

Developing FATA, A White Paper for USAID
December 4, 2009
Mehreen Farooq, Hedieh Mirahmedi, Waleed Ziad

Introduction

The Federally Administered Tribal Areas (FATA) of Pakistan is the center stage of the US War on Terror in the Afghanistan-Pakistan region. After investing \$10 billion in military assistance to Pakistan, and extensive military operations in the region, the US has finally included a substantial complementary soft-power component in its counter insurgency strategy. However, the Enhanced Partnership with Pakistan Act of 2009, which pledges \$7.5 billion for economic and social development programs, will only be a worthwhile investment if USAID builds a development strategy based on certain key principles.

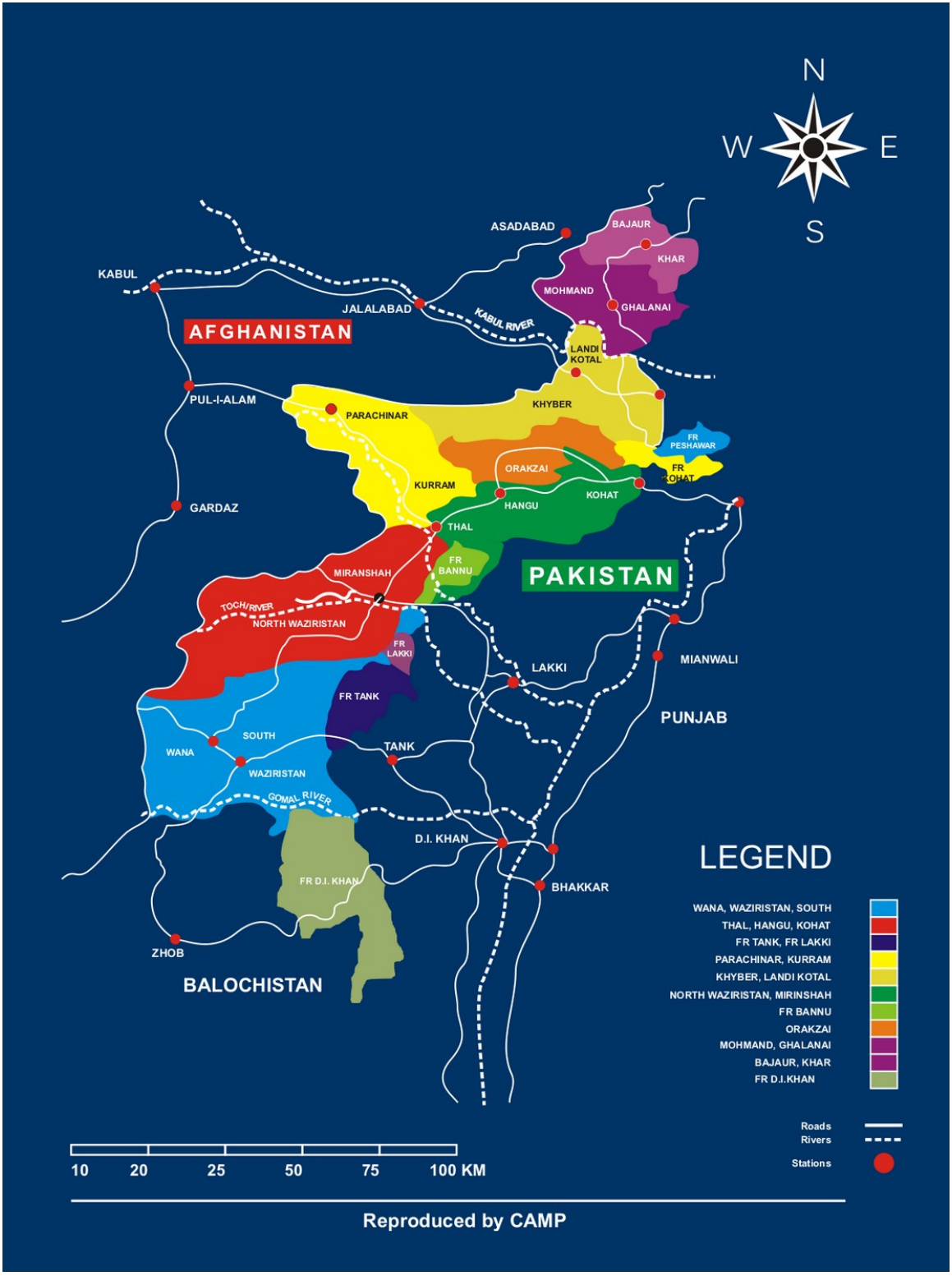
\$7.5 billion, while representing a marked increase over earlier pledges, is not enough to make a significant impact as a whole on Pakistan's \$170 billion USD economy. Particularly since the aid package is geared to counter Talibanization in Pakistan, it would be prudent to focus the majority of funds in a pivotal area where this money could have a long-term visible impact. With FATA's dire economic situation and underdevelopment in every sector, the effects would be most tangible here, presenting an opportunity to win hearts and minds in the strategic area most susceptible to radicalization.

