and programmes to address the issues which are not only important for the people of the region but also for the overall peace and prosperity of the province and the country.

1.2 Genesis of Militancy in Malakand and Federally Administered Tribal Areas- An Overview

It is rightly contended that for designing strategies to achieve peace and contentment for sustainable socio-economic development of any country/region there is a need to comprehend the features shaping its political, economic and social milieu. These include a thorough understanding of geographic and demographic traits of the area along with laws and regulations administering its judicial, political and administrative structures of governance. An understanding of the socio-political environment including the nature of religious influences on the inhabitants and their feelings of socio-economic contentment/discontentment is also essential. Such an understanding will facilitate the formulation of sound policies to raise social and economic status of the masses with the ultimate objective of achieving stability and peace in the area concerned.

In the light of this reasoning, we devote the section that follows to recapitulating the factors responsible for insurgency in tribal areas based on the analysis embodied in the above mentioned studies and some additional documents/research studies supplementing the existing information through their analysis along with latest developments relevant to the issue at hand.

1.2.1 Features of the Region Having Indirect Bearing on Militancy- A Brief Review

Khyber Pakhtunkhwa, formerly known as North West Frontier Province (NWFP) is one of the four provinces of Pakistan comprising a total area of 74521 sq. km (9.36% of the area of Pakistan) inhabited by an estimated population of 20.2 million persons (approximately 11% of the country). It lies in the north west of Pakistan, bordering Afghanistan and also historically a gateway to the East, especially to China, and in the west to Russia, Tajikistan and Kyrgyzstan. It is situated on both sides of Indus River whose western flank is a rugged terrain consisting of mountain ranges with areas and plains circumscribed by hills. It is through these areas along the Suleiman Range that the adjoining country i.e., Afghanistan, gets a proper access.

It is mostly inhabited by the Pashtuns tribes, a race of sternly independent people who have historically defied foreign domination with a harsh ferocity and could never be subdued by any outside power. Some regions are populated by tough tribes who refuse to submit to any authority except their own. Around 1.5 million Afghan refugees also stay in the province including a considerable number of Tajiks, Uzbeks, Hazaras and some other ethnic groups. The border between Pakistan Afghanistan is known as the Durand Line. Since those living near the Durand
Line belong to the same racial stock and are bound by matrimonial relationships they move frequently across the porous border, generating a flow of sizeable population in between these countries without any formal entry/exit document or verification.

Malakand is presently an administrative Division of the province of Khyber Pakhtunkhwa and has the status of the Provincially Administered Territory (PATA). It was carved out of the princely states of Chitral, Dir and Swat (constitutionally annexed with Pakistan in 1969) including areas around Malakand Fort, known as Malakand Protected Area. These were administratively divided into the districts of Dir (Upper Dir, Lower Dir since 1996), Swat, Malakand (up till the year 2000), Shangla, and Buner consisting of 14070 sq.km.(18.8 % of total area of the province) and a population of about 5 million persons (about 25% of total population of the province). Swat is rich in natural resources and has arable land which is used for agricultural production. Moreover, for the last hundred years or so, it has has been a fairly advanced princely state, both socially and economically boasting a comparatively higher standard of health and educational facilities and also a speedy and inexpensive judicial system. Chitral and Dir, on the other hand, lag far behind in all these fields.

FATA is a semi-autonomous region within Khyber Pakhtunkhwa which encompasses seven tribal agencies viz., Khyber, Bajaur, Mohmand, North Waziristan, South Waziristan, Orakzai and Kurram. The largest part of the region is either passed through or surrounded by hilly tracts and mountain ranges which on the one hand fortify the western part of the tribal chunk of land and on the other served as hideouts for criminals and later on as sanctuaries of the militants. The region also includes six frontier regions adjacent to districts of Peshawar, Dera Ismail Khan, Tank, Lakki Marwat, Kohat and Bannu, covering an area of 27,220 sq.km along the 1,200 km long Durand Line between Pakistan and Afghanistan.

These two areas, as a whole, have a population of 1.2 millions; a vast majority of which is suffering from poverty, ignorance, deprivation of basic needs and has no political and constitutional rights which is believed to have made them vulnerable to terrorism and extremism. They are ethnically a brawny race bound by a very strong tribal structure prevalent in both these regions. As regards the tribal agencies of FATA, they bestride a thin block of about 450 km in between Afghanistan and Pakistan. Majority of the people in these areas have strong links as a tribal family inhabiting both sides of the Durand Line which has plenty of openings, allowing easy crossovers. The two agencies namely Bajaur and Mohmand, which were covered by “Damage and Need Assessment” study by the Asian Development Bank and World Bank on the ground of being most affected and also because they had some degree of accessibility, constitute a total area of 3586 sq. km. (4.8 % of the total area of PK) comprising an estimated total population of 1.4 million persons (about 7.3% of total population of the province).

Article 247 of the Constitution of Islamic Republic of Pakistan provides for the governance of these regions in a manner entirely different from other parts of the country. According to this article, the Governor of Khyber Pakhtunkhwa administers these areas as a representative of the President of Pakistan. No legislation passed by the National Assembly (NA) is applicable to FATA Similarly, neither the NA, nor Provincial Assembly (PA) of Khyber Pakhtunkhwa has jurisdiction over Provincially Administered Territory (PATA). The President has been
empowered to frame laws on any matter including those which fall within the legislative purview of the Parliament. Neither the Supreme Court of Pakistan, nor the High Court of Khyber Pakhtunkhwa has the authority to deal with legal matters concerning the tribal areas unless backed by legislative measures of the Parliament.

The only legislation (recently amended in August 2011), applicable to FATA was the Frontier Crimes Regulation (FCR) comprising a set of laws re-enacted by the British in 1901 after some periodical modifications over the original enactment in 1884. The Regulation was specifically framed to protect the interest of British Rule. It was administered till recently through the tribal jirgas (conclaves) and not by any court of justice. Many of the provisions in the Regulation were discriminatory both in their substantive as well as in procedural context.

1.2.2 Factors Responsible for Militancy in Malakand and FATA

Khyber Pakhtunkhwa in general and FATA inclusive of Malakand Division in particular became a major conflict zone of insurgent upheaval, posing the worst security crisis in the history of the country which is still continuing though with a considerably lesser intensity. Its high point was witnessed in Swat which was almost taken over by the terrorist hordes. The level of rebelliousness was so grave that it threatened the authority of the government prompting it to take military operation on a large scale to restore peace and reassert its writ in the area. It disrupted the lives of the residents of these regions causing displacement of about two million people. The drivers of crisis were almost common in case of both these regions with some variations in certain respects; nonetheless ‘there were strong linkages and spillover effects of militancy from FATA to Malakand’ [GoP ADB and WB, 2009]. The factors responsible for such a chaotic disorder are briefly discussed below:

1.2.3 Soviet invasion in Afghanistan and subsequent neglect of the international community:

The genesis of the problem of terrorism and insurgency, experienced by Malakand and FATA in the recent years lies in the creation of mujahedin (holy warriors) by various powers to put up resistance against the Soviet invasion in 1979. As an aftermath of international neglect following the withdrawal of Soviet forces from Afghanistan in 1989, that country along with these areas became an epicenter of terrorism. The problem surfaced most severely in FATA and PATA areas in 2001 when the US and NATO forces invaded Afghanistan. It forced the militants to cross the border in large numbers to enter Pakistan. Many of these elements were of foreign origin. When Pakistan joined the US and allied forces in the war against terror it became another reason for the terrorists to set up bases in the remote and less accessible areas to launch their terrorist activities, especially in Khyber Pakhtunkhwa and its tribal agencies. This is, in fact, an overarching factor that has causal nexus with terrorism in the country, especially in Malakand and FATA regions; of course, there were other factors too which exacerbated the crisis.

1.2.4 Constitutional, administrative and judicial factors:

In terms of established standards of statecraft, the tribal belt (FATA) has never been administered under the direct control of any national governing authority, transforming it almost into a stateless society since the colonial era. As stated earlier the only law that governs this
region was the Frontier Crimes Regulation (FCR) to be administered through the Political Agent appointed by the government, in association with the elites and the tribal leaders called ‘maliks’ in the form of ‘Jirgas’ for the dispensation of justice.

Due to a number of unjust provisions enshrined in this law such as the procedure of trial in civil/criminal matters, method of selection of Jirga members, procedure of arrest/detention and imposition of collective fine and unchecked discretionary powers with the Jirgas, the FCR was condemned as “obnoxious to all recognized modern principles governing the dispensation of justice” (PLD, 1954, FC 228). Owing to a higher level of civic and political awareness in the recent years, the people of the area have also developed repugnance against the law, and consider it as being suppressive of the basic rights of the citizens.

The only parity which, to some extent, the tribal agencies have with the rest of the country is that FATA is being represented by twelve members in the National Assembly and eight in the Senate. Although these members are elected their election is not on the basis of any political affiliation. Ironically, they can participate in the framing of legislation for the whole country except for the region they are meant to represent. Some of the most critical and structural causes of insurgency include a strong feeling of marginalization emanating from poor governance and absence of a sound and fair system of justice especially in these regions.

A strong feeling of non-participation in public affairs, oppressing rule by Political Agent and Jirgas with repressive legal provisions under FCR, lack of education, and ignorance about the true spirit of religion, along with some other factors created feelings of alienation and rebelliousness among the masses which was skillfully exploited by militants. This brought in its wake a political turmoil and the worsening law and order situation unprecedented in its scope and intensity, creating a massive national security threat and challenge to the writ of the government.

Swat was always known for cheap and timely dispensation of justice along with a fairly good standard of governance in the past when it was under the princely rule. However, the areas constituting Malakand Division after the merger had to go through various piecemeal judicial reforms in a haphazard manner and changes in their constitutional status. These factors caused societal disillusionment and resulted in corrosion in the system of justice and weakening of the political and administrative writ of the government. All this led to a complete wearing down of administrative command of the government and its societal legitimacy in the region, most seriously affecting the dispensation of justice and capacity of governance.

Taking advantage of the void in the judicial system and weakening of state structures owing to bad governance the militants launched the Tehrik-i-Nifaz-i-Shariat (Islamic Law) by promising a speedy justice system. Although the demand for establishing the Islamic courts was accepted and implemented by the then government in 1994 after bloody clashes between militants and security forces, the Islamic movement led by Taliban in Afghanistan in 1995 further impacted the worsening state of law and order in Malakand.
The situation prevailing in 2001 prompted the same unruly and disgruntled elements to use force to push their demand for complete enforcement of their version of Shariah in Malakand and even went to the extent of declaring war against the State. Although some attempts were made to negotiate with the insurgents for a peaceful settlement, but all these failed to bear fruit. The region experienced a further escalation of the insurgency compelling the government to resort to a full-fledged military operation in 2007 to quell the insurgent waves and to recapture the area for establishing its authority. The military action caused heavy loss of life and property and the displacement of a population of about two million.

On account of almost similar factors resistance to government policies in FATA gained impetus in 2002. The movement adversely affected an already worsening law and order situation in the region converting itself into a widespread insurgency for enforcement of Shariah and also as a reactive resistance against Pakistan joining the war against terror as an ally of US and NATO countries. The corruption, mal-governance, lack of trust in the capacity of existing delivery institutions to serve the masses further paved the way for uprising against the government. Almost the whole of FATA turned rebellious and was infested with pockets of insurgent elements.

As a strategic principle of sound governance, the government first made serious efforts to solve the problem through dialogue and resultantly entered into several peace agreements with the rebels1 but none of these agreements proved fruitful. The failure of peace initiatives forced the government to deploy army in FATA to stub out the blaze of insurgency which was causing large scale destruction of public installations and heavy cross border attacks. It was the first ever move of the army in the area after the creation of Pakistan in 1947. The forces first flushed out militants from Tirah valley and Shawal valley in North Waziristan and subsequently moved to South Waziristan and took control after overcoming a strong armed resistance. Despite the commitment of a large number of troops within FATA, attacks on the army with most sophisticated weapons are still going on, albeit with a much lesser frequency.

A significant tactical move to respond positively to the situation has recently been made by extending the Political Parties Act to FATA and substantially amending the infamous FCR by the President in August, 2011. For instance residents of FATA have been given the right to form or join the political parties which is a major stride towards mainstreaming the people of the areas. It has been rightly contended by the President that the “door has been un-locked and it is for the people of the tribal areas to decide how much more they want to reform their system” [Mohammad, S.Nazir, 2011]. The implementation of political parties order for FATA will develop a sense of participation among the people of the area in the political affairs and gradually encourage them to increase their role in nation building activities.

The amendments in FCR carry a provision of right of bail to the accused. A new section has been incorporated that women and children below 16 years and men aged 65 years and above cannot

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1 These were Shakai Peace Agreement with Wazir Tribe (South Waziristan) in 2004, the Sararogha Agreement with the Mehsud Tribe in 2005 and Peace Agreement (North Waziristan) in 2006.
be arrested or detained under the collective responsibility clause. The earlier provision has also been replaced by another clause which lies down that the step-wise action first involving male members of the family followed by sub-tribe and then other sections of the tribe will be taken. The clause regarding arrest of the entire tribe and collective fine has been abolished. Another notable amendment in FCR is that it will be obligatory on the part of detaining authority to produce the accused within a maximum period of 24 hours after his arrest. A person will also have the right to appeal against a verdict before a tribunal consisting of two members and one additional member as its head. However, the tribunal will suffer from the weakness of being a quasi-judicial body in its composition. To provide some protection against false prosecution, the amendments also provide for adequate compensation in criminal cases and compensatory costs in civil matters to the defendant.

Another very significant provision made in the amended version of the FCR is that the funds allocated to the Political Agents will be subject to audit by the Auditor General of Pakistan. A section has also been added to make room for the inspection of jails by the FATA Tribunal. However, subsidiary rules have yet to be framed regarding the appellate authority and the regulation of the agency welfare fund for the region. These amendments have been made in response to the need and aspirations of tribal people. These provisions will certainly reinforce the government efforts to bring the people of the area into the national mainstream with the ultimate objective of instituting a climate of contentment and peace in the region.

1.2.5 Socio-economic Factors

On analyzing the factors responsible for militancy in these areas, it may rightly be contended that the most important factors fuelling extremism are socio-economic in nature as also identified by DNA study. The study acknowledges that the insurgency in FATA and Malakand has indeed its roots in a pervasive and well entrenched weakness in governance and non conformity to the rule of law, but is equally fed by poverty, lack of education, ignorance and unemployment. Although the data on the causes of militancy is scanty, some studies with limited scope, conducted by individual social scientists reveal some significant findings which are important for policy formulation.

A study [Abbas, S, 2007] based on a survey of 517 men, who were held in Haripur and Peshawar jails reveals that although the data do not conform to the commonly held percept that militants are the ones who were educated in ‘Madrasas’ and belonged to the cadre of unemployed, it finds that many of them had insufficient earnings and hence unable to meet their basic needs, while a greater proportion fell into the category of the extremely poor. However, another study [Fair, C. C, 2007] supports the findings of the earlier one in respect of educational background of the deceased militants as it discloses that about fifty percent of these were unemployed before leaving for ‘jihad’.

The conclusions of another study [Shinwari, 2008] also tend to reaffirm the findings of the DNA study which identifies economic stress, low level of human development, income disparities as the drivers of militancy. According to Shinwari, poverty, social backwardness and lack of economic opportunities are the contributing factors for growing militancy. Thus poverty, dearth
of socio-economic opportunities and lack of trust in the government functionaries to successfully redress grievances of the common citizen are providing a chance to the militant groups to attract new adherents to the cult of violence by promising them an alluring alternative to the existing state apparatus.

### 1.3 Damages Review

As stated earlier, the government decided in 2009 to carry out a comprehensive Damage Need Assessment (DNA) in five crisis affected districts of Khyber Pakhtunkhwa and two tribal agencies of FATA It, therefore, requested international financial institutions including World Bank (WB) and Asian Development Bank (ADB) to undertake a rapid assessment for medium to long term recovery. The strategic objective of the DNA was to create conducive conditions for recovery and rehabilitation in these five districts and the two tribal agencies.

The broader scope of the work included 1) Quantification of the physical damage and its validation 2) development of sectoral level strategies for the immediate restoration of infrastructure, services and livelihoods, and 3) quantification of corresponding reconstruction and rehabilitation needs of critically damaged infrastructure, services and restoration of livelihoods [DNA, 2009]. This need assessment document is deemed a part of Post-Crisis Need Assessment Framework which was also carried out by the WB and ADB with the assistance of Government departments and Provincial Relief, Rehabilitation and Settlement Authority (PaRRSA).

For the convenience of users of this document, three major thematic areas were developed with major emphasis on recovery, reconstruction and rehabilitation. Environment and governance were also included as the cross cutting themes. The thematic areas were:-

- **Social Infrastructure** (Education, Health, Housing, and Social Protection and Livelihoods).
- **Productive Infrastructure** (Agriculture, Livestock and Irrigation, and Private Sector)
- **Physical Infrastructure** (Energy, Transport, Water Supply and Sanitation)

Indirect environmental damages were also incurred during militancy and had a strong and visible impact on the lives of residents and on the environment of the region. It was, therefore, deemed important to subsume environment as a cross cutting theme in the DNA. Additionally, the capacity building of service delivery departments for effective reconstruction and rehabilitation was also suitably embodied in the DNA report.

The DNA was based on the data collected from several stakeholders. However, the government of Khyber Pakhtunkhwa and FATA secretariat provided the preliminary information to the DNA team. Various data validation techniques including relative-to-baseline analysis, disaggregated data analysis and comparison of cross vertical and horizontal data stream were employed for the purpose of authentication. Civil society organizations and ADB’s partner organizations were approached with samples for physical verification of the data. All the stakeholders were thus taken on board for finalization of the sector wise damages and recovery needs.
The data collection was not exhaustive due to restricted access to the crisis affected districts. On a few occasions, baseline data analysis was employed to determine the reconstruction needs. Similar technique was adopted in housing and private sector and validation was conducted through civil society organizations and informal networks. Indirect losses were not taken into account while compiling the quantum of damages suffered and the restitution needs. These were left to be included in the upcoming detailed assessment under the Post Crisis Need Assessment (PCNA). The damages beyond the cut-off date of September 2009 were not covered in either of these two documents. Certain sectors in DNA estimates were calculated on the basis of context proxy indicators. The ratio of shops to the housing units according to 1998 Census was taken as the baseline for housing estimation.

The section below gives a detailed breakdown of the damages for each of the thematic areas and the sectors within those areas:

1.3.1 Social Infrastructure
1.3.1.1 Education
The total number of government schools and colleges in Malakand was 5,437, facilitating 0.82 million students at different levels of schooling and staffed by 22,364 teachers. Female students were around 37% of the total student population.

During militancy, 417 educational institutions were ravaged including 237 fully damaged and 190 partially damaged institutions. These included 149 completely demolished and 65 partially damaged girl schools. The most affected district was Swat with 276 fully and partially damaged institutions including 167 girls’ schools. The most targeted schools were of primary level in which 145 were completely sabotaged while 90 were subjected to lesser subversion. In general the militants displayed greater antagonism towards the female schools. The overall percentage of male and female damaged (fully/partially) schools was almost the same. The total cost of repairs and restoration of fully and partially damaged educational buildings, materials, furniture and equipment was estimated to be PKR: 2,696 million (US$ 33.7 million).

1.3.1.2 Health
The health system in Malakand Division comprises both public and private health service facilities. Damage to the health system in Malakand division was not restricted to public sector; it affected the infrastructure and service delivery of the private hospitals as well. However, DNA and other reports only cover the damages to public health facilities as there was no data available with provincial government about private sector health care outlets. The damages to public health facilities were not as extensive as was initially apprehended. In Malakand, the reported damage was around 29% of the total public health system. Presently, there are a total of 217 public health centers in Malakand Division of which 63 were damaged during the crisis. Out of these, 19 health services were completely ruined and 44 suffered only partial damages. The most affected in terms of totally damaged facilities was District Buner where 22 facilities fell a prey to the militant onslaught.
Most of the secondary health care facilities were unaffected except for temporary interruptions; By and large, these facilities continued to provide services to their clients. None of the District Headquarter Hospital (DHQ)/Agency Headquarter Hospital (AHQ) or Tehsil Headquarter Hospital (THQ) has been reported as damaged. However, three Civil Hospitals (CH), and four Rural Health Centers (RHCs) were reported as partially damaged whereas 19 Basic Health Units (BHUs) were reported as completely damaged and 37 as partially damaged. The smaller health units like community health centers and civil dispensaries also suffered at the hands of the warring parties.

Based on the available information, the total damage to the health sector is estimated at approximately PKR: 502.04 million in Malakand Division. This includes damage to offices, residences, medical equipment, furniture and vehicles. These figures are likely to be understated as they do not include estimates of damage to private health care facilities.

1.3.1.3 Livelihood and social protection
Poverty has always been a source of concern for the Khyber Pakhtunkhwa, as it has experienced upward trends in the last two decades. Poverty in the province persistently remained higher than the rest of the country as a whole, in both urban and rural areas. According to the World Bank estimates, Poverty Headcount for Khyber Pakhtunkhwa was 46%, compared to 37% for Pakistan in 2001-02. The crisis further added to the miseries of Malakand’s people as a large number of households were displaced with little or no livelihood means intact. Internally Displaced People (IDPs) also affected the life in the adjacent host districts, which witnessed severe strain on their limited resources, public service delivery and infrastructure. Access to the essential daily life amenities like gas, electricity and water etc became rare in affected areas and their surroundings.

In 2005, the total employed population of affected districts was 587,348. Out of these approximately 57% were employed in agriculture, forestry and fishing industries. This was followed by community, social and personal services (12.15%), construction (11.21%) and wholesale, retail trade and restaurants (9.49%). Transport, storage and communications accounted for 4.66%, whereas, manufacturing stood at 3.18%. Latest data on employment status of IDPs’ family heads has also been collected at the time of registration. IDPs family heads were asked about their employment status prior to the crisis and as per reported data, 28.38% family heads were unemployed, 15% were engaged in agriculture, 10% were private servants, 8.84% owned a private business, 5.20% were absorbed in government service, and 4.64% in labor market, whereas 21 % were employed in unclassified category.

1.3.2 Economic/Productive Infrastructure
1.3.2.1 Agriculture, Livestock & Irrigation
Agriculture is the backbone of the economy in Khyber Pakhtunkhwa. It accounts for around 22% of the provincial GDP and 44% of total provincial employment. Out of the overall contribution of agriculture to the provincial GDP during 2007-08, share of crop sub-sector was 11% and that of livestock sector was 10%. In Khyber Pakhtunkhwa, about 60% of crop land is under irrigation during Kharif season and 43% during Rabi season. Maize, rice, fruits and tobacco are vastly cultivated Kharif crops. Over 80% of affected areas are dependent on agriculture for their
livelihood. Due to low rainfall and militancy, only 30% of the land was cultivated during the period under review.

