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Aid Effectiveness in Poverty Alleviation in a Post-Conflict, Post-Disaster Situation: A Case Study of District Swat, Pakistan

Murad Ali

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ABOUT THE AUTHOR

Murad Ali, Ph.D. (New Zealand), Assistant Professor, University of Malakand, Pakistan, muradali.uom@gmail.com

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ABSTRACT

This project aims at exploring the effectiveness of foreign aid within the 2005 Paris Declaration (PD) framework in a post-conflict and post-disaster zone. Focusing on the Swat region in the Khyber Pakhtunkhwa (KP) province in northern Pakistan, which witnessed unprecedented humanitarian crisis in the form of the 2009 militant insurgency and the 2010 floods, the key goal is to examine the effectiveness of donor-funded projects in rehabilitation and reconstruction. Using the 2005 PD doctrines, particularly the principles of ownership, alignment, and harmonisation, this research investigates to what extent aid donors and the Government of Pakistan (GoP) incorporated the PD commitments for making better use of foreign assistance. Thus, the project posits that efficient utilisation of foreign aid leads to effective financial and human resource management and better public service delivery and fits in well within the theme of ‘quality governance’ envisaged by the GoP in its Vision 2025. While attempts have been made to probe the implementation of the PD, there is a gap in the literature concerning its applicability in a post-conflict and post-disaster context. Thus, this research is an attempt to fill the gap regarding how the PD partnership commitments are interpreted and incorporated in the actual course of development and investigates the key factors that constrain the actual application of these principles in complex settings. While the case study focuses on District Swat in Pakistan, this research has broader implications for aid effectiveness in the post-PD landscape elsewhere, particularly in complex environments faced with man-made conflicts and natural disasters.

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I. INTRODUCTION

This research aims to examine the effectiveness of donor-funded projects in post-crisis situations. Specifically, the focus is on the utilisation of foreign aid within the 2005 Paris Declaration (PD) on Aid Effectiveness framework in Pakistan's District Swat.

Recently, District Swat experienced unprecedented upheavals in the form of the 2009 militant crisis and the 2010 floods. These crises require careful implementation of aid to ensure effective and efficient allocation under unpredictable circumstances that prevailed in Swat. In order to make aid more effective in poverty alleviation, the PD stipulates five critical principles: ownership, alignment, harmonisation, management for results, and mutual accountability between aid donors and recipients. To this end, the role of various donors, and that of the GoP, is examined from the perspectives of the PD principles. This research makes use of the PD as a conceptual framework, particularly the first three commitments: ownership, alignment, and harmonisation.

Following the presentation of the main research question and objectives (Section 2), this report has been divided into the following sections. The qualitative research methodology is discussed in Section 3 along with an introduction to the PD principles and some of the challenges the researcher faced during the collection of primary and secondary data. This is followed in Section 4 by an overview of the case study area focusing on its history and geographical significance as well as its socio-economic and demographic profile. After giving an account of District Swat, this section examines the key factors that led to the rise of religious extremism and the repercussions of militant insurgency for the residents of the region. It then highlights the destruction the 2010 floods caused in Pakistan, in general, and in District Swat in particular. Following this, Sections 5 and 6 further discuss the PD, its significance for increasing the effectiveness of aid, and the actual implementation of the PD in certain countries. Section 7 then presents the research for District Swat. The rehabilitation and reconstruction efforts undertaken by the GoP in collaboration with various development partners (donors) are reviewed. The modus operandi of certain bilateral donors are discussed vis-à-vis the PD principles to highlight the extent to which post-crisis development interventions were undertaken according to the PD accord. The main focus is whether the PD standards were followed and achieved during the selection and implementation of reconstruction efforts or not. The report concludes with section 8, presenting a summary of key findings and offers some suggestions and recommendations both to the GoP and donors for enhancing the effectiveness of aid.

2. RESEARCH QUESTION AND OBJECTIVES OF THE STUDY

The primary goal of this research project is to explore the effectiveness of donor-funded reconstruction and rehabilitation efforts in an area affected by a man-made conflict and a natural disaster. The study specifically addresses the following key research question:

For better utilisation of foreign aid, to what extent are the commitments made in the PD fulfilled in the post-conflict, post-disaster context?

The aim is to examine the role of different Pakistani organisations, ministries, and departments and the role of various donor agencies within the 2005 PD parameters to investigate to what extent the PD commitments have been translated into actual practice. The research proposes that if delivered appropriately, and in line with the PD commitments, aid funds can play an essential role in helping Pakistan become a more effective, stable, and prosperous democratic state able to supply better basic educational, health, and economic opportunities to its people. Thus, this study aims to unpack the multidimensional nature of the aid landscape in a post-crisis complex setting. The findings address the interests of academics and practitioners in diverse areas including conflict, disaster, foreign aid, international organizations, and development.

The study seeks to identify effective aid delivery modalities that could play an integral role in the rehabilitation and reconstruction of communities affected by crises. To this end, the following objectives are pursued:

1. To examine the roles of different GoP institutions/departments in the post-crisis situations
2. To study the roles of different donors in the light of the partnership commitments enshrined in the PD.

To achieve these objectives, the researcher collected quantitative and qualitative data which was analysed to examine to what extent the discourse on aid delivery and utilisation, as agreed upon under the PD, has been successfully translated into practice. The PD has committed aid donors to channel aid through existing local “systems and procedures to the maximum extent possible” (OECD, 2005, p. 4). On the part of aid recipients, the PD has stated that they need to “undertake reforms that may be necessary to ensure that national systems, institutions, and procedures for managing aid and other development resources are effective, accountable, and transparent” (OECD, 2005, p. 4). Hence, the primary goal is to evaluate how to make aid more effective in humanitarian crises and difficult environments, guided by the principles of the PD and motivated by the ideal of poverty alleviation.

3. RESEARCH METHODOLOGY, PD PRINCIPLES, AND DATA COLLECTION

Focusing on foreign-funded reconstruction initiatives in Pakistan’s District Swat, the study explores the respective roles of government institutions and donors’ aid agencies within the PD framework. To this end, primary and secondary data was collected in District Swat as well as in Peshawar (provincial capital) and Islamabad (national capital). To get a balanced, and more complete, account about the respective roles of the GoP and donors, semi-structured in-depth interviews were conducted with relevant officials in different organisations at the district, provincial, and national levels, as well as with officials within donor agencies that funded reconstruction activities in Swat¹. Some additional interviews with knowledgeable academic analysts and private-sector representatives added to the collection of information.

In Swat, officials in the District Disaster Management Authority (DDMA), District Administration, and District Education and Health departments were interviewed. Similarly in Peshawar, interviews were conducted with officials in Provincial Disaster Management Authority (PDMA); Provincial Reconstruction, Rehabilitation and Settlement Authority (PaRRSA); Communication and Works (C&W); and the Khyber Pakhtunkhwa Highways Authority (KPHA). In Islamabad, officials in the Ministry of Finance/Economic Affairs Divisions (EAD) and the National Disaster Management Authority (NDMA) were interviewed along with representatives of certain donor missions/agencies.

In-depth interviews with both government functionaries, as well as with officials within aid organisations, yielded data that helped in exploring the respective roles of GoP institutions and donor agencies in the identification, design, and implementation of foreign-funded projects and programmes. The main focus was to examine the respective roles of various government departments and donors within the PD framework, particularly the three principles of focus. The collected data, and subsequent analysis, illustrate to what extent the GoP had/has the ownership of the reconstruction efforts, and to what extent foreign-funded projects were aligned with the needs and priorities identified by the GoP in the post-crisis needs assessment plans. To this end, it is also relevant to shed some light on the three selected principles of the PD, which are explained below.

The first commitment in the PD is to give ownership of development policies and practices to the countries receiving aid. The declaration argues that for making development aid more effective in alleviating poverty, it is critical to let recipient governments play a leading role regarding where and how they want aid funds spent. The PD states that development resources will be better managed and administered if “partner countries exercise effective leadership over their development policies and strategies” (OECD 2005, p. 3). In practice, it means that countries receiving aid need to be at the forefront to identify, prioritise, and implement their national development strategies based on their own needs and requirements. Within this framework, this research examines to what extent the GoP and its departments owned the reconstruction efforts in post-emergency District Swat, and to what extent they were leading the reconstruction phase with the support of donors.

The principle of alignment asks donors to “base their overall support on partner countries’ national development strategies, institutions, and procedures” (OECD 2005, p. 4). It implies that aid recipients need to have concrete policies and efficient systems to which donors align their development efforts. If governments in developing countries have attained these prerequisites, donor have committed under the PD to make use of national systems rather than establishing parallel project implementation or management systems (Menocal and Mulley, 2006). The

¹ Interviewees were selected on the basis of their association with donor-funded projects, either as officials of the GoP or as staff of certain donor agencies.

declaration stipulates that if an aid recipient government lacks sufficient capacity, the focus should be on creating an appropriate environment for such capacity to emerge rather than donors acting as substitutes for it. It is argued that if donors bypass recipients' institutions and departments due to their lack of capacity to utilise aid and execute development programmes, they (the donors) do not facilitate, but rather undermine the very process of development (OECD, 2010). In view of the PD principle of alignment, this study investigates to what extent foreign-funded reconstruction projects in disaster-hit Swat were aligned with the needs and priorities of the government.

Alongside these two PD principles, the research investigates to what extent the PD principle of harmonisation has been applied in reconstruction activities in the case study area. Harmonisation means enhanced and improved co-ordination, simplification, and streamlining of donors' actions. The PD advocates that to be "collectively effective" (OECD 2005, p. 6), it is vital for donors to be more coordinated to avoid concentration and fragmentation. Donors' commitment to harmonisation was the main theme of the 2003 Rome Declaration on Aid Harmonisation, and within the PD framework donors have committed to devise common arrangements for planning, funding, disbursement, monitoring, evaluation, and reporting to partner countries on donors' practices and aid flows. This principle of the PD "relates to a specific donor responsibility" (Meyer and Schulz, 2008, p. 4) and it is perhaps the only commitment that is solely focused on donors' actions. Under this principle, donors have pledged to diagnose one of the key issues leading to aid ineffectiveness: project proliferation and the uncoordinated and complicated manners in which aid is disbursed (Meyer and Schulz, 2008).

Another important aspect of harmonisation is complementarity, specialisation, or divisions of labour. Under this approach, donors commit to give an assessment of their comparative advantage in particular sectors and pledge to utilise their respective comparative advantage for the execution of programmes and projects in those areas. To further elaborate on this concept, the European Union (EU) (2007) has prepared a code of conduct regarding how donors can entrust roles and responsibilities to other donors in key sectors. The document points out that donors need to establish the idea of lead donorship, where one donor assumes full responsibility for coordination among various other donors in a particular sector such as education, health, agriculture, or physical infrastructure. This approach not only significantly reduces transaction costs, but it also precludes unnecessary duplication of development activities and projects, enhancing overall aid effectiveness. In the context of this study, data collected from government sources, as well as from different donors, illustrate to what extent different donors' actions and practices followed the principle of harmonisation. The focus was whether or not there was proper division of labour among various donors in certain sectors and areas, which is critical for aid effectiveness.

After collecting the required data, the next step is to interpret and analyze these miscellaneous arrays of information in ways that answer the research question. The analysis and interpretation of research material is usually done by means of an interplay of quotes from the interviews and commentary on selected transcripts (Devine, 1995). It is argued that in most qualitative research, data analysis starts simultaneously during data collection (Ezzy, 2002). Therefore, keeping in view the significance of time and memory in fieldwork, it is important for researchers to do data collection and interpretation at the same time. In this study, the analysis was done as soon as relevant data was gathered. By contemplating and reflecting on the research question and objectives, individual accounts, narrations, and experiences of the interviewees, they are organized and categorized according to the three chosen principles of the PD. After putting of all these accounts, experiences, and narrations together, and retrieving relevant information from the secondary sources garnered during the fieldwork, the research moved from the individual to the institutional, and from the micro to the macro level. Thus, the analysis of the data eventually helped in constructing a broader picture of actual policies and practices of both the GoP, as well as donors, in the light of the PD commitments.

Data collection, particularly the collection of primary data through interviews, is a challenging task. There were a fairly similar set of challenges and issues in this study as well. First of all, primary data collection, particularly information related to foreign aid and donor-funded interventions, is often considered a sensitive matter in Pakistan for various reasons; mainly due to security reasons and the confidential nature of aid funds provided by some western donors. As a result, government officials were often quite reluctant to express their opinions openly regarding certain donors and their modus operandi of project selection and execution.

Another important issue was that of getting an appointment/time for interview from government officials as well as staff within donor agencies. No official is bound to help researchers in data collection; it is only his/her personal favor to do so. Hence, data collection was a daunting challenge. However, due to consistent efforts and commitment, the author was able to interact with a large number of officials in Islamabad, Peshawar, and Swat.

4. AN HISTORICAL OVERVIEW OF SWAT: ITS PAST AND PRESENT AT A GLANCE

Before addressing the main research question and objectives of this study, it is important to provide a detailed account of the case study area. To this end, a brief history of District Swat and its socio-economic and demographic features are highlighted. As this research primarily deals with the applicability of the PD principles in post-crises humanitarian interventions, this part of the paper examines key factors that contributed to the rise of the militant insurgency. Also, along with the consequences of Talibanisation and subsequent military operations, this section explores the impacts of the 2010 floods. In doing so, the stage is set for examining the roles of the GoP and aid donors in post-crises foreign-funded development interventions within the PD framework.