USAID needs a development plan specifically for FATA. Foremost, any development strategy for FATA must understand and work within local cultural norms, tribal customs, and local social structures. Second, particularly given security concerns, USAID should work increasingly with grass-roots Pakistani NGOs and local experts, and begin development in stable regions on the periphery of conflict zones. Finally, USAID should implement a bottom-up strategy for FATA which empowers the local population to plan and implement its own sustainable development.

Methodology

This white paper provides an overview of FATA, its political structure, economic environment, and its development needs, and concludes with recommendations. This paper is based on Farooq's research with American University in Washington DC (to be published with the Middle East Institute) and Ziad's ongoing work on the socio-political development of Pakistan's frontier. This paper presents viewpoints from a cross-section of Pakistani society. Our recommendations are the result of interviews with grass-roots development experts, residents from conflict-affected areas, policymakers in Pakistan at the national and local level, and aid officials, along with Washington policy analysts.

Map of Pakistan with the Federally Administered Tribal Areas



Source: <http://www.understandingfata.org/about%20fata.html>

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BIOGRAPHY

MEHREEN FAROOQ received her MA in International Affairs from American University, focusing on the socio-political development of the broader Middle East. She wrote her thesis on challenges in implementing effective US development assistance in Pakistan's Frontier. She is a research associate at McGill University's Institute for Health and Social Policy (IHSP) working on international poverty policies. Prior to joining IHSP, Farooq was a research associate at the Center for Democracy and Election Management, and the Middle East Institute in Washington, DC. In 2007 she was selected as a Fulbright scholar to research the future of opposition parties in Egypt. Farooq received her BA in Political Science and Leadership from Christopher Newport University.

Farooq has lived and traveled throughout Pakistan, including the frontier regions of Baluchistan last summer.

She is fluent in Urdu and has studied Arabic.

PUBLICATIONS

[Defeating the Taliban in Pakistan](#) The Hill - 11/02/09 Edition

"Black Voters, Black Candidates, and Social Issues: Does Party Identification Matter?" *Social Science Quarterly*: March 2007.

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Hedieh Mirahmadi JD, an attorney by profession, serves as legal counsel and consultant for several multinational non-governmental organizations, which cultivate an international network of support and expertise to combat the spread of Islamist extremism. She travels extensively on behalf of those organizations [e.g. Indonesia, Malaysia, Lebanon, Africa, Egypt, and UK] in order to learn about the methodology, ideology, infrastructure, and recruiting techniques of Islamist extremist movements. Her expertise earned her an appointment to the US Embassy in Afghanistan as Senior Advisor for civil society infrastructure. Recently, she was also asked to serve on the “Heritage Council” of the Office of the Director of National Intelligence.

Her briefings on the threat of violent extremism have been presented to HRH Prince Charles of Wales, England; Admiral Mullen, Chairman of the US Joint Chief of Staff; the US Wives of Senior Military Officials Annual Conference; US NORTHCOM/NORAD Senior Leadership Conference; USARMY NORTH Force Protection Conference; Colonel M. Qaddafi, Leader of Republic of Libya; US Congressman Peter Roskam; and the National Security office of the former US Vice President.

Mirahmadi is the author of several articles including: *How Obama Can Split the Taliban* and *Picking and Choosing Enemies in Afghanistan*, Huffington Post, *A Lebanon Freedom Foundation*, NY Sun, and *The Sunni Disposition and Jihadi Tomb Raiders*, National Review Online, as well as books such as *Islam and Civil Society* and *The Healing Power of Sufi Meditation*, with Ingram Publications.

Ms Mirahmadi is also president of WORDE where she directs all political and social outreach programs between the organization and U.S. officials, non-government institutions and foreign national representatives. WORDE has assembled a five-person Pakistani delegation, who will visit Washington DC April 19-23, 2010. These experts will be available to the US policy community and will provide practical insights into the culture, history and hierarchy of socio-political groups in Pakistan.