Livestock farming is a major source of livelihood in the arid plains and mountainous regions of southern Khyber Pakhtunkhwa. Around three-quarters of farm households are involved in sheep, goat and cattle rearing. A typical family keeps up to three cows or buffaloes, 5-8 sheep or goats, and 6-10 poultry birds. Milk animals used to be mainly local breeds but over the last many years it has become common to purchase lactating buffaloes from the Punjab, keep them for 12-18 months and then resell them. These buffaloes are mainly stall-fed whereas other cattle, as well as the sheep and goat, are grazed except during the harshest winter months. Poultry is fed on household scraps and by means of scavenging. Milk products and eggs form an essential part of the local diets; eggs and meat are also sold for cash earnings. Cattle, buffaloes, sheep and goats are kept in pens in summer but in covered rooms adjacent to or in the main dwelling during winter. In fishery, it was reported that a total of 16 trout fish ponds and 11 non-trout fish ponds in District Swat were completely destroyed.

The Rabi crops, mainly wheat but also fruits and vegetables, were ready for harvesting when people abandoned their farms. As a result, the wheat crop atrophied and was eaten by insects, fruit and vegetables also perished. The financial impact of the loss was not limited to the directly affected areas. In consequence, the prices of fruit in major cities have risen significantly as a result of the loss of production from Swat which is a major supplying area. The crisis not only disrupted the harvesting of 2008/2009 Rabi crop but also 80% of the Kharif crop was not cultivated due to mass evacuation of population from the area. The crops of 2009/2010 Rabi and subsequent seasons were also affected because of the disturbed conditions.

The direct damage in the form of lost livestock is estimated at PKR 28,952 million. A total of 553,000 large and 594,000 small animals and 1.8 millions heads of poultry have either perished or subjected to distress sale (around 40% of total lost animals) at prices as low as half their market value. The livestock losses vary significantly among districts: Swat has suffered the most where depletion was 42-65% of pre-crisis livestock, followed by Buner between 36 and 60%, Shangla 26-50%, Dir Lower 24-38% and Dir Upper from 8 to 17% of its pre-crisis livestock population. The Livestock Department also suffered damages in their service infrastructure which was estimated at PKR 96.8 million. A substantial quantity of stored feeds mostly wheat straw was also lost.

The direct damage in the form of un-harvested standing crops of Rabi 2008-09 season is estimated at PKR 6,605 million - mostly wheat (60% of total crop damage), fruits (22%), and vegetables (16%). District wise, Swat was again in the forefront as its losses amounted to (PKR 3,141 million), followed by Buner (PKR 1,206 million), Dir Lower (PKR 443 million), and Dir Upper (PKR 273 million). The total area with un-harvested standing crops was estimated to be around 81,600 ha of land. The damage to watercourses was reported to be fairly extensive. However, no reliable information on the extent of structural damages to watercourses is currently available. The direct financial deprivation inflicted on irrigation sub-sector is estimated at PKR 873.9 million. The biggest loss is reported to have befallen the flood protection assets (PKR 398.5 million) and surface irrigation infrastructure (PKR 383.2 million). It is reported that out of
a total of 631 irrigation canals available in the five districts, 259 canals were partially damaged. Out of 127 km of flood protection embankments 9 km embankments totally collapsed while 25 km. embankments were partially devastated. Around 26 tube wells and 12 lift pumps also became unserviceable.

1.3.2.2 Private Sector (Mining, Handicrafts, Silk industry, Tourism)
The total number of industrial establishments in Malakand Division is estimated to be 496, with a capital investment of about Rs. 2,381 million. The main industries of Malakand Division are: mining (marble, granite, gemstones), marble processing, horticulture, mini hydro power generation plants, flour mills, rice mills, silk mills, furniture, vegetable & ghee mills, rubber & plastic goods, handicrafts, tourism and cement based products.

Absence of baseline data of SMEs was a major problem in assessing the damages to private sector during the crisis. On the basis of other sectors a desk based approach was followed to determine the extent of damage to the private sector. Thus out of 65 power looms, mostly located in district Swat, 11 were destroyed while in tourism, 60 hotels out of 500 were damaged. The total damage to private sector was to the tune of PKR 2200 million (including investment loss).

1.3.3 Physical Infrastructure
1.3.3.1 Water supply and sanitation
In Malakand Division about 30% (451 out of 1,508) water supply schemes have been completely or partially damaged, including 151 (out of 928) owned by Public Health and Engineering Department (PHED) and 300 (out of 580) owned by Local Government and Rural Development Department (LGRDD). Out of the total 451 damaged schemes, 111 were completely wrecked and 340 were partially dislocated Among partially damaged schemes, 151 were owned by PHED, all tube-well based, and 189 by LGRDD. Of the 201 tube-wells based schemes in Swat district nearly 50 percent of the schemes faced some degree of break down. Partial damages ranging from tube-well, pump house, storage reservoirs and distribution networks occurred from place to place. In Shangla 16 out of 136 PHED schemes were partially damaged; the statistics of partially dislocated schemes for Buner were 24 out of 168; for Upper Dir 3 out of 213 and for Lower Dir 8 out of 210. Population served by the damaged schemes owned by PHED was 419,000.

Most of the damaged schemes were under the command of LGRDD. Out of a total of 580 schemes, 111 were completely ruined while 189 became partly unworkable. Figures for Swat, Shangla, Buner, Upper Dir and Lower dir were 69 out of 170, 49 out of 120, 58 out of 80, 51 out of 95; and 73 out of 115 respectively. Population served by damaged LGRDD schemes was roughly estimated as 614,000.

1.3.3.2 Infrastructure, Transport and Environment
In Khyber Pakhtunkhwa, the road network in the five crisis affected districts consists of 198 km of National Highways and 145 km of Provincial Highways, managed by National Highway and Provincial Highway authorities respectively. The remaining road network consists of 5,156 km of district roads of which about 2,000 km are administered by W&S Department and Local Govt.
The damage to transport was calculated on the basis of data provided by the NHA, FHA, W&S, C&W, CAA, ACC and LG&RDD.

The damages to roads and transport can be categorized as i) damage to bridges, cross drainage structures, retaining and slope protection structures ii) potholes and ditches in pavements due to shelling or indigenously assembled detonators, iii) weakening and breaking up of the road texture because of tracks formed by army tanks and iv) pavement damage due to temporary blockades on roads. The total damage to roads and allied infrastructure is estimated to be around PKR 700 million. The number of affected bridges in Malakand Division is 58; including 40 completely damaged and 18 partially damaged ones requiring PKR 364.8 million for restoration. Total length of damaged roads of all types is 1329 Km with reconstruction cost of PKR 239.7 million

The crisis badly affected the environment mainly the green forest land. Around 45,200 acres of forest land almost completely disappeared. This caused a disturbance in the ecological system and also had an adverse impact on natural environment in the form of change in topology of earth surface, blockage and deterioration of water resources, destruction of grasslands and threat to life of inhabitants. According to the forest department, in Malakand Division, 1.5 million plants in the tube nurseries, 400,000 plants in the bare-rooted nurseries, about 8,000 farm-forestry plants, about 4,500 fruits/nuts plants were damaged during the insurgency. About 662, 500 cubic feet trees were reported felled by the forest department. The department has estimated that $ 625 is required to replant an acre of forest land.

1.3.3.3 Energy
In Khyber Pakhtunkhwa, electricity is provided by PESCO and TESCO. In Malakand division, electricity is provided by the transmission network consisting of 5500 km LT lines, 3200 km HT lines, 312 km STG lines, 1600 km transmission lines and 500 transformers. During militancy, 275 km HT lines were completely uprooted, while 780km HT lines suffered partial dislocation costing PKR 454 million; completely and partially lost LT lines were 199 kms, and 333 kms respectively costing PKR 167 million; STG lines were 5 kms and 30 kms respectively costing PKR 7 million; Distribution lines were 58 kms and 4 kms respectively costing PKR12 million. Around 700 transformers were reported to be fully damaged costing PKR 270.8 million for recommissioning. Major damage was in district Swat where 300 km HT lines, 230km LT lines, 6 km STG lines, 30 km distribution lines, 15 grid stations and 350 transformers were ruined (partially or fully). PESCO suffered direct losses of PKR 769 million and revenue losses of 1045 million.

1.4 Review of Rehabilitation Activities

1.5 Review of Rehabilitation Activities
When the US-Afghan war on terrorism became Pakistan centric, it worsened the existing conditions which called for a mammoth relief and rehabilitation drive in the remote mountains and valleys of Khyber Pakhtunkhwa including the tribal belt of Federally Administered Tribal Areas (FATA) and Malakand division. The military operation of 2009 caused an internal migration of colossal proportions from the beleaguered areas. While the operation was well-intentioned, it imposed an immense cost on the local economy as large numbers of people were
forced to leave their homes and livelihoods while extensive damage was caused to physical and social infrastructure. The conflict between the army and the militants also caused many deaths, injuries, and destruction of private and public property. It was the biggest internal migration in the history of Pakistan. Houses, standing crops, livestock, schools, health facilities, water supply/irrigation schemes, public office buildings, roads, electricity/gas networks, shops, hotels, businesses, all suffered damage to varying degrees. In July 2009, the GoP lifted restrictions on the return of the internally displaced persons (IDPs), as a first step to boost confidence of residents. The initial relief efforts included rescue and distribution of relief goods including tents, blankets, food, water, etc., among the IDPs (PaRRSA, 2011).

The magnitude of the crisis thrown up by the IDPs issue exceeded the available resources and capacities of the government. With the pouring in of IDPs in the adjacent areas, the relief activities of different organizations for IDPs were a response to an untoward event for which no proper policy or plan could be prepared in advance. As a result, the initial relief and rehabilitation activities remained unsystematic and random. Therefore, the need of a policy for IDPs rehabilitation was direly felt by civil society organizations and government alike.

Accordingly, plans and strategies were prepared for early recovery and long-term rehabilitation activities. Efforts were made to prepare pro-people plans and strategies by incorporating views and recommendations of stakeholders. The initial recommendations through consultation process by SPO (Strengthening Participatory Organizations) covered seven major sectors: education, health and hygiene, sanitation and water supply, local government, social welfare and women development, livestock and agriculture, and industries, minerals and technical sectors Overall, reconstruction and rehabilitation efforts reflected a positive approach.

1.4.1 Role of Government

The government after the devastating earthquake of 2005 realized that it lacked the capacity and the expertise to undertake relief and reconstruction work when faced with a major disaster. To meet this deficiency, the GoP established ERRA at Federal Level and PERRA at Provincial level. Unfortunately, complex procedures were built into the institutional setup of ERRA and PERRA which were the key factors behind their poor performance. Discussions were, therefore, started for a new and effective organization which could provide a better platform for rapid one window facility to donors in respect of identification, approval and implementation, monitoring and evaluation of different projects especially for post military operation in Malakand division. Thus “Provincial Reconstruction, Rehabilitation and Settlement Authority” or PaRRSA was created under PDMA, as a separate entity and as a temporary administrative arrangement to look after reconstruction, rehabilitation and settlement of the affectees of the war torn Khyber Pakhtunkhwa including Malakand Division.

PaRRSA has the mandate to facilitate, coordinate, supervise, and build linkages to help the provincial Government in its endeavor to rehabilitate the affected areas, in a transparent manner, with the requisite speed. The organization has been authorised to take up the projects proposed under the various support funds created by the Friends of Democratic Pakistan and other international partners/INGOs/NGOs.
The PARRSA activities are being implemented in three phases. The first phase consists of the early recovery plan through resumption of the disrupted services. Based on the Damage Need Assessment (DNA), the second phase covers the rehabilitation & reconstruction of whatever has been destroyed. In the third phase, a donor supported economic uplift program will be launched for sustainable and long term economic development of the area as outlined in the Post Crisis Need Assessment (PCNA) report.

As per policy of PaRRSA, the projects shall be executed through concerned government Departments/line agencies or other arrangements agreed with the participating organizations (POs), at the district level as deposit works and the funds shall be utilized in the manner agreed between the donors and the PaRRSA. The individual schemes shall be picked from the Damage Need Assessment (DNA) report. The identified projects shall be approved by PSC as part of the overall work plan. The concerned line departments will prepare PC-Is with cost estimates and drawings to be provided by the respective engineering department and submit the same to PSC, DAC, DRRC according to their competency of approval.

In the year 2009, the Provincial Government carried out the Damage Needs Assessment (DNA) exercise in the affected areas including Malakand Division. The DNA was carried out through active involvement of PDMA/PaRRSA and in collaboration with and financial assistance from the World Bank and Asian Development Bank (ADB). The objective of DNA exercise was to evaluate the overall damages of all sectors by quantifying direct damages, indirect losses and reconstruction costs with appropriate interventions identified to successfully execute the recovery plan.

DNA estimated and recommended Rs. 86.918 Billion to restore the damages caused to the public and private properties/infrastructure in Malakand Division. A strategy was devised for the purpose before starting the reconstruction and rehabilitation work together with the completion of PCNA exercise in order to move forward for comprehensive economic growth initiatives.

In November 2009, the first work plan entailing a budget amount of Rs. 29 billion was approved, encompassing all sectors under DNA and work on ground was started. Subsequently, 2nd work plan amounting to Rs. 4 billion and 3rd work plan of Rs. 117 million were also approved, as the line departments and other implementing partners started sending their projects / schemes to PaRRSA for endorsement. Similarly, Pakistan Army played a very important role in the rehabilitation of immediately needed infrastructure during and directly after the armed conflict in Malakand Division. Accordingly, the Army provided more than Rs. 500 million for various restoration activities, like rehabilitation of schools, mosques, roads and various bridges.

PaRRSA also carried out Sports Needs Assessment in Swat and Buner district in order to identify the opportunities for engaging youth in traditional and popular sports activities, map coaching and mentoring opportunities at formal and informal levels and identify informal sporting clubs for provision of sports equipment and coaching/mentoring support.

Aman (Peace) Festival - June 29 till July 18, 2010, was organized by Provincial Reconstruction, Rehabilitation and Settlement Authority (PaRRSA) for which the first phase of the festival
started in Mingora from June 29, 2010 while the second phase was celebrated in Kalam from July 11 to 18, 2010. This provided an opportunity of recreational activities to the people of Swat who lived under severe stress and fear. Pakistan Army played a pivotal role in organizing this event along with PaRRSA and local Hotel owners.

In January 2011, another special initiative named "Malam Jabba Skiing Peace Gala" was launched by the Government for the restoration of tourism sector in Swat and for peace building in Malakand Division for which financial assistance was provided by UNDP. Malam Jabba Ski Resort was the joint effort of the Pakistan government with its Austrian counterpart. The resort was equipped with modern facilities including roller/ice-skating rinks, chair lifts, skiing platforms, telephones and snow clearing equipment. During the armed conflict, the resort had been blasted by the militants and its buildings/facilities damaged beyond repair. The festival was a success story for the restoration of tourism in Swat area.

1.4.2 Role of International Donors / NGOs
The DNA report was agreed upon to serve as the baseline for future interventions for reconstruction and rehabilitation activities in militancy impacted areas. The approval of DNA by the provincial committee helped in attracting the donors for their possible role and aid commitments. Following table shows work plans, commitments and respective donors.

As a first step towards rehabilitation, the Government completed the Damage Needs Assessment exercise in the Malakand Division through the PDMA/PaRRSA and in collaboration with World Bank and Asian Development Bank (ADB) and estimated the figure of Rs. 86.918 Billion required to restore damages caused to the public and private properties/infrastructure. The Government, through the PaRRSA, has devised a comprehensive strategy for the purpose and reconstruction and rehabilitation work has been started. The PCNA exercise has been completed and will lead to comprehensive economic growth initiatives.

PaRRSA is primarily working for funding commitments on the basis of DNA estimates. The approved sectors / damages mentioned in the DNA were also forwarded to various donors for additional funding purpose. The following are the additional commitments which are over and above the work plans.

The commitments and the expenditures reflect that donors committed funds for Health, Education, Roads/bridges, Private industries, WATSAN, Agriculture, Housing and police department while no commitment was made for Governance, Livestock, Energy, Forestry, Irrigation, Mine and Minerals and Food security related direct activities. USAID and UAE Governments are among the big donors while Governments of China, Italy and NAS are the other benefactors. Major chunk of funding commitment is towards housing, education and roads/bridges while health and private industries are the next important beneficiaries. Till the 3rd work-plan, the total expenditure by the Government was PKR 34,311.53 million against the commitments of. PKR 18,324.07 million. The summary of donor commitments and the expenditure incurred till 3rd work plan is shown in the following graph.

Figure-1.2.4.1 Sector wise Donor Commitments and Expenses Summary
Some additional commitments were made by UNDP (PKR 2,125 million), World Bank (PKR 16,150 million), UAE Government (PKR 2,975 million) and Federal Government of Pakistan (PKR 17,000 million) for peace & development and social sector related development projects. The following graph depicts the contribution of different agencies for their additional commitments towards social sector development projects.

Data Source: Annual Report 2011, PaRRSA
Chapter 2
Objective and Research Design of the Study

2.1 Objectives of the study
The impact of the crisis in Malakand Division had multiple dimensions. The crisis has affected the physical infrastructure, socio-economic and productive sectors. It has been revealed on the basis of data provided by DNA that although all the districts of Malakand Division were affected by militancy but the district Swat has been the centre of gravity.

It is not possible to explore all the dimensions of the tragedy that befell Swat and to measure the impact of various interventions made by various agencies made so far as remedial measures, at this stage. It was, therefore, planned to focus our research investigation only on the effects of militancy and impact trends of rehabilitation activities in Swat.

Specifically, the objectives of the research study are as follows:-

- To empirically determine the effects of militancy on the socio-economic conditions (i.e. the above mentioned sectors) of Malakand Division
- To determine the impact trend of the ongoing rehabilitation activities in Malakand Division against the baseline provided by Damage Need Assessment (DNA)

The investigative work envisaged to focus on the following sectors to assess the effects of militancy on the socioeconomic, physical infrastructure and production sectors’ in Malakand Division:

- Tourism
- Agriculture
- Cosmetic & Silk industry
- Handicrafts
• Mining Industry
• Health, education and livelihood
• Infrastructure, transport and environment
• Psychological effects on children

2.2 Research Design

2.2.1 Desk Review
The research team reviewed the existing literature on militancy, its impacts on different sectors of the Malakand Division and ongoing rehabilitation activities undertaken by the federal and provincial governments as well as the international donors. The literature review provided primary information for up-taking of this study and also provided a basis for the final recommendations in the documents reviewed. The level and extent of the damages and efforts of the rehabilitation agencies are broadly covered in the reviewed documents, reviewed by us. However, some additional research studies were also reviewed to look into the historical trends of the radicalism and militancy in the region. Moreover, the research team also used and referred to the record of sector policy and strategy documents, annual reports, research and policy dialogue reports and independent evaluation reports on related themes.

An important element of the desk review was to gather authentic information based on the investigative research of the Damage Need Assessment (DNA), Malakand Comprehensive Stabilization and Socio-economic Development Strategy and Post Crisis Need Assessment (PCNA) to serve as baseline information for our study. These provided comprehensive information regarding the damages and rehabilitation efforts in the socio economic, physical infrastructure and production sectors which were rigorously reviewed. More specifically, the socio-economic, physical infrastructure and production sectors were rigorously reviewed.

2.2.2 Qualitative Tools

2.2.2.1 Focus Group Discussion (FGD)
The Focus Group Discussion (FGD) is a rapid assessment and semi structured data collection technique which is carried out with selected participants for digging deeper into the specific issues under research. FGD with key respondents of the study is conducted to gain deeper insights that may not likely to emerge in the one-to-one conversation with a single interviewer and interviewee. The research team decided to hold discussion sessions with the key stakeholders for which nine separate sessions under the three major themes were conducted with key stakeholders in addition to the scheduled interview. Utmost care was exercised while choosing the participants for the discussion sessions. The research team supervised the selection process in close consultation with field team to avoid any bias in selection of respondent. The discussion sessions were attended by 8-10 participants from the heterogeneous group under the major thematic areas. Checklists were used during the discussion sessions which were developed by research team and finalized in close consultation with UNDP- Khyber Pakhtunkhwa. All the discussions held were recorded with the help of audio recorder and backed up by the limited notes by the Moderator and more detailed notes by the Assistant Moderator. These notes served as the basis for the transcription.
2.2.2.2 Sector Specialist/Expert Interviews
Expert Interviews were conducted to gather information for further ascertaining the view points about the factors for the rise of militancy, its impact, government and non-government rehabilitation activities, provincial and federal policies toward the crisis hit region. The purpose of specialist interview was to refine and reshape the research output to meet the objectives of the studies. The member of research team consulted specialists belonging to economic growth, infrastructure, social sector development, agriculture and livelihoods. For the purpose in question, the sector-wise questionnaires were developed and the interviews were recorded and transcribed accordingly. A sector wise questionnaire was developed. The interviews were recorded and transcribed accordingly.

2.2.2.3 Case Studies
The nature of the study demands an in-depth examination of analysis of impact of the traumatic experiences of violence and bloodshed on the psychology of the residents of the region.. It was mutually decided by us and UNDP- Khyber Pakhtunkhwa to collect information regarding the psychological impact only in case of children.

2.2.3 Quantitative Tools
2.2.3.1 Household Interview
Household level interviews were conducted to obtain responses on the key aspects because it was considered highly important to capture household perceptions regarding the damages during the militancy and the rehabilitation activities thereafter. The information gathered through the questionnaires was fed into the analysis of the damages, rehabilitation activities and policy discourse. A comprehensive questionnaire was developed covering the household level questions including household size, education, health, water & sanitation, electrification, displacement, livelihood, and agriculture & livestock.

2.2.3.2 Individual interviews
In addition to household level interviews, individual interviews were also conducted to obtain information from shop keepers, mine owners, handicrafts businessman, education & health managers, transport owner, infrastructure administrator, hotel owners and forest officers. The information on damages to the key sectors including micro enterprises, businesses, social infrastructure and environment were gathered from the owners through individual questionnaires.

2.2.4 Research Instruments
2.2.4.1 Structured Interview
Structured questionnaires were developed for household and individual levels. The household level questionnaire carried information on the damages incurred during militancy and rehabilitation activities thereafter. The questionnaires contained information on household structure, housing conditions, electrification, displacement, provision of education to their children, schools, health care facilities, sources of income, land holdings, livestock, loss of crop, provision of inputs, immediate needs, drinking water sources and sanitation.
Additional questionnaires were developed to elicit information from key stakeholders other than households. Ten separate questionnaires were developed covering education, health, tourism, handicrafts, roads & bridges, energy, forest, business enterprises and irrigation sectors. These questionnaires provided detailed information on the damage done to the aforesaid sectors during the militancy and the rehabilitation efforts undertaken by different service delivery organizations. These questionnaires broadly covered the major thematic focused areas of economic growth & infrastructure, social sector delivery, livelihoods & agriculture and environment.