4.1 Swat as a Princely State

Swat is one of the seven districts of Malakand division in the Khyber Pakhtunkhwa (KP) province of Pakistan. Before the partition of India and the creation of Pakistan in 1947, Swat was a separate princely state but dependent on the British government for currency, foreign affairs, telegraph, and postal services (Rome, 2006). After the independence of Pakistan, the state became dependent on the GoP concerning the above issues but was autonomous regarding internal administration. The rulers had centralized powers, and primogeniture was the principle of succession. As a princely state, Swat was quite prosperous and peaceful as there existed reasonably developed infrastructure and basic facilities of life such as “schools, hospitals, roads, and communication systems” (Khattak, 2010, p. 1). Similarly, “there was generally peace and order” throughout the valley as long as Swat remained an autonomous state (Khattak, 2010, p. 1). Referring to the reign of the last Wali (ruler) of Swat, Miangul Jahanzeb (1949-1969), Fleischner (2011, p. 2) asserts that he “sought to build on his father’s achievements by providing improved access to higher education, hospital facilities, and modern roads in order to promote economic and social development”. Besides physical infrastructure, Swat as a state (until 1969 when it merged with Pakistan) had an impressive system of justice that was expedient and accessible to all, where every kind of dispute would be resolved in a speedy manner without any court charges or fee to be paid by petitioners (Rome, 2001, 2008). There was a proper system of taxation, an organized police force, and a proper administrative hierarchy (Rome, 2001, 2006).

In 1969, the Swat State merged with Pakistan. Like many other states in different parts of the country that joined Pakistan, these once princely states were converted into smaller administrative units known as districts. Swat was one of the three princely states of Malakand division, along with Dir and Chitral. Hence, in the case of these three formerly princely states, special status was retained under article 246(b) of the 1973 Constitution of Pakistan by designating these three districts as Provincially Administered Tribal Areas (PATA) (Aziz, 2010; Fleischner, 2011; Rome, 2011). On account of the special status under the Pakistani Constitution, these districts, unlike other districts of the country, are governed by a different set of rules and regulations which are promulgated by the governor of KP with the approval of the President of Pakistan (International Crisis Group, 2013). Under the PATA regulations, “the provincial assembly cannot legislate for Swat unless the President approves a legislation” (Aziz, 2010, p. 58). This issue is later discussed in the context of the rise of militancy in Swat; how the incomplete merger of the formerly princely state resulted in numerous administrative problems eventually contributing to the upsurge of extremism in the area.

4.2 Geographical Significance and Socio-economic and Demographic Profile of Swat

Rome (2011, p. 53) has appropriately summed up the geographic significance of Swat valley by stating that Swat “is situated in a geo-strategic region of the world where the significant regions of Asia—South Asia, China, and Central Asia meet”. It means that Swat valley has an immense geo-strategic significance on account of its location. According to Rehman (2011, p. 356), “the strategically located Swat Valley in Pakistan’s far North West is surrounded by Chitral, Gilgit, Kohistan, Shangla, Buner, Malakand, and Lower and Upper Dir”. As Figure 1 shows, another reason for the geographical significance of this area is that its boundaries are directly linked with all the surrounding districts. Thus, Swat enjoys a significant strategic value as it forms the core of the Malakand division. The district headquarters of Swat is Saidu Sharif, while the main town in the district is Mingora, which is the only urban settlement in the district and the main center of trade, commerce, education, health, and public administration. The city is situated about 169 km from Peshawar, the provincial capital of KP, and is located about 253 km from Islamabad, the federal capital (Centre for Public Policy Research, 2010).

The total population of the district was about 1.8 million in 2009, and the district has a total area of about 5,337 square kilometers (Asian Development Bank and World Bank, 2009). According to the 1998 nationwide census, the last the country has, Swat's literacy ratio was 28.75 percent, comprised of 43.16 percent among males and 13.45 percent among females (Government of Pakistan, 1998). In 2009, the overall literacy rate was recorded at 47 percent in the district, 68 percent for male and 24 percent for female (Government of Khyber Pakhtunkhwa, 2013). However, officials in the district education department claim that the current literacy rate is about 67 percent (personal communication with Assistant District Officer, Department of Education, Mingora Swat, October, 2013).

Figure 1: Map of KP and FATA showing the geographical location of Swat



Source: (Ali, 2012).

4.3 Factors Responsible for the Rise of Militancy in Swat

Swat was alien to extremism before its merger with Pakistan in 1969. The merger created a number of constitutional and administrative problems that gradually developed frustration in the local population (Fleischner, 2011; Khattak, 2010). One of the notable issues was the lack of enough developmental works. According to Khattak, (2010, p. 3):

After the merger of the state of Swat with Pakistan in 1969, there was little further development in the valley. Few, if any, schools were constructed, and the justice system, in which civil and criminal cases alike were delayed for years, caused frustration among the people.

The lack of a quick and speedy judicial system has also been mentioned by Rome (2001). Comparing the judicial system at the time when Swat was a princely state and then the post-state era, Rome (2001, p. 95) argues that “before the merger of Swat State, whether just or unjust, decisions were quick and cheaper...decisions were properly executed and implemented. With the merger, the position took a U-turn”. Similarly, according to Zafar (2011, p. 2), “the underdeveloped judicial system and ineffective local government certainly created social cleavages and played a major role in the rise of Tehrik-e-Taliban Pakistan”. The author further states that the sluggish pace of judicial proceedings “made people nostalgic for the ... system of jurisprudence that had existed prior to the dissolution of the princely state” (Zafar, 2011, p. 3). This factor was also observed by the researcher during his fieldwork visits to Swat. During interaction with those people who had the opportunity to witness the regime of the last Wali of Swat, they become nostalgic when narrating issues related to the judicial and administrative system prevalent in Swat prior to its merger. According to Rome (2008, p. 319), “the judicial system in Swat was not Islamic as is

commonly believed” but was mainly based on customary codes of conduct. Thus, while it is generally believed, particularly by outsiders, that it was an Islamic system when Swat was a state, it was actually not. As Rome has stated the system was based largely on local customs and traditions. It was not strictly based on sharia or Islamic jurisprudence. Besides judicial and administrative issues, underdevelopment and poverty are also considered to be among the most potent causes of extremism or violence (Aziz, 2010; DFID, 2005; Hashmi, 2009; Peracha et al., 2012).

However, under-development, poverty, or the inability of the government to provide basic amenities of life to its citizens is not wholly the cause of extremism or militancy in Pakistan (Aziz, 2010; Blair, Fair, Malhotra and Shapiro, 2013; Zaidi, 2010). Rather, the spread of militancy in Swat has origins in the overall increase in the militants’ movements across Pakistan. If Swat was alien to religious extremism, so was the case with the rest of the country. According to eminent historian and South Asia specialist, Ayesha Jalal (2011, p. 14), “for all the lip service paid to Islam, Pakistan remained a relatively liberal and moderate Muslim state until the 1970s”. As mentioned earlier, as in the case of Swat, the radicalization of the Pakistani nation and society is not a very old phenomenon. To quote Jalal again, “the critical change in the role of religion in Pakistan came in the wake of the Iranian revolution and the Soviet invasion of Afghanistan” (Jalal, 2011, p. 15). There is no doubt that these two events played a significant role in the spread of militant ideologies. Subsequently, religion occupied a more central role in the affairs of Pakistani state and society².

Though all the above factors contributed to the rise of militancy in Swat in one way or the other, there is another major cause of religious extremism and insurgency peculiar to Swat: its incomplete merger with Pakistan. According to Aziz (2010, p. 5), “the main cause of the problem of Swat lies in its incomplete merger and integration into Pakistan after the state was merged in 1969”. The author further states that though the state was officially merged with Pakistan “there was no plan for how it was to be transformed from a princely state where all the power was vested in a ruler to a district working under normal laws” (Aziz, 2010, p. 5). Hence, after the promulgation of PATA regulations, neither the people of Swat nor their representatives in the provincial assembly had a role in formulating and implementing policies. Consequently, the incomplete merger and discriminatory regulations, over a long period of time, resulted in “poor governance, weak dispensation of justice, and lack of reform to mainstream Swat into KP helped militancy” (Aziz, 2010, p. 66). If the local population in Swat initially welcomed the Taliban, it was because of the less expensive, speedy, and uncomplicated procedure of justice provided by the Taliban (Government of Khyber Pakhtunkhwa and FATA Secretariat, 2010). The judicial system established by Taliban leader Maulvi Fazlullah resolved numerous cases that were pending in the local courts for many years. According to Rome (2011, p. 66), the Taliban in Swat “decided cases and disputes quickly without bearing any costs by the parties and solved some age-old disputes and issues”. The same author told me during an interview that due to the ineffective and weak governance, resulting in poor delivery of services, the Taliban filled the vacuum left the local administration (personal communication with Dr. Sultan-I-Rome, September 12, 2013, Mingora, Swat).

In sum, there is no single factor responsible for the rise of militancy in Swat or overall in Pakistan. To quote Dr. Sultan-I-Rome again, “the Swat issue was not the product of any solitary factor but was exacerbated by constitutional, judicial, administrative, political, ideological factors along with the failures of the Government and intelligence agencies to fathom the nature of the problem and act on time” (personal communication, September 12, 2013, Mingora, Swat). Various factors over time contributed to the growth of extremism. When Taliban militants were in control of Swat from 2007 to 2009, they made every possible effort to silence their opponents and destroy government infrastructure such as schools, hospitals, and bridges as well as private property such as houses, shops, markets, and orchards belonging to local landlords. The impacts of militancy and subsequent military operation in Swat are discussed in the following section.

4.4 Militancy, Military Operation, and its Impacts on Swat

The Taliban in Swat, under the leadership of Maulvi Fazlullah, continued to strengthen their position during the government of Muttahida Majlis-e-Amal (MMA); a coalition of religious parties in power from 2002 to 2007 in KP. There is no doubt that the MMA government was sympathetic towards militants in Swat (Aziz, 2010). However, it was between 2007 and 2009 that they carried out heinous acts of violence to intimidate and terrorize, not only their

² For a detailed discussion on the rise of militancy in Pakistan, particularly during the Cold War era and the ‘war on terror’ period, see Hussain (2007), Murphy (2009), Murphy and Malik (2009), and Rashid (2000, 2008).

opponents, but the local population as well. By April 2009, they moved to neighboring Buner district and their venture was portrayed by national and international media “as being on the verge of a siege of Islamabad” (Fleischner, 2011, p. 1). Eventually, under heavy pressure from the international community, the military began an intense and decisive operation against the militants in May 2009. After launching the military offensive, about three million people from Malakand Division (comprising Buner, Dir Lower, Dir Upper, Shangla, and Swat districts) fled their homes and became internally displaced persons (IDPs) (International Crisis Group, 2009), leading to the biggest humanitarian crisis and mass exodus in the history of Pakistan.

The militancy crisis and subsequent military operation affected every segment of the society. Prior to militancy, Swat valley was “a popular vacation destination known for its great natural beauty, pristine rivers, and the Malam Jabba ski resort” (Fleischner, 2011, p. 1). On account of the vibrant tourism sector, thick forests with abundant timber available for construction and furniture, fertile lands and orchards, and a developed service sector, Swat had “a more productive economy than other parts” of the province (International Crisis Group, 2009, p. 12). However, the economy was severely affected by the Taliban’s insurgency. For example, “more than 400 hotels and restaurants were shut down after the militants moved into the district in 2007” (International Crisis Group, 2009, p. 12). As a result, tourism in Swat “ceased entirely because of security concerns” (Government of Khyber Pakhtunkhwa and FATA Secretariat, 2010, p. 24). Overall, more than 800 hotels were affected during the militancy and floods, which had employed around 20,000 people. The impact was not only on those directly dependent on the tourism industry but also on people whose livelihood was linked to tourism indirectly such as transporters, shopkeepers, farmers, and fruit growers. Swat was no longer the same after the militancy.

There is no doubt that the Taliban regularly targeted government buildings and installations including schools and health facilities as well as communication infrastructure. There was also substantial damage to infrastructure during the military operation as “security forces resorted to indiscriminate bombardments and shelling by jet airplanes, gunship helicopters, and artillery” (Rome, 2011, p. 72). Thus, the residents of Swat first suffered at the hands of Taliban militants and then during the military operation. Infrastructure such as bridges, health facilities, water supply/irrigation schemes, public office buildings, roads, electricity/gas networks, and hundreds of schools were totally or partially damaged (Asian Development Bank and World Bank, 2009). According to the post-conflict needs assessment (PCNA) survey conducted by the Asian Development Bank (ADB) and World Bank (WB) in collaboration with the GoP, the Malakand region suffered more than US\$ 1 billion in losses due to militant insurgency (Asian Development Bank and World Bank, 2009). The report also found that out of the five districts of Malakand Division, Swat was the most affected in terms of human losses and damage to infrastructure. Out of the total 664 destroyed or damaged schools in all five districts, 447 schools were destroyed or damaged in District Swat alone (Asian Development Bank and World Bank, 2009). According to the same report, out of the total 63 health facilities fully or partially damaged in Malakand Division, 18 were in District Swat. And out of the total 1,329 km of road segments affected during the conflict, 663 km of roads were badly affected in District Swat alone (Asian Development Bank and World Bank, 2009).