PUBLICATIONS

[Picking and Choosing Enemies in Afghanistan](#)

The Huffington Post - 04/22/09 Edition

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BIOGRAPHY

WALEED ZIAD graduated from Yale University with a degree in Near Eastern Languages and Civilizations and Economics, focusing on international development and the history of religious movements in South Asia. He is an economic consultant at Ernst and Young, specializing in issues of international trade and fiscal policy. Ziad is also an associate with the Truman National Security Project, which trains and positions a new generation of progressives across America to lead on national security. His articles on the ideological issues in Pakistan and the Muslim world have appeared in the NY Times, International Herald Tribune, Christian Science Monitor, and major Pakistani dailies, including his most recent piece "Defeating the Taliban in Pakistan" published in The Hill. Ziad has lectured on related topics in a number of venues, including at Columbia, Yale, and McGill Universities.

Ziad has lived and travelled extensively in Pakistan, and continues to advise and work with major grass-roots development initiatives in Pakistan. He is also currently writing a book on the early history of Pakistan's North West Frontier Province. In Spring 2010, Ziad will lead a new initiative with WORDE, a Washington-based think tank that promotes moderation and counters radicalization in the Muslim world, called "Understanding the Socio Political Groups in Pakistan."

He is fluent in Urdu and has studied Arabic, French, and Romanian.

PUBLICATIONS

[Defeating the Taliban in Pakistan](#)

The Hill - 11/02/09 Edition

[In Pakistan, Islam needs Democracy](#)

New York Times Op-ed - 02/16/08

[Jihad's Fresh Face](#)

New York Times Op-ed - 09/16/05

[How the Holy Warriors Learned to Hate](#)

New York Times Op-ed - *Referenced in the 9/11 Commission Report* - 06/18/04

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Key Points:

- As a “Federally Administered Territory,” FATA is isolated from the rest of Pakistan, with a unique system of governance, law and order.
- FATA is governed by a draconian legal code, the Frontier Crimes Regulation (FCR) of 1901, which denies political and civil rights.
- The three major power-brokers are Political Agents, *maliks* and *mullahs*.

Today the Federally Administered Tribal Areas, (FATA) are the center stage of the US’ counter-insurgency (COIN) strategy in the strategic Afghanistan-Pakistan region. Located on the border between Pakistan’s North-West Frontier Province (NWFP) and southern Afghanistan, the 27,500 square kilometers of FATA is home to a 3.2 million population that belong to the Pathan ethnic group. (1)

System of Governance

FATA has unique socio-political power structures and a system of governance different from the rest of Pakistan, which have been in place since British colonial rule. Since Pakistan’s independence in 1947 the central Government of Pakistan has retained minimal administrative authority over the tribal regions, while affording the tribes autonomy. As a result, FATA has remained isolated from the rest of Pakistan.

The region is divided into seven agencies: Bajaur, Mohmand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan – mostly along tribal demographics. Each agency is administered by a political agent (PA) who is vested with wide powers and is provided funds to secure the loyalties of influential elements in the area. The PA works in tandem with an extensive field and office staff including assistant political agents, or *tehsildars*, local police, or *khassadars* and security forces.(2) This top-down system of administration has carried on to the present day.

The PA has several functions.(3) His economic functions include regulating trade in natural resources with other agencies and the rest of Pakistan. Additionally, the PA plays a supervisory role for development projects and chairs an agency sub-committee made up of various government officials to recommend proposals and approve development projects. He also serves as project coordinator for rural development schemes. His judicial functions include maintaining law and order through the implementation of the Frontier Crimes Regulation (FCR) of 1901.

Law and Order

The Frontier Crimes Regulation (FCR) of 1901 is the legal code that is in place to maintain law and order in FATA. Promulgated by the British colonial authorities, this code authorized the PA to handle inter-tribal disputes.

FATA is divided into two administrative categories, protected and non-protected areas. The protected areas are regions under the direct control of the PA such as roads and government

(1) Shuja Nawaz, *FATA – A Most Dangerous Place*, (Washington, DC: CSIS, 2009), 1.

(2) *Ibid*, 7.