2.2.4.2 Open Ended Questionnaire Interview

Expert interviews were used to gather information on the fallout of damages, rehabilitation policies and recommendations for its improvements for effective service delivery. Separate questionnaires were developed for education, health, infrastructure, handicrafts, tourism, transport, roads & bridges, silk & cosmetics, livelihood & agriculture, energy and environment specialists. Rubin and Rubin [1987] put it, the depth interview is “personal and intimate, with an emphasis on “depth, detail, vividness and nuance”. The technique employed is relatively simple yet very effective. A set of opening questions with short unambiguous responses are followed by main questions phrased in such a way that they are open, easily understood and descriptive. [Spradley 1979, Werner and Shoepfle 1987b in QR p93]

2.2.4.3 Discussion Guides

Focus group discussion is the commonly used qualitative technique in research methodology. It is quite different from the individual interviews which are administered in person and recount personal experiences and perceptions of the individuals are observed in a group. Nonetheless, FGD focuses on the group of respondents in an organized way to gain maximum insights into the key problems being investigated. The discussion guides were developed to facilitate the working of field team. The focus of these discussion guides were the issues widely covered in the individual interviews. Discussion guides provided guidelines to the moderator and assistant moderator for smooth conduct of FGDs.

2.2.5 Geographical Location

2.2.5.1 Sampling

It is presumed that no ample can be perfectly representative of a population. Although such “Sampling error” cannot be avoided, instead it can be reduced by obtaining a sample of sufficiently large size and by using “stratified Sampling technique”.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Sector</th>
<th>Sample &quot;n&quot;</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Infrastructure: Education</td>
<td>28</td>
<td>Further division of the sample size is based on gender, geographic and level of institution</td>
</tr>
<tr>
<td>2</td>
<td>Health</td>
<td>10</td>
<td>Geographic division and damages to health institution</td>
</tr>
<tr>
<td>3</td>
<td>Transport, Highway &amp; Roads, Bridges</td>
<td>26</td>
<td>Geographic division</td>
</tr>
<tr>
<td>4</td>
<td>Sanitation</td>
<td>8</td>
<td>Geographic division</td>
</tr>
</tbody>
</table>
### 2.2.5.2 Data Management and Analysis

The data for the study was captured from different sources by using different instruments. This raw data was categorized into data files. The household and individual questionnaires were coded and entered in the SPSS computer programme. The findings of the focus group discussion were also used to support the field data. A descriptive analysis in the shape of frequencies and percentages was undertaken to complement and refine the field findings. This operation was performed in SPSS computer programme. Since the aim of the study is to gain an in-depth understanding by accessing multiple strands of data and through descriptive analysis, it was deemed appropriate to use these techniques.

### 2.2.5.3 Field Work

The research team along with the Survey and Monitoring and Evaluation (M&E) Units prepared the field plan for data collection. Prior to the field plan, research team with support of Survey Unit decided to engage local supervisors and enumerators. Utmost care was exercised while
selecting the field team. The local enumerators were contacted at the planning stage of the field plan due to the sensitivity of the data collection in the crisis prone region. Despite assurances of full support, very few individuals were prepared to execute the field work. Three field teams were formed comprising two male and three female enumerators each.

The field teams were given the English questionnaires for acquiring the basic understanding of the different research themes. They were asked to send the technical questions to the research team for more clarity and precision. SDPI team planned their travel to the respective region for ensuring quality of the data and supervising the data collection process. Monitoring & Evaluation Unit (M&U) traveled along with the field team for spot checks for ensuring the data quality.

The M&E and Survey team arrived in the district Swat on October 22, 2011 and discussed the field plans with the supervisors. The training was an important element in quality data collection as the enumerators were to be equipped with basic understanding of the questions and their implications to ensure authenticity of data being collected. The Survey team held one day long interactive training session with the field team. The training was divided into three different sessions focusing upon interviewing and probing techniques, damages and rehabilitation policies and activities in the Malakand division. The sessions were arranged in a way that it provided maximum information and conceptual clarity to the enumerators. The survey unit fully understood the sensitivity of the questions which they passed on to the enumerators so that the in-depth responses should be obtained from the key respondents in the field.

2.2.5.4 Research Limitations

The sensitivity of the research topic and type of respondents to be interviewed determined the risks attached with the data collection. Particularly, the after affects of terror and ongoing military presence in the district Swat. The limitations included the un-availability of most of the data with the relevant public sector department. The road network is complete in district Swat but most of the roads are destructed. The actual responses by the community were tough to gain as most of them had the understanding of being awarded with any benefits so in some cases and at few occasions, the collection of required information took extra efforts, repeated visits and more time.

The research was designed with the purpose to delineate the current and forecast future trends to streamline the ongoing rehabilitation process. The research team requested in its first stakeholders meeting to provide baseline and disaggregated data on damages of households and sectors in the Malakand Division which was not entertained afterwards restricting the team to bank on the descriptive statistics. The proposed advance analysis was also not performed due to non-availability of the data from stakeholders. Most importantly, the data on cash flows were also not made available which also restricted our ability to predict the pace of the rehabilitation process.
2.2.6 Research Ethics

2.2.6.1 Informed and voluntary consent
It is a mechanism for ensuring that the participants understand the ongoing research exercise so that they can decide to become participants in a non-coercive, conscious and deliberate way. This is essential for the self-esteem and satisfaction of the person engaged in this work. The study clearly underscores the need for informed and voluntary consent from different types of respondents at different stages of the project cycle. Administrative authorities of different departments were informed through letter of invitation elaborating the objectives of the study. Informal consents were given through negotiations. The degree of participation and involvement varied in keeping with the levels of consent, sought from the participants. Once the team arrived for the field data collection, verbal consent was again taken from households and individuals for their participation in interviews and focus group discussions. In our case, the participants did not sign any consent form.

2.2.6.2 Confidentiality of information
It is important to record and maintain data in a way it was passed on by the participants to researchers and vice versa. It is a common practice that the participants freely talk with researchers and share their personal observations and experiences of their real life. It would be highly imprudent to pass on the information of one participant to another which might harm inter-personal relations to guard against such a situation, utmost care has been taken while conducting the individual interviews and focus group discussions. It helped to build mutual trust and encouraged the participants to disclose information without any risk or fear.

2.2.6.3 Anonymity of the participants
It is always desirable that original names of the participants were not shared while presenting the information and findings of the research study, more so when the issues discussed and information contained in it was of a sensitive nature. Pseudonyms will therefore be used while quoting the important messages throughout the text.

2.2.6.4 No harm to participants
Reflexive and participatory nature of the research report turns it into a mutually beneficial exercise for the participants. However, the outcome of the research could, potentially lead conflict tensions. The research team was suitably advised prior to the start of the field work to avoid any adverse fallout of the research findings and try to mitigate the risk involved.
Chapter 3
Impact Trends of Militancy and Rehabilitation Programs

3.1 Sector Infrastructure

3.1.1 Sub-sector Education

Education acts as a driving force for a host of economic and social activities. The state of education in Khyber Pakhtunkhwa can be gauged from the fact that there are 22,466 primary schools, 2,510 middle schools, 1,618 high schools and 272 higher secondary schools in the province. Specifically, the total numbers of government schools and colleges in Malakand is 5,437, facilitating 0.82 million students at different levels of schooling, employing 22,364 teachers. The gender gap is manifested by the current girl student enrollment (37%). As per the DNA estimates, the incidence of damage was high in district Swat, in which 276 schools were fully wiped out while 171 schools were partially destroyed. The schools visited by the survey team are also focused on the schools in district Swat, especially in the worst affected tehsils of Baboze, Kabal and Matta. The findings of this section are based on the survey results of the educational institutions and households.

The school buildings in the surveyed area comprise of Pacca, Kacha and mixed structures. Schools in main towns are of Pacca structure while those in far flung rural areas have Kacha and mixed structures. Out of the damaged schools, 76% were Pacca, 16% were mix of Kacha and Pacca and the rest were Kacha.

Taliban were against the schooling system prevalent in the area and wanted to replace it with their own so called Deeni-Taleem or religious education for boys delivered through Madaris(seminaries) in which there was no room for girls’ education. A massive destruction of schools was witnessed at all levels during militancy across the entire Malakand Division, girls’ schools were special targets of the fanatic hordes. Figure-3.1.1.1 shows the extent to which different types of schools fell a prey to subversion. The most affected schools were of primary level which constituted 76% of the surveyed schools followed by high, middle and higher secondary levels. These schools were not only blasted but also occupied and used by Taliban as their training centers and most of these were primary level schools.

Figure-3.1.1.1 Level of Damaged Schools

2 http://www.khyberpakhtunkhwa.gov.pk
The intensity of damages to schools varied across areas and across the schooling tiers. In some areas schools were completely demolished; others had their structures partially pulled down and their furniture destroyed or looted by Taliban for their personal use. Figure-3.1.1.2 shows the intensity of the damages to the surveyed schools. Among these schools, 45% suffered 25% damage, 30% faced 50% destruction, 20% suffered 75% and 5% of them was totally damaged.

The above results show the direct impact of militancy on educational institutions; there was also the indirect fall out of militancy in the form of fear that gripped the minds of children and teachers. The psychological impact of fear and threats to life resulted in low attendance rate of teachers and students when militancy was raging. It can be seen from Figure-3.1.1.3 that 40% of the teachers insisted on closing the schools during militancy and their attendance was low at that time. Parents were also reluctant to send their children to schools, especially the girls as the girls’ schools were on top of the hit list of Taliban.

The attendance rate of students fell drastically during militancy. Table-3.1.1.1 shows the comparison of boys and girls attendance rate across three periods, before & during militancy and afterwards. A significant drop in students’ attendance rate was noticed during the militancy, more than half of the students staying away from schools. In case of girls the attendance during militancy was about 30% of the attendance before militants overwhelmed the region. Current
attendance, both in case of boys and girls has almost touched the peace time level, but the student to teacher ratio has increased manifold no appointments could be made against the posts of teachers who lost their lives in militant attacks. In most cases the number of students in a class exceeds 100 and the teacher is not in a position to pay equal attention to all the pupils. Besides, the class rooms do not have enough space to accommodate these students as reported by people during focus group discussions. Most of the schools are running in multiple shifts in rented buildings or in tents that do not have facilities of a proper school.

Table 3.1.1.1 Attendance Rate

<table>
<thead>
<tr>
<th>Period</th>
<th>Boys</th>
<th>Girls</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Militancy</td>
<td>3,563</td>
<td>3,628</td>
<td>7,191</td>
</tr>
<tr>
<td>During Militancy</td>
<td>1,648</td>
<td>1,057</td>
<td>2,705</td>
</tr>
<tr>
<td>Current</td>
<td>3,875</td>
<td>3,758</td>
<td>7,633</td>
</tr>
</tbody>
</table>

Soon after the army operation, reconstruction and repair work was started at various levels by the community as well as the local and international organizations. In some areas, where access to schools was easy, the rehabilitation work started with little delay or no delay, while the areas in which the access was difficult, rehabilitation activities started after a lengthy delay. In certain areas work has not been started yet. Figure 3.1.1.4 shows the time lag recorded in the start of rehabilitation activities. The reconstruction and repair work of 16% of the institutions was taken in hand with less than 3 months delay, 20% with 3-6 months delay, 20% with 6-9 months delay, 24% with 9-12 months delay and 20% with more than one year’s delay.

In rehabilitation work local community, NGOs, government organizations and international donors were involved to their maximum capacity to “Bring Back Better” educational institutions for the children of the area. The Figure 3.1.1.5 shows the contribution made by these organizations. The major contribution was of PaRRSA and PAK Army in construction and repair of the damaged schools with a share of 59% and 18% respectively. The local NGOs set up tent schools and provided stipends and lunch boxes to girls to increase their enrolment; the share of such NGOs in this effort is 8% followed by SRSP with 5% and NRSP with 4% share. The allocation from UAE government is 5%
The rehabilitation activities were backed by various organizations and civil society. Graph shows the support provided by each of these organizations. Civil Society supported 5% of the reconstruction work in the form of supervision and fund raising at society level. The major support was from government side which provided funds and contacted international donor agencies for help in this endeavor. International agencies also directly supported the reconstruction work and their share is computed to be 37%.

The rehabilitation strategies enshrined in the DNA report, it was planned that reconstruction will be based on the principal of Bring Back Better (BBB). Physical survey of research team and responses from community members has upheld the validity and soundness of this approach. In pursuance of this philosophy structures of all the under construction schools are pacca with sound earth-quake resistant foundations. Further, reconstructed school will have all facilities of toilets, drinking water, furniture and playing grounds. Graph shows the satisfaction of the community with ongoing reconstruction work. A major segment of the community (84%) is satisfied with work being executed, while the main grouse of the dissatisfied section of the community is against the slow progress of reconstruction.
Despite the big effort mounted to rebuild educational institutions, a lot of work has to be done to provide education to all children of the area. In some places reconstruction and repair work has not started yet and the children are either waiting for their schools to be rebuilt or going to schools in other village after travelling miles on foot. In some areas the schools are operating in tents in which the large number of students makes it very difficult for the teachers to pay individual attention to the students. “The more concerned parents are sending their children to private schools in the absence proper facilities in public schools”, reported by people in Charbagh area during a focus group discussion. Only 20-30% of the schools have reached the completion stage. “

*The pace of reconstruction is too slow because funds are not disbursed on time to the contractor and he does not have the capacity to run the project with his own resources”,* reported by local people during focus group discussions

As per the PaRRSA annual report, the damaged schools were reviewed and verified and resulted in higher number of schools than the previous reported by DNA. Figure 3.1.1.8 shows the number of schools verified and repaired presents an overall pace of repair undertaken by the agency in collaboration with donors and education department. Currently, 22 out of 132 primary schools are repaired in district Swat and resume their educational operations. It represents nearly 17% of the total damaged primary schools hinting toward pace of rehabilitation. By taking the current conditions as assumption, the recovery of primary schools will take more than five years to complete the whole process. However, timely disbursements against the commitments by the donors and quick and speedy business approach by PaRRSA may have positive impacts on the early restoration of the schools.

Summing up the above discussions and looking at the results achieved on ground, it can be concluded that the impact of militancy on educational system in swat has been calamitous. It has not only disintegrated the physical infrastructure but also pushed back the growth of different fields linked with education and development of human capital. Survey results reveal that there was/is still a morbid fear of loss in the minds of people. The most affected tier of schooling was the primary tier, especially girls’ schools. The attendance rate is close to that of the pre-militancy period with the efforts of the community and the NGOs. Further initiatives have to be taken by the government by announcing stipends for the students to lure them to get enrolled in schools.
3.1.2 Sub-sector Health

The study on the impact of militancy in Swat clearly brings out how the health sector has been undermined by subversive militant action and the counteroffensive by the Pakistan army. However, it also gives a clearer vision of the reconstruction needs of the affected areas and the course to be followed in meeting the rightful demands of people. The health services of multiple types are located in all the tehsils of the affected district depending upon the size of population and the administrative setup. Babozai, Charbagh, Kabal, Khawaza Khela and Matta tehsils were covered to assess the damages and rehabilitation trend of health facilities.

There are three types of health facilities in Swat: District: Hospitals, dispensaries and the Basic Health Units (BHUs). The population of the district is scattered and the medical facilities exist in the ratio of 10:10:80 which means that even in the remote villages, BHUs are available for routine treatment.

Before militancy struck the valley, health care establishments were suitably dispersed and were within reach of the community even in far flung areas of the district. As shown in the figure below hospitals were available to 60% of the population.

During the critical period of conflict and the war against terrorism, the health facilities were both fully and partially damaged, functioning of the department suffered and the doctors as well as staff could not perform their duties in serving the community. The figure-3.1.2.3 shows the degree of harm caused to health care outlets. Fully damaged facilities of any type and the half damaged ones are of the same level of 30% each while the remaining 40% are divided in the ratio of 75%v and 25%.

Figure-3.1.2. 3 Intensity of Damages to Health Facilities
The total cost of damages to health sector in affected areas is estimated at Rs. 829 million (US$10.36 million). These estimates were prepared on the basis of information provided by the Provincial Health Department. On the other hand, nine Basic Health Units were reported as completely damaged. In addition, the smaller health units such as community health centers and civil dispensaries were also reported to have suffered minor damages.

The government of Khyber Pakhtunkhwa coordinated with donors and signed MoUs for the rehabilitation and further development of health care services but no worthwhile progress has been observed on this front. The establishments of institutions like PDMA and PaRRSA is mainly for coordination and management of crucial resources.

The recovery needs for health sector include continuation of preventive and curative health services to the crisis affected population including the returning IDPs, rehabilitation and re-equipping of both partially as well as completely dismantled health infrastructure and facilities are in progress.
It is worth mentioning that in certain areas rehabilitation work has not even been initiated. As regards the level of satisfaction with the pace of reconstruction, the feedback and the response gained from the community and the officials is shown in the Figure-3.1.2.6 indicating that 70% respondents were not happy with the reconstruction.

![Figure-3.1.2. 6 Satisfaction with Health Facilities’ Reconstruction/Repair](image)

USAID and Govt of Pakistan signed Assistance Agreement for emergency implementation funding for Schools, health, water & sanitation and capacity building. Earlier US$12 Million were earmarked for the revival of health facilities. However, PaRRSA verified and requested for reduction in the budget to the tune of US$7.0 Million which was turned down by USAID. Till date as per the estimates, medical equipment for the 17 BHUs was supplied by the USAID.

### 3.1.3 Sub-sector: Transport, Highway Roads & Bridges

Swat valley is a beautiful resort which attracts many local and foreign tourists. Before the advent of militancy in the area, tourism and associated business like transport were well flourishing and were the main source of livelihood for many people. The valley of swat was connected by national highway, provincial highway, district government roads and a number of bridges. Roads network and transport system were badly affected by the conflict that raged in the area. The sample is comprised of 30% of the transporters from Tehsil Babozai & Tehsil Khuza Khela and 21% from Tehsil Matta, 12% from Tehsil Kabal and 6% from Tehsil Charbagh. These areas are well connected through the road network. This aspect was also taken into account by fairly distributing the sample across urban and rural area.

The main affectees of damaged roads network were the transporters who lost all their business because of the war like situation. The survey covered all the transporters who were providing services inside the cities as well as on intercity routes. Figure 3.1.3.1 shows the types of transport facilities covered under this survey. Survey results reveal that worst affected were large transporters who were providing inter city services including Coach Companies, Hiace Services and Loader Services while transports like Auto Rakshaws, Rent A Car and Jeeps operating within the cities suffered to a lesser degree.

![Figure-3.1.3. 1 Type of Transport](image)
Size of the transporter companies was also taken into account while conducting the survey as firms of all sizes were interviewed. The figure-3.1.3.2 shows that 11% of the transport companies have less than 5 vehicles, 26% have 5-10 vehicles, 23% have 10-30 vehicles, 6% have 30-50 vehicles and 11% have more than 50 vehicles.

![Number of Vehicles Graph]

Most of the transport firms operating in this area had their transport offices and waiting lounges to facilitate the passengers in easy and timely booking. Survey findings reveal that about 55% of transporters had their offices during the militancy time while those who had not kept offices were mostly plying on inner city roads. Around 44% offices were damaged during militancy of which 62.5% were totally destroyed damaged while 37.5% suffered partial damage. In the absence of proper offices, it was hard for the transporters to operate and provide the quality services like they did before the onset of militant activities.

![Intensity of Damages to Transport Offices Graph]

Damages were not restricted to transport offices; vehicles were also lost to blasts and shelling. Taliban blew up the bridges which impeded the flow of traffic. Our findings show that 39% of the transporters surveyed suffered some degree of damage to their vehicles. The Figure-3.1.3.4 reflects the extent of loss to which the transporters were subjected, it can be observed that, 38 of them lost one vehicle, 31% lost two vehicles, 8% lost 3 vehicles, 8% lost 4 vehicles each and
16% of them lost more than 4 vehicles. Loss of vehicles deprived the people of one of the main sources of earning in the area.

![Figure-3.1.3. 4 Number of Vehicles Damaged](image)

As discussed earlier tourism and transport were major sources of income of this area. During peace time thousands of tourists used to flock to this area round the year and most of them used local transport to reach recreational spots. Increase in insurgency had a dampening effect on tourist traffic and hence on hotelling and transport business associated with tourism. The survey findings reveal that 82% of the transporters faced decline in their passenger turnover in the days militancy was rampant in the valley.

![Figure-3.1.3. 5 Decline in Passengers Turnout](image)

Road network in Swat is consisted of national highway, provincial highway, district government roads and a number of bridges. Broken road network was one the causes of a major setback to transport industry. The damage to road network consisted of ditches and broken pavements due to shelling, road formation damages caused by tracks formed by tanks and pavement damages due to temporary blockades on roads. Survey findings reveal that 42% of road infrastructure was completely destroyed while 58% was partially degraded.
Taliban blasted almost all bridges in the area to sever its link with the surrounding cities and to block the movement of people inside the city. People had to use long alternate routes to reach their destiny. All spheres of life were affected in the absence of proper road network and connecting bridges. Survey findings reveal that 88% of the bridges in the area were damaged. Out of these, 32% were totally ravaged while 68% were partially mutilated.

A transporter from Babozai lamented:

"Bridges in the area were broken. I had to travel 2 hrs long to reach the village which was accessible in 15 minutes before the broken road network"

Rehabilitation activities started late as stated by the transporters. Most of the rehabilitation work was self supported. Survey findings reveal that 56% of the affected transporters reconstructed their offices and bought new vehicles at their own, 38% of them were supported by the government of Khyber Pakhtunkhwa while 6% of them were helped out by their relatives living in other cities. Although reconstruction and rehabilitation exercise is underway, it would take a long time to rebuild it to a level of security and safety that ensures tourist satisfaction.
In the early phase of reconstruction partially damaged roads were repaired by highways department. It includes filling of deep patches, clearing of obstruction and fallen material, and launching of temporary bridges. Survey responses show that roads in 58% of the respondent area have been reconstructed while work on 42% of the area is yet to be taken up. Focus Group Discussion brings out the fact that broken bridges were replaced with temporary bridges by the Pakistan Army and no arrangement has yet been made for permanent structures. Also, our findings reveal that only 40% of the damaged roads have been fully reconstructed/repai red while remaining damaged roads are either under construction/repair or no work has been started yet. It is necessary to channelize resources and funds for up gradation of the road network.