It is evident from the preceding discussion that Swat and its residents suffered enormously during the Taliban insurgency and subsequent military operation. The people of Swat suffered in terms of loss of life as well as loss of properties and incomes, as the conflict inflicted unprecedented loss to the economy and physical and social infrastructure. After the end of the military operation in July 2009, most of the IDPs returned to their homes to restart their lives. To address the immediate needs of the returning IDPs, as well as to restore their confidence in the government, the GoP spearheaded an early recovery process by facilitating the return of the IDPs through the provision of cash grants (PKR 25,000), transportation, and basic food and non-food items. While the GoP and a number of donors were gradually progressing in their rebuilding efforts in Swat, another catastrophe, this time a natural one, hit the area in the form of the 2010 floods.

4.5 The 2010 Floods and its Impacts on the Local Economy

Among various natural disasters, floods have been the most recurring in Pakistan. However, the 2010 floods broke all the previous records for flooding, as these were the worst floods in the history of the country. The unprecedented torrential rains and flash floods of July and August 2010 not only resulted in the loss of numerous precious lives but also caused significant destruction to livestock, crops, and infrastructure throughout the country. Across the country, the floods affected 20 million people, damaged 1.6 million homes, rendering 7.3 million people homeless (Government of Pakistan, 2011a). While the overall loss of life was nearly 2,000 people, the destruction of property, livelihood, and infrastructure was beyond imagination. The disaster inflicted heavy losses to agriculture and

extensive damage to roads, bridges, irrigation, railways, electricity, and gas lines along with education, health, water, and sanitation facilities. Submerging around 160,000 square kilometers of land, about one-fifth of Pakistan's total land area (United Nations, 2011), “the floods surpassed the physical destructions ever caused by all the disasters in Pakistan” (Government of Khyber Pakhtunkhwa, 2011, p. 3).

The 2010 flooding was the second major natural disaster in Pakistan following the 2005 earthquake. As mentioned above, although the loss of life was less in this disaster as compared to the earthquake of 2005, in which 74,000 people were killed and 128,304 were severely injured (ERRA, 2007), women and children were exposed to high health risks by the 2010 floods because of the large scale destruction of infrastructure throughout the country. Despite the fact that Pakistan is vulnerable to a range of natural disasters, the country lacks an effective and efficient disaster risk management system, and that is why “the extensive damages in both these disasters are being partly attributed to poor disaster risk management” (Government of Pakistan, 2011a, p. 9).

The education sector was one of the worst hit as 10,348 schools, 23 colleges, and 21 vocational training centers were fully or partially damaged by the floods (Government of Pakistan, 2011a). Consequently, nearly seven million school-going children were affected, for whom temporary tent schools were established. To sum it up, the floods inflicted a “damage of US\$ 10 billion on country’s economic structure” (Government of Pakistan, 2011b, p. i).

Like other parts of the country, the floods also severely affected the province of Khyber Pakhtunkhwa. The magnitude of the catastrophe can be measured from the fact that annual rainfall in KP is normally 962 mm, but from July 28 to August 3, total rainfall of about 3,462 mm was recorded (Government of Khyber Pakhtunkhwa, 2011). Affecting four million people in KP alone besides the loss of more than 1,100 lives, the floods caused substantial damage to infrastructure in a province already badly affected by acts of terrorism. Here, the floods destroyed and damaged 180,000 houses, over 466,626 acres of crops, 2,000 km of roads, 80 large and small bridges, and 700 educational and 150 health facilities (Government of Khyber Pakhtunkhwa, 2011). Hence, the 2010 floods left indelible marks of devastation in many parts of KP.

Among the various districts of KP, District Swat was also among the worst affected areas where around 200 people lost their lives (ACTED, 2010). The main road from Mingora to Khwazakhela, which connects the region with Madyan, Bahrain, and Kalam was entirely destroyed or washed away at numerous points. One can still see parts of the old bridges and remnants of the old road. However, at certain places, there is no sign of the old main road, as it has been completely swept away by the River Swat. Moreover, more than 26 bridges throughout the valley were found destroyed after the floods subsided, thereby disconnecting the road linkages between many areas (Save the Children, 2010). An official of the Communication and Works (C&W) Department stated during an interview that a total of 45 bridges were destroyed or damaged in the flooding including some very large bridges over the River Swat (personal communication with Assistant Director, C&W Department, Mingora Swat, October, 2013). Besides all of this, the flood destroyed 3,268 houses, while another 10,805 were partially damaged, in the district (World Food Programme, 2010). The already dilapidated educational institutions were also dealt a severe blow as 109 schools were affected, in which 33 were fully destroyed while 76 were partially damaged (personal communication with Assistant District Officer, Department of Education, Mingora Swat, October, 2013). In sum, the incessant downpour of July and August 2010, and the subsequent floods, left profound scars on every segment of life in the Swat region.

5. THE 2005 PARIS DECLARATION ON AID EFFECTIVENESS AND ITS SIGNIFICANCE

For increasing the effectiveness of aid, various initiatives spearheaded by the Organization for Economic Cooperation and Development (OECD) resulted in the 2005 Paris Declaration on Aid Effectiveness³. The PD forum was viewed as an unprecedented success as it brought 61 donors, both bilateral and multilateral, and 56 recipient countries to an agreement. Because of this, the PD is recognised as a landmark in the history of development

³ Key initiatives launched by the international aid community include: the 2002 Monterrey consensus emphasising donor-recipient partnership, the 2003 Rome Declaration on Aid Harmonisation, the 2004 Joint Marrakech Roundtable related to management for development results and the 2005 Paris Declaration on Aid Effectiveness. The 2005 PD was followed by Third High Level Forum on Aid Effectiveness at Accra, Ghana in 2008, resulting in Accra Agenda for Action (AAA), followed by the 4th High Level Forum on Aid Effectiveness in Busan, South Korea in 2011, resulting in Busan Declaration.

assistance. Under the PD agenda, the donor community avowed to commit to a practical plan to provide aid in more streamlined ways and let the recipient countries play a more central role in the prioritisation and utilisation of foreign assistance. The declaration is considered to be the outcome of the many negative lessons learnt over the years, and it proposes a shift towards modalities of aid that give recipient-country governments more scope to make decisions based on their own needs and priorities (Hyden, 2008; Wood et al., 2011). Stern et al. (2008) have rightly pointed out that the period from the mid-1990s up to the 2005 PD was a period of evolutionary policy thinking concerning aid and its effectiveness, and this debate was spearheaded by the World Bank, the United Nations, and the OECD.

Upon putting signatures to the PD, countries giving and receiving aid agreed upon the set of five interdependent commitments mentioned earlier. Specifically, signatories pledged to improve the way development assistance is currently delivered in certain broad areas: recipient-country ownership of the development agenda; donor alignment with the objectives and goals set by partner countries and increased reliance on national administrative systems; and more co-ordinated, streamlined, and harmonised actions among multiple donors. All of the PD commitments have put a strong emphasis on recipient country leadership and partnership. Aid recipient governments have been encouraged to formulate their own policies, strategies, and plans identifying concrete targets, and donors have been asked to assist them in attaining those outcomes. Thus, the PD has put aid-receiving governments at the forefront concerning the formulation of development policies and making choices vis-à-vis the utilisation of foreign aid. To convince donors to align their assistance to support local priorities by using local delivery channels and systems, aid recipients need to have met adequate prerequisites (Manning, 2006).

There has been a growing consensus that the PD is a critical step towards enhancing the effectiveness of aid by making donor-recipient relationships more reciprocal; based on partnership rather than patronage. The 2010 report of the OECD points towards this unique aspect of the shared nature of the commitments made in the declaration. It is argued that the most distinguishing feature of the declaration is its emphasis on the way in which improvements in donor practices go in conjunction with the strengthening of developing country systems and institutions (OECD, 2010, 2011b). Booth and Evans (2006, p. 4) assert that the PD “provides an important reference point not only for the DAC members, but also for emerging aid donors and concessional funders throughout the world”. They add that the message of the declaration is simple but very important: “aid will be more effective if the actions and behavioural changes listed as commitments under the five headings are undertaken, and less if they are not” (Booth and Evans, 2006, p. 4). Similarly, according to Gulrajani (2014, p. 91), “the PD is taken as the only globally accepted framework for concretely assessing donor progress towards aid effectiveness”.

Hence, for enhancing aid effectiveness, both donors and recipients need to adhere to the PD commitments and both are accountable to each other in bringing about improvements in the way aid is delivered and utilised. It is within this framework that the respective roles of the GoP institutions and donor agencies are examined in the delivery of aid and in the identification, selection, and execution of development interventions in the complex landscape of the case study. Therefore, in this study, the term aid effectiveness posits that, if utilised according to the PD principles, aid is going to be more effective in addressing the actual development issues and challenges facing developing countries. This research uses the term aid effectiveness in the context of whether the PD principles and commitments have been adhered to and the extent to which the PD standards have been achieved in the utilisation of aid funds.

6. THE PD COMMITMENTS AND THEIR ACTUAL IMPLEMENTATION: LITERATURE REVIEW

The effectiveness of aid depends on how both donors and recipients utilise aid: in line with the PD commitments or not. Upon signing the PD, all signatories committed to undertake periodic surveys measuring progress towards the implementation of the PD principles. The first two were carried out in 2006 and 2008 and involved 34 and 55 countries respectively; while in the last survey was carried out in 2011 and 78 countries participated. In the first review, which was a baseline survey, the results showed that a lot of aid was uncoordinated, as there were too many actors, sometimes with competing objectives and interests, that resulted in high transaction costs for aid dependent countries (OECD, 2007). The study revealed that although some progress had been made, as donors and aid recipients had taken certain initiatives in line with the PD, there was a need for a more sustained and ambitious set of reforms from both sides. In the 2008 survey, it was found that the overall picture was not encouraging, and signatories were unlikely to meet the 2010 targets for improving the quality and effectiveness of foreign aid (OECD,

2008). The main issue identified by the survey was that, despite having good quality systems in recipient countries, donors still tended to bypass those systems and institutions, and “too many donor activities remain uncoordinated at the country level” (OECD, 2008, p. 3).

In the 2011 survey covering 78 countries, it was revealed that, globally, only one out of the thirteen targets established for 2010 has been met (OECD, 2011a). The survey report, however, found that tangible progress has been made towards achieving a majority of the twelve remaining targets. A key similarity in the findings of the previous surveys, and this one, is that developing country governments have shown remarkable progress in certain areas in comparison to donors. Another OECD report titled “Aid effectiveness 2005-10: Progress in implementing the Paris Declaration” portrays a similar situation by stating that the overall progress is uneven across both aid donors and recipients (OECD, 2011b). Echoing similar concerns reported earlier in the three PD Monitoring Surveys, this report also clearly mentions that aid-receivers have taken several initiatives in line with the PD, but donors’ responses have not been reciprocal and progressive. That is, donors have lagged behind in giving more central leadership to host-country governments in pursuing their development policies and practices.

Alongside the above-cited OECD surveys for monitoring PD implementation, there are also other studies which have examined the actual applicability and implementation of the PD principles and commitments. One such study was conducted by Wood et al. (2011) in which the authors looked at PD application in 22 aid-receiving countries and 18 donor agencies. In their detailed evaluation and analysis, Wood et al. (2011, p. xiii) find that the PD “principles and commitments have been applied, if gradually and unevenly, among partner countries and more unevenly among donors and agencies”. Their analysis also underlines that, though considerable progress has been made by aid recipients, improvement from the donors’ side has been minimal. The key constraints responsible for low progress from the donor end are “the over-centralization of many donors’ and agencies’ systems and decisions running counter to alignment with country systems; disconnects between corporate strategies and the aid effectiveness agenda and weak organizational incentives” (Wood et al., 2011, p. xiii). In view of this, the study has asked that “it is urgent that all donor governments find ways to overcome the internal institutional or administrative obstacles slowing their aid reforms” (Wood et al., 2011, p. xviii).

Based on her analysis of bilateral donors comprising Canada, Norway, and the UK, Gulrajani (2014) has also put the onus of responsibility primarily on donors. The author asserts that among many actors in the field of foreign aid, including multilateral institutions, “aid recipients, non-governmental agencies, think-tanks, media observers, consultants and academics...donor governments and their publicly financed donor agencies...are not pulling their weight in the global effort to enhance aid effectiveness” (Gulrajani, 2014, p. 89). Gulrajani uses the term “donor effectiveness” (p. 107) and observes that this concept “is the missing piece of the aid-effectiveness puzzle” (p. 107).

To sum it up, tangible progress is visible in a number of areas because “compared with the aid situation 20 to 25 years ago, current practice presents a global picture of far greater transparency and far less donor-driven aid today” (Wood et al., 2011, p. xv). However, it also must be noted, as appropriately asserted by Wood et al. (2011), that positive change and aid management reform will be effectively driven only by consistent and strong political commitment rather than technocratic fixes.