(3) FATA Civil Secretariat, “Administrative System.” <http://www.fata.gov.pk/subpages/admnsystem.php>

buildings, while ‘non-protected’ areas are administered indirectly through local tribes through *riwaj*, or Pathan traditional customs based on *pukhtunwali* (a set of tribal laws that are mostly pre-Islamic tribal customs, with some elements of Islamic law, or *shari’a*. In protected areas, criminal and civil cases are decided by political officers vested with judicial powers. The political agent, or an official appointed by the political agent for this purpose, examines the verdict in the presence of parties to the case and members of the *jirga*, a council of elders comprised of men in positions of tribal authority, such as landowners or tribal chiefs. Execution of the verdict is the responsibility of the political administration. In non-protected areas, cases are resolved through a local *jirga* at the agency level.⁽⁴⁾

The FCR, which authorizes the PA to intervene in tribal matters was often used as a tool to counter the fierce opposition of Pathan tribes to British rule. It is widely considered a set of draconian, discriminatory laws that violate basic principles of human rights.⁽⁵⁾ The FCR has been controversial because it includes tenets such as collective punishment and double jeopardy that are not included in the Pakistani constitution. Moreover, the FCR has been used to arrest anyone without specifying the crime, the accused are not allowed to use bail, and there is no formal appeals process.

At the time of independence, the FCR also applied to the whole of NWFP and the province of Baluchistan. In 1956 the settled districts of NWFP and in 1973 the province of Baluchistan were exempted from the FCR and brought into the mainstream of Pakistan. Pakistan’s current Prime Minister Yusuf Raza Gilani has made promises to reform and amend the FCR.

Political Agents, *Maliks*, and *Mullahs*

Along with the Political Agent, there are two other major power-brokers in FATA: *maliks* and *mullahs*.

Since colonial rule, *maliks*, or influential tribesmen are selected by the PA and designated as intermediaries between the members of individual tribes and the central authority to assist in the implementation of government policies. For example, in exchange for annual allowances, the *maliks* were expected to help maintain peace, and to ensure that important roads like the Khyber Pass would remain open.⁽⁶⁾ If the *maliks* did not comply, then the monetary benefits would cease at the discretion of the PA and would only resume on the condition of compliance by the tribes.⁽⁷⁾

The *maliks* were not always perceived favorably by their tribesmen. Because they received allowances, they were accused of disrupting the balance of power and overtime they were viewed as corrupt and servile, undermining the autonomy of the tribes.⁽⁸⁾ Nonetheless, the institution of *maliks* carried over time to the present day.

(4) FATA Civil Secretariat, “Administrative System.” <http://www.fata.gov.pk/subpages/admnsystem.php>

(5) Rahimullah Yusufzai, “Analysis: Pakistan’s tribal frontiers,” *BBC News*, December 14, 2001, http://news.bbc.co.uk/2/hi/south_asia/1711316.stm.

(6) *Ibid.*

(7) Masters, *Bugles and Tiger*, (New York : Ballantine Books, 1968), 17.

Along with the PA and *maliks*, the third major power-broker are the *mullahs*, or religious leaders.⁽⁹⁾ Historically *mullahs* played a peaceful and benign role in society. For the most part they were impoverished and illiterate and depended on *maliks* to provide them with income and security. Without any political voice, their major function was to sit in on *jirgas* and to offer a prayer to commence the meetings.⁽¹⁰⁾

By 1979 however, the status quo of the social structure was disrupted. When the Soviet Union invaded Afghanistan in 1979, the role of the *mullahs* changed because they were seen as an important part of the strategy to encourage Muslim freedom fighters to counter and contain the Soviet encroachment into southern Asia. Armed with guns and funding from the US, the *mullahs* were equipped to fight the Soviets. With these funds, many *mullahs* became financially independent and they no longer relied on the *maliks* for their livelihood.⁽¹¹⁾

By the end of the Afghan war in 1989, the *mullahs* had increased their legitimacy and authority and began to undermine the traditional tribal structure and leadership. Finally, when the Pakistani military, led an offensive against the militants in the tribal regions in 2004, the *maliks* were held responsible for allowing the Pakistan military to breach the tribal right to self defense. This cost the *maliks* a great deal of legitimacy and authority.⁽¹²⁾ As a result of the war, more than 600 tribal *maliks* in FATA were assassinated by insurgents, illustrating the disruption of the status quo and the rise of power of the *mullah* over the PA and the *malik*.⁽¹³⁾

(9) The term *mullah* traditionally refers to a religious scholar or teacher of Islamic scriptures. However in the context of FATA, prior to 1979 many were illiterate and held little influence over the practice of religion or in society.