3.1.4 Water supply and Sanitation

People of Swat get their drinking water supply from tube wells with distribution networks, protected springs, hand pumps and open wells. These water facilities are mainly administered by Public Health Engineering Department (PHED) and Local Government and Rural Development Department (LGRDD). As per DNA report, there were 201 tubes wells in Swat, managed and controlled by PHED serving a population of approximately 300,000. During the period of armed strife 100 tube well facilities were partially damaged. The LGRDD also administered 170 water facilities in Swat, out of which 21 were completely damaged while 48 were partially unserviceable. These facilities were serving approximately 210,000 people. Over all, there were 371 water facilities in District Swat out of which 21 were completely ruined and 148 were partially undone. The study survey covered the five most affected tehsils i.e. Babozai, Bagh Dheri, Khawaza Khela, Maigir and Sadu Sharif. Out of the water supply schemes, 65% supplied piped and treated water while 20% provided piped but untreated water. Our findings reveal that 38% of the facilities were damaged during militancy.

The water supply facilities were damaged to varying degrees. Survey findings reveal that 12.5% were fully damaged and the remaining ones were partially damaged. Out of these, 25% were suffered a damage of about 75% while 62.5% were affected to the extent of about 50%.
Realizing that water and sanitation are basic necessities serious attention was paid to restoration of these facilities at a pretty early stage in the rehabilitation phase. Survey findings reveal that 90% of damaged water supply services have been reclaimed while 10% of them have not been constructed yet. Of the recreated water facilities, 88% have been fully repaired while work is in progress on the remaining 12% of water facilities.

The rehabilitation activities were supported by NGOs, local community and government of Khyber Pakhtunkhwa as best as they could. Study findings show that half of the construction and repair work was done by Government of Khyber Pakhtunkhwa through PHED and LGRDD with the help of UNICEF and other donor agencies while remaining half was accomplished by NGOs and local community. NGOs also launched awareness campaign in the affected area to sensitize people about WASH. Local community also got involved through fund raising at their own and also facilitated the NGOs and other donor teams working to overhaul water and sanitation systems.

An old man from Swat stated  
“During militancy the main water storage tank was damaged by shelling and it was hard time when people had to travel miles to fetch water for daily use. We raised funds and temporarily repaired this water storage facility.”
The rehabilitation activities in the affected areas close to the urban centres were started earlier and finished on time while work in far-flung area started and finished a bit late than scheduled. The figure-3.1.4.4 shows the completion time of restoration of these facilities. About 44% were reconstructed in a short period of four months. Approximately 16% of the newly constructed water supply facilities were redesigned. Survey findings also show that more than 80% of people are satisfied with on-going reconstruction activities.

The sanitation system in the area consists of sanitation lines, street drains and street pavements. Survey results show that 75% of the surveyed area has household level latrines with proper sewerage system while in 25% of the affected area people defecate in open places. During militant subversion, sewerage system including sewerage lines, street drains and pavement drains were damaged to varying measures. Survey results indicate that 62% of the surveyed sewerage system was damaged while 38% of it remained un molested.

In the affected area, installation of sewerage lines and reconstruction of paved drains and street drains was initiated by Government of Khyber Pakhtunkhwa through LRGDD who manages the sewerage system. UNICEF chalked out a complete WASH program to be implemented for long term improvement of the system. In the initial phase of rehabilitation, 75% of the damaged
sewerage system has been restored. Reconstruction work was/is mainly supported by Government of Khyber Pakhtunkhwa, NGOs and local community. Our findings reveal that almost two third of the work was supported by Government of Khyber Pakhtunkhwa, one fourth by community and one eighth by NGOs.

![Figure-3.1.4. 6 Reconstruction of Damaged Sewerage Lines](image)

### 3.1.5 Sub-sector Irrigation

In Swat, earthen and lined irrigation water channels are present with both private and public ownerships. About 97% channels are private while only 3% are government/department owned and the 99% flow is on natural gravity while only 1% is others. The performance of all the irrigation system was up to the mark before militancy while during militancy, the functioning of the system became stuck which now is under rehabilitation. In Swat, there are only two main government channels naming Nipki Khel and Fateh Pur which damaged completely. During militancy, these both channels were badly affected as being the safe hide outs for militants because these are constructed in quite depth. In the irrigation sub-sector, the direct damage was estimated at Rs. 1,126 million, and the key damage items were reported as partially damaged main canals, flood protection embankments, tube wells, and dug wells. Most of the damage is on the right side of Swat River in Babuzai and Kabal. All damaged schemes and infrastructure identified were public investments and the time required for the rehabilitation process was assumed to be two years from the start, with the total cost of rehabilitation estimated at Rs. 1,121 million (US$ 13.5 million). In this soil and water conservation component, a total length of 100 kilometer conventional irrigation channels is under improvement besides construction of water ponds and loose stone check dams. The rehabilitation work was properly prioritized and phased which till date has almost completed to 50%.

### 3.2 Economic Growth

#### 3.2.1 Sub-sector Energy

The militancy in the region damaged the important sectors hindering the economic growth. Energy is one of the important ingredients of economic growth, and if its supply is disrupted or shut down for longer period, not only it puts immense pressure on economic growth but also it affects the social development. The private run businesses in the region are heavily dependent on state provided electricity. The disrupted electricity supply also adversely affected the household operations and businesses. During apex of militancy, the main grid station of Swat was damaged through a heavy blast which resulted in two months electricity break down in the area. Electricity in affected area is provided by STG lines, HT lines, LT lines, distribution lines and transformers. In district Swat, 100 KM HT lines were completely damaged while 200 KM of HT lines were
partially damaged; 80 KM of LT lines were fully damaged while 150KM of LT lines were partially damaged; One KM of STG lines were completely damaged while 5 KM of STG lines were partially damaged; 30 KM of Distribution lines were fully damaged and 350 transformers were fully damaged.

The study captures the micro and macro level responses to gauge the status of provision of electricity. The table below summarizes the provision of electricity to household before, during and after militancy. All the surveyed HHs was provided with the electricity as their status (100%) is well represented. However, the electricity shut down led to declined supply to the HHs as 85% lived without electricity while only 15% were electrified during militancy. However, the situation improved after the militancy due to the rehabilitation efforts, but still 4% of the HHs is not connected with the electricity.

<table>
<thead>
<tr>
<th>Option</th>
<th>Before Militancy</th>
<th>During militancy</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100%</td>
<td>15%</td>
<td>96%</td>
</tr>
<tr>
<td>No</td>
<td>0%</td>
<td>85%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Those areas which were not far off from centre and in which the damages to supply were minors were reinstalled and repaired earlier while the far off rural area remained unelectrified for long time. Survey results reveals that in affected area 16% of the houses were disconnected from electricity for less than two months, 49% of them were disconnected for 2-6 months, 11% of them were disconnected for 8-12 months.

The rehabilitation work started at emergency bases after the operation by WAPDA with the help of international donors funding. Findings of FGDs and expert interviews reveal that 60% of the rehabilitation work has been completed. The main lines and transformers have been installed in most of the affected areas. Main grid station is under construction and its control room has been completed. Government of Khyber Pakhtunkhwa also awarded Rs.1,000,000/- in total to all working staff of WAPDA that remained on duty during militancy. In the absence of proper machinery, local community was involved in the carriers of poles and cables to other side of river for early reinstallation of lines in the affected areas. The civil society and NGOs also actively involved in the rehabilitation work.

Almost all industries in the area are running on state provided electricity. The industries are
connected to electricity after four months disruption but the newly installed electricity equipment is not enough to sustain the load of high voltage required machinery. Due to which high fluctuation in the electricity voltage which disturbed the production and caused mal-functioning of the machinery. Most of the firms had arranged their own transformers to keep the consistent flow of voltage which cost them Rs. 500,000/- per transformer. Few of the firms had switched to diesel generators for keeping their production sustainable.

### 3.2.2 Sub-sector Mines & Minerals

The Malakand division is rich in natural resources, although the potential could not be harnessed due to the lack of support and ancillary business activities. The mines and minerals contribute towards local economy and saturate sizeable workforce of the local and surrounding districts. The militancy also directly and indirectly affects the mines industry leading to the closure of numerous mines specifically the break of supply chain and lack of availability of labourers. The DNA consolidated the loss of the private sector while not providing the separate estimates for the mines and minerals.

The study covers those areas where the mines were in concentration in the district Swat. Union councils, Balogram and Zamrood Khan were covered in the sample. The sample covers 86% of the mines in the union council, Balogram followed by the 14% in union council, Zamrood Khan. Out of all mines in these union councils, 86% of the Zamurd followed by 14% of marble mines were covered in the sample.

![Figure-3.2.2. 1 Types of mines](image)

The findings stated that the 99% of the mines were damaged followed by only one percentage did not receive any damage at all. Out of the damaged mines, 71% were damaged 50% of its pre-militancy condition followed by 14% with 25% damages to their mines. The remaining owners claimed that 75% of the mines were damaged. The damage is restricted only to their offices and stone cutting factories. The survey findings reveal that 72% of the offices of the sampled mines received physical damages while 28% did not. Similarly, 86% of the stone cutting factories received heavy damages while only 14% did not.

![Figure-3.2.2. 2 Damages to Mines](image)
The participants at the Charbagh stated:

“The mines in the district were very attractive to the militants and they threatened the owners and labour. On few occasions, the mine offices were looted and destroyed.”

The road infrastructure is a pre-requisite for the mining business as the mines only produces raw minerals which then convert into final product away from mines. The mine owners stated that the roads linking their mines to stone cutting factories comprise of both, kacha and mettled roads. However, there are greater proportions of mettled roads as compared to kacha roads.

The mine owners stated that the linked roads were damaged during militancy. Around 86% said that the linked roads were damaged while only 14% negated. Due to break in the supply chain and damaged supporting infrastructure, the mines remained non-functional. About 57% of the mines were remained functional while 43% were closed. The reasons enlisted were non-availability of the labour and continued supply cuts. Out of the closed mines, 67% remained non-functional due to the continued supply break during the militancy while 43% closed due to non-availability of the labour. Due to these reasons, the mines observed sharp decline in their business volumes. The findings reveal that 71% of mines incurred 75% decline in sales and remaining incurred 50% decline in sales.

An expert from Swat stated

“The damaged road infrastructure, non-availability of labour, shutdown of electricity and damages to the stone factories contributed to low volumes of sales. The mass exodus from the district and fear among the remaining labourers did not allow the owners to operate to the full capacity, even if the mines and factories were operative”

The transportation is the key to healthy economic activity in the mining industry as it is the career of the raw products to the factories and then distribution to all around the country. The
transportation was also disrupted during militancy which affected the mining distribution channels. The sampled mines were quite away from the stone and marble factories, explicitly needing the transport to carry the raw material to the factories and then the final product. On average, the factories were more than 30 KMs away from the mines. Around 29% of the mine owners were of the view that transport was available while 71% said that their distribution was disrupted due to lack of transport.

![Figure 3.2.2. 4 Transport availability](image)

The electricity break down also caused disruption in the operations of the factories. The findings reveal that the most of the factories (87 percent) were run on state provided electricity while very few (13 percent) run on diesel generator. The complete shutdown of electricity in the district for over a month caused the closure of the factories, while the lack of diesel also forced the remaining owners to stop their operations. Around 86% of the owners said that electricity was not supplied while only 14% stated that the electricity was available for their factories.

![Figure 3.2.2. 5 Supply of Electricity to Mines](image)

The explosive material is an important ingredient in the mining industry as it is used to explode the rocks for minerals. During militancy, the explosive materials were made unavailable to the owners for mineral exploration. The findings reveal that only 14% mine owners were able to purchase explosive materials while remaining did not. The limited availability of the explosive material made it expensive for the owners as 57% endorsed this fact while remaining did not. The high cost and limited availability of the input also contributed towards closure of the mines and factories.

![Figure 3.2.2. 6 Availability of Explosive Material](image)
The damaged infrastructure, limited availability of the inputs, high transportation cost, shutdown of electricity and unavailability of the labourers led to sharp decline in the production of mines during the militancy. The findings reveal that the production of the mines declined to 140 tons from 700 tons, pre-militancy situation. However, the ongoing rehabilitation activities led to improved production. After militancy, the Government of Khyber Pakhtunkhwa announced to reclaim their NOCs as the mines used explosive materials which had been used by militants in the past. In our sampled mines, more than 57% mine owners got new NOC while remaining were faced difficulty and took more than expected days.

The repair work of the damaged factories started late as revealed by the mine owners. The findings reveal that 37% of the mine owners initiated the repair work within the six months after the militancy period. However, 13% stated that their repair work took more than a year to start with the partial aid of external support. The remaining 50% mines took between six to one year to start the work.

The partial repair work in the establishments was conducted as against very few mines with complete reconstruction. The findings divulge that 90% mines only needed partial repair which took at least six months to complete while 10% mines were constructed completely. The owners also asked about the satisfaction of the ongoing rehabilitation work, however, the mines owners (71% percent) did not satisfy while remaining did.
3.2.3 Silk & Cosmetics Industry

Tax incentives encouraged many investors to invest in Swat. Small and Medium level industries were established in various parts of District Swat. Silk and Cosmetic Industry was one of the well established industries that had more than 60 production units before the start of militancy. Insurgency and militant activities severely affected the labor availability, raw material transportation and supply of finished goods.

The location of a business has its importance for business operations and resulting revenue generation. Survey findings reveal that 89% of the production units are located near the centre and access to these units is very easy while 11% of them are located in areas where access is difficult owing to lack of physical infrastructure. Further 87% of the surveyed firms are well connected with the city through bridges and road network. More than 80% of the bridges were damaged in this area during militancy which caused a serious disruption in the supply of raw materials to these industries.

Interviews conducted with owners of firms reveal that 20% of cosmetic and silk production units were damaged during militancy while 80% remained safe. Out of the damaged units, 99% were completely destroyed while only 1% was partially damaged.
Presence of good physical infrastructure is a precondition for business development. It makes the labor mobility, raw material transportation and supply of finished goods quite easy and cost effective. As the analysis in roads & highways and bridges section shows, most of the physical infrastructure of District Swat was damaged during militancy hindered smooth functioning of business enterprises and adversely affected their sales and production. Our survey findings confirmed that 78% of the firms’ sales suffered to varying degrees. Almost half of the affected firms (45%) faced severe constraints in their business operations and their sales volume decreased by more than 75% while in 23% of the firms sales declined by 50% and in 33% by 25%.

During FGD, a firm owner stated that

“Labor was unable to reach the factory due to non availability of transport which curtailed our production; everyday only 5-6 workers could reach the factory against the requirement of a much larger........”

Figure-3.2.3. 3 Impact of Damages to Physical Infrastructure on Sales

The raw material for silk and cosmetic industry was transported from other cities. Survey findings reveal that 45% of the raw material for this industry was transported from other cities of Khyber Pakhtunkhwa while 55% of it was transported from other provinces. Raw material supply to most of the firms was delayed by months. The main reason of the delay was non availability of transport and high transportation charges by the available transporters which increased the cost manifold and made the firms survival difficult in a highly competitive environment. All the firms had to revise their inventory management system to adjust to the problem of raw material shortages.

During FGD at Islampur, a firm owner stated

“I had advance money in my hand for 100,000 baby lotions, but I couldn’t produce it on time because of delayed delivery of raw material.”
The damaged infrastructure, limited availability of inputs, high transportation cost, and shutdown of electricity led to significant fall in sales and business employment. Table-3.2.3.1 shows a comparison of different indicators across three time periods, that is, before militancy, during militancy and after the militancy. A close inspection reveals that there was sharp decline in business employment during militancy. Many of the silk units are operating below their capacity due to shortage of skilled labor. Militant upheaval severely disturbed the input and output supply channels and their number decreased to one third of what it was before the area was engulfed by the crisis. Similarly, sales and profitability of firms went down drastically. The average per month profit decreased from Rs. 75,556 to Rs. 15,830 which is currently at Rs. 58,778

<table>
<thead>
<tr>
<th>Table-3.2.3.1 Firms’ Growth Indicators across Three Time Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Before Militancy</strong></td>
</tr>
<tr>
<td>Number of workers</td>
</tr>
<tr>
<td>Number of input suppliers</td>
</tr>
<tr>
<td>Number of output channels</td>
</tr>
<tr>
<td>Average Profit/Month</td>
</tr>
<tr>
<td>Average Sale/month</td>
</tr>
</tbody>
</table>

The reconstruction/repair work of damaged offices and production units started bit late. Findings reveal that on an average there was six months delay in start of reconstruction work. Most of this work was self supported but in some surveyed areas, international NGOs or the government extended their help. Survey findings reveal that 56% of the damaged offices and production has been reconstructed while 44% have yet to be repaired. Early and timely reconstruction activities were necessary for revival of silk and cosmetic industry. Survey findings also reveal that 88% of the damaged roads connecting this industry with other cities have been reconstructed while 12% are still waiting for the work to start. Early reconstruction/repair needs filling of deep patches, clearing of obstructions and fallen materials, launching of temporary bridges and leveling of link roads.
The overall reconstruction work in private sector was supported by international NGOs, Government of Khyber Pakhtunkhwa and Civil society. International NGOs conducted several training programmes on skill development in various production units. Each participant of this programme was awarded a monthly stipend and working tools. Government of Khyber Pakhtunkhwa was mainly involved in repair work of link roads and highway roads. Our findings reveal that 57% of the overall rehabilitation in private sector was supported by International NGOs, 29% by Government of Khyber Pakhtunkhwa and 14% by civil society.

3.2.4 Shops & Handicraft
The local economy of the Malakand division and especially, district Swat is heavily dependent on agriculture, tourism and small and medium enterprises. The shops were also listed as micro enterprises. The data on shops as per the secondary sources was very limited and a proxy indicator based on the 1998 housing data was used for calculating the damages. Although the exact number of shops could not be ascertained, the financial accruing because of the destruction loss of the shops was estimated to be PKR: 396 Million.

The sample heavily focuses on Mangora, Char Bagh, Khwaza Khela and Masghra tehsils while lesser representation from remaining tehsils. The sample comprises 60% of the shops located in the rural areas and 40% in the urban areas. The label of a shop has been foisted on wide range of businesses including juice shops, general stores, electronics, furniture, GEM & Jewellery, cosmetics, handicrafts, clothing and food shops.

As stated earlier, militancy in district Swat wrought havoc to the shops as it did to other properties and infrastructure. It is important to record the response of the micro level businesses like shops to gain an insight into the extent of destruction and its different dimensions. The findings reveal that 57% of the shops were damaged while 43% were unharmed. Out of the
damaged shops, only six percent were totally damaged while 81% were partially damaged. In FDG at Charbagh, one of the participants stated

“All shops in this area were damaged during operation by bombardment and those that remained were looted by the Taliban”

The market closure was very common either because of the physical damage or threats by the militants. The market closure not only affected the business volume but also caused depletion of existing stocks due to looting by militants. The shop keepers stated that 62% of the markets remained open during the militancy while 38% remained closed. Closure was forced mostly by virtue of the threats by the militants; in other cases shutters were brought down owing to physical damage and lack of access by the customers. In response to a question regarding the accessibility of shops, the majority stated that accessibility to the nearest shops did not pose a problem for the customers.

Physical infrastructures always play an important role in shaping the economic development of an area. The degradation of the infrastructure impacted the business volumes in district Swat as well. The majority of the shop keepers believed that it severely affected their micro businesses due to break in the supply chain; eight % of the shop keepers did not share this opinion. In follow up to this question, the shop keepers also revealed the extent of the damages to their business. Around 60 % of the shop keepers reported that 50 % of their business incurred heavy losses; four % stated that their shops suffered total destruction.
The findings reveal that 96% of the shop keepers observed decline in their sales during the period the area was rocked by militancy. The majority (59%) of them experienced sharp decline (nearly by 50 percent) in their sales while a few observed decline up to 30% of pre-militancy position.

![Figure-3.2.4.4 Impact of Militancy on Sales](image)

Rehabilitation efforts in the district and improvement in the overall environment is leading to bigger business volumes for the shop keepers. Their building structures are now being reconstructed and majority of these are in good condition. However, a small proportion of shop owners is still struggling to rebuild their structures. Owing to the rehabilitation effort underway, the respondents are generally happy with the market roads as good and only a small percentage has any complaint on this score.

<table>
<thead>
<tr>
<th>Table-3.2.4.1 Structure of Shop &amp; Road Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition</td>
</tr>
<tr>
<td>Condition</td>
</tr>
<tr>
<td>Good</td>
</tr>
<tr>
<td>V.good</td>
</tr>
<tr>
<td>Average</td>
</tr>
<tr>
<td>Damage</td>
</tr>
<tr>
<td>Condition of Market road in before, during and after Militancy</td>
</tr>
<tr>
<td>Average</td>
</tr>
<tr>
<td>Good</td>
</tr>
<tr>
<td>V. good</td>
</tr>
<tr>
<td>V. Poor</td>
</tr>
</tbody>
</table>
Favorable conditions have led to the improved sales; it is heartening to state that the sales volume has crossed even the pre-militancy situation.

### 3.2.5 Tourism

Tourism has emerged as one of the key drivers of the economic growth during the last four decades in the Malakand Division and especially in District Swat. It has become the major source of employment and income generation. It is estimated that about 40,000 persons are employed in this industry. During the militancy, this industry also suffered damages and needs short and long term recovery. As per the Damage Need Assessment (DNA), there were 500 hotels operating in the Malakand Division, out of which 60 were damaged. The damages to the industry were estimated around PKR: 180.0 Million.

The survey covers the district Swat which was the centre of gravity during militancy in the Malakand division. Within the district Swat, the sample was comprised of hotels and restaurants operating in the Bobozai and Charbagh tehsils. The coverage of the sample was drawn from the secondary information from the Tourism Development Corporation of Pakistan (TDCP).

The tourism industry is quite flourished over the time and has become the backbone of the local industry in the district. It is stated that the tourism industry is comprised of hotels and restaurants operating and saturating the local employment and supporting the ancillary businesses. Due to its pristine beauty, hotels were more concentrated in the district followed by the restaurants. It is also clearly shown by the figure that 75% hotels were covered followed by 25% restaurants.

A PTDC official stated:

"Out of total 500 hotels in district Swat, more than 70 were totally damaged and about 60 were partially damaged during militancy"

The state of the road infrastructure is of paramount importance for keeping the tourism business alive and attractive for the tourists. The mettled and safe roads are pre-requisite for the growing tourism industry in the district. The secondary data lacks information on the road infrastructure linking the major hotels and restaurants.
The figure shows the type of roads linking the establishments to the district. The investigated hotels and restaurants were linked with the mettled roads (66 percent) and Kacha & Pacca (34 percent). During the Focus Group Discussion held at Tehsil Charbagh, the majority of the participants also endorsed this fact that the major and link roads to the hotels, restaurants and valley are mettled with very few proportion of mix of kacha and pacca.