Contrary to the findings and analysis of the above studies, research conducted by Knack (2013b) demonstrates that donors have shown significant improvements in line with the PD commitments. The author has examined policies and practices of 34 donors, including both bilateral and multilateral, and 151 eligible aid recipients during 2005-10. According to his analysis, “donors’ behavior over the measurement period is largely consistent with their commitments in this area under the PD” (Knack, 2013b, p. 4). It is further stated that “donors appear to have modified their aid practices in ways that build rather than undermine administrative capacity and accountability in recipient country governments” (Knack, 2013b, p. 4). In agreement with Knack, studies cited earlier also assert that in certain areas the PD has made a marked difference and donors have considerably, if not entirely, reformed their aid behaviors.

There are, however, other case studies focusing on specific country contexts which have shown that the PD reforms have not been fully implemented. So far, four key studies by Hayman (2009), Monye, Ansah and Orakwue (2010), Blunt, Turner and Hertz (2011), and Ali (2012) have examined aid effectiveness within the PD framework in Rwanda, Nigeria, Cambodia, Indonesia, and Pakistan respectively. In almost all these works, two key issues have

been identified resulting in ineffective delivery and utilisation of foreign assistance. On the part of aid recipients, corruption and lack of institutional capacity are the key constraints resulting in ineffectiveness of aid. On the part of donors, their modus operandi of coming up with predetermined and preconceived development projects leads to ineffective aid delivery, as aid funds are spent on activities not prioritised by recipient governments and through external partners rather than host governments.

In the case of Rwanda, Hayman (2009) has found that, along with weak capacity in several government ministries, the failure of aid effectiveness efforts are further exacerbated by donors' behaviour and approaches. Hayman states that, in Rwanda, donors come up with predetermined projects that are not aligned to the needs and systems of the host government: "many donors, including the United States which is one of the largest bilateral donors to the country and Global Fund interventions, continue to rely on stand-alone projects" (Hayman, 2009, p. 586). The PD emphasises donor-recipient partnership and collaboration and requires donors to "base their overall support on partner countries' national development strategies, institutions and procedures" (OECD, 2005, p. 4). The primary aim is to put recipients at the forefront in the delivery and utilization of aid so that it can be more effective in poverty alleviation. In practice, however, this largely does not happen, as "donors still control the resources; governments may increase its control over how those resources are used, but ultimately choices about who, how, and what to fund remain in the hands of donor governments" (Hayman, 2009, pp. 594-595).

In the context of Nigeria, donors' actual practices reveal a similar picture. Contrary to the PD principles of recipient ownership and enhanced alignment, Monye, Ansah, and Orakwue (2010, p. 763) state that "donors have tended to arrive with predetermined projects and programmes which must be implemented as conceived". They further add that, due to this approach, "donors have assumed the leadership role and designed programmes to match their own priorities" (Monye et al., 2010, p. 763). Thus, aid funds are spent on activities that are not the foremost priorities of recipient government. As a result, "the objectives of these development interventions have failed to reflect the priorities of the Nigerian government" (Monye et al., 2010, p. 763).

According to Blunt, Turner, and Hertz (2011), aid practices of the majority of donors reveal a lack of commitment to the PD principles in Cambodia as well as in Indonesia. These authors have found that it became increasingly evident that the post-PD aid effectiveness agenda was spearheaded by donors in a way that was responsive to the needs of donors rather than the recipient governments. While donors have committed to respect recipient country-ownership under the PD, the reality is that there is a disconnect concerning what "donors say and what they mean", and that considerable gaps continue to emerge "between rhetoric and real intentions and actions" (Blunt et al., 2011, p. 8).

Alongside the above-mentioned issues from the donors' end, there are also constraints from the recipients' side which have been revealed in the case of Rwanda and Nigeria as well as Cambodia, Indonesia, and Pakistan. The PD states that the attainment of targets depends on "action by both donors and partner countries" (OECD, 2005, p. 2). Thus, donors are not to be blamed wholly, as aid-receiving governments are equally responsible for translating the PD commitments into actual practice. In Nigeria, weak institutional capacity and corruption were mentioned by Monye, Ansah, and Orakwue (2010). According to these authors, "there are two possible arguments for the ineffectiveness of aid in Nigeria" (Monye et al., 2010, p. 769): one is insufficient capacity and the other is corruption. All of these practices, both by the donors and recipients, indicate that there is a disconnect between what both donors and recipients have agreed upon as signatories to the PD and what they practice.

Similar were the findings of another study by Ali (2012), which focused specifically on the modus operandi of one particular donor (USAID) in Pakistan. As both Pakistan and the US are signatories to the PD, the respective roles of different ministries and departments of the GoP, and the role of USAID, were comprehensively examined in US-funded projects. Like the above-cited case studies, this research found that there were issues from both the GoP and USAID ends that constrained the actual implementation of the PD principles. On the part of the GoP, the study found that lack of institutional capacity to carry out and execute projects and endemic corruption in government departments were the key constraints that made USAID hesitant to utilize most of its aid funds through government channels (Ali, 2012).

Alongside the GoP, the research also revealed that there were certain issues in the way USAID disbursed its aid and implemented development projects. Contrary to its commitments under the Paris accord, USAID avoided giving a more central role to its Pakistani counterparts in the design and execution of development projects. Instead

of GoP institutions, USAID's international partners and contractors formulated and carried out development interventions funded by USAID. While the PD demands a more central role for aid recipients in the delivery and utilization of aid, GoP institutions had little say in the formulation and execution of US-funded projects. Thus, these factors on the part of both the GoP and USAID constrained the actual attainment of the PD principles, resulting in less effective utilisation of development aid for poverty alleviation.

In sum, it can be concluded that both at the global level and specific country contexts, overall progress has not lived up to the standards set. Evidence shows that the PD targets have not been achieved as they were envisioned in 2005. At the same time, it is also encouraging to note that a lot has been accomplished since then. Both the PD and the Accra Agenda for Action (AAA) have revitalized the global debate on aid effectiveness and poverty alleviation. Wood and Betts (2012, p. 103) appropriately assert that "the Declaration's original aspirations are neither fully implemented nor yet outdated". In the same context, Gulrajani (2014, p. 108) has urged that, despite numerous challenges and complexity of the aid landscape, "ways need to be found to push the global aid-effectiveness paradigm to be a matter of both aspiration and pragmatism".

The attainment of the PD targets is essential for the effectiveness of aid, not only in standard donor-recipient aid dealings, but adherence to the PD commitments is equally critical for aid effectiveness in complex environments and situations. This point has been aptly acknowledged in the PD as it states that "enhancing the effectiveness of aid is also necessary in challenging and complex situations" (OECD, 2005, p. 2). According to the PD, complex and challenging environments can be of two types: "environments of weak governance and capacity" or natural disaster and humanitarian crisis (OECD, 2005, p. 2). During disasters and humanitarian crises, the declaration has emphasised that "worldwide humanitarian and development assistance must be harmonised within the growth and poverty reduction agendas of partner countries...the principles of harmonisation, alignment, and managing for results" need to be adhered to (OECD, 2005, p. 2).

In a report on the applicability of the PD framework in fragile situations, it has been noted that "the international community has developed and refined a range of tools aimed at improving its engagement in transitional settings, including the Post Conflict Needs Assessment (PCNA), Multi Donor Trust Funds (MDTF) and Community Driven Development (CDD)" (OPM/IDL, 2008, p. 25). The study focused on four countries categorised as fragile including Afghanistan, Burundi, the Democratic Republic of Congo, and Nepal. It argues that donors' commitment to PD in fragile situations can be effectively examined vis-à-vis the formation and implementation of successful MDTFs which espouse key components of the PD. Concerning the role and significance of MDTFs in post-crisis contexts, the study asserts that "MDTFs represent best practice post-crisis funding mechanism, in line with the Paris Agenda for Aid Effectiveness, and largely also the OECD Development Assistance Committee (DAC) principles for Engaging in Fragile States (OPM/IDL, 2008, p. 26)". Hence, the overall role of the PD is to enhance the effectiveness of aid in normal as well as in complex and emergency situations. As discussed in this section, while the former has been subjected to some research, though meager, there is a gap in the literature concerning the applicability of the PD in complex environments. The PD signatories have pledged to dedicate additional energies and resources to such complex settings to ensure that the PD principles are adhered to so that the aid effectiveness agenda is pursued in these complex scenarios as well.

7. THE PD PRINCIPLES: MET OR NOT? THE ROLE OF THE GOP AND DONORS IN POST-CRISIS DISTRICT SWAT

Following both the humanitarian crises, the need for aid was acute, and the response of the international donor community was swift and generous. A number of bilateral and multilateral donors provided substantial aid, both in grants as well as in terms of relief items including tents, water filtration plants, food items, medicine, and blankets. During the 2009 militancy crisis, many bilateral and multilateral donors pledged more than US\$ 5 billion to help the government in combating social, economic, and security challenges (International Crisis Group, 2012a). Similarly, following the 2010 floods, more than 80 bilateral and multilateral donors provided a total of US\$ 3.042 billion in aid; both in-kind assistance as well as grants either directly to the GoP or through UN agencies and other organisations (NDMA, 2011; UNOCHA, 2014b). As the data in Table 1 and Table 2 shows, the largest donors on both

occasions were USA, Japan, UK, Germany, the United Arab Emirates (UAE), Australia and Canada, as well as multilateral organisations such as the European Commission⁴.

Table 1: Top Ten Donors During the 2009 Militancy-Related Humanitarian Crisis

Donor	Amount of Aid (in US\$ million)	Percentage of Total Aid
USA	328	41.9
United Arab Emirates	101	13
European Commission	72	9.2
United Kingdom	32	4.2
Japan	28	3.7
Germany	27	3.5
Norway	24	3.1
Canada	23	3
Australia	21	2.7
Central Emergency Response Fund (CERF)	17	2.2

Source: UNOCHA (2014a)

Table 2: Top Ten Donors After the 2010 Floods-Related Humanitarian Crisis

Donor	Amount of Aid (in US\$ million)	Percentage of Total Aid
USA	911	28.8
Private (individuals & organisations)	357	11.3
Japan	335	10.6
United Kingdom	251	7.9
European Commission	234	7.4
Saudi Arabia	200	6.3
Australia	98	3.1
Canada	90	2.8
United Arab Emirates	77	2.4
Germany	60	1.9

Source: UNOCHA (2014b)

Out of more than 80 DAC and non-DAC donors, only the US provided the largest amount of aid in cash grants during both the humanitarian crises. It also merits mention that the US was the largest donor during both these occasions: contributing 42 percent and 29 percent of the total aid Pakistan received during the 2009 militancy crisis and the 2010 floods respectively (UNOCHA, 2014a, 2014b).

During the 2010 flood-related humanitarian crisis, there were numerous planes sent by donors containing various kinds of relief items. A total of 316 planes consisting of a variety of food and non-food items were received by the GoP from a number of international donors (NDMA, 2011). Similarly, more than 96 helicopters and 23 aircraft took part in the post-floods rescue and relief operations, including 24 US helicopters and five aircraft (NDMA, 2011). Engaging over 60,000 military personnel, along with innumerable volunteers and workers of national and international organisations, a total of 1.4 million people were rescued, and 409 thousand tons of foods rations, 488 thousands tents, and 1.9 million blankets were provided to the affected people (Government of Pakistan, 2011a). According to officials both in NDMA and PDMA/PaRRSA, the role of the international community was commendable in the early rescue, relief, and recovery phase, as it helped the GoP to respond to the crisis. These

⁴ These tables report aid data of the largest and most important donors only. For a complete list of how much aid each bilateral and multilateral donor allocated, see UNOCHA (2014a) and UNOCHA (2014b).

early relief activities were carried out in proper collaboration, and there was meaningful coordination between the GoP and international aid organisations.

Pakistan faced significant challenges following the 2005 earthquake as there were no well-prepared, effective and efficient disaster management institutions and departments. Although the GoP soon established the Earthquake Reconstruction and Rehabilitation Authority (ERRA) at the national level, and Provincial Earthquake Reconstruction and Rehabilitation Authority (PERRA) at the provincial level, as the sole government bodies responsible for coordinating and carrying out all the relief and reconstruction activities, they did not have the capacity and resources to deal with a disaster of that magnitude and scale. During the past several years, Pakistan has taken some key steps to improve the capacity of state institutions specifically dealing with humanitarian crises and emergency situations. To this end, the National Disaster Management Ordinance 2006 (now National Disaster Managements Act 2010) was passed. This led to the establishment of the National Disaster Management Commission in 2007 with various entities at the federal, provincial, and district levels. Under the same ordinance, the NDMA was established at the federal level, PDMAs at the provincial levels, and DDMA at district levels. Their main aim is to play a vital role in formulating plans and policies concerning disaster risk reduction and management, as well as to provide a ‘one window facility’ as the main coordinating government body with donors during emergencies and humanitarian crises (NDMA, 2011). Though not ideal or perfect, the role of these institutions in collaboration with the international donor community was satisfactory in the early relief stages of the post-crisis situations.

In view of all this, some of the key aspects of the long-term rehabilitation and reconstruction efforts are discussed below from the perspectives of the PD principles. It must be clarified that, to measure whether or not interventions were according to PD commitments, both primary and secondary data is used concerning donors’ practices in post-crises situations.