(10) Shuja Nawaz, *FATA – A Most Dangerous Place*, (Washington, DC: CSIS, 2009), 14.

(11) *Ibid.*

(12) Marvin G. Weinbaum and Jonathan B. Harder, “Pakistan’s Afghan Policies and Their Consequences,” *Contemporary South Asia*. Volume 16, Number 1, (2008): 25-38.

(13) Shuja Nawaz, *FATA – A Most Dangerous Place*, (Washington, DC: CSIS, 2009), 7

Key Points:

- Given FATA's status as a "territory," the people of FATA have not been afforded full political rights.
- Despite nominal efforts to extend the autonomy of FATA, only the president of Pakistan is authorized to amend laws and promulgate ordinances for the region.
- FATA has no representation at Provincial Assembly level and marginal representation at the National Assembly level.
- The federal government determines FATA's development budget, without any input from the people, and has historically underfunded FATA's development, resulting in a large development gap.
- FATA's dependency on the federal government reinforces a top-down decision-making process that fosters patronage networks and clientelism.
- The FATA Secretariat, which is responsible for development activities related to FATA, is viewed as corrupt despite USAID's \$43 million investment in capacity building.

The political structure of the Federally Administered Tribal Area (FATA) is based on a century-old system that is sorely in need of reform. As a result, FATA has remained isolated from the main social, political and economic circles of Pakistan. The region has equally been neglected in terms of development for decades.

Overview of FATA's Political Structure

Limited writ of government

FATA is not legally a province of Pakistan, but rather a territory in which the federal government exerts partial control. The Political Agents (PAs) report directly to the governor of the neighboring North West Frontier Province (NWFP), who serves the region of FATA as a representative of the President of Pakistan. Only the president of Pakistan is authorized to amend laws and promulgate ordinances for the tribal areas.⁽¹⁴⁾ FATA's political and economic affairs are conducted through the FATA Secretariat established by the president in 2002, which is responsible for planning, implementation, monitoring and evaluation of all development activities related to the region.

Limited Political Rights

It was not until 1997 that the people of FATA were given the right to vote.⁽¹⁵⁾ Prior to 2009 political parties could not operate or campaign inside FATA. As a result, the call for greater social, political and economic reforms for FATA was not taken up by one of the main political parties in Pakistan. This year, the Pakistan Political Parties Act was finally extended to FATA.

Limited Political Representation

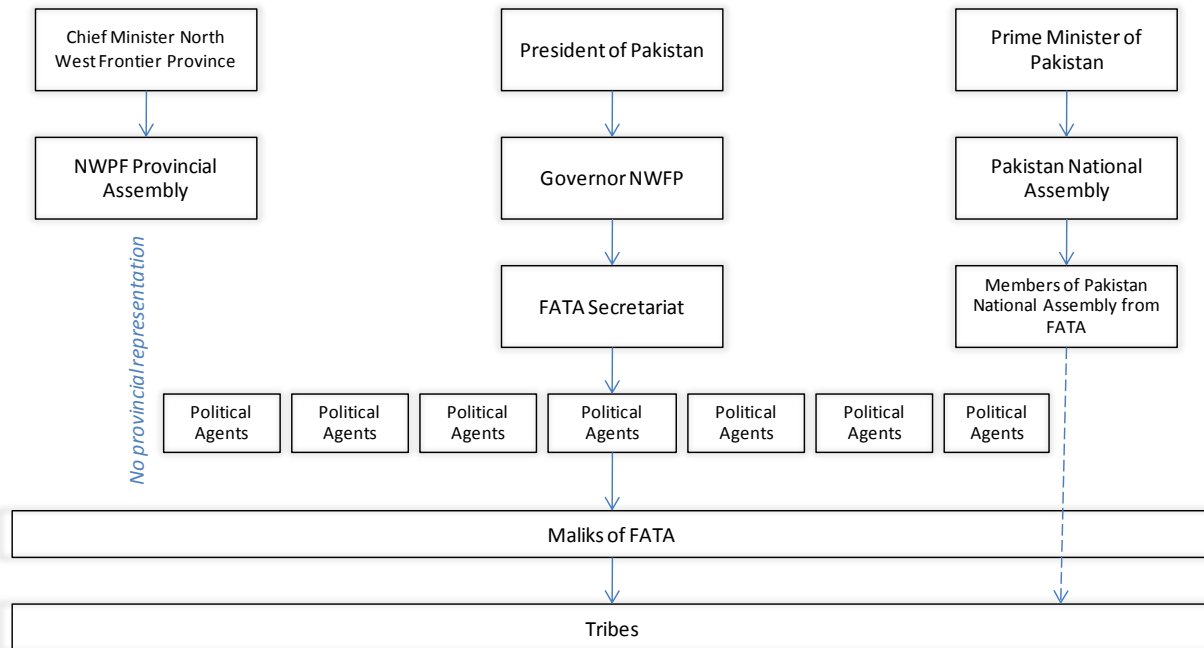
FATA lacks adequate representation both at the Provincial and National Assembly level. Although the FATA Secretariat operates within the NWFP provincial government offices under the authority of the NWFP governor, FATA is not allowed any representation in the NWFP Provincial Assembly. There are twelve members of the Pakistan National Assembly from FATA,