Figure-3.2.5 3 Roads Remained Safe During militancy

![Figure-3.2.5 3 Roads Remained Safe During militancy](image)

The survey findings reveal that more than half of the roads did not remain safe for the travelling neither for the owners and local residents nor for the tourists. The findings from the key informants also endorsed that the damage to the important roads also became one of the major impediments towards low traffic of tourists to the Swat valley. In one of the FGDs held at Matta, one of the respondents stated

“Roads and bridges damaged and destroyed which contributed more than 10 % loss to Tourism. Major income generation by Tourism in Swat is from Kalam area and during militancy by the militants; the link road and the bridges on the way to Kalam were badly destroyed by the militants”

The militancy also led to the direct collateral damages to the hotels and restaurants. Although, there were also indirect damages merely destroying the local industry and collectively, these led to distorted views in the minds of the tourists restricting flow to the valley. It is important to look into the damages incurred during all this process; this study takes micro/firm level response to verify and supplement the scant macro level data provided by secondary sources. Out of the interviewed respondents, only 8.3% replied that their establishments incurred loss less than 30% of its pre-militancy position. Similarly, there were 67% establishments incurred losses between 30 to 50% followed by 24.7% with more than 50%of its establishment destroyed/damaged.

Figure-3.2.5 4Intensity of Damages to Tourism
A PTDC official stated:

"Direct affect is collective damage to infrastructures while; indirect damage is the prevailing terror, social destruction in the sense that people now are not so friendly as they have lost their assets, resources, social environment and the loved ones due to the militancy, so far in all respects."

It is clearly reflected that the damaged road infrastructure and damaged establishments apart from perceived fears in the minds of national and foreign tourists led to the immediate decline in the business volumes. Out of the interviewed respondents, 75% stated that their business volume declined to the tune of their 50% of pre-militancy volumes followed by remaining observed 25% decline.

In order to further dig out the business volume loss, few more questions were asked from the owners/managers of hotels and restaurants. The below mentioned table summarizes the pre and post militancy business situation in the valley. It provides information on average number of rooms, average number of workers, workers availability, average tourists, sales, and availability of water.

<table>
<thead>
<tr>
<th>Table-3.2.5.1 Tourism situation before, during and after militancy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item</strong></td>
</tr>
<tr>
<td>No. of Rooms</td>
</tr>
<tr>
<td>No. of workers</td>
</tr>
<tr>
<td>Worker availability</td>
</tr>
<tr>
<td>No. of Tourist</td>
</tr>
<tr>
<td>Average Sale (Rs.)</td>
</tr>
<tr>
<td>Water availability</td>
</tr>
</tbody>
</table>

The average number of rooms declined to 12 from 14 rooms prior to the militancy situation. Not only the average number of workers was declined but also their availability became troublesome.
during militancy, however, situation improved after militancy due to peace and reconciliation efforts in the valley. Despite efforts, the tourists are not still attracted to their pre-militancy position as the average numbers plunged to nearly half. Due to the low traffic of tourists, the average sales also declined to its low levels during militancy as national and foreign tourists afraid to visit the valley. However, the situation improved after efforts and sales are approaching to its pre-militancy position.

An expert from Swat stated: “The average earning of Malam Jaba Chairlift is around PKR: 125,000/- daily for PTDC which was destroyed by the militants and this permanent income has been lost”

The career of tourists to the valley is of paramount importance as the lack of availability may suffer the business volumes of this industry. The transport during militancy period was not available for tourists as stated by 67.7% respondents. However, the situation improved after the militancy as the transport facility is now available for carrying the tourists to the valley, but still not catching up the pre-militancy situation.

The tourism industry is highly dependent on other ancillary industries including food and non-food which is a basic requirement of the tourists. It is stated that the availability of the food and non-food items were disrupted due to the market closures, road infrastructure and mass exodus from the valley. The survey findings reveal that 66.7% of the respondents stated that food items were not available during the militancy period; however the situation improved as the militancy psychological impact vanishes over the period. Similar situation is also observed in the availability of the non-food items. The prices of the food and non-food items shoot upwards during the militancy due to its limited availability. Around 75% of the respondents believe that prices were very high as compared to its pre-militancy position. However, still the inflated prices are not sliding downwards to its normal position.
Massive rehabilitation and reconstruction programme were designed by federal and provincial Government as well as the international and national donors and NGOs. However, these programmes prioritized different areas while keeping in view the short, medium and long term recovery needs. It is important to keep abreast with the ongoing rehabilitation activities for the uplift of the tourism and gain perception of the owners/managers of the hotels and restaurants.

<table>
<thead>
<tr>
<th>Option</th>
<th>Before</th>
<th>During</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>91.7%</td>
<td>0.3%</td>
<td>75%</td>
</tr>
<tr>
<td>High</td>
<td>8.3%</td>
<td>23.7%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Very high</td>
<td>0.0%</td>
<td>75.0%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

Figure-3.2.5.6 Reconstruction of Damaged Hotel/Restaurant

The findings reveal that 75% of the respondents stated that their establishments were repaired after militancy while 25% stated that the repair work is yet to be started to rehabilitate their establishments. Three fourth of our sampled respondents’ establishment were reconstructed. The level of reconstruction varies across the establishments; however, 20% establishments were rehabilitated fully followed by 70% partially.

Figure-3.2.5.7 Level of Reconstruction

As stated that rehabilitation activities were started right after the return to their homes after clearance from the Army. The provincial government, international and national participated in the early recovery programme and continued the rehabilitation work afterwards. It is highly significant to know about the coping strategy of the hotel owners to reoperationlize their work after normalization, whether the support is provided by the provincial government or other sources. The findings state that the 60% of the owners completed the reconstruction work, fully
and/or partially from their own sources. However, 40% of the establishments received financial support from Government of Khyber Pakhtunkhwa to rehabilitate for immediate start of their business.

An expert from Swat stated:

“Non-mettle roads and temporary bridges have been built in all of the area while somewhere, full or partial construction has been completed as that of pre-militancy period which ranges to almost 50-60% in general”

Under the PaRRSA led SME project funded by USAID provided cash and in-kind grants and technical trainings to the small and medium enterprises in district Swat for revival of their businesses. In this regard, 239 hotels received cash grants and in-kind procurement consisting of construction material, production input and operating equipments. Additionally, the project also trained 125 businesses for effective office management for improved service delivery in tourism sector. PaRRSA has also established Swat Tourism Advisory Group to coordinate the recovery in the sector. A meeting was also convened with different stakeholders to overview the ongoing recovery activities. It was agreed to start a mega media campaign for 2011 season for the facilitation of the incoming tourists.

3.3 Livelihoods

3.3.1 Housing

Housing facility in district Swat is comprised of kacha, pacca and mixed structures. According to housing census report of 1998, the total number of houses in district swat were 142,311 including 35,137 kacha houses and 107,180 pacca houses. According to DNA projection in 2009, the estimated houses in district Swat are 42,317 kacha houses and 129,103 pacca houses. Graph shows the current housing structure of the surveyed area. About 40.4% of the houses in surveyed area are kacha, 41% of them are pacca while 18.6 of them have mixed structure. In current housing stock more than one third of houses have kacha structure.
Vast majority of houses in surveyed area is self owned with very few rented and rent free residences. As depicted in the Graph, 86% lodgings are self owned, 11% are rented while only 3% are rent free, allotted by landlords to their workers.

The average house size in 1998 housing census was 2.7 rooms per unit. Below graph shows the housing size of the surveyed area. Most of the houses are of 2-4 rooms/unit (76%) followed by 5-7 rooms/unit (13.4%).

During militancy, many of the houses in both dense populated urban area and far off rural settlements were safe places of Taliban activities. These houses were either occupied by force or taken from common people on the name of jihad. During the militancy, Taliban hid themselves in the urban and rural areas of Swat. Due to the fact, a massive destruction was occurred in Malakand Division as whole and particularly in District Swat in which 3,738 houses were fully damaged while 4,387 were partially damaged during operation Rah-e-Rast as per the DNA report. Although the prevalence of damage was in whole district Swat but three Tehsils Qabal, Charbagh and Matta were severely damaged. There was not a single housing structure which remained safe in these tehsils during militancy. In our survey, 59% of the houses were damaged while 41% of them remained save. Out of the damaged houses, 17% were fully damaged while 83% were partially damaged. The participants at Charbagh stated
“There was not a single house in this area which remained save during operation, as this area was the main hub of Taliban”

Figure-3.3.1. 4 Damages to House Structure

<table>
<thead>
<tr>
<th>Yes</th>
<th>41%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>59%</td>
</tr>
</tbody>
</table>

In the early phase of rehabilitation, shelter homes and tent houses were provided by NGOs and Government of Khyber Pakhtunkhwa but these were not sufficient for the housing needs of the area. Government of Khyber Pakhtunkhwa announced a uniform package of Rs. 400,000 for a fully damaged house and Rs. 150,000 for a partially damaged house. The cost was calculated on the basis of 575 feet covered area with two rooms, one bath room, and a kitchen. All newly constructed houses are pacca and were constructed under the supervision of the owners. In the surveyed area, 79% of the damaged houses have been reconstructed while 21% of them are still waiting for support from GoKP and donor agencies to reconstruct and repair their houses.

The participants during focus group discussion stated

“We lost everything, our beloved ones, our homes and livelihoods, Govt. promised to provide us assistance to reconstruct houses, still we are waiting for the cash payment against the token distributed by Government of Khyber Pakhtunkhwa. Harsh winter is coming ahead and survival will be tough in the absence of proper home which provide safeguard against the harsh weather.

Figure-3.3.1. 5 Reconstruction/Repair of Damaged Houses

<table>
<thead>
<tr>
<th>Yes</th>
<th>21%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>79%</td>
</tr>
</tbody>
</table>

Information gathered from the surveyed area reveals that 59% of reconstruction cost was borne by house-owner himself. The major financing of such houses came from remittances sent by the relatives working abroad. Approximately 30-40% of the people of surveyed area are working abroad and during militancy the money sent by these workers ensured the survival of the relatives back home. The other major supporter in reconstruction of houses was Government of Khyber Pakhtunkhwa, which provided funds to 17% of the affectees for housing. International donor agencies also supported housing reconstruction in the area and the share of such agencies is 17% in the total reconstructed houses. Relatives of affected households living in non-affected
parts of KP province and other provinces also extended their support in housing reconstruction; share of such families is 10%.

Figure 3.3.1.6 Support to Reconstruction of Houses

3.3.2 Sub-sector Crops, Fruits & Fisheries
Malakand Division especially, Swat is rich in resources with a favorable weather for crops and especially fruits. It also provides comparative advantage over other parts of the country. There are numerous orchards in the valley, producing varieties and types in varying quality fruit. However, militancy in Swat severely affected the agricultural sector, including the orchards and the livestock on which, the farming community heavily depends in one way or the other. According to the District Agriculture Department, the agricultural sector in Swat has been estimated to be Rs. 14 billions approximately.

The direct damages to agriculture sector were mainly in the form of burning ripened un-harvested standing crops in the field, perished or lost livestock, damaged fishery ponds and loosing machineries, destruction of irrigation infrastructure by the militants during crisis. The direct damage of the crop sector was estimated to Rs. 6,625 millions, the bulk of which was in the form of un-harvested standing crops including wheat and vegetables. The direct damages of the fisheries sub-sector were estimated to be around Rs. 89 million. The indirect losses were not calculated for irrigation and fisheries sub-sectors as being due to mostly the private ownerships and unavailability of data with the community or the related public sector departments. The total losses of agriculture sector are estimated at Rs. 57,424 millions (US$692 million) out of which, 69% damage was in the form of direct damages of assets and stock, and 31% as indirect losses in production caused by the crisis. The most number of losses were incurred in the livestock sub-sector (i.e. Rs. 43,508 million or 75.8% of total agriculture sector losses). This was followed by sub-sector losses of crops estimated at Rs. 12,701 million (or 22.1% of total reported losses), irrigation at Rs. 1,126 million (2% of total reported losses); and fisheries at Rs. 89 million (0.2% of total reported losses).

Table 3.3.2.1 Intensity of Crops & Fruits and Fishery Output losses
<table>
<thead>
<tr>
<th>Level of Loss</th>
<th>Rice</th>
<th>Pulses</th>
<th>Maize</th>
<th>Vegetable</th>
<th>Fishery</th>
<th>Forestry</th>
<th>Fruits/Orchards</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>11</td>
<td>36</td>
<td>98.4</td>
<td>12</td>
<td>50.0</td>
<td>29</td>
<td>20</td>
</tr>
<tr>
<td>(1 - 25)%</td>
<td>35</td>
<td>11</td>
<td>0.6</td>
<td>39</td>
<td>0.0</td>
<td>43</td>
<td>13.0</td>
</tr>
<tr>
<td>(26 - 50)%</td>
<td>24</td>
<td>15</td>
<td>0.2</td>
<td>24</td>
<td>0.0</td>
<td>28</td>
<td>12.0</td>
</tr>
<tr>
<td>(51 - 75)%</td>
<td>13</td>
<td>18</td>
<td>1</td>
<td>11</td>
<td>33.3</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>(76 - 100)%</td>
<td>18</td>
<td>20</td>
<td>0</td>
<td>14</td>
<td>16.7</td>
<td>0</td>
<td>44</td>
</tr>
</tbody>
</table>

The poor farming community besides other loss also faced the food losses in terms of losing the stored grains due to certain obvious reasons due to militancy as shown in the above table.

The following figure highlights the loss of stored food grains:

![Figure 3.3.2: Loss of Stored Food Grains](image)

Regarding the rehabilitation process in relevance to the Agriculture Sector and the concurrent developments, an agriculture expert shared that direct damages to agriculture were in terms of burning the crops, damaging the orchards, slaughtering the cattle of farming community, destruction of irrigation water channels through bombardment as being the safe hide outs while; the indirect damages were terror, psychological effects, terrible weakness of economic conditions of the community due to such long duration war situation. Government of Khyber Pakhtunkhwa’s role in rehabilitation and revival of agriculture is mainly the coordination while; the implementation on its part is very low and slow. A package of Rs. 93 million has also been approved by the government, under which the affected farmers will be given Rs. 2,400 per acre, while the orchard owners would receive up to 12.5 acres. The government has also planted fruits on almost nearly 400 acres. A full-fledged project for the production of apples and peaches is being initiated with the help of the Italian government, under which 400,000 saplings and young plants would be distributed to the affected farmers. He further said; two processing plants will be installed, while the farmers will receive training for improved production. New varieties of fruits will also be introduced in the valley, he added. In this rehabilitation and recovery concept, more than 15000 packages containing certified seeds of maize, pea, wheat, onion, mung and mash have been distributed along with 1,358 tons (27,160 bags) of fertilizer are distributed among the farmers.

More than 2.1 million forest plants raised through local private nursery farms which are being used for block plantation to help rehabilitate the environment and to improve the household income of the local communities. A total of 85,500 wild olive trees have been budded / grafted
with improved olives while arrangement of 36000 improved / imported cultivars of Olive has been made and would be in the shape of demonstration plantation in the project area shortly. Similarly, support in the form of fruit plants, fertilizers, pesticides, spray machines and capacity building is being extended to the orchard growers of the project area. Also, seed and fertilizer for 60000 acres was distributed for free in the area and; somewhere in the affected area, poultry birds, goats and cows were also distributed to the farming community including the small farming tools were also provided to the farmers. Also, there established 13 hatcheries for meeting the local demand.

In an endeavor to support the poultry sector, a pilot program has been launched wherein 10 poultry farms were provided with 12 tons of feed. This helped the beneficiaries to restart their businesses and support the economic activity in the area. In the same vein, home-based poultry is being supported by provisioning of 11,065 poultry units (120,180 chicks) with 200 tons of feed to the female vulnerable farmers. As a support to livestock sector, various types of feed is also planned to be distributed among farmers besides de-worming and vaccination campaigns. The availability of funds is very less and in parallel, the working for rehabilitation is quite slow as required by the time. While, a record work by the donors and NGOs like FAO, EARLP, WFP, ACTED, Save the Children, CARVAN, LASOONA, HUJRA, ICRC, IRC, OXFAM GB and GIZ are and have been involved in water channels rehabilitation, livestock distribution, vaccination, spray pumps and seed distribution, fruit plants distribution, vegetable seed distribution, establishment of Farm Service Centers, Farmer Field Schools and; training and capacity building activities.

During the consultation with community, certain definite feedbacks aroused in relevance to the situation both of the past and the current with onward considerations as,

"We buy the peach orchards before it bears any fruit, after which we take serious care of the fruits"

Muhammad Zada, a peach orchard owner for 22 years, told. He said that

“They suffered huge losses during the Taliban rule as most of the farmers could not pluck the fruit due to curfew. We could not send the fruits to other areas as the roads also remained blocked”. He added that “the militants during the civil war in Swat burned the mature wheat and other crops which led to scarcity of food and feed to cattle left”

3.3.3 Sub-sector Livestock
The direct damages to agriculture were mainly in the form of perished or lost livestock, unharvested standing crops in the field, damaged fishery ponds, machineries, irrigation infrastructure and other government infrastructures. The total losses of agriculture sector are estimated at Rs. 57,424 millions (US$ 692 million) out of which, 69% damage was in the form of direct damages of assets and stock, and 31% as indirect losses in production caused by the
crisis. The most number of losses were incurred in the livestock sub-sector (i.e. Rs. 43,508 million or 75.8% of total agriculture sector losses).

The loss of livestock is depicted in the figure 3.3.3.1 showing the decline in the number of the stocks with the community. The interviewed HHs in our sample showed decline in ownership by more than half of its pre-militancy situation. This loss is also attributed to the multiple reasons of death due to bombardment (22%), urgently sold at low prices (62%), snatched while carrying (10%) and lost during the travel to other destinations (6%).

3.3.4 Employment
The conflict and subsequent military operation disrupted the livelihoods of the local communities to a greater extent. This situation compelled the local population to become IDPs and left their standing crops un-harvested, animals dying due to the starvation, fruit orchards left unmanaged almost for quite a long period.

Figure-3.3.4. 1 Employment Status Before and After Crisis
Survey findings reveal that almost all types of employment sources were severely affected. A comparison of employment sources across two periods before and after militancy is shown with the help of a graph. It is shown that there is a sharp decline in the levels of employment after the military operation in the region. The unemployment level rose from a mere 2% to 3% before the military operation to extremely high level that is more than 15%. The sectoral comparison depicts a sharp increase in the unemployment after the crisis. All the sectors of the economy in Khyber Pakhtunkhwa were affected by the military operation in the region whether it was farming, tourism or services although some sectors are less severely affected than others. The employment rate in the tourism sector decreased from 8% to only 1% followed by the substantial decline in agriculture commodities trade and service sectors. Services sector also registered also decline from 12% to 8%, whereas the agricultural commodities trade rate declined from 13% to 7%.

On the other hand, few of the sectors were not severely affected and drop in unemployment was not as severe and sharp as experienced in above stated sectors. The comparison of employment in agriculture sharecropping/tenancy, trade in dairy products and handicrafts reveals minimal reduction in the employment rate. Livestock, skilled wage labor, income base work and child labour observed no change in the employment rate.

The households also ranked their employment loss as results reveal that 26% of household employment remained unaffected while 34% of them lost their employment (income) by 1-25%, 15% of household lost their employment (income) by 26-50%, 10% of households lost by 51-75% and 15% by 76-100%.

### 3.3.5 Psychological Effects on Children
Traumatic events may lead to a wide range of mental and physical health disorders. The mental trauma from a dangerous or violent event leading to devastation of one’s home and community can be long lasting and distressing, sometimes more so for children who look toward to their adults for guidance on how to manage their reactions after the threat is over. Often an entire community is affected, further
undermining a child’s sense of security and normalcy.

Factors that may lead to development of PTSD and similar affective disorders may be divided into:

- **Stimulus features:**
  - Aspects of exposure (e.g., Life threat or loss)
  - Perception of life threat
  - Proximity of event
  - Duration of event
  - Intensity of event

- **Response features:**
  - Recoil Phase (immediate): includes psychic shock, anxiety, dissociative behavior etc.
  - Post-impact Phase (within 3 months): includes intense fear, helplessness, agitated behavior, Acute Stress Disorder etc.
  - Recovery and Reconstruction Phase

PTSD lasts at least 1 month. Symptoms of PTSD include:

- *Re-experiencing* which in young children may be reflected by repetitive reenactment of traumatic events in play, in writing or drawing.
- *Hyperarousal* characterized by difficulty sleeping or concentrating, irritability, exaggerated startle response etc.
- *Avoidance or numbing* characterized by avoiding reminders and having diminished interest in normal activities.

Total of 50 children between the ages of 7 to 14 years both boys and girls were interviewed by a structural interview technique based on DSM IV. The idea was to assess the impact of post traumatic stress in Swat’s children following the militancy operation in May, 2009 two years after it ended. The sample includes 23 girls and 27 boys. The most frequently reported symptoms were mood and anxiety related. The common complaints are:

- Disturbed Sleep
- Nightmares
- Vivid pictures of disaster in mind like firing and bombardment
- Increase irritability
- Difficulty in Concentration
- Fear of death and other irrational fears
- Sadness
- Weepy episodes

The symptoms are equally common in boys and girls. At an individual level children were found to be coping with stress by being thankful for what has been left and a consistent effort to come back to normal life and routine activities.
Table 3.3.5.1 Severity of Impact

<table>
<thead>
<tr>
<th>General Impact of Trauma</th>
<th>Number of Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0</td>
</tr>
<tr>
<td>Mild</td>
<td>9</td>
</tr>
<tr>
<td>Moderate</td>
<td>24</td>
</tr>
<tr>
<td>Severe</td>
<td>17</td>
</tr>
</tbody>
</table>

The overall impact of the traumatic events based on the cumulative responses of the children. The general impacts can be categorized into none, mild, moderate and severe. The responses are ranked according to the categories depending upon the severity of the impacts. The field findings state that nine children found to be suffering from the mild category while 24 children were ranked as moderate. The extreme impacts are also shown by the 17 children ranking in the severe category. It clearly shows the majority of the children fell into the moderate and severe categories indicating towards enduring effects on the minds of the children.

Table 3.3.5.2 Affective scale grading

<table>
<thead>
<tr>
<th>Affective scale</th>
<th>Number of Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>26</td>
</tr>
<tr>
<td>Depressed</td>
<td>24</td>
</tr>
</tbody>
</table>

The general impacts of the traumatic events on the minds of the children were also assessed by the affirmative scale. Two categories, normal and depressed were used. The field findings state that 26 children were ranked as normal while 24 as depressed. This is in continuation to our previous discussion on general impacts and endorses the earlier findings that children felt depressed while seeing the traumatic events.