7.1 An Overview of Aid Funding of Different Donors within the PD Framework

As discussed above, following the 2010 floods, a total aid of US\$ 3.042 billion was allocated by more than 80 donor countries and organisations. Foreign aid came both in the form of cash grants and in-kind support; the latter constituting the largest category in the form of food items, medicines, tents, power generators, water tanks, and numerous other items. After the early rescue, relief, and recovery mission, a host of donors were involved in numerous rehabilitation and reconstruction programmes. The question is whether these donors mostly channeled their aid funds through GoP ministries and departments or carried out these projects through international partners. In other words, to what extent aid was utilised according to the PD principles by giving ownership to government organisations, and to what extent these were bypassed by involving international actors in the post-disaster reconstruction initiatives.

A close examination of aid data from the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) reveals that a majority of projects funded by donors were implemented through their own partners rather than government ministries and departments (UNOCHA, 2014c). The 105 page document lists all details of funding provided by both multilateral and bilateral donors (both DAC as well as non-DAC countries). The report not only clearly mentions the amount of aid each donor channelled via GoP, but it also shows funds that were routed and utilised through other channels instead of GoP agencies. Among more than 80 donors, a handful of countries provided aid (cash and in-kind) directly to the GoP. In terms of bilateral donors, Afghanistan and Algeria provided US\$ 1 million each, Turkey US\$ 10 million, and the US, UK, and Italy also allocated some cash grants directly to programmes initiated by the GoP for the rehabilitation of flood affected populations. Besides the US, UAE, and UK, Italy was also among key donors that channelled most aid via Pakistani agencies and organisations. While the US was the largest contributor to the government-funded US\$ 580 million Citizens Damage Compensation Program (CDCP), UK’s DFID and the Italian government also provided some funds for this initiative (International Crisis Group, 2012b). Besides these donors, all other donors mostly channeled and utilised their aid funds via UN organisations or other international non-governmental organisations (INGOs).

The practice of directing aid through other routes instead of the government is contrary to the PD principles of recipient country ownership. One of the main arguments clearly pronounced in the PD is the use of “country systems and procedures to the maximum extent possible” (OECD, 2005, p. 4). The PD argues that country institu-

tions need not to be bypassed or ignored on account of their lack of capacity, but rather they need to be assisted in improving and strengthening their capacity for service delivery. However, the practice of a majority of donors was not according to the PD principles, as there was minimal role of the GoP in numerous projects funded by various donors. For example, Japan, which provided over US\$ 335 million and was the second largest bilateral donor (allocating more than 10 percent of the total aid) following the 2010 floods, allocated and utilised most of its funds through UN agencies and INGOs. Similarly, the European Commission, which was the fourth largest donor and disbursed US\$ 234 million (over seven percent of the total humanitarian aid), also routed almost all of their funds through international partners rather than government channels. A large number of other donors followed the same approach and gave minimal ownership to government institutions and departments.

Under such circumstances, the PD principles of ownership, alignment, and harmonisation are not fully implemented, because the aid recipient government neither has complete ownership, nor is most aid aligned in this way to the actual needs and priorities of the affected population. This statement/conclusion is based on the discussion in the above paragraph that lack of adherence to the PD results is not addressing the actual issues/needs of aid recipients. Also, this point has been raised by Hayman (2009) and Monye, Ansah and Orakwue (2010) in the context of Rwanda and Nigeria respectively. When too many actors are involved in post-crisis reconstruction, often there is no harmonisation or proper division of labor, as everyone carries out activities of their choice in different sectors. Due to this, there is a possibility that some areas and sectors may attract too much aid while others may be ignored.

There are also constraints on the Pakistani side, as both donors and recipients have committed to show progress towards achieving the PD targets (these are discussed in detail in Section 7.5). From the GoP perspective, lack of institutional capacity is a key issue concerning proper and effective utilisation of donor-funded programmes. Although institutions in the form of NDMA, PDMAs, and DDMA have been established, they did not have the capacity to effectively accomplish all post-crisis humanitarian interventions on their own. To substantiate this point further, “the NDMA team at the time of the floods consisted of only 21 officers to manage the entire disaster” (NDMA, 2011, p. 4). Similarly, the PaRRSA office responsible for disaster risk reduction and management policies for the entire Malakand Division consists of eight officers, five civil engineers, and 12 support staff (personal interviews with PaRRSA officials). Due to lack of appropriate capacity, effective coordination and proper division of functions was a daunting task, “whether between centre-province, government-UN, inter-agency or within the overall humanitarian community in general” (NDMA, 2011, p. 5).

Not only in the context of Pakistan but elsewhere, “capacity constraints are the most prevalent source of difficulties in completing aid reforms and, even more important, for carrying out the essential functions that aid is intended to support” (Wood et al., 2011, p. xviii). In view of all this, donors’ policies and practices of not giving a more dominant and central role in aid decision-making is partly due to lack of appropriate capacity and trust in aid-recipient agencies and organisations.

As discussed in great detail in Section 6, globally, the overall progress towards achieving the PD targets is uneven across both aid donors and aid recipients. In the context of Swat/Pakistan, a large number of donors and their aid projects were not in line with the PD principles. There were certain bilateral donors, and their aid-funded programs, which were somewhat exceptional as they were more in line with the PD parameters. The following three cases illustrate some of these examples where donors and the GoP were able to overcome some of the constraints and used aid in accordance with the PD commitments in letter and spirit.

7.2 Cash Transfer by Donor(s): An Example of Country/Local Ownership and a Viable Post-crisis Reconstruction Strategy

In both humanitarian crises, one of the preliminary steps was the provision of cash grants to the affected households to enable them to address their immediate recovery needs. In the post-militancy crisis in 2009, an aid package of Pakistan rupees (PKR) 25,000 was offered to all the cash-strapped returning IDPs to address their immediate needs. By August 2009, 248,250 families had been paid “a total amount of 6.2 billion Rupees through a special arrangement”, whereby the National Database and Registration Authority (NADRA) maintained and verified the registration process and the database of IDP families (Asian Development Bank and World Bank, 2009, p. 40). This early amount of funds to the returning IDPs played a critical role in enabling those needy people to spend the money where and how they wanted, giving them the freedom to purchase what was their foremost need and priority.

Besides this early emergency cash assistance, the GoP, using aid funds from the US and other donors in the form of the MDTF, also provided an aid offer to help the IDPs in resettlement from where they had been displaced during militancy and military operation in 2009. Under this plan the GoP provided a uniform package to all affected home-owners. They received PKR 400,000 for completely damaged, and PKR 160,000 for partially damaged, housing units (Government of Khyber Pakhtunkhwa and FATA Secretariat, 2010). The cash grant enabled the affected population to construct a house keeping in view their own needs and priorities. It was a “reconstruction through a cash grant-based, homeowner-driven model” (Asian Development Bank and World Bank, 2009, p. 10), putting the homeowners in full command to rebuild or repair their houses where and how they wanted; with financial and technical assistance provided by the government and its development partners. During several field visits to District Swat, and interacting with the beneficiaries of this program, people praised the initiative of directly providing cash grants instead of providing aid in the form of in-kind support. However, most of the crisis-affected households complained that the amount was not enough to build a decent house. There is no doubt that due to unprecedented inflation of items of daily use and construction material, one cannot reconstruct a house on this amount. This is not to discount the support and compensation from the GoP, and its development partners, to enable the IDPs to stand on their own feet and bring normalcy to life.

After the devastating 2010 floods, the government followed a similar approach of cash transfers during the initial rehabilitation efforts. The GoP decided to launch a similar initiative to that undertaken following the 2009 militancy crisis under the CDC scheme. In the first phase, the GoP provided cash assistance through Watan Cards to all heads of the flood-affected households. To enable the flood victims “to meet their immediate livelihood requirements”, the government transferred PKR 20,000 to each household; a total of 27.7 billion rupees to 1.6 million households (Government of Pakistan, 2011a, p. 1). Alongside this early assistance, the government offered PKR 100,000 for each of the 913,307 completely damaged homes, and PKR 50,000 for each of the 697,878 partially damaged homes; a total of PKR 126 billion (Government of Pakistan, 2011a). All the cash grants were “distributed through Watan Cards to family heads, based on verification by provincial governments and authentication by NADRA to ensure transparency” (Government of Pakistan, 2011a, p. 49). There was a very simple and straightforward eligibility benchmark: “any head of household with an ID card stating residence in a flood affected area was considered eligible for registration and subsequent issuance of a Watan Card” (NDMA, 2011, p. 83).

The CDC scheme was primarily a government-funded programme but also used funds allocated by some donors. The major contributor was USAID, who provided US\$ 190 million to this initiative. According to a USAID report, money disbursed to the CDC sponsored 400,000 families affected by the 2010 floods (USAID/Pakistan, 2013b). Besides the US contribution to the GoP CDC program at the national level, in Khyber Pakhtunkhwa alone USAID provided a total of US\$ 65 million (equaling 5,850 million PKR) as a uniform compensation to households whose houses had been destroyed or damaged by the 2010 floods. Under the USAID-funded Uniform Housing Assistance Subsidy Project, flood victims were provided a uniform compensation of PKR 400,000 for fully damaged homes, and PKR 160,000 for partially damaged homes, in the already conflict-affected areas of KP. An official in PaRRSA based in Swat stated during an interview that nearly all the aid money has been disbursed, enabling more than 20,000 households to rebuild their homes (personal communication with PaRRSA official, Mingora, May, 2014).

7.2.1 ANALYSIS

In the above post-crises ventures, the GoP had strong ownership, as it was leading the process of identifying and registering the most deserving and needy people and giving them aid in the form of cash grants. Entrusting a leading role to GoP institutions, particularly to NDMA/PaRRSA, was also a symbol of trust between the government and its development partners; a key element for aid effectiveness espoused in the PD. The joint sector-wide approaches (SWAPs) and direct budget, or cash support modalities, which were employed are more flexible initiatives which give developing countries more breathing space for the prioritisation of their needs. It is argued that foreign assistance in the form of these modalities improves and enhances the capacity of recipient governments and places them in a better position to allocate appropriate funds to different sectors and programmes (Cox and Healey, 2003; Knack and Eubank, 2009).

As explained in the beginning of this section, one of the main advantages of this approach is empowering the affected population to utilise aid funds where and how they want. When money is spent in the local market for the purchase of construction and other material, it also boosts economic activity and may lead to the creation of more jobs for unskilled and semiskilled laborers. For example, following the 2010 floods, the NDMA appealed to

the international community to purchase their relief goods from within Pakistan. Accordingly, “countries such as the US, Oman, the Kingdom of Saudi Arabia, Kuwait, Libya, Japan, and others agreed to do so where possible and this saved logistical costs of transport, strengthened the local economy, and expedited the delivery of relief goods to the affected population” (NDMA, 2011, p. 28). Also, if aid funds are provided directly to the affected population, there is minimal administrative cost of such development initiatives.

The transfer of direct cash grants to an aid-recipient government is also an indicator of the trust a donor has in the capacity and potential of the recipient country. Similar advantages have been enumerated by a USAID report. The report titled “USAID in Pakistan: Strengthening our partnership, continuing our progress” states that “by applying the principles of host-country ownership, sustainability, and mutual accountability, USAID and our Pakistani partners are ensuring that civilian assistance to Pakistan achieves lasting and sustainable results,” (USAID/Pakistan, 2013c, p. i). It further adds that “in Pakistan, more than half of USAID-funded programs are implemented directly by Pakistani government institutions or Pakistani private sector organizations – more than any other USAID mission in the world” (USAID/Pakistan, 2013c, p. 31). According to another recent USAID report, of a total of US\$ 4.135 billion disbursed under the Kerry Lugar Act between 2009 and 2013, US\$ 549 million was in cash transfers for different programs launched by the GoP such as the Benazir Income Support Program (BISP), Citizens Damage Compensation Program, and cash support for IDPs (USAID/Pakistan, 2014b). Although the way USAID funds have been channeled may not present an ideal picture, significant progress has been made in achieving the PD principles of ownership, alignment, and harmonisation. Though not all, a considerable amount of US aid has been channeled and utilised via government departments in programmes launched by the GoP.

The above analysis illustrates that certain donors, particularly the US and UAE (the UAE case is discussed later in Section 7.4), have shown significant trust in government institutions, particularly in agencies such as NDMA/PaRRSA. When aid funds are utilized directly via government organisations, it can lead to enhancing and improving their capacity, thus developing their financial and accounting systems to the standard required by donors. It can be argued that the response of the US was not only generous during these humanitarian crises, but it was also quite progressive from the perspectives of the PD principles.

In post-crisis reconstruction initiatives in Pakistan, in general, and in Swat in particular, the GoP was able to exercise effective leadership and assert ownership in the early phases of the rehabilitation. When aid was delivered according to the PD commitments, it was more effective, as it enabled the affected communities to address their pressing needs. Thus, aid would definitively be more effective if delivered in line with the PD parameters, particularly in post-crisis reconstruction initiatives where the need is greater and more urgent.