(14) Article 247 of the Pakistani Constitution

(15) FATA tribesmen are afforded other rights as citizens as other Pakistanis such as the right to a passport, a national ID card, the right to join the military, and the right to personal property.

but their representation in the assembly is marginalized because no act of parliament can apply to FATA – unless the President mandates it so.

Political Structure of FATA



Budgeting for Development

FATA does not have the institutional capacity to plan and execute development projects because it has to rely on the federal government for its resource allocation. Only minimal social and development projects have been funded by the federal government to date for FATA.

In 2002, the Government of Pakistan created the FATA Secretariat, in addition to establishing a FATA Task Force and the FATA Development Authority to identify which sectors needed improvement, by creating short, medium and long term goals towards which US economic assistance could be applied.⁽¹⁶⁾

Although these changes have enabled the local tribal population some input into development projects, the federal government still determines FATA’s budget without any democratic input from the local population.⁽¹⁷⁾ Whereas in Pakistan provinces, development budgets are determined through elected representatives who are held accountable by their constituents, Iftikhar Ahmed, Pakistan Institute of Development Economics. e-mail message to author, June 22, 2009.

Perspectives on the Ground

As a result of the political underdevelopment of FATA, local authorities have not had the opportunity to develop accountable procedures. Despite USAID’s \$43 million investment in capacity building, according to Ms. Bushra Gohar, a Member of the National Assembly (MNA) from the NWFP “There has been little transparency within the FATA Secretariat which leads to the perception of widespread corruption. The perception on the ground is that public officials within the FATA Secretariat have assumed their positions through buying favors.”

(16) *Ibid.*

(17) Iftikhar Ahmed, Pakistan Institute of Development Economics. e-mail message to author, June 22, 2009.

FATA has not had the opportunity to develop its institutional capacity with respect to resource management. Without these tools and the proper budgetary resources, the territory is still overwhelmingly dependent on the federal government to close its development gap.

Consequences of this Top-Down Decision-Making Process

Unfortunately the federal government has not responded well to FATA's needs. FATA has been a low development priority of the federal government and the region has not received adequate funds for development programs. Until 2001, FATA received less than 1 billion rupees.⁽¹⁸⁾ By FY 2008, the federal government increased FATA's development budget to 12.9 billion rupees. Still, the per capita government funded development investment is 905 rupees, which is less than half of the national per capita government funded development investment of 2,044 rupees.⁽¹⁹⁾

FATA's dependency on the federal government for its development resource allocation reinforces a top-down decision-making process that fosters patronage networks and clientelism. Development projects are implemented in an ad-hoc fashion, usually under the aegis of an influential *malik*. This process largely benefits the influential or politically active segments of tribal society – while depriving the population at-large from socio-economic progress. ⁽²⁰⁾ Impact and sustainability have been noticeably absent in nearly every project implemented in the tribal areas. ⁽²¹⁾⁽²²⁾

(18) "FATA Sustainable Development Plan 2007-2015." *Civil Secretariat FATA*, page 146.

(19) "Cost of Conflict in FATA." *Planning and Development Department, FATA Secretariat*, April 2009, page 2.

(20) FATA Civil Secretariat, "Administrative System." <http://www.fata.gov.pk/subpages/admnsystem.php>

(21) "FATA Sustainable Development Plan 2007-2015." *Civil Secretariat FATA*

(22) Shuja Nawaz, *FATA – A Most Dangerous Place*, (Washington, DC: CSIS, 2009), 29.