Table 3.3.5.3 Anxiety scale score

<table>
<thead>
<tr>
<th>Anxiety scale</th>
<th>Number of Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>04</td>
</tr>
<tr>
<td>Mild</td>
<td>11</td>
</tr>
<tr>
<td>Moderate</td>
<td>23</td>
</tr>
<tr>
<td>Severe</td>
<td>12</td>
</tr>
</tbody>
</table>

In addition to general impacts, anxiety scales were also used to rank the interviewed children into four categories, none, mild, moderate and severe. Out of the total children, only four were having no anxiety while 11 were having mild anxiety level. However, 23 children were having moderate while 12 were having severe anxiety level.

Detailed Findings
The unusual events in the lives of the children have strong implications on their emotions, daily activities, behavior and attitudes towards the family members and society as a whole. Different impact questions were asked to the children. Figure-3.3.5.1 summarizes the responses of the
children about the loss of sleep for retention of the events in the mind. A scale of four was used to measure the responses. About 48% of the children stated that their sleep was rarely disturbed due to memory of the incidence happened in front of his/her eyes. However, 14% of the children said that they never sleep due to the incident rewinding in their minds regularly.

The mind remains under memory attacks as the incident repeats itself in the mind and propels to behave in different way. Figure-3.3.5.2 shows the responses of the children on the four scales. It is shown that 24% of the children always remained under memory attacks while 22% were sometime attacked. However, more than 50% of the children rarely and never feel subsequent memory attacks.

The safe and secure surrounding environment is of paramount importance for the children and their families in the conflict hit areas. On few occasions, the surrounding environment adds to the miseries of the children and compels them to rewind the unwanted memories which really disturb their life. Figure-3.3.5.3 shows the results of the responses depicting dreary picture as 10% of the children still get disturbed due to the surrounding environment while 26% of the children do not get disturbed along with significant proportion of children feeling disturbed.
The event seen during the militancy phase placed immense pressure on the minds of the children and forced them to react in very unusual ways. The tragic event such as bombardment and firing by both militants and army left unavoidable marks on the minds of the children which resultantly led to unusual attitudes towards peers and family members. The field findings endorse this phenomenon as 22% of the children were visited by the unwanted images of the tragic incidents. About 48% of the children observed this phenomenon rarely after the occurrence of the incident followed by 20% who recalled these unpleasant memories only occasionally.

![Figure-3.3.5. 4 Pictures of Event](image)

The tragic incident can never be reminded as it makes the child to revisit the fearful images which may lead to depressed attitude, sleepless nights, increased irritations, sadness, difficulty in concentration and fear of death. A similar question about dreaming the incident of violence was posed to all the interviewed children. And the results depicted that 20% dreamt it, 26% sometimes dreamt while 28% never dreamt about it. This really presents a clear picture where children cannot get rid of dreams about tragic incidents as they can never get rid of the shocking phase due to lack of provision of the coping strategies by the government or the family.

![Figure-3.3.5. 5 Dreaming of Blasts](image)

The impacts of the post-militant images on the lives of the children vary depending on the event seen by the children who feel emotionally devastated. Out of the interviewed children in our sample, 44% never experienced extreme emotions while 34% of them did so on few occasions. Nevertheless, 14% of the interviewed children often felt the mild anxiety attacks while 8 percent mostly feel extreme emotions and feel like dead during this process. It leads to a situation where the children remember such tragic events and remain emotionally caught in this enigma.

![Figure-3.3.5. 6 Emotionally Dead](image)
The frequent remembrance of the events during night and day often leaves impacts on the lives of the children. Particularly at nights, its remembrance leaves them sleepless which not only affect their health but also their cognitive development affecting learning outcomes.

The affected children usually behave in an abnormal way and experience short temperedness. Field findings reveal that 20% of the children mostly blast into rage on trivial matters while 18% often behaved outrageously. However, 36% of the children did not experience rage and 26% rarely adopt such behaviour.

The sharp noise coming from mining blasts or cruising aeroplanes may disturb the child as such noises assimilates to those heared during militancy. The findings state that the children did awake from such noises when they sleep. While 18% of them awake from sleep on most of the occasions 37% children suffered from sleeping disorder sometimes.
The exact remembrance of the event often leaves the child to think of placing him/her self in a similar situation. The children feel that the same events may happen in his/her life and culminate in ending their lives, similar to what they observed during the militancy. The field findings reveal that 44% of children did not fear while 24% rarely experienced this phenomenon. However, 12% of the children feared and felt like dying in the same way.

The affected children could not concentrate on their daily work and studies. The field findings reveal that 54% never felt difficulty in concentrating while 6% suffered from the phenomenon.

Disappointment or discomfort is also one of the psychological outcomes of the traumatic events. The children in their daily life feel disappointed and spend a depressed life. Because, the images of the events constantly rewind in the mind and make children more vulnerable and sensitive. The field findings reveal that 56% children never behaved abnormally and spent life like a
normal child. However, 10% children could not come out of the anxiety and spent a depressed life.

In consequence to previous severity questions, children were also asked about experiencing weepy episodes. The field findings state that 42% children never observed such phenomena, while 30% of them rarely experienced it. In contrary, 16% sometimes wept while 12% always wept upon remembering the traumatic event. However, such trend was only observed among the children below 10 years of age.

3.3.6 IDPs Households
Insurgency and military operation in the crisis affected areas forced the people to move to safer places in a massive wave of internal migration in which more than two millions were displaced from their homes and settled in camps in Peshawar, Mardan and other districts of Punjab and Khyber Pakhtunkhwa. Our survey findings reveal that 85% of the displaced families were from District Swat.

Militancy started to build up in 2007 and gained full momentum in year 2009. People of Swat have close ties and relatives residing in nearby cities of KP province. Insurgency forced the people to migrate to such cities where they can live secure life with their love ones. Some families migrated before the intervention of Pakistan Army in this area while the remaining families were migrated during operation Rah-e-Rast. Survey findings reveal that 49% of displaced families were migrated due to militant activities, while 24% of displaced families migrated during operation and 27% migrated for both of reasons.
The massive flow of people from crisis affected areas to other part of country was really challenging issue for federal and Khyber Pakhtunkhwa. The administration did not have the capacity to rehabilitate the people and provide them basic necessities of life. These families were settled in temporary tent houses. In surveyed area, 67% of the displaced families migrated to other districts, while 20% of them migrated to other Tehsils that were not affected during militancy or flux of militancy was not high in that tehsils. Only 3% of them migrated to their relatives living in nearby cities in KP province, while 10% of them migrated to other provinces, mainly in Punjab.

During a focus group discussion at charbagh people stated

“It was hard time for us to evacuate our forefathers’ land and left behind our all belongings. The harder part of life and severity of weather we saw in camps at Mardan”

The massive evacuation of people also affected the businesses in the area. For instance, the exodus of trained workers created a shortage of technical manpower which became a serious problem for the businesses that were operating during militancy. In fact, most of the skilled workers have not returned to their homes and have preferred to settle in the areas to which they shifted after displacement. Large scale migration also badly affected the agriculture as people had to abandon their lands when their crops were ready for harvesting. The animals left behind died due to non availability of food and shelter. Another blow dealt to the migrants was that in their absence their business assets like shops were looted by Taliban. Survey results reveal that 91% of the displaced people lost their business and business assets.

A shopkeeper from Matta stated

“I had a shop in main bazaar and I left behind approximately Rs. 400,000 supplies in it but on my return only shop structure without door was there.”
The nature and intensity of business lost due to displacement varied across the area and across the businesses. Finding based on the IDPs HH survey shows that 72% of the private businesses and employment were completely affected due to massive displacement of the people. The loss was either revenue loss only, in case of shut down of the business or both revenue loss and business assets loss in case of looting and malfunctioning of inoperative machinery. A few businesses were operative but their operations were disrupted by the labor un-availability and broken supply chains. Such businesses were 27% of the total affected businesses.

Equitable provision of relief was a challenging task for the government departments. NADRA established its registration points for the IDPs who were lodged in camps. Our survey findings show that 75% of IDPs families got a chance to be registered for the entitlement of cash grants provided by international donors and Government of Khyber Pakhtunkhwa, while 25% could not get themselves registered with NADRA.

The 25% of the surveyed IDPs families who could not register themselves as IDP was mainly due to missing the registration deadline, accessibility of registration office, old NIC and lack of information and awareness. Out of the unregistered, 35% of the families could not be registered
due to missing the registration deadline. The others issues were lack of awareness, 14% of families were missed in registration process due to it; also 15% of families missed the registration due to old NIC.

As per government announcement, in early rehabilitation cash grants were provided to register IDPs families on their return. Our survey findings reveal that 67% of the IDPs families got this onetime cash grant while 33% of them could not avail it. Out of the In-cash grant beneficiary families, 85% of them received amount Rs- 20,000-30,000, 8% of them received Rs, 30,000-50,000, 4% of them received less than Rs. 20,000, 2% of them received amount Rs. 50,000-100,000 and only 1% of them received more than Rs. 100,000.

3.4 Environment
The environment, being compassing on all the surroundings, poses critical impact on all the living beings on earth. The presence of all greens counts a major role in the contribution for healthy atmosphere and the surroundings for the habitats on earth. The human beings as well as the all other living creatures heavily depend upon the existence of forests directly or indirectly.
District Swat is rich in natural forests scattered all around and the community depending cannot be ignored in any sense besides their impacts and effects on weather, as well. Militancy in Swat besides all other damages, severely affected this very natural resource to nearly 15% of the forest cover. The forests in Swat district have damaged due to bombardment and illegal cutting by the militants. It is also stated that 10% of the nurseries were also damaged during militancy. Moreover, about 10% forests degradation occurred due to illegal trees cutting by the militants. Out of the cumulative loss to the environment, the major loss ranging almost 40-50% was due to bombardment and cutting of trees. The ecological loss due to militancy and war against such is around 50%. Significant environmental loss due to bombardment in terms of psychological loss to community was clearly felt as a result of migration and killing of about 60% birds to other areas, temperature rise, less rains and more diseases. The militants also cut and sold mature wood trees on cheaper rates ending more than 50% natural forest of Tehsil Kabal. It is quite interesting that a wood slab (commonly known as sleeper) of Cher Wood during militancy was sold by the militants at a rate of around PKR: 800 per unit which normally has a demand against PKR: 4500 in pre-militancy times. This loss was commonly happened to Kalam Samae area as well.

No significant step has so far been taken by the government as none of the strategy or the development policy by the provincial forest department was clearly reported during the consultation with the key district officials and the community besides the hopes for the best in all sense. No development organization helped in the reconstruction of the damage relating to buildings, nurseries and research centers except the Pakistan Army who is establishing and raising the nurseries, but on very limited scale. However, Government of Khyber Pakhtunkhwa is taking positive steps as PC-I have been prepared and approved and the budget is going to be released for the rehabilitation activities against the said losses. The government is also very committed to ensure the implementation of ban on cutting of trees and strict check on smuggling besides along with the incentives for raising nurseries on four acres.

In conserving and re-plantation of the forest in the area, the provisional forest department has played a very limited role except the plantation of new Dukat area. Total three new forest nurseries are established and raised in Kabal tehsil while most of the plants for re-plantation in Kabal tehsil forest were being imported from outside Malakand division. It was also reported that about 70 nurseries have also been raised by Pakistan Army outside Kabal. The rehabilitation for such loss is up to less than 50% of the anticipated and rehabilitation was mostly done by the NGO’s, PaARRSA, WFP, Red Cross and UNICEF etc.
Chapter 4 Policy Analysis

4.1 Review of Malakand Comprehensive Stabilization and Socio-Economic Development Strategy

In August 2009, The Government of Khyber Pakhtunkhwa launched Malakand Comprehensive Stabilization and Socio-economic Development Strategy. It is a good portent that the lessons learnt from 2005 Pakistani earthquake were taken into account in the strategy for futuristic interventions like the establishment of PaRRSA, active involvement of stakeholders including liaison and close work with the civil society, incorporation of results of DNA and PCNA, and fast track solution approach and commitments are the good examples coming out as an integral part of the document. PaRRSA was created to serve as the main mechanism for the implementation of this strategy. The aim of Comprehensive Strategy for Malakand’s stabilisation and socio-economic development is to give benefits to all the people of Malakand Division. With one goal, the Strategy sets four pillars with defined activity and its seven strategic objectives.

What is proposed in the strategy?
The main thrust of Malakand Comprehensive Stabilization and Socio-economic Development Strategy can be best described through four spectrums. The first focuses on the re-enactment of security, ensuring rule of law and putting in place governance measures that provide sustenance to the social system. In case of security the emphasis is on three key facets i.e. security of lives, assets and profits. In overall terms an effort will be made to restore the writ of State in this region.
In case of rule of law, the emphasis is on restoring respect of contractual arrangements, making sure dispute resolution systems are put in place as early as possible and basic litigation issues are handled expeditiously and at a lesser transactions costs. The biggest challenge in this area will be to at least put in place a regime of rules and procedures that can restore property rights which in turn will facilitate business activity. In case of governance measures the strategy aims to be more efficient in spending of public resources, putting in place a strong cadre of public sector officials who can diligently take the development process forward and to focus on an outcome based management.

The second spectrum of the strategy focuses on the delivery of basic social services which had been hampered during the militancy period. These are not only limited to education and health but also the micro-level municipality services. The challenge here will be of human resource with appropriate quality. The strategy document observes that substantial number of trained workforce in social development sectors has left the region. One also has to recognize that there is a limit and deadline for the military to keep on providing these services. Thus going forward the prudent implementation of this strategy will require that detailed work plans with action matrices is chalked out so that key operational challenges can be highlighted and their solutions sought in the light of available financial and technical support.

The third spectrum of the strategy focuses on the restoration of economic activity and infrastructure development. The private sector will require the public goods (infrastructure) to be in place before it can enter and implement commercial ideas. This provision of hard infrastructure will have to start by first repairing the existing network of roads and bridges. For goods and services to reach their destination the bare minimum pathways need to be restored. The second need then is to provide energy for commodity producing sectors and the households. While there exists substantial potential of hydel electric power plants in the region, however the public sector may not be able to undertake such costly investments at these times of fiscal crunch. Therefore the Strategy recognizes that private sector will have to be lured in this sector. The third need focuses on bringing about water efficiency for robust growth in agriculture. Even if new irrigation ways are not built, only the maintenance of existing irrigation ways has now become an imperative.

The strategy on briefly touches upon an otherwise important issue i.e. establishment of infrastructure requires reforming administrative procedures first. In terms of sequencing and prioritization this issue should top the list.

Under the provision of infrastructure special care will be needed to provide some level of preference to industries already having (potential) comparative advantages. This includes for example mining industry in this region which again will require active private sector participation. Also included in this list is the tourism industry which will require both financial and technical help.

The fourth and the final spectrum of the strategy is to provide skills and education in the region, in a manner that integrates with the overall poverty reduction objectives of the
provincial government. This sub-strategy advocates a focus on youth unemployment and the meeting of needs of marginalized and excluded groups in Malakand. It is pertinent to mention that unemployment of youth can make them vulnerable and prone to joining efforts that exacerbate social evils. Furthermore the region may not be able to generate enough growth in the short term which can increase the existing stock and unemployed and incoming labour force. Therefore equipping the population with market-oriented skills will allow them to approach potential employers elsewhere in Pakistan.

The scope of present study encompasses two Pillars i.e. (1) Pillar 2 - Basic Services, and (2) Pillar 3 - Economic Growth and Infrastructure Development.

4.1.1 Pillar 2 – Delivery of Basic Social Services:
It is crosscutting pillar that covered non security related social services in Malakand and encompasses education, health, piped water and, to a limited extent, sanitation. The Malakand strategy was intended to be implemented in collaboration with local, provincial and federal units of government as well as will bilateral and multilateral donors, particularly Friends of Democratic Pakistan with the objectives of rapid restoration of social services to pre-violence levels. The analysis of relevant strategic objectives and sub-objectives are outlined in the following proceedings.

Objective: The government’s capacity to provide necessary services to the people of Malakand is enhanced, in support of the development of the socio-economic Profile of the region.

Analysis of Pillar 2:

(1) The rehabilitation activities in the district Swat is focused on the provision of basic education to all ages of the children irrespective of the class, gender and religion as also bestowed under the Article 25A of the constitution. The damaged buildings were reconstructed and facilities were provided by the Government of Khyber Pakhtunkhwa with the financial support of major donors and INGOs. The analysis of the findings fairly matches our expectations as the schools are in process of reconstruction with provision of proper water and sanitation facilities. The newly constructed structures are fully equipped with the basic amenities such as electricity, water supply, chairs, tables, and latrines. The direction of the rehabilitation towards revival of basic education is on the right direction but with slow pace which should be beefed up by injecting more funds and inclusion of community into the rehabilitation process.

(2) The Government of Khyber Pakhtunkhwa in collaboration with donors also started comprehensive programme on enhancing enrollments and discouraging drop out through the provision of stipends to the children in the affected areas. Apart from this, Government of Khyber Pakhtunkhwa has also started a programme in selected districts of the province including Malakand Division focusing on girls’ education through the provision of cash and in-kind support.
(3) The strategy also focuses on enhancing the quality of education and ensuring the accountability of the schools. The Government of Khyber Pakhtunkhwa has the dedicated teachers training programme which is also implemented in the affected areas. The CSOs and INGOs also supported the Government of Khyber Pakhtunkhwa in implementing the teachers training, especially focusing the female teachers capacity building. The free of cost textbooks are provided to all the students as per the policy of Government of Khyber Pakhtunkhwa. The learning materials are also replaced in the rehabilitated schools, but still the schools needs reconstruction and supporting learning materials. No significant steps are taken by the Government of Khyber Pakhtunkhwa in the affected areas to arrange focused trainings on financial management, although the School Management Committees are now developed again to focus on the development of schools, reduce teachers absenteeism and drop out. In the post-militancy scenario, the efforts are being taken to improve community engagement and participation for effective implementation of school plans and ensure transparency and accountability.

(4) The health care services were badly damaged during the militancy while the focus of the militants was the basic/rural health centers due to their hideouts in the outskirts of the cities. The damaged basic health care units are rehabilitated and reequipped with basic facilities, however, the doctors working in these units are reluctant to place in the far flung areas due to fear and terror created by militancy. The rehabilitation activities only focus on the reconstruction and provision of medical instruments, but no expansion plans are prepared to cope with the health demands of the local people.

(5) The housing loss was determined while using the data available with the government and an eligibility criteria was developed under which the household can avail Rs: 300,000/- for completely damaged and Rs:100,000/- for partially damaged houses.

(6) Although the government tried to remain focused on the provision of water supply to the residents of affected areas, but still the concrete efforts are necessitated to restore the water supply to all the areas. The role of INGOs and CSOs regarding the restoration of water supply and WASH promotion is highly regarded and applauded.

(7) The overall trend found in the analysis of the findings clearly presents somehow the improved picture as the tasks outlined in the strategy are needed to be met in short, medium and long term basis. However, the pace of the rehabilitation activities may become the hindering point towards achievement of the socio-economic development objective.

4.1.2 Pillar 3 – Economic Growth and Infrastructure Development:
In the context of Malakand Division, it is very much important Pillar for the recovery and stabilization efforts. This sector was heavily damaged and rehabilitation was critically important for proper power supply, livelihood opportunities, functional road network and other infrastructure elements required for the normal life and effective working of essential governance and security related functions. The analysis of relevant strategic objectives and sub-objectives are outlined in the following proceedings.
**Objective:** Malakand Division’s economic infrastructure is developed, encouraging private and international investment to provide adequate opportunities and resources for sustained economic growth for all.

**Analysis of Pillar 3:**

(1) The infrastructure is vital to ensure sustained economic growth and it gained immense importance in the affected areas as the major roads and bridges were destroyed by the militants. The revival of economic growth to its pre-militancy position is strongly linked with the restoration of infrastructure and especially roads and bridges. The analysis of the findings gave a bleak picture as the bridges are still not yet rehabilitated and Army made temporary/hanged bridges are used for personal and commercial transportation. The pace of rehabilitation of roads is somehow satisfactory but still the objective will not be achieved in the medium term. The existing businesses including tourism are highly dependent on the road infrastructure and transportation. The improved network of roads will ensure sustained traffic of tourists to the valley and will create local level growth with employment generation.

(2) The power supply shut down for two months paralyzed the whole system of the affected areas, including district Swat. The businesses remained closed for months due to power supply breakdown and affected the sales volumes manifold, leaving detrimental impacts on the local economy. The efforts taken by the WAPDA, Government of Khyber Pakhtunkhwa and local community helped to revive the power system back to pre-militancy situation which not only bring prosperity in the lives of local people but also rejuvenate the existing businesses.

(3) Agriculture being the mainstay of the local economy besides heavy dependence on the tourism was badly damaged as standing crops, livestock and orchards destroyed due to militants and afterwards, army operations. The INGOs, NGOs, CSOs and Government of Khyber Pakhtunkhwa under the early recovery programme timely provided inputs for next cropping season. Although the efforts were helped to achieve livelihoods of the local subsistence farmers, but concrete efforts on fragmentation and provision of finances could not resolved yet.

(4) Apart from tourism and agriculture, mining has emerged as a sector with considerable for further growth and therefore needs attention of the policy makers as it was also damaged during militancy due to multifarious reasons. Dwindling sales due to power supply breakdown, high transportation cost and damaged roads and bridges put immense pressure on the owners to shut down the mines for specific periods. However, despite very little support from the Government of Khyber Pakhtunkhwa and other organizations they managed to restore the mines and associated marble factories to the pre-militancy status.
Determinants of Strategy Success

While the strategy document does recognize the importance of a flexible implementation process that can quickly adapt to ongoing changes in the area, it still requires an intellectual integration with what is happening in the rest of Pakistan in social and economic terms.

The prioritization of issues has been made in view of the most urgent needs of the region. However there seems to be no diagnostic analysis if the instruments for prioritization are in the control of the Malakand administrations or not. These instruments include the budget demand of this region, the civil and other public sector workforce (and their capacity and will to act), and community ownership/participation. Similarly sequencing while adequate over paper has to be usually backed by the commitment of federal and provincial governments. We can already see however that both tiers of government have not fulfilled their promises.

The key coordination and supervisory tasks rest with PaRRSA whose officials are in dire need of unhindered budget and trained manpower, or at least trainers who can train regionally available workforce. PaRRSA in all fairness was in fact relying on the promises of Friends of Democratic Pakistan, which never realized or did not realize to the extent promised. There is now a dire need to study the gaps in the proposed and achieved objectives of PaRRSA and then addressed through a reason-based approach as to how PaRRSA can be helped towards bridging these gaps. PaRRSA will also require direct support from the federal government – a channel which has still to be devised on a sustainable basis.

There are also certain risks in implementation, some of which have been recognized by the strategy. However it is important to note that risks evolve with time and sticking to only those risks identified in the strategy document can cost the implementation process dearly. The key risks already highlighted included anticipated issues in case the security situation takes longer than expected to improve, blockages and delays in government spending and service delivery, cut in donor assistance, duplication and inconsistency between development projects.