7.3 Khyber Pakhtunkhwa Reconstruction Program

Another major government-led donor-funded development initiative executed in Malakand Division (including District Swat) is the USAID-funded KP Reconstruction Program. The main objective of the project is to revitalize and rebuild key public infrastructure damaged during the 2009 conflict and the 2010 floods. The aim is “to enhance the stabilization and development of Khyber Pakhtunkhwa by rebuilding public infrastructure for education, health, water, and sanitation and increasing the capacity of the provincial government” (USAID/Pakistan, 2013a, p. 1). Working closely with PaRRSA, this program has played an essential role in rebuilding government infrastructure throughout the Swat valley and the rest of Malakand Division.

In the education component of this project, USAID provided aid to rebuild schools damaged during the conflict and floods. Out of the target 122 completely damaged schools, 117 have been reconstructed with the financial help of USAID. Most of these schools (both selected and completed) were in Swat. A total of 79 schools were selected from Swat, out of which 50 have been completely restored, and 29 were in the final stages, particularly those in far flung hilly areas (personal communication with PaRRSA official, Mingora, May, 2014). After the completion of work, nearly 16,000 children will receive education in these newly rebuilt educational facilities (USAID/Pakistan, 2013c).

The PaRRSA official stated that District Education Department provided them all the data regarding fully and partially damaged schools, which they then shared with the PaRRSA/PDMA office in Peshawar. The official further said that the formation of various clusters, including health, education, water and sanitation, and food and shelter, enabled the government to clearly identify and prioritise its needs in these areas. A senior PaRRSA official based in Peshawar informed that they gave a presentation to different donors so that they (donors) could select

projects of their choice in any sector they liked (personal communication with Chief Planning Officer PaRRSA, Peshawar, May, 2014). Accordingly, once projects were showcased and selected, a Memorandum of Understanding (MoU) was signed between the GoP and the particular donor. Under the MoU, it is decided whether the donor would release funds to PaRRSA to carry out works through line departments or implement the project through UN agencies or its own partners. Different donors followed different approaches (this has been discussed in Section 7.1 that the modus operandi of most donors was not in line with the PD commitments). In the USAID program, funds were released to PaRRSA, and most activities were carried out through government line departments. Regarding the capacity of PaRRSA and the level of trust USAID and other donors had in them, the Chief Planning Officer stated that, unlike other government agencies, PaRRSA was very transparent in the process of bidding and awarding of contracts (personal communication, May, 2014). He added that PaRRSA releases funds to line departments and other contractors only after their work has been assessed and validated by reputed consultants. Also, the official stated that so far there has not been a single case of financial corruption or embezzlement charges against any employee of their department; that is why donors trust them in the transparent utilization of aid.

The KP Reconstruction Programme also targeted the tourism sector in Swat valley. As discussed in sections 4.4 and 4.5 respectively, like education, health, and communication infrastructure, tourism was also badly affected during the militancy and floods. While the sector had helped revive the local population after peace was restored in the area following the military operation against militants in 2009, the 2010 floods dealt a severe blow to tourism, as the rains completely washed away 24 hotels in Kalam and Madyan along with the destruction of roads and bridges. In Kalam, one of the most visited places in district Swat with more than 150 hotels, 16 were completely destroyed by floods and several others were damaged (personal communication with President Kalam Hotels Association, Kalam, June, 2014). He added that more than 5,000 people were dependent directly, or indirectly, on the hotel industry in Kalam, and most lost their main source of livelihoods.

To help revive the hotel industry in Swat, in close coordination and collaboration with PaRRSA, USAID provided a total of US\$ 5.2 million in direct financial assistance, technical assistance, and in-kind support to tourism businesses. To this end, 239 hotels were supplied with furniture, equipment, and other essential material along with financial assistance. According to a USAID report, these US-supported businesses increased the revenue of the local hotel industry from US\$ 454,000 in 2010 to US\$ 4.8 million in 2012; generating over 2,000 new jobs (USAID/Pakistan, 2014a). However, contrary to the claims of USAID and PaRRSA officials and documents, representatives of the local hotel association had several complaints and reservations about this particular USAID-funded initiative. For example, although the President of All Swat Hotels' Association appreciated the venture, and stated that USAID was the only donor that focused on the revival of tourism industry, he also had his concerns about the modus operandi of the project. According to him, as the project was being executed by USAID through its own implementing partner, there were several issues created including substantially inflated rates of items, substandard material, and delays in the delivery of furniture and other items provided to hotel owners (personal communication with President All Swat Hotels' Association, Mingora, May, 2014). The president of All Swat Hotels' Association argued that instead of providing them furniture/goods, direct cash would have been more effective as they would have used it on items they actually needed. He stated that furniture, carpets, TV sets, and other material provided to them under this initiative was not of a very good quality as compared to its cost/price, and that better material could have been purchased at a lower price in the local market.

Besides USAID, a host of other donors carried out projects in a number of areas. These include a UNDP-funded US\$ 25 million Sustainable Development Through Peace Building, Governance, and Economic Recovery project focusing on small infrastructure and capacity building, Germany's GIZ-funded a US\$ 3.5 million Malakand Rehabilitation Program, focusing on small scale community infrastructure, and a grant of US\$ 6 million from China in the form of construction machinery and other humanitarian goods (PDMA/PaRRSA, 2013). As well, there was a government-funded US\$ 22 million Prime Minister's package for the revival of education, communication, agriculture, and water supply and irrigation. According to a Peshawar-based PaRRSA official, the UNDP project played a key role in enhancing the capacity of PaRRSA by financing and training staff and providing, not only equipment and furniture for offices, but also vehicles (personal communication with PaRRSA official, Peshawar, June, 2014). Similarly, community-based DRM training and emergency response kits were provided to 27 Union Councils (UCs) of District Buner, along with the installation of solar geysers and water pumps (419 geysers and 102 water pumps) in other areas of Malakand Division.

One of the targets was to repair and rebuild government infrastructure. To this end, 79 buildings were selected in Malakand division, including 18 in District Swat, with a total allocated cost of PKR 272 million. Regarding community infrastructure, using funds provided by the Saudi Fund for Development, Kingdom of Saudi Arabia, the UNDP, in coordination with PaRRSA and other line departments, rehabilitated 585 damaged community infrastructures schemes including linkage roads, drainage channels, culverts, bridges, and streets in six Tehsils of Swat (UNDP, 2013).

7.3.1 ANALYSIS

Along with USAID, various other bilateral donors and their aid agencies also played their part in the rehabilitation efforts; though their funding seems insignificant when compared to the amount of aid the US alone provided for reconstruction initiatives in Swat. Nevertheless, one of the positive lessons is that most of the activities were carried out in proper coordination with host-country institutions, such as PaRRSA, and other line departments including education and health. When asked about donors' interventions in various sectors, and the possibility of duplication (due to lack of harmonisation), a senior PaRRSA official stated that there was no risk of duplication (personal communication with Chief Planning Officer PaRRSA, Peshawar, May, 2014). The official corroborated that after showcasing their priority areas to different development partners, they themselves picked a set of activities and schemes in certain areas, and hence there was no possibility of duplication. Thus, to a large extent, the ability of PaRRSA, and other government departments to exercise leadership in the rehabilitation efforts greatly helped in convincing aid donors to select their (government) priority areas for funding. In this way, most aid was disbursed according to the PD commitments. Aid that was allocated according to the PD principles was aligned to local needs and priorities, and was utilised where it was needed most. The GoP had visible ownership of the development agenda and reconstruction plan, as it either received aid directly from donors (ownership) or directed donors and their implementing partners where and how to use aid funds (alignment). The principle of harmonisation was also followed, as the GoP was actively coordinating with different donors about what they were doing in different areas and sectors. This aid was effectively utilised due to adherence to the PD in Swat.

7.4 UAE-Pakistan Assistance Programme (UPAP)

The UAE was also one of the leading donor countries engaged in the reconstruction of the Swat/Malakand region. In the 2009 IDP crisis, the UAE was the second largest donor after the US, contributing a total of US\$ 101 million (13 percent of the total aid), and in the 2010 humanitarian crisis it was the eighth largest donor, contributing a total of over US\$ 77 million (2.4 percent of the total aid Pakistan received) (UNOCHA, 2014a, 2014b). Under the UAE Pakistan Assistance Program (UPAP) Phase I to revitalize and rebuild infrastructure in Malakand, several projects were carried out in areas such as education, health, water and sanitation, and communication. According to officials in PaRRSA, almost all projects were identified with close coordination and collaboration of line departments and implemented by Pakistan Army's engineering wing: Frontier Works Organisation (FWO). In Phase I, a total of 75 projects were launched. A detailed list of all works completed in different sectors is shown below in Table 3. As the data illustrates, 45 educational institutes, 24 water supply schemes, two hospitals, and two bridges over the River Swat have been completed under the UPAP initiative.

Table 3: Summary of UPAP Projects (Phase I)

S.no	Sector/Area	Status
1	Education (Schools, Colleges, and Technical Institutes)	49 Completed
2	Water Supply Schemes	24 Completed
3	Health	2 Completed
4	Bridges	2 Completed
Total Completed		77

Source: Author, collected from PaRRSA documents during fieldwork (2014)

PaRRSA officials disclosed during interviews that nearly 30,000 students will benefit from the reconstructed educational facilities in Swat. Similarly, Sheikh Khalifa bin Zayed Al Nahyan Model Hospital in Saidu Sharif Swat is a 100 bed Maternity and Pediatric hospital with complete medical facilities for mothers and newborns.

In the transport and communication sector, two bridges namely Sheikh Khalifa bin Zayed Al Nahyan Bridge and Sheikh Zayad Bin Sultan Al Nahyan Bridge are other visible symbols of the UPAP. The first bridge is

about 325 meters long, and it connects Barikot and Kabal, serving a population of over 70,000 locals. It is a key route for farmers and traders, and has the capacity for over 5,000 crossings per day including heavy transportation (UAE PAP, 2014). When the old bridges at these locations over the River Swat were washed away by floods, several villages and surrounding areas remained cut off. It is still quite fresh in the minds of the locals who told the researcher that they had to take a 40 minute detour when the bridge was destroyed in the floods, increasing transportation fares and expenses. Interacting with local transporters and commuters, they said that these new bridges were great facilitators, as these not only save considerable time but also reduce the cost of transportation for the population on both sides of the river, a majority of whom commute on daily basis for a variety of reasons.

7.4.1 ANALYSIS

First of all, it is instructive to note that the UAE is neither a member of the DAC nor is it a signatory to the PD. However, it is an important bilateral donor providing considerable aid not only to Pakistan but to various other countries as well. According to OECD (2014a), from over US\$ 1 billion in 2012, the total foreign aid of the UAE reached US\$ 5.1 billion in 2013, representing an increase of 375 percent from the 2012 level. As well, the UAE became a first-level participant in the DAC in 2014, enabling it to take part in all non-confidential meetings of the DAC such as its High-Level and Senior-Level Meetings and the meetings of its subsidiary bodies (OECD, 2014b). To examine aid behaviors and policies of the UAE within the PD framework illustrates that, besides DAC donors, the global aid effectiveness agenda has been equally embraced by non-DAC donors. All activities under the UPAP were carried out by the GoP, an indication that the aid-recipient government was in full ownership of the post-crises reconstruction process.

Here, a distinction must be made between aid practices of the UAE and other bilateral donors. While UAE-funded interventions were mostly implemented by the Pakistani Army, other donors have involved Pakistani civilian institutions in reconstruction initiatives. Private local contractors expressed some reservations over the role of the Army in the ventures completed under the UPAP. A private contractor who was closely involved in the reconstruction ventures funded by USAID through PaRRSA stated during an interview that the UPAP initiative might have achieved much more with this amount of funding had it been done through transparent and open bidding by private contractors. He argued that if these projects had been done through private contractors, it would have led to the creation of hundreds of new jobs for both non-skilled and skilled laborers of the area. However, these impressions were refuted by a spokesman of the Army's media wing: Inter Services Public Relations (ISPR). A senior ISPR official stated during an interview that the UAE executed this program through the Pakistani Army's Engineering Wing because of their previous track record, expertise, and vast base of resources (personal communication with ISPR official, Mingora, May, 2014). The official further stated that the Army completed all the projects within the specified timeframe, and the works they did were of exceptional quality and standard.

Irrespective of the argument of whether it is good or bad to involve the military in development interventions, the fact is that reconstruction endeavors under the UPAP initiative have played a vital role in the reconstruction and rehabilitation of District Swat. The program has clearly shown tangible impacts in easing the pain of the affected population, has helped in bringing normalcy to life, and put the area on the path to sustainable development. From the perspectives of the PD commitments, the GoP and its different departments had a greater role and ownership. It was the GoP that identified the various initiatives to be undertaken under this programme. Similarly, aid was aligned to government needs, as the GoP prioritised different reconstruction schemes to be funded under the UPAP initiative. Regarding the commitment to harmonisation, reconstruction activities carried out under the UPAP initiative were designed, selected, and executed with proper coordination and collaboration of relevant GoP departments. In sum, although neither a DAC member nor a signatory to the PD, the UAE aid programme was quite progressive and in line with the PD parameters in post-crises Pakistan.