Key Points:

- 60% of FATA’s population lives below the poverty line.
- The largely agrarian economy has been destroyed by the recent conflict.
- With minimal employment opportunities, many turn to the Taliban for employment.
- A greater amount of funds, coupled with legal reforms, are needed to revitalize this key area.

The Federally Administered Tribal Areas (FATA) is the most underdeveloped region in Pakistan with 60 percent of its population living below the national poverty line.⁽²³⁾ In almost all sectors, the development gap in FATA is greater than that of any other region in Pakistan (see table below). Given FATA’s status as a “territory” rather than a province, the prospect of real economic growth is dampened because banks cannot approve loans, industries cannot be regulated, taxes cannot be levied and legal rights of businesses cannot be protected.

Selected Development Indicators Comparison:

Selected Development Indicators	FATA	Pakistan
Education *1998 census data		
Literacy	17.42%	43.92%
Literacy (male)	29.51%	54.81%
Literacy (female)	3%	32.02%
Health *2006 data		
Population per doctor	6970	1254
Population with access to improved sanitation	10%	74%
Communications *2006 data		
Population per telephone	90	30
TV sets	107	3,604,000
Source: Bureau of Statistics - Planning and Development Department, Government of NWFP http://nwfp.gov.pk/BOS/statsfata05.htm		

FATA’s Economy

A lack of development funds and poor execution of programs has resulted in a region where the economy is almost nonexistent, and agriculture is practiced in only a few fertile valleys. However there is a great opportunity to invest in livelihood opportunities for FATA. Only 7 percent of the total geographic area of FATA is cultivated, with another 1 percent recorded as fallow, accounting for roughly half of all potentially cultivable land. 44 percent of agricultural land is under irrigation, while the remaining farms rely exclusively on rainfall. While water for irrigation is provided through community-built canals and irrigation networks, in some areas, entire irrigation systems no longer function.⁽²⁴⁾

(23) “2005 FATA Development Statistics,” *Bureau of Statistics: Planning and Development Department- Government of NWFP*, <http://nwfp.gov.pk/BOS/statsfata05.htm>.

(24) “FATA Sustainable Development Plan 2007-2015.” *Civil Secretariat FATA*, page xiii.

According to official reports, “most households are engaged in primary-level activities such as subsistence agriculture and livestock rearing, or small-scale business conducted locally.”⁽²⁵⁾ Today however, whatever fledgling economy was in place has been destroyed by the recent conflict.⁽²⁶⁾ It is no wonder that men aged 18 to 25 turn to the Taliban for employment, receiving 300 rupees a day – approximately the amount the average person earns in FATA in one week.⁽²⁷⁾ While many seek employment as short-term unskilled laborers or enlist in the local security and paramilitary forces, the opportunities for employment are limited. In this atmosphere, the allure of illicit activities such as smuggling and drug trafficking is also high.

Impact of the War

With destroyed infrastructure, scores of civilians killed, and about 2 million registered refugees or internally displaced peoples (IDPs), the cost of the War on Terror on the local population has been immense.⁽²⁸⁾ In addition to the closure of markets, businesses, increased transportation costs, and inflation, the IDP crisis has put a considerable strain on the government's already limited resources.⁽²⁹⁾ According to official documents, the rehabilitation costs of the IDPs from FATA are estimated to exceed 15 billion rupees (about \$180 million USD).⁽³⁰⁾ The Government of Pakistan is unable to generate these funds. As a result, Pakistan is heavily dependent on international aid for its support programs. In short, the challenges of building FATA's economy from the ground-up are large and will take considerable time.

(25) *ibid.*

(26) “Cost of Conflict in FATA.” *Planning and Development Department, FATA Secretariat*, April 2009, page 9.

(27) Jane Perlez, “Doubts Engulf an American Aid Plan for Pakistan..” *New York Times*. December 25, 2007. <http://www.nytimes.com/2007/12/25/world/asia/25pakistan.html?pagewanted=2&ref=world>

(28) About half the total number of IDPs that have been displaced because of the war come from FATA. “Cost of Conflict in FATA.” *Planning and Development Department, FATA Secretariat, Peshawar, Pakistan*. April 2009.

(29) *ibid.*

(30) *ibid.*

Key Points:

- The Sustainable Development Plan for FATA, developed through a series of town hall consultations with regional stakeholders, is a solid starting point for understanding FATA’s development requirements.
- Four sectors (infrastructure, education, health, water) are identified as the critical sectors in need of development in FATA.

The Plan specifies short and long-term programs required to close the development gap.