There are also certain other risks that need to be realized as time passes. The first risk is associated with the lack of interaction with the community. It is important to understand that community operates through its own centuries old norms and values. The community also does not want a public sector initiative that displaces these norms and values. Therefore utmost care is needed to ensure that all project management activities are strongly grounded in community interaction and do not violate any implicit community rules.

The second risk is the non-take up of the private sector. One can observe that even after so much time since the militancy ended, private sector has been shy to go back. There is a serious lack of trust between the public and the private sector which will require concerted efforts. Unless private sector becomes the engine of growth in Malakand, there can be no sustained arrangement for jobs creation which in turn implies a delay in achievement of poverty-related objectives.
A key determinant in the strategy’s success will be the underlying monitoring and evaluation aspect. While the strategy has put in place certain outcomes based measures in line with the practice under MDGs, however these may not be enough. One struggles to find any governance, security and law related monitoring indicators provided in the strategy document. Civil service is the apparatus for implementation and therefore its own reform should be the first in any form of sequencing. This was also a lesson learnt during related efforts in the past – particularly those during 2005 Earthquake.

**Capacity and Knowledge for Implementation**

On the side of development partners one looks at the fragmented nature of the assistance, which is prone to donor fatigue in the long run. Any integrated implementation effort such aim to increase social capital in the region which in turn can address structural causes of conflict. The private sector and community’s role in the implementation process needs to be further deepened. The government and the donors should have a clear deadline until which they will be provider of goods and services and after a certain deadline this role should be handed over to the private sector through a smooth process of transition. Such a process will ensure: a) non-distortion of market prices and b) restoration of trust between public and private sector.

It should be recognized that private sector has been operating in this area and contributed to the growth in sectors which include: Agriculture (included high value-added farming and processing of honey), tourism (including high value-added sports tourism such as skiing, trekking, national geographic ventures etc. and religious tourism as there is heavy presence of Buddhist Stupas and Monastries in the region), sports activity, textile (including high value-added embroidery, woolen shawls and chaddars).

In order for these commercial activities to revive, private sector will need trained manpower which currently is in dearth. Therefore urgent measure at least for these industries much be chalked out in collaboration with Chambers of Commerce and trade associations.

The annual report of PaRRSA mentions the rehabilitation of 79 damaged government buildings. In this context it is important to note that post-militancy needs of the region have greatly changed since the pre-militancy period when these government functionaries were all required at the same time. Many of the activities being performed by the government in peace times are not going to be operational for a long time until all walks of life and society are restored. Therefore there remains a need to assess diagnostically the new functions of the governmental departments working in this area and how these functions will evolve as time passes.

One of the key ingredients of strategy’s success will be restoration of connectivity channels. Connecting people and places and greatly enhance the pace of implementation. The role of ICT in this context is of critical importance. Similarly restoring farm to market channels, removal of import restrictions / industrial licensing and removing barriers to inter-provincial trade and increase the commercial activity. This region is gateway to Afghanistan and Central Asia and important comparative advantage even recognized by neighboring countries.
such as China and India. Therefore investment in strengthening connectivity channels (transport and communications) will promote transit trade and in turn revenues for the entire region.

4.2 Review of Implementation of Post Crisis Needs Assessment Strategy

Background: As stated earlier, the Post Crisis Need Assessment (PCNA) study was initiated by the World Bank and the Asian Development Bank in August 2009, following a request from the Government of Pakistan. It was a collaborative effort of the World Bank, the Asian Development Bank with the support of European Union and the United Nations, with active involvement of the Government of Pakistan, Government of Khyber Pakhtunkhwa and FATA Secretariat. It is another very significant effort to draw up a sound policy document for peace building, this time covering not only Malakand Division and FATA but the whole of the Khyber Pakhtunkhwa province. It envisaged a long term practical, consistent and sequenced strategy in consonance with the earlier one outlined in MCSSD Strategy for achieving sustainable development and peace within ten years. The guiding vision of this strategy was articulated as follows:

“There is an emerging peace, greater prosperity and tolerance in Khyber Pakhtunkhwa and FATA. A historical transformation is under way, 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.”

The PCNA recognized the gravity of the crisis and its profound implications for the security and prosperity of the country, and proposed fundamental reform policy measures for creating enabling conditions for sustained peace and development in the region on the basis of exhaustive investigative and consultative inputs. The road map recommended by PCNA was endorsed by the Strategic Oversight Council comprising all the stakeholders, headed by the Prime Minister. The Vision termed as Strategic Transitional Results aimed at achieving its medium term objectives in thirty months and, at the same time, devised a plan for long-term development and sustained peace. To this end it identified four Strategic Objectives (SOs). These are: building responsiveness and effectiveness of the State to restore citizen trust, stimulate employment and livelihood opportunities, ensure delivery of basic services and counter radicalization through fostering reconciliation.

To achieve these strategic objectives, the PCNA specified nine sectoral areas, termed as Transitional Results Frameworks (TRF) including three cross cutting issues after intensive fact gathering through two track consultative processes. Under the first Track, representatives of a cross section of community members affected by the crisis were engaged to determine the causes of the crisis and their views for its solution sought as their input. For this purpose the focal group’s discussions were held in 14 affected areas comprising representatives chosen from diverse segments of society which also included the women and children. The second Track consultation was relied upon to obtain ‘wider views of Pakistani regional and national stakeholders having expertise in the relevant areas. The purpose was to formulate sound strategies and policies, along with an operational plan, to fulfill the dream of peace and progress.
as defined in the vision. The following areas have been identified for the action plan to achieve long term objectives:

1. Good Governance.
2. Rule of Law.
3. Agriculture and Natural Resources.
5. Education.
6. Infrastructure.
8. Social Protection.

Analysis: In what follows, an attempt will be made to analyse briefly the progress of implementation of various measures recommended by PCNA under its framework of strategic priorities and their likely implications for the achievement of goals in respect of all the four strategic objectives mentioned above. The analysis will be based on findings of our surveys, focused group discussions, the experts’ interviews, Annual Report of PaRRSA and some other related documents:

Build Responsiveness and Effectiveness of the State to Restore Citizen Trust

While poverty, unemployment and extreme backwardness are quoted as the factors responsible for the penetration of militancy and extremist thinking in the tribal belt of the country, bad governance and people's lack of trust in the administrative machinery is also stoking the anti-establishment, even anti-state, sentiments among the inhabitants of these areas. The government functionaries were looked upon as symbols of a coercive state apparatus, besides being corrupt and inefficient, rather than as benign custodians of their rights. That is why the PCNA report underlined the need for restoring citizen trust, and described it as a long term strategic objective that the government and concerned stakeholders should try to attain. The recommendations emanating from this report also emphasized the imperatives of political and legal reforms, improved governance, transparency and accountability as well as provision of effective security and law enforcement.

The people of FATA are governed by an antiquated law called the Frontier Crimes Regulation (FCR) which had been enacted by the British to keep the insurgency prone and defiant tribal population in control. The law till recently was full of harsh and oppressive provisions and gave arbitrary powers to the Political Agents to keep the ordinary tribesmen virtually in bondage, as discussed in detail by PCNA and also briefly touched upon in our first chapter while describing the contextual background for the study. This anachronistic legislation is also a factor responsible for igniting insurgency in FATA which was further compounded by rebellion, though on a different pretext, in the neighboring Malakand Division. Realising the need to
amend the law to give it the face of a civilized judicial instrument, the amendments suggested by
the committee formed for the purpose were formally enacted in August 2011 after their approval
by the President. The PCNA had also recommended improvement in the judicial system and
quick dispensation of justice as a strategic policy measure to achieve peace and stability,
especially in the tribal belt.

The provisions in the amended FCR constitute a significant step towards achieving the
objectives outlined in the PCNA report. For instance, the recommendation that funds at the
disposal of the Political Agent shall be audited by the AG will ensure accountability in the use of
government finances. Similarly, residents of FATA had neither the right to vote nor were
permitted to engage in any political activity nor were political parties allowed to operate in the
tribal areas. Thus these people stood practically disenfranchised which intensified their sense of
exclusion from the national political mainstream.

In order to mitigate their sense of alienation, the President approved legislative amendments in
the FCR, promulgated the Extension of Political Parties Order 2011 to the tribal areas. From now
onwards, political parties, under regulations to be framed, will have the right to operate freely in
the tribal regions and to propagate and sell their agenda to the public at large. Insurgency in
FATA and elsewhere in Khyber Pakhtunkhwa including Swat was but one manifestation of the
trust deficit between the estranged masses and their rulers and helped to expose the faultiness
existing in our system of dispensing justice and providing civic services to these marginalized
communities. This is also the analysis of PCNA and the introduction of this Order meets, to a
great extent, the spirit of its recommendation to bring the people of the region in the main stream
of national life.

The two reforms are expected to trigger significant judicial, administrative and political changes
on the tribal horizon. This will also reduce the threat of extremist elements that were luring the
disgruntled tribesmen, specially the youth, by offering them attractive alternatives to the flawed
existing system. It must, however, be remembered that these reforms have to be followed up to
restore people's faith in the incumbent set up and to wean them away from extremist ideology.
For this it is essential to quickly frame rules required to give effect to the changes made in the
reform package and to carry forward the process of reform for further emancipation of the tribal
areas.

Similarly, we need to raise the performance level across the whole gamut of administration
including the planners, the executive, the law enforcers, the line departments and the local level
officials so as to impart a sense of peace and security to the masses and to reanimate their belief
in the intent and capacity of those at the helm to ensure efficient and timely delivery of services.
This will require upgrading their technical and administrative skills as well as holding them
accountable against clearly defined yardsticks of good, honest conduct and professional
excellence. All administrators and service providers, specially those operating at lower tiers,
shall have to be motivated, through specialized training, incentives or whatever other stratagem,
to pull up their socks and brace themselves for the challenge of rebuilding their tattered
motherland. This will be in line with the essence of PCNA recommendations to build
‘responsiveness and effectiveness of the State to restore citizen trust.’
The same recipe will help to win over the people of Malakand Division who were dissatisfied with the performance of the existing institutions, specially the judicial organ of the state and its lengthy, expensive procedures of adjudicating in both civil and criminal litigation. This frustration of the masses was exploited by the militants to start their agitation for the revival of the old system of ‘qazi’ courts for quick dispensation of justice. To counter the extremists we need to institute a quick and inexpensive system of justice which is equitable and based on rule of law but also shows respect for local customs and traditions. Most importantly we have to involve the citizens in making decisions which have a bearing on their daily lives and put in place a consultative mechanism to ensure their participation in matters shaping their destinies.

Authorities concerned at the federal and provincial levels and those directly engaged in relief and rehabilitation in Malakand and Swat seem to be genuinely interested in promoting the welfare of their fellow citizens and are trying, albeit with meager resources, to repair the damage done to their material assets as well as to their psyches. Federal government is raising funds from within the country and through external donors while the provincial government is doing its bit to step up the pace of rehabilitation drive. The establishment of PaRRSA provides an institutional framework for coordination of aid and its efficient utilization. With time this organization will serve as a catalytic agent for peace and progress in Malakand and other affected territories of Khyber Pakhtunkhwa.

4.2.1 Strategic Objective: Stimulation of Employment and Livelihood Opportunities:

The province of Khyber Pakhtunkhwa including its contiguous tribal region of FATA and Malakand Division is the poorest part of the country, suffering from abject poverty, low level of human development and lack of employment opportunities. These factors induce a sense of economic and social deprivation as well as political alienation which gives birth to mistrust leading to a violent reaction against the government policies perceived to be unjust and inequitable. Conversely, the provision of employment opportunities and higher investment in human development will help in the alleviation of poverty and create a favourable atmosphere for peace and prosperity and increase the involvement of the masses in economic activities. Although the macroeconomic overview presented in the PCNA report, affirming the state of poverty, lack of access to basic amenities, slow economic growth and unemployment covered only the province of Khyber Pakhtunkhwa (excluding FATA on account of certain limitations), it is well known that conditions in FATA and most part of Malakand Division are worse than those in Khyber Pakhtunkhwa.

Rehabilitation and Development of Agriculture and its allied sectors: Given that Khyber Pakhtunkhwa and particularly the region plagued by militancy are predominantly rural with agriculture as their mainstay; the PCNA emphasized the need for urgent development of means of livelihood. The idea was that more avenues of livelihood would spur further growth and employment in the whole province including FATA. The DNA also considered social protection related damages in the region especially in the district of Swat as most critical since a large section of population was dislodged as a consequence of the crisis with almost no means of
livelihood left intact. The exodus of population itself resulted in a serious setback to the agriculture sector causing the loss of revenue and the means of livelihood of the populace. Since the agriculture and livestock sectors, which were badly affected, are the main source of livelihood, the PCNA attached top priority to their urgent recovery for the expected gains not only in crisis affected areas but in Khyber Pakhtunkhwa as a whole.

The DNA has estimated the cost of reviving agriculture together with livestock & Irrigation as PKR 22,681 million (equivalents to about US $ 296 million). However, much more is required in the form of matching grants for community development schemes, expansion of commercial agriculture sector along with subsistence agriculture and the development of ‘small farms’ and ‘small crops’. Development of forestry and fishing should be an essential component of the development of agriculture sector Introduction of new micro credit and revolving fund schemes on a much larger scale is warranted to implement the recommendations spelt out by PCNA.

Agriculture is highly dependent on the water channel system in the region which was badly hit by the militancy and the counter offensive launched by the government. Considerable progress was reported to have been made in the reconstruction of water channels through community efforts including the funds raised at the local level and the help of the local Members of Provincial Assembly (MPAs). According to the findings of our study, the government through PaRRSA is actively engaged in executing some schemes, while many are in the process of preparation with the assistance of line departments through the DCO. National and international NGOs have also made a sizeable contribution in reconstruction of water channels and also in other rebuilding activities. The FAO, EARLP, WFP, ACTED, Save the Children, CARVAN, LASOONA, HUJRA, ICRC, IRC, OXFAM and GTZ have been and even now are actively involved in reconstruction of water channels but owing to the magnitude of the task to be accomplished, only 50% of the damaged channels have so far been reclaimed.

The distribution of seeds and vaccinations of animals, spraying of insecticide are also reported to have been taken up by the NGOs besides other restitution activities on the initiative of PaRRSA. These measures are in line with the objectives of PCNA. However, more efforts for the provision of extension services of all kind are needed on a much wider scale not only in the crisis affected areas but also in the entire province. The PaRRSA seems to be highly motivated to implement the strategies set forth in PCNA but the speed of action was not enough to meet the target within the time frame of thirty months, the main reason being the financial constraints.

Other Employment Generation Programmes Besides the long-term schemes for revitalization of agriculture sector, other measures were suggested for immediate job creation, building sustainable employment base for Khyber Pakhtunkhwa and FATA and improving investment climate. However, our findings distilled from the Expert Group Discussion reveal that not much headway has been made so far in any of these directions. In our focused group discussion, it came out that people had grievances to the effect that although promises were made and surveys conducted the government machinery failed to fully deliver on its commitment of economic rehabilitation to help them meet their social and economic obligations. On the other hand, they highlighted the valuable assistance being provided to them by certain NGOs by way of provision of small farming tools, livestock, fertilizer and seeds.
Failure to generate gainful employment on an adequate scale has greatly contributed to the unrest in some parts of Khyber Pakhtunkhwa and FATA. Taking note of the role of employment in propelling growth and prosperity the PCNA recommended immediate employment generation through targeted, quick paying and labour intensive employment generation programmes. Traditionally the ‘Public Works Programmes’ has been an important means of providing livelihood to the crisis afflicted communities besides meeting their development needs. Although reconstruction activities in the area are serving a useful purpose it is felt that new programmes of public works should be instituted in the form of programme packages, on a much larger scale in areas where employment creation schemes are desperately needed.

Development of Livestock Sector: As indicated by the DNA, militancy has critically ruined, directly or indirectly, the livestock sub-sector. This is also reflected in our analysis in the third chapter. This is so because it is not only a means of subsistence but also a direct help to the farming community. As such it is the life line for majority of the people belonging to the province of Khyber Pakhtunkhwa and especially of the Malakand Division. Despite some important advancements in this field, much remains to be done for restocking or re-building the livestock to even higher than the pre-militancy level. The sector requires all out support of the line departments through provision of extension services including credit on easy terms by the financial institutions.

Human Resource Development: The PCNA has pinpointed the need for laying a strong foundation for human resource development to create a sustainable employment base for Khyber Pakhtunkhwa and FATA through integrated and context driven skill formation and capacity development programmes for both the genders including the youth. It also called for, grants to the firms for on the job training and gender sensitive entrepreneurial development training. These are the pre-requisites for building a sound and sustainable employment base. On the basis of our findings, it can be concluded that not much headway has so far been made in this direction.

The PaRRSA Annual Report 20011 describes the implementation of an apprenticeship and skill development programme complemented by UAE Funded projects for rehabilitation of vocational training institutes and repair of the equipments. This may have a favourable impact, though only marginally, on skill development. However, keeping in view the big task ahead, these programmes are highly inadequate to organize skill formation on a scale envisaged by PCNA.

Creation of Favourable Investment Climate: The PCNA has recommended the creation of a favourable climate for investment as it is a pre-requisite for employment generation and for raising the rate of economic growth. However, it does not seem likely in the immediate future unless complete peace is restored in the region. Under the present circumstances the investors are said to be hesitant to risk any major investment.

4.2.2 Strategic Objective: Ensure the Delivery of Basic Services

It is evident from the DNA and PCNA Reports that the human development indicators as well as delivery of essential services such as provision of electricity, clean drinking water, sanitation,
infrastructure and access to health and education facilities in Khyber Pakhtunkhwa and FATA are abysmal and pretty low if compared with other parts of the country. The following are the most conspicuous elements of the strategic policy and our assessment of the progress made so far:

Immediate expansion of basic education services: The official statistics indicate that Khyber Pakhtunkhwa and FATA have highly inadequate access to public education where a large number of primary age children are out of school while the state of girl’s education is still more deplorable. The problem got further aggravated with the militancy in the crisis infected areas. The PCNA has attached high priority to improving the access to education all over the province. In case of Malakand Division and FATA this is to be done through reconstruction of damaged educational institutions (with top priority to the girl’s schools).

Some other steps have also been outlined like immediate arrangement of teaching places where schools have not been rebuilt, encouraging private institutions where there is no public facility; promotion of adult education through functional literacy and non-formal education and incentives, specially to the girls, to stay in education. Despite the obvious advantages of putting these measures in place and their implications for long term development, the present pace of achievement unfortunately does not promise the fulfillment of laid down goals in the stipulated time period.

The DNA provides district wise information regarding the damages to educational institutions which number 425 partially damaged and 237 fully damaged schools. According to our research enquiry through the establishment survey and focused group and experts’ interviews, it was gathered that after the restoration of normalcy in the affected areas, the reconstruction and repair work was initiated mostly without delay in areas which were easily accessible. However, rehabilitation took longer in those areas where access was and is still difficult. The local community, local and international NGOs and concerned government organizations all participated to their maximum capacity with the slogan ‘Bring Back Better’. Major contributions came from PaRRSA and Pak. Army, their shares, according to a rough estimate, being 59 percent and 18 percent respectively.

PCNA has suggested even temporary arrangements for housing the teaching facilities till permanent accommodation is provided for this purpose. In pursuance of this policy, local NGOs and other organizations have provided tent schools and some temporary shades to increase student enrolment. The NG Os also provided stipends and lunch boxes to the girl students in some areas while USAID is also providing lunch boxes to encourage boys and girls to join the educational stream. However, regular programmes of stipends for the girls and boys of the marginalized families and lunch for all primary school going children, both male and female, are needed to be introduced on institutionalized basis by the government/ PaRRSA with donor help on the lines suggested in the strategic policy measures enunciated by PCNA. Unfortunately the programmes in operation in this field lack coordinated efforts and are highly inadequate besides being transitional in nature.
Quality of Basic Education: It is empirically established that increase in educational output is not important only from quantitative point of view but also in terms of quality of education at all levels including basic education. PCNA also made a recommendation to this effect. However, it came out from our interaction with the focused group and from expert group enquiries that though there is a resolve of concerned agencies and NGOs to “Bring Back Better” in educational field, well organized efforts to amend curricula as recommended, improvement in teachers’ training for basic education, improved and standardized text books and their access to all students and mechanism for parental oversight are yet to be initiated with full force. In militancy affected remote areas much is to be done to motivate the teachers to return to work. A full fledged campaign to spread functional literacy and non-formal education is critically needed to achieve the desired objectives. However, the implementation of the policy measures where there are deficiencies or shortfalls will depend on the availability of funds and in case of crisis ridden areas also on complete rehabilitation and restoration of peace in those areas.

Access to Basic health and Water and Sanitation Services: These components of the strategic policy measures recommended by PCNA are the essential elements of basic needs whose absence creates social unrest culminating sometimes into violence with varying intensity. The DNA worked out recovery cost of PKR. 1527.0 million equal to US $ 68.0 million for restoring only the damages in health sector in Malakand Division and two districts of FATA. Obviously, the financial requirements will be manifold higher for improving the health delivery system in the whole of Khyber Pakhtunkhwa and FATA for both curative and preventive health care including restoration of infrastructure and equipment.

Even if we look only at the progress made for improving the health delivery system in Swat, it transpires that though the government of Khyber Pakhtunkhwa had negotiated for financial assistance with some donors and signed the MOUs too, no worthwhile progress could be made. On account of insufficient funds, the physical and psychological needs of the affected population have not been met to a satisfactory level. Special care is also required to provide psychiatric assistance to those who have been traumatized after witnessing scenes of disaster, tyranny and extremes of brutality. As for the general feeling about the pace of restoration of health delivery system in Swat district, it was gathered that 70 percent respondents were not satisfied with the progress. This should be a wakeup call for all concerned.

Another important factor for healthy living is the availability of safe drinking water in which the Khyber Pakhtunkhwa and FATA are woefully deficient like other parts of the country. To make things worse, armed strife had seriously disrupted the water supply system as recorded by DNA and affirmed in our field investigation. Realising the significance of water and sanitation as basic necessities, serious attention was paid to restoration of these facilities at a pretty early stage. Our findings are at par with those of PCNA as much headway was found to have been made in providing to almost the whole affected population the access to WATSAN. Concurrently, sufficient numbers of people have been trained as community plumbers.

Moreover, PDU staff was reported to have been trained and all the campaigns including awareness regarding health and sanitation, as recommended by PCNA, have successfully achieved their targets. However, periodic surveys to collect opinion about the level of
satisfaction on the provision of basic amenities, to be conducted by a neutral agency, need to be made a regular feature in a well organized monitoring system. Efforts to improve energy and its wider availability are essential policy measures which have yet to be given a practical shape. However, in case of, satisfactory progress has been made in the restoration of transport infrastructure in the affected areas but further improvement is required throughout the province including FATA.