7.5 Issues/Constraints Responsible for the Lack of Full Progress towards the PD

There are certain issues that play a significant role in making it difficult for both aid donors and recipients to fully implement the PD principles in the delivery of aid funds. While not always specifically related to the Swat case study, these factors influence donors' aid allocation policies and practices in Pakistan as well as elsewhere (as covered in more detail in Section 6 in the context of other countries). These issues can be divided into two categories often used in this paper: one that deals with aid-receiving governments and one that concerns aid donors. Issues related to aid recipient countries are generally the prevalence of corruption and lack of institutional capacity. On the

part of the international donor and aid community, varying foreign policy goals and self-interests make it challenging for them to deliver aid completely in line with the PD. In the context of Pakistan, these two issues, and how they affect progress towards the PD, are discussed below.

7.5.1 CORRUPTION AND LACK OF INSTITUTIONAL CAPACITY IN RECIPIENT GOVERNMENT

The PD clearly states that the prevalence of corruption “inhibits donors from relying on partner country systems” (OECD, 2005, p. 2). In contrast, if recipients’ aid management and financial systems are reliable, and the prevalence of corruption is rare, “aid-funded programs are more likely to be selected and implemented more efficiently” (Knack, 2013b, p. 2). To this end, the issue of corruption, and its relevance for aid effectiveness, was explored during interviews with government and donor representatives.

Overall, one of the key challenges was the lack of trust between the GoP and the international donor community on account of the prevalence of corruption in Pakistan. Interacting with officials working in donor agencies, it was noted that foreign donors were reluctant to provide and utilise their funds through government departments because of the perception of corruption. Donors’ apprehensions were further heightened when the global advocacy group Transparency International (TI) declared the Awami National Party-led government of Khyber Pakhtunkhwa as the most corrupt provincial administration in Pakistan (Ellick, 2010). Thus, it is an undeniable fact that corruption has been one of the main causes of distrust between the GoP and donors.

Instead of the government taking strenuous efforts to reduce corruption, it has remained relatively consistent in recent years. For example, in 2009 Pakistan scored 2.4 on the TI Corruption Perception Index (CPI) and was ranked the 42nd most corrupt country out of 188 surveyed by the TI (Transparency International, 2009). In the following year, corruption increased, as the country’s CPI score was 2.3, and it jumped from the 42nd to 34th position in global ranking in corruption (Transparency International, 2010). In its 2011 report, Pakistani’s CPI was 2.5 and it had slightly improved its ranking on the CPI (Transparency International, 2011).

In Pakistan, the incidence of corruption shaped the post-crisis reconstruction landscape in a way where most donors had serious reservations about the credibility and capacity of the government in the transparent utilization of aid funds and the implementation of development programmes. Most development partners preferred to channel funds through UN agencies and INGOs rather than through government systems. Irrespective of the fact that government institutions and departments existed, aid donors created parallel project implementation structures, leading to extra costs on managing and administering aid.

Alongside the incidence of corruption, lack of appropriate institutional capacity is another pertinent issue that hinders the actual application of the PD principles. It has rightly been asserted that “the PD and Accra Agenda for Action (AAA) not only commit recipient countries to strengthen their systems, but also place primary responsibility on them for their own capacity development, with donors playing only a supporting role” (Knack, 2013b, p. 30). In view of this, state institutions, particularly those that have a primary role in rescue, relief, and rehabilitation in times of humanitarian crises, should have sufficient resources and capacity to effectively perform their assigned roles and responsibilities.

In Pakistan, although institutions in the form of the ERRA, PERRA, NDMA, PDMAs, and DDMA have been established to deal with natural disasters and their aftermaths, there was not enough capacity to efficiently accomplish their objectives⁵. As noted earlier, both the NDMA’s own report and a PaRRSA official acknowledged that appropriate staffing was significantly lacking. It is quite difficult to convince aid donors to direct their aid funds through such government institutions and channels that clearly lack sufficient resources and capacity to carry out and implement donor-funded programs. In sum, as discussed in Section 7.1, a major reason that donors’ policies and practices were not more fully in line with the PD commitments was due to a lack of appropriate capacity and trust in government agencies and organisations.

⁵ As there are various disaster management institutions, similarly there are several anti-corruption bodies in Pakistan including the National Accountability Bureau (NAB), Federal Investigation Agency (FIA), Anti-Corruption Establishments (ACEs), as well as the Auditor General of Pakistan (AGP), Wafaqi Mohtasib (Ombudsman), and Public Accounts Committees (PACs). However, as TI annual reports illustrate, these anti-corruption state institutions have largely failed to control or eliminate wide-spread corruption.

7.5.2 DONORS' INTERESTS IMPEDING THE PD TARGETS

As explained above, there is no doubt that corruption and lack of appropriate institutional capacity create a situation that becomes challenging for donors to fully trust an aid recipient government. However, to put the onus of responsibility wholly on the recipient (in this case the GoP) shows only one side of the picture. Donors also pursue their own interests when they deliver aid and carry out reconstruction activities through their own partners instead of the GoP.

In order to extract maximum trade and commercial benefits for domestic business lobbies and firms, or to provide more jobs to their citizens, a number of bilateral donors 'tie' their aid to the procurement of goods and services. The World Bank, in its well-known 1998 report on the effectiveness of aid titled 'Assessing Aid: What Works, What Doesn't and Why' estimated that these kinds of practices reduce the actual value of aid by about a quarter (World Bank, 1998). Irrespective of this, various donors have been using aid to their own economic and trade benefits. For example, the US has mandated by law that almost all of its official aid be spent on the procurement of goods in the US on US-produced items (US Government, 2003). This legislation, Section 604 of the US Foreign Assistance Act of 1961 (often referred to as the 'Buy America' provision), restricts the utilisation of US aid for purchasing and procurement outside of US markets. The act states that as much as possible of US aid funds be spent on US-made commodities and to employ US nationals in US-funded development interventions. Although the US was the largest donor in both post-conflict and post-disaster reconstruction initiatives, and was also the largest donor that gave cash grants, the US, like many other donors, also channeled a huge amount of aid through UN agencies and INGOs. The analysis of OCHA aid data clearly shows that the US channeled more than 60 percent of its aid funds through various UN bodies, INGOs, and local NGOs. If the GoP failed to exercise effective leadership due to corruption and lack of institutional capacity, the donors' own policies and practices are also flawed when viewed from the perspectives of the PD commitments.

As shown earlier via three specific GoP-led donor-funded interventions, though some progress has been made in certain areas, on a larger scale both the government and a majority of its development partners seem to have failed in accomplishing the PD commitments in post-crisis reconstruction initiatives. In order to fully achieve the PD principles, along with aid recipients, donors also have to take concrete and consistent steps to reform their aid allocation policies and practices. Without strong and sustained political will, the aid effectiveness agenda seems difficult, if not impossible, to be achieved.

7.6 Costs and Consequences of Ignoring the PD Principle of Ownership

The question arises: what are the consequences if the PD principles are not met and most aid is delivered and routed outside government channels? Again, though not specifically related only to District Swat, the analysis and discussion is relevant to Pakistan in general, as the overall domestic aid landscape was plagued with these issues. When recipients' institutions and agencies are ignored or bypassed due to lack of capacity, donors jeopardize the very process of development. The key rationale is that these are government line departments and ministries that will remain there for the delivery of services to citizens. They need to be strengthened to increase their capacity and efficiency to address the development concerns of their people in the future. As discussed in the previous section, unfortunately the situation in Pakistan is that the common practice of most donors was not in line with the PD principles (for which, as already explained, Pakistan was also responsible). Here, it is discussed what the costs are, and the consequences when the PD principles are averted.

In a situation where donors direct most of their aid via UN agencies and INGOs and bypass government systems, there is a risk that considerable aid funds are spent on activities not prioritised by the government. As well, donor policies of giving a more central role to INGOs or other private implementing partners/contractors result in a very high administrative and overhead cost. GoP officials and those working in donor agencies were of different opinions concerning how much it costs if development interventions are executed by GoP or donors themselves. Government officials, particularly those working in Islamabad with the Ministry of Finance, were of the opinion that at least 40-50 percent of funds are siphoned off by donors in the form of consultancy and other services. A former Minister of State for Finance said in an interview in 2009 that administrative costs of donor-funded projects are about 50 percent of their total budget (interview with Umar Ayub, Former Minister of State for Finance, Islamabad, July, 2009). However, these statements were contradicted by a donor agency official based in Islamabad. He stated that when donors implement projects directly, with no or little role played by the government, only 20-30 percent is spent on administrative issues, and the quality of work is substantially different (interview with senior official

working with a donor agency, Islamabad, June, 2014). Contradicting this statement, in August 2009 the then Finance Minister of the country, Shaukat Tareen, endorsed the figures mentioned by the former minister. Talking specifically about USAID and their administrative costs, in Mr. Tareen's interview with the Financial Times in August 2010, the Finance Minister said that the government received only 50-55 percent of the aid, 40-45 percent became expenses because of intermediation costs by the US (Financial Times, 2010).

Similarly, in November 2009, former Prime Minister Yousuf Raza Gilani, in a meeting with the US Deputy Secretary of State for Resources and Management and the USAID administrator, also asked the US to disburse aid to Pakistan through existing government channels (The News International, 2009). He emphasized that the disbursement of aid through international and national NGOs involved additional administrative expenses, sometimes from 35 to 40 percent of total aid, and hence the actual amount spent on public welfare was drastically reduced. Thus, one line of argument is that it costs more if donors deliver aid via private contractors rather than host-country agencies.

The PD argues that aid will be significantly more cost-effective when channeled and utilised by country systems and institutions. A development expert has asserted that if the cost is Rs. 1 if projects and activities are implemented with community self-help, "the cost is Rs. 3 if local government handles it; Rs. 7 if provincial government handles it, and Rs. 28 if it is donor funded" (Asian Development Bank and Government of Pakistan, 2008, p. 72). This means that the same set of projects and activities cost four times more when implemented by donors themselves rather than through host-government agencies and departments. As discussed in Section 7.1, a majority of aid donors routed their aid outside government systems following the 2009-10 humanitarian crises. If most of this aid was more in line with the PD principles, and channeled and delivered via state institutions, it would have been more efficiently utilised and would have been more effective in rehabilitation and reconstruction.

In the three specific cases discussed in sections 7.2 to 7.4 in Swat, where donor-funded programs relatively met the PD targets, aid was effectively used in the restoration and reconstruction of infrastructure damaged during militancy and floods. Government agencies had visible ownership of reconstruction initiatives by having their needs and priorities clearly identified. Giving a limited role to international partners, where indispensable and no alternative is available, and delegating more vital authority to national institutions would substantially minimise administrative costs of foreign-funded interventions. Such approaches would also build and expand the capacity of government institutions, leading to an increased coordination and collaboration between the GoP and its development partners. However, government institutions also need to improve their image, capability, and efficiency, particularly in relation to corruption.

The overall argument is that aid will be more effective if delivered and utilised following the PD principles. As discussed throughout this section, there are several constraints from both the host-country and donor perspectives. The lack of appropriate capacity of government institutions and the issue of corruption are the major obstacles which make donors hesitant in giving leading roles to government institutions. Similarly, donors have their own interests when planning and executing interventions through INGOs and their own home-country implementing partners. If viewed from the perspective of the PD ideals, tangible progress is visible in the case of various donors as well as in the case of some GoP institutions and initiatives (such as the CDCP and PaRRSA, and the degree of trust the US, UAE, and a few other donors have shown by allocating direct cash grants). However, there is no doubt that accomplishing the PD targets fully is a distant reality, particularly keeping in mind the actual situation on the ground. Thus, the analysis and discussion reinforce what the broader academic and intellectual scholarship offers concerning the issues with which the contemporary aid regime is faced. To move towards success, as originally envisioned in the PD, will require far reaching changes and reforms from both the international donor community as well as aid recipients.

7.7 CONSEQUENCES OF OPERATING IN DISTRICT SWAT ON THE PD

Coming specifically to the applicability of the PD in District Swat, it is obvious, that due to two factors, Swat presented a complex situation. The PD states that complex environments can be of two types: environments of weak governance and capacity or natural disaster and humanitarian crisis (OECD, 2005, p. 2). Based on this categorization, District Swat was a complex and challenging environment as there were both issues. As discussed in

some detail in Section 4, the rise of the militant insurgency was largely because of bad governance and the failure of civilian administration to respond to the needs of local population, particularly concerning the provision of timely justice in land-related local disputes. It was because of the prevalence of weak and ineffective public administration that people had become frustrated and looked to the Taliban to introduce a governance system similar to what existed when Swat was a princely state. However, the situation deteriorated rapidly after the arrival of the Taliban, and soon the writ of the government virtually did not exist. Following the military operation against the Taliban, and the subsequent humanitarian crisis, local public administration was in complete disarray and was not resourceful enough to respond to the enormity of the situation and play a strong role in early relief and rehabilitation efforts. The prevalent situation in Swat during that time can be described as one of weak administration and bad governance, aggravated further by a natural disaster in the form of the 2010 flooding.