Effective Social Safety Net: Benazir Income Support Programme, besides suffering from flawed implementation is generally considered inadequate to take care of the rising poverty level in the country, especially in the areas inhabited mostly by marginalized population bereft of even the minimum basic needs. However, its financial assistance programme for the internally displaced persons of different regions was very successful in handling the critical situation in the recent past. Provision of financial help by Bait-ul-Mal and Zakat Foundation to the marginalized population is also a worthy enterprise but its coverage needs to be extended to areas where it is not yet operating. The international community will have to come forward to support the government efforts for evolving a more secure and reliable social safety network which the PCNA has envisaged under its framework of strategic policy initiatives.

Delivery of Basic public Services efficiently and equitably: No significant programme seemed in operation for capacity building of government employees in different areas of public service. Similarly, the policy recommendation regarding special programmes to develop and enhance the capacity of the vulnerable groups, without gender discrimination to evaluate and monitor the standard of public service delivery, has yet to be taken up for implementation. Coordination mechanism across sectors as recommended by PCNA is also waiting to be evolved on sound lines.

4.2.3 Strategic Objective: Counter Radicalization and Foster Reconciliation

PCNA recommends a number of actions to be taken for the evolution of a tolerant society with the ultimate objective of building a peaceful environment. As a first step, it recommends registration of all educational institutions. All the provinces including AJK have already set the registration process in motion and a substantial ground has already been covered. Likewise, most of the Madaris which are imparting education within the prescribed curricula are registered with the Madaris Board but still a large number exist in remote and militancy infected areas whose particulars must also be brought on record. This may, however, be possible only if there is good governance and the writ of the government is firmly established.

The above analysis reveals that the progress on recommendations and the time frame for their fulfillment laid down in the PCNA is a mixed narrative of successes and failures. There are many areas where substantial progress has been achieved almost within the desired time frame but quite a few areas still warrant emphatic, prioritized action to achieve the desired results. The efficacy of the recommendations and time frame in most cases are, indeed very pertinent but the scarcity of funds and lack of capacity of the line departments have constrained the progress to a great extent. The cooperation of the international community to be supplemented, with financial
and technical support and the government efforts to raise the capacity of the concerned functionaries of Khyber Pakhtunkhwa and FATA, are sorely needed.

Chapter 5
Conclusions and Recommendations

After the colossal destruction and social upheaval triggered by the onslaught of insurgency and counter-offensive by the armed forces, a massive campaign for relief and rehabilitation was needed to provide solace to the suffering masses and to bring normalcy to their lives. This called for adequate resources and a well thought out strategy to deal with the complex issues confronting the people of Malakand. Studies like Malakand Comprehensive Strategy, DNA and PCNA lay down the framework within which to pursue the goals of immediate relief as well as medium term and long term programmes for socio-economic uplift. These studies embody the details of losses incurred in diverse fields of human activity, the cost of rehabilitation as well as policy prescriptions to deal with the challenges emerging in the wake of militancy in FATA and Malakand Division. The present study updates the earlier research efforts and provides empirical affirmation of several guidelines and suggestions contained in the study reports preceding it. The findings of this study are based on an extensive survey carried out by a well organized team of researchers who interacted with local affectees and held in-depth discussions with groups as well as with relevant experts. The main findings in each sector and the recommendations distilled from these findings are elaborated as follows:
Infrastructure

Education: The education system in Swat is comprised of both public and private schools but the proportion of public sector schools is much higher than privately run educational institutions. During the early stages of insurgency, teachers and school administration were threatened by insurgents that resulted in partial closure of schools. Afterwards, full-fledged militancy led to discontinuation of education services for 6-12 months, as a whole. Also, the attendance rate of students fell to the lowest point (20-30%) in the history of these institutions. According to our survey, the extent of damage caused to infrastructure of educational institutions was more than 50 percent in 55 percent of damaged institutions. After the end of militancy, Government of Khyber Pakhtunkhwa, NGOs, International Donors and local community started the rehabilitation activities to the best of their capacity to reconstruct and repair the damaged buildings and bring back the children to schools. They also made provisional arrangement of tent schools and make-shift schools to offset the shortage of space created by the damaged buildings. New schools are being constructed to better specifications and have facilities which were previously lacking. Provision of lunch boxes and stipends, especially for girl students, has helped to increases their enrolment. As a result, the attendance is crossing the pre-militancy level. More than 80% of the parents are satisfied with ongoing rehabilitation activities in education sector. Overall, progress in this sector has been satisfactory to a considerable extent.

It may, however, be suggested that the tempo of reconstruction needs not only to be maintained but to be further pushed up. For this the provincial and federal governments shall both have to actively pursue the implementation of MOUs which have been signed with the potential donors. Moreover, in view of the colossal loss and already low rate and standard of education in the affected areas, it is felt that unless the international community comes forward more emphatically to rehabilitate and expand educational facilities in both quantitative and qualitative terms, the vision provided by Malakand Comprehensive Stabilization Strategy and later on more comprehensively by PCNA may not be achievable. A complete mapping of the resource requirements to achieve the progress and development in the field of education as specified in the strategic objectives is highly desirable.

In order to increase the attendance rate and to improve the quality of services delivered, incentive based programmes should be initiated for teachers and students of affected areas. Serving lunch at school and payment of stipends should be continued and their scope and coverage be extended to all the depressed areas. Provisional arrangements of tent schools and rented buildings should be extended to all those places where the construction of the destroyed schools has not so far been started and also to those areas where the educational facilities are lacking.

Construction of additional rooms, following the standard facilities and specifications should be undertaken expeditiously. To make the community an integral part of monitoring and evaluation and to ensure the quality of educational services, third party survey should be built into the system and conducted on regular basis. It emanated from the Expert Group Discussion that programmes for educational development and uplift must be supported by technical assistance which should be arranged on top priority.
**Health:** Like education, health services are also provided by both public and private sectors. The public health services in the area are provided mainly by BHUs (80% of the services). These were abandoned when attacked by the militants who used their buildings as hideouts. This left more than 30% of BHUs completely shattered. The situation was compounded by the non-availability of staff that refused to perform their duties because of the terrorist’s fear. Recovery needs in this sector call for maintenance of health services and replacement of lost or damaged equipment. Government of Khyber Pakhtunkhwa through institutions like PDMA and PaRRSA is coordinating with international donors and local NGOs for early rehabilitation in line with rehabilitation strategy. But, more than 70% of community and health practitioners showed their dissatisfaction because of delay in start of rehabilitation activities (3-12 months) and slow pace as only 30% of the work was reported to have been completed by now.

Steps should be taken to increase the pace of reconstruction work, especially in areas where work has not even started as yet. In the focus group discussions, it was highlighted that number of staff at health units is not sufficient to fulfill the needs of the area. Along with rehabilitation activities, health department should launch a new staff hiring programme at all levels to cater to the curative and preventive needs of people and to ensure equitable distribution of health facilities. Efforts should be made to strengthen the BHUs which, being suitably dispersed all over the region, can act as effective vehicles of service delivery if properly equipped and staffed.

As the Government of Khyber Pakhtunkhwa may not be in a position to arrange additional funding for this purpose, an attempt should be made to secure a financial grant from foreign or local donors/NGOs/civil society as has been planned for education sector. Incentives should be provided to the staff working in far flung and war torn areas. Community health awareness is quite necessary for which steps should be taken to launch health campaigns in close coordination with community service organizations, development agencies and health department.

**Transport, Roads and Bridges:** Prior to militancy, District Swat was well connected through a network of local and highway roads and bridges. This developed infrastructure is vital for local economy because of its usefulness as a means of communication for trade and commerce, besides promoting tourism and transport business which were providing livelihood to a large proportion of the local residents. Almost all types of roads and bridges were damaged (52% fully damaged, 48% partially damaged) due to blasts and movement of Army tanks to counter the militants. This resulted in blockage of access to main cities.

All sectors of economy suffered due to damaged roads but transporters were most adversely affected. Large transporters plying their vehicles on inter-city routes were the worst sufferers. Their offices were also destroyed (44%) of which 62.5% were completely pulled down. Vehicles also suffered because of blasts and shelling. Besides, the transport business faced a decline of 82% in passenger traffic because of disturbed conditions. The terrorists blasted most of the bridges to hamper the movement of army. About 88 percent bridges were ravaged, 32% of which were completely demolished. About 58 percent of roads in the areas surveyed were found to have been repaired while 42 percent were still unattended. NHA and C & W are mainly involved in rehabilitation work in accordance with rehabilitation strategy of Government of
Khyber Pakhtunkhwa. It includes installation of steel bridges and filling of deep patches, clearing of obstruction and fallen material. The outreach of such activities is about 50% of the affected area.

Since roads and bridges play an important role in boosting commerce and trade activities and in facilitating traffic and tourism, urgent steps should be taken to repair and upgrade the remaining part of the road network. Similarly, we need to focus on early reconstruction of roads connecting farms to markets and industries to cities. Transport absorbs a good percentage of manpower for gainful employment and therefore merits the government support to become fully operational once again. While most transport owners have managed to resume their business on their own, there are some who need easy loans or other assistance to be able to stand on their feet. Such transporters should be helped out by the government or the banks.

Livelihood

Agriculture, Livestock and fisheries: Agriculture sector is a major contributor in Swat’s economy as it provides livelihood to more than 50% of the population of this area. The farming community left their homes, fields and livestock because of the fear of militants who burnt the ripened crops, destroyed the orchards and slaughtered the livestock, damaged the fish ponds as well as the irrigation water channels in almost the entire Swat district. Italian government, a number of NGOs both international and national and UN-Agencies in coordination with PaRRSA and PDMA are actively engaged in early rehabilitation through provision of agriculture farm inputs such as certified seeds, fertilizer and tools, livestock, poultry birds and animal vaccines as well as in arranging training courses for the farmers. However, in our FGDs, it was revealed that only 15-20% of the affected farmers are beneficiaries of training programmes.

Efforts should be made to extend training programmes and input packages to other farmers for timely cultivation. Moreover, there is a clear need to develop and commercialize the agriculture for which improved marketing windows should be explored. Reconstruction of village to market road should be prioritized and immediate rehabilitation of irrigation water channels ensured. Agriculture inputs, tools and implements should be provided on a much wider scale either free of cost or on easy credit to enable the cash starved farmers to meet their immediate cultivation needs. For this purpose, micro credit or other funding schemes tailor made for the small and poor farmers may be launched under the government tutelage. Rehabilitation of agriculture related infrastructure like irrigation works, storage facilities, and shelters for livestock should be quickly undertaken and completed. Animals lost should be replenished with new heads of improved breeds of livestock as cattle farming yields life sustaining dividends for a sizeable number of rural households. The DNA had provided the cost estimate of PKR 22,681 million equivalents to about US $ 296 million for revival of both livestock and Irrigation. Keeping in view the gigantic task for reviving and developing all these sub-sectors, it is felt that well coordinated programmes run by qualified people and supported by much higher scale of funding, are pre-requisites for opening avenues of income and livelihood for the people of the area.

Well planned and targeted Public Works Programme should be launched and where already in operation, their role should be expanded as such programmes serve the dual purpose of employment generation and creation of long lasting public assets.

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**Housing:** Militants occupied the houses, both in urban and rural areas, by force and looted the belongings. They used these abodes as hiding places for carrying out subversive activities. Massive destruction was caused to houses during militant turbulence. The housing loss was particularly severe in district Swat where 3738 housing units were reported to have been totally demolished and 4387 partially damaged. After the return of normalcy, shelter less people were initially accommodated in tents and other temporary shelters provided by Government of Khyber Pakhtunkhwa and some NGOs. Later, the government announced a grant of Rs 0.4 million each for owners whose homes were completely demolished and Rs 0.15 for owners whose dwellings suffered partial damage. As a result of this subsidy and the contribution of owners, 79% concrete houses were reported to have been rebuilt so far, according to our survey. A few complaints were also reported by certain individuals about the delay in disbursement of funds for reconstruction but by and large the situation was found fairly satisfactory.

Financial grants should be made available in time and in a transparent manner so that these may reach the deserving people. Since the paucity of funds is said to be the reason for the delay in payment to affectees, it is strongly felt that more funds should be made available for which international NGOs/donor countries should come forward to assist the government. These measures besides providing shelter to the people may also catalyses economic and business activities for a number of allied industries. It may, therefore, be suggested that the potential of construction sector should be fully exploited to boost the economy of the region for employment and income generation. To achieve the objectives, the provincial government should devise schemes to facilitate the development of construction sector.

**Water Supply and Sanitation:** Swat had a good distribution network for supply of drinking water, administered by PHED and LGRDD which suffered varying degrees of destruction. Over all, there were 371 water facilities in District Swat out of which 21 were completely destroyed and 148 were partially damaged. Losses to water and sanitation led the community to survive in poor and unhygienic environment and exposure to risk of infections and diseases. It was gathered that the immediate attention was paid to the restoration of water and sanitation facilities and 90% of these were reported to have been revived in the surveyed area. Rehabilitation was carried out by Government of Khyber Pakhtunkhwa through LGRDD, local community and NGOs. Majority of respondents expressed satisfaction with the rehabilitation efforts in the sector.

Now that a major drive for reconstruction and improvement of infrastructure is on, the opportunity should be seized to extend sanitation and sewerage facilities to remaining about 20% households who lack this facility so that they can also live in clean and healthy environment. The WASH programme should be introduced on a wide scale, specially in the rural areas, on sustainable basis. Awareness campaign for promotion of WASH activities should be undertaken at grass root level so that its benefits may reach the entire community.

Provision of safe drinking water supply should be made through properly treated and chlorinated water supply system to reduce waterborne diseases. Development and commission of solid waste management system to control vector diseases be ensured. Installation of sufficient number of
municipal wastewater treatment plants especially for urban wastewater needs to be ensured on
emergency basis.

**IDPs HH:** Militant attacks and counter offensive by the Army resulted in mass exodus of the
people from district swat to other areas. Besides putting pressure on the resources of host cities, it
interrupted the business operations because of which the local economy lost substantial output.
More than 70% of the business operations suffered were interrupted owing to the mass
displacement of people. In IDP HHs 75% were registered for entitlement of cash grants and
relief packages from Government of Khyber Pakhtunkhwa and other agencies while 25% of
them were unable to register themselves for not having a new NIC (51%) or lack of awareness
and missed deadlines (49%). Among registered IDP HHs 67% were awarded cash grants on the
basis of their visibility in political parties.

Industrial Board and Government of Khyber Pakhtunkhwa should make efforts to bring back the
migrant skilled labor to revive the industry. For further distribution of cash grants in IDPS HH, Government of Khyber Pakhtunkhwa should design a transparent and uniform mechanism based
on merit and the needs of displaced persons. It should also take steps to provide cash grants to those households who were registered for the disbursement of cash grants but have not received any grant as yet.

**Employment:** The employment opportunities drastically shrunk in the wake of militancy. Although unemployment in PK has been traditionally higher compared to other provinces, hovering around 12% even before the onset of insurgency, in Swat it was only 2-3% which reached the unprecedented level of 15% because of disruption and consequent lack of employment generation in most of the economic sectors like tourism and services sectors, as reported in the focused group discussion. However, certain professions like sharecropping, dairy products, handicrafts, livestock, and skilled wage labour experienced minimal reduction in employment rate.

Since employment rises and fall with the ebb and flow of activity in other sectors, recommendations made for full blooded revival of sectoral economies shall automatically lower the unemployment level.

**Psychological Effect on Children:** Children who witnessed scenes of bombing and acts of
savagery by the militants were naturally traumatized, at least temporarily. 50 children aged 7-14
years were interviewed to assess how far their traumatic experiences had affected their minds. It
was revealed that only 17 of them showed severe symptoms of mental and emotional stress while
others had mild to moderate impact. Similarly, only a minority suffered from other psychological
problems like disturbed sleep, depression, anxiety, rash temperament etc. In general, they were
found to be coping well with the phenomenon.

Although these children will hopefully forget their nightmarish memories with the passage of
time, it is advisable to keep them under watch so that psychiatric treatment could be administered
to them, if considered necessary. It is; therefore, strongly felt that the region should have the
services of at least two qualified psychiatrists specifically to deal with problems related to trauma and fear.

Moreover, Government of Khyber Pakhtunkhwa should initiate counseling and recreational programme for children with the involvement of local community. Steps should also be taken to develop positive life style practices which include daily exercise, games and healthy eating. Intensive counseling at school level should be provided to children till such time that they overcome psychological after effects of war. Better security should be provided at schools so that children feel safe in their educational institutions.

**Economic Growth**

**Energy:** Direct damage to energy sector was caused by attacks on main grid station of Swat which resulted in complete shutdown of electricity in the district for three months. This disruption also led to closure of industries running on state managed electric supply. In most of the far flung areas the militants took away electricity poles and transmission lines. The rehabilitation work was mainly driven by local community with the help of WAPDA. The provincial government through local DCO is also coordinating all temporary arrangements from time to time and place to place on emergency basis. Currently, load management is a major problem for the industry.

New equipment installed by WAPDA cannot sustain high voltage causing fluctuation and consequent interruption in industrial activities. In order to meet the voltage requirement of industry and electricity needs of the area, the main grid station should be upgraded along with the replacement of transmission lines. Sufficient funds may be allocated to WAPDA to take up these tasks.

**Shops, Handicrafts and other private businesses:** Private businesses encompassing retail and other shops, mines and minerals, manufacturing industry, gems, jewelry and handicrafts, banks, financial institutions, and restaurants cumulatively suffered huge losses during militancy because of restrictions on movement and curtailment of business operations. This led to individual as well as collective economic loss to both rural and urban communities as most of them directly or indirectly relied on such sectors for survival. The private entities also suffered other setbacks including the loss of their skilled labor, destruction of production units and business setups. This forced the residents of the area to rely on alternate professions and even take out their capital and settle in other cities for their livelihood. More than 70% operations of private businesses were reported to have been affected due to non-availability of electricity, broken supply chains due to damaged roads, absence of transport and scarcity of labor.

Government of Khyber Pakhtunkhwa should take immediate steps to revitalize the existing industries and to encourage maximum investment in the area. To this end, incentive schemes should be launched for the promotion of large, medium and micro level industries. There is also great potential for the promotion of self employment which needs to be exploited by provision of subsidized loans, training programmes for capacity building and introduction of innovative technologies and establishment of industrial parks. After examining the curricula, PCNA has also dealt with the issue and recommended that vocational and technical training system at present
does not meet the practical needs of job seekers. It should therefore be redesigned to make it responsive to the market needs.

In order to maintain smooth flow of industrial operations, electricity should be provided to the industry as well as to the small businesses without interruption. Available evidence indicates that there are no quick fixes available in the crisis area and bringing the industries to routine operating standard will require additional financing.

Most of the small businesses and micro enterprises are owned and operated by single owners. There are many such businesses which are viable but have not been restarted because of financial or other constraints. As suggested above, the micro financing schemes should be initiated immediately to fulfill financing needs of small entrepreneurs.

**Tourism:** Tourism was a flourishing industry in Swat employing an estimated 40000 persons. During the terrorist onslaught, tourism and related businesses suffered heavily in the form of loss of physical assets and sudden drop in the number of tourists because of fear and destruction of roads (more than about 50% link roads were damaged) and other communication links. From interviews with respondents in Swat district, it transpires that about 67% hotels and restaurants suffered a loss of about 30%, 24.7% incurred more than 50% loss and only about 8.3% suffered less than 30% which means that damage to this sector was heavy and widespread. For instance, the Malam Jabba chair-lift which was a popular tourist attraction, with a daily earning of Rs 125000 was destroyed by the militants, causing total loss of income to the owners. Programmes for rehabilitation of tourist infrastructure were started by federal and provincial governments, NGOs and local and foreign donors but they selected priority areas in the light of their own perception of immediate and long term recovery needs. Our research findings revealed that 75% tourist establishments had already been repaired. Majority of rehabilitation work was completed by the owners with their own resources but about 40% relied on financial grants and in kind assistance besides training in hotel related businesses which were provided by US AID through PaRRSA.

Rehabilitation of this and other sectors which facilitate tourism needs to be expedited to remove bottlenecks in the revival of this vital industry. Security should be ensured through strict enforcement of law and order so as to avoid recurrence of militant adventurism in future. Potential tourists, including those from within the country, should be apprised through publicity campaigns of the peaceful conditions now prevailing in the valley so that they start visiting Swat as before. Print and electronic media should be asked to join the campaign for tourism development. A plan may be chalked out to improve tourist facilities and if possible funds may be provided to PTDC to expand these facilities as well as to create new tourist attractions on a fast track basis.

**Environment/Forestry:**
Forests and Provincial Forest Department have also suffered greatly on account of militancy in district Swat as it has significantly damaged natural resources including the illegal cutting of natural forest trees, damaging the official buildings and vehicles. About 40-50% of forests were lost during militancy due to bombardment and illegal cutting by militants, as reported during
FGDs discussions. This also caused killing and migration of birds and wild animals (killing and migration of 60% birds) to other areas thereby disturbing the wildlife and ecological balance.

The indirect losses were said to be climatic change, soil erosion, change in precipitation and rise in temperature affecting the agricultural production and health of the locals. On the other hand, heavy and continuous bombardment also caused the aesthetic degradation of the environment resulting in atmospheric, soil and water pollution, and damages to the plant nurseries in this area. Neither the provincial government nor any other development actor has played its role in the rehabilitation work. Only Pakistan Army and the District Forest Office established a few nurseries (70 nurseries in Kabal) for re-plantation which did not strictly meet the needs of the area. Currently, illegal cutting and smuggling of precious wood and hunting of precious birds have been stopped by the efforts of Pakistan Army and Forest department.

Forests being a precious natural resource and a durable local asset need to be protected and preserved for economic and environmental benefits. Illegal felling of trees should be strictly forbidden and the Forest Department given the task of replanting the denuded forest areas. Funds should be provided on a much larger scale to the concerned agency, not only for replenishing the lost forest wealth but also to promote forestry in the area on a regular basis so as to provide avenues of income and employment to the people, besides adding to the national income. A Strategic Environmental Assessment (SEA) study is required to be carried out for the evaluation of existing environmental conditions and preparation of environmental management plan for reconstruction and rehabilitation activities in the area. Forestation activities should be vigorously pursued to reduce the vulnerability of the ecosystem and soil erosion. The rangelands should be restored on priority basis in order to reduce soil erosion and provide sufficient grazing area for the livelihood support of indigenous population. Efforts should be made for the promotion and implementation of Joint Forest Management (JFM) for introduction and consolidation of new trends in forestry sector. Urban air quality should be monitored together with the stream water quality for effective management of public health in the area.
References


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