It is evident that in such a challenging and complex environment, the PD applicability was a daunting challenge in reconstruction and rehabilitation initiatives. It is argued that commitment to the PD in complex and fragile situations is demonstrated by whether or not a PCNA has been prepared and a MDTF has been formed in mutual collaboration by aid recipients and donors. These approaches “represent best practice post-crisis funding mechanism, in line with the Paris Agenda for Aid Effectiveness” (OPM/IDL, 2008, p. 26). In District Swat, local administration became visible only when peace was restored and normalcy returned after the army cleared the area of the Taliban. Once the IDPs returned to their homes, the government started large scale reconstruction interventions, mainly with aid funds provided by a host of donors. Looking at the inadequate resources and capacity of local administration, there is no doubt that without technical and financial assistance of donors, the district administration would not have been able to restore the local economy and rebuild damaged infrastructure. Nevertheless, various departments of the district administration such as the Department of Education, Department of Health, and C&W as well as PaRRSA Malakand Division chapter were actively involved in the preparation of the PCNA and the identification of reconstruction initiatives. Conducting a PCNA and forming a MDTF in Swat were in line with the PD, and a number of home-driven initiatives (such as direct cash support) were successfully executed. Thus, contrary to its role in the earliest phase of relief and rehabilitation, local administration was more visible and played an effective role in the later stage in donor-funded reconstruction programmes.

Analyzing the overall post-crisis reconstruction and the PD implementation in Swat, it becomes clear that, the district administration of Swat was not very different from the GoP in general in terms of capacity and resources. In view of this, in the post-conflict, post-disaster reconstruction interventions, the local administration did not have enough capacity to effectively spearhead all activities on its own. On both occasions the enormity of the situation was beyond the capacity of the local administration. Thus, local context, particularly local institutional and administrative set up, was a key impediment in the implementation and applicability of the PD. A prerequisite for PD accomplishment is to have sound and efficient local systems (Manning, 2006), which were missing in the context of Swat. Personal observations, as well as communication with several PaRRSA officials, clearly revealed that they did not have the required staff, expertise, and resources to deal with the crises of that magnitude. As elaborated earlier, to some extent the PD was adhered to, but adequate civilian institutional arrangements were not in place in Swat to enable the aid recipient government to be in full control of the overall development process.

Based on this, a clear lesson can be learnt from the specific complex situation of Swat: there needs to be an effective, capable, and resourceful public administration that can respond to the situation quickly and be prepared for future situations. The PD and subsequent AAA clearly commit recipient countries to strengthen their systems “with donors playing only a supporting role” (Knack, 2013b, p. 30). At the district levels, the GoP has formed public entities in the form of DDMAAs. It is important that they have the required staff, with diverse expertise, and resources to be able to effectively accomplish all post-crisis humanitarian interventions on their own. Not only post-disaster, but these government bodies should be at the forefront in disaster risk reduction and prevention to minimise the impact of any natural or man-made hazards in future. Local public administration, particularly those that have a primary role during emergency situations in rescue, relief, and rehabilitation, should have sufficient resources and capacity to effectively perform their assigned roles and responsibilities.

8. CONCLUSION AND POLICY RECOMMENDATIONS

This research has examined the respective roles of the government of Pakistan and aid donors in post-crisis reconstruction interventions from the perspectives of the 2005 PD parameters. Primarily the focus was on whether or not the GoP and aid donors utilised aid and implemented projects according to the PD commitments. The findings reveal that, as far as the recovery and rehabilitation process is concerned, the government was able to address the

dire needs of the residents of Swat badly affected by militancy after the military operation to clear the area and after and flooding. Also, there were instances of proper collaboration, coordination, and effective harmonisation between the GoP and the international donor community in these efforts. Though not fully followed by all donors in all interventions, there are examples where a number of development partners were quite progressive and more closely delivered their aid in accordance with the PD principles. Consequently, aid was undoubtedly more effective in the restoration of livelihoods and basic health, education, and communication infrastructure in Swat. Despite these progressive examples in the efforts, the study has found that, by and large, both the international aid community and the GoP have not been able to deliver aid in line with the PD principles. This research has also clearly identified the key constraints that hinder the actual accomplishment and applicability of the PD ideals, for which both donors and the GoP are accountable.

In the context of the PD, it has been argued that “aid will be more effective if the actions and behavioural changes listed as commitments under the five headings are undertaken, and less if they are not” (Booth & Evans, 2006, p. 4). While almost a decade has passed since the PD commitments were made, the global aid architecture has transformed, but at a much slower pace than imagined. Starting from the 2000 UN Summit and the Millennium Declaration, the 2002 Monterrey Consensus, the 2003 Rome Declaration on Harmonisation, the 2004 Marrakech roundtable on aid harmonisation and managing for results, the 2005 Paris Declaration, the 2008 Accra High Level Forum, and the 2012 Busan Declaration, too much has been promised with too little achieved. An OECD survey warned long ago that “meeting the targets will require not only an acceleration in the pace of progress but also a significant change in how we do business” (OECD, 2008, p. 12). Precisely this can be said about the government and its development partners, not only in the context of Pakistan, but in numerous countries highlighted in Section 6.

To sum it up, an aid regime characterised by greater donor-recipient equality, based on partnership instead of patronage, and where aid is more responsive to the needs and priorities of poor populations, has so far remained an elusive undertaking. To make aid more effective, and to empower the people of Pakistan in general, and those affected by man-made conflicts and natural hazards in particular, there is a need for greater behavioural changes from both the GoP and aid donors concerning the way aid is currently delivered and managed. The PD states in very plain words that making progress towards achieving the targets “will involve action by both donors and partner countries” (OECD, 2005, p. 2). Thus, responsibility lies with both the government as well as the donor community to take fundamental, but methodical, steps towards the accomplishment the PD ideals.

Based on the analysis and lessons learnt in the light of the research findings, here I will offer some policy recommendations both for the GoP and donors. These recommendations are likewise applicable and relevant for all DAC, as well as non-DAC, donors and recipients who are faced with a similar set of challenges. I will begin with the recommendations for recipient countries. These recommendations are outlined and explained below.

1. Strengthening/developing capacity of state institutions
2. Good governance/eradication of widespread corruption

First and foremost, there is a need to develop and enhance the capacity of government departments, particularly those that are the first point of contact for donors. During any humanitarian crisis the first thing an efficient organisation ought to do is to have complete and accurate information regarding human and material losses. Second, such government agencies need to be fully aware about the urgent, short-term, and long-term needs of the affected population. Third, in close collaboration with other government departments, it needs to develop a full list of all on-going and intended interventions in the affected area, not only donor-funded but also those initiated by the GoP itself in various sectors.

This research has found that, in Swat, the district administration was not capable enough to perform these tasks during the early phase of humanitarian crisis, as it did not have enough staff and resources. However, at the provincial level in KP, PaRRSA was able to be at the forefront to carry out these tasks in an effective manner. Following the 2009 humanitarian crisis, PaRRSA was capable enough to successfully complete a survey of the affected areas of Malakand Division in collaboration with other government departments as well as with the support of the World Bank and Asian Development Bank. As a result, the government of KP was fully aware of its development and reconstruction needs in different sectors and was in a position to indicate to different donors what they can fund in certain areas. The three specific examples in sections 7.2 to 7.4 illustrate there can be a proper division of labour between the government and its development partners, whether it is for programs in the form of direct cash

grants to IDPs and flood victims or numerous other reconstruction initiatives. Overall, there are two key advantages when reconstruction efforts are led by a well-functioning government agency: first, more coordination among numerous GoP institutions, second, the creation of a single list of projects (which was done by PaRRSA). These led to better coordination and effective delivery and utilization of aid in sectors and areas where it was needed most in Swat.

It can be learned from the Swat/KP experience that, although Pakistan has several institutions in the form of the ERRA, PERRA, NDMA, PDMA, and DDMA, there is a need to enhance their capacity as they are the first responders to disasters and handle post-disaster rehabilitation efforts. The findings of this research clearly show that one of the key reasons for donors' aversion to the PD principles was the overall lack of capacity in government agencies to spearhead post-crisis reconstruction initiatives. Even at the early stages of relief and rehabilitation, effective coordination was a daunting task, "whether between centre-province, government-UN, inter-agency, or within the overall humanitarian community in general" (NDMA, 2011, p. 5). Not only in the context of Swat in particular, and Pakistan in general, but elsewhere "capacity constraints are the most prevalent source of difficulties in completing aid reforms and, even more important, for carrying out the essential functions that aid is intended to support" (Wood et al., 2011, p. xviii). In light of this, one clear lesson can be learnt from the specific endeavors in Swat; that enhancing and strengthening capacity of government departments is critical for realizing the global aid effectiveness agenda for poverty alleviation and sustainable development.

Second, and equally important, is the issue of endemic corruption that needs to be tackled earnestly. The PD has unequivocally stated that recipients need to address this issue as "it inhibits donors from relying on partner country systems" (OECD, 2005, p. 2). This research has shown that in KP, PaRRSA successfully implemented various donor-funded interventions, and donors developed trust in it. As a result, it was able to showcase numerous ventures where donors could select projects of their choice in certain areas. Such examples need to be replicated so that donors can trust, not just a single agency, but most government departments across the country. To this end, the role and responsibility of various anti-corruption bodies is manifold. There is a need to make state anti-corruption organs stronger, efficient, and free from political interference, so that they can enact measures to carry out across-the-board accountability for the eradication of financial embezzlement and corruption. These institutions need to play a dynamic role in creating an environment characterised by greater transparency and accountability regarding how and where the government spends public funds. Once such an atmosphere of good governance is generated, aid donors would entrust more responsibility to the GoP concerning the utilisation of aid funds. Without improving its image in relation to corruption, it is hard to convince donors to disburse aid through government systems and to implement projects through government institutions. Under such circumstances, as has been illustrated in Section 7.1, most donors would continue to bypass government channels, and would execute their aid programmes via international partners and contractors.

In order for aid donors to be more effective assisting the government in addressing these development challenges, they need to address the following two issues:

1. Active and effective involvement of host-country institutions in development interventions
2. Harmonisation/increased coordination and collaboration

The first recommendation to aid donors is to work more closely and in collaboration and partnership with government institutions. For achieving the PD principles, and making aid more effective in poverty alleviation, it has been stressed that donors need to entrust more responsibility to partner country institutions in all stages of the project – identification, design, implementation, and evaluation (Knack, 2013a; OECD, 2010; Wood et al., 2011). Unfortunately, this study has illustrated that a majority of donors delivered their aid outside the government systems and implemented their aid programs through their own private contractors and implementing partners (Section 7.1). Under such circumstances, most aid remains uncoordinated and fragmented in numerous areas, resulting in aid ineffectiveness. Instead of using INGOs, or other external partners, donors should carry out most of their activities in collaboration with government institutions, as was the case of certain donors in Swat. This research has found that one of the primary reasons for not using the GoP systems was corruption. However, the 2010 OECD report has noted that even donors' "stand-alone projects are not immune to corruption" (OECD, 2010, p. 49). As the above-mentioned OECD report has stated in general, bypassing GoP institutions is not the appropriate solution for development partners. Rather, they need to use existing institutions in ways to strengthen them by means of demand-driven capacity building measures and appropriate reforms. Instead of bypassing and ignoring, it is imperative that



aid donors work towards making host-country departments more capable, efficient, and accountable by means of greater engagement and collaboration.

For aid donors, another equally important issue is harmonisation; increased coordination and collaboration, not only with local departments, but with other international actors and partners as well. For greater aid effectiveness, and for aid to be “collectively effective” (OECD, 2005, p. 6), the PD has asked aid donors to have an increased level of coordination and collaboration to avoid concentration in specific sectors and areas, as well as to avoid fragmentation in areas too vast to make an impact. In the post-crisis Pakistani context in 2009-10, one positive outcome was the lesson learnt in the aftermath of the 2005 Kashmir earthquake, where too many donors were involved in too many activities, resulting in concentration in some areas and fragmentation in others (Ali, 2012). Globally the want of proper coordination and effective division of labor and responsibilities has remained a chronic issue in delivering aid, particularly in times of emergencies and disasters. Pakistan, however, seems to have learnt some lessons from its own, as well as other, humanitarian crises. This study has shown that in Swat/Malakand the formation of various clusters (such as health, education, communication, and water and sanitation) was a very effective tool where the government was at the forefront indicating its priorities to donors. As a result, the US and UAE mostly funded programs already specified by the government, and this approach greatly helped in the rehabilitation and reconstruction of key infrastructure in Swat. Such an approach of harmonisation and division of labor creates a space for all actors to effectively fill the gaps when and where required. This approach needs to be improved further and should be applied elsewhere in post-crisis humanitarian interventions. Donor countries need to harmonize their actions and formulate strategies thematically and geographically where they have a comparative advantage.

Lastly, there is a need to reconsider the limitations of the language used in the PD and subsequent declarations on aid effectiveness. Phrases such as “to the maximum extent possible” (OECD, 2005, p. 4) are subjective and leave too much space for donors to justify any action they choose, rather than to take a course most beneficial for aid recipients. Critics of the PD, such as Blunt and Samneang (2005, p. 25), rightly argue that “in its present form, the PD is subject to a variety of interpretations” and, instead of a uniform understanding, both donors and recipients construe different principles of the PD differently to further their interests. To this end, it is important to account for the limitations posed by the use of language in specific contexts and to be on guard against how language is manipulated to promote one’s own objectives.

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INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

2033 K Street, NW | Washington, DC 20006-1002 USA | T+1.202.862.5600 | F+1.202.457.4439 | Skype: ifprihomeoffice | ifpri@cgiar.org

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