In 2006, the Government of Pakistan created the Sustainable Development Plan (SDP) for FATA, which provides us with a solid starting point for understanding FATA’s development requirements. The SDP is a long-term strategic plan, covering a range of seventeen sectors, and over \$2 billion USD of projects to be implemented from 2006-2015 (see table below). The magnitude of the task at hand is overwhelming and raising the large resources for programs will be a challenge. To achieve the plan, the Pakistani government pledged \$1 billion in development aid to the region, and would seek additional funds from donor governments.⁽³¹⁾ In 2007, the US announced a pledge of \$750 million dollars for the region.

Sustainable Development Plan by Sector (2007-2015)

Sectors	Budget (Millions of rupees)	Budget (Millions of USD*)
Education	27,645	461
Health	13,700	228
Water Supply and Sanitation	4,040	67
Rural Development	1,850	31
Agriculture	10,115	169
Livestock and Poultry	1,985	33
Forestry	7,550	126
Fisheries	685	11
Irrigation, Water and Power	9,063	151
Roads and Bridges	34,780	580
Physical Planning and Housing	1,405	23
Industry	3,420	57
Mining	5,350	89
Commerce and Trade	46	1
Tourism	425	7
Skills Development	629	10
Cross-cutting initiatives	1,420	24
Total	\$124108 million rupees	\$2.1 billion USD

(31) “FATA Sustainable Development Plan 2007-2015.” *Civil Secretariat FATA*.

Note that when the SDP was originally published, the exchange rate was approximately 60 Pakistani rupees to 1 USD, which made the total cost of the strategic plan equal to \$2 billion USD. At the current July 2009 exchange

A Ground-Up Approach

The SDP is significant because it was the first development program in the tribal areas that was created with the input of the local population. To assess the needs of this underdeveloped region, the FATA Secretariat arranged a series of public consultations over a two week period in September 2006. These meetings were organized under the patronage of the Public Agents and district coordination officers, and included over 350 public representatives, tribal elders, *maliks*, members of academia and the media. Separate meetings were also held for women, particularly students and teachers. In short, the SDP marked a shift towards implementing a bottom-up development program.

Within the plan, four sectors demand the largest budgetary considerations: infrastructure (roads and bridges), educational reform, health, and water supply and sanitation.

Infrastructure

Infrastructure, particularly roads, is the critical foundation for further development in FATA. Roads provide access to markets and allow for the transportation of raw materials. By building new roads, new areas are opened up and linkages are created with service providers in all the sectors. Above all however, roads provide greater security because they facilitate security and military forces to rapidly respond to crises. As the SDP report suggests, building new roads tends to increase human security by improving law and order.

Infrastructure development has received a large amount of FATA's Annual Development Program budget in the past; however the sector still lacks adequate staff, capacity, equipment and resources. Other challenges in this sector arise from FATA's unique status as a federal territory. Since normal land acquisition laws do not apply in FATA, any new building or road must be approved first by a tribal commission. If approved, 6.25% of the total project cost must be distributed among the local clans and tribes according to ownership. This process often involves complex tribal politics and therefore can significantly delay projects.⁽³²⁾

Education

Education was historically neglected and underfunded. The region experiences low student enrollment, high drop out rates, and few opportunities for advanced education. In addition, teacher absence in FATA is high, while the quality of teaching is low. Unfortunately, there are few incentives for attracting new teachers to the region, particularly because transportation is not provided for women and girls. As a result of these deficiencies, some analysts fear that the void in the public education system is being filled by the creation of religious schools, or *madrasas*, that mainly teach Islamic education.⁽³³⁾ Although *madrasas* were historically centers of high, traditional Islamic learning, along the border regions of Pakistan, many have been overtaken by fundamentalists who encourage militancy.

Unfortunately, there are not enough funds to substantially reform this sector. Until 2001, the federal government allocated less than \$1.5 billion rupees annually for education in FATA, the majority of which was spent on administrative and school maintenance costs and teacher

(32) "FATA Sustainable Development Plan 2007-2015." *Civil Secretariat FATA*, page 94.

(33) Irfan Ali. "Afghan Expert Calls for Grand Regional Bargain." *The Daily Times*. May 5, 2009. http://www.dailytimes.com.pk/default.asp?page=2009%5C05%5C05%5Cstory_5-5-2009_pg7_37

salaries, with very little allocated for development. Therefore as part of the SDP strategy, a larger amount has been requested for developing this sector. Some of the new initiatives include new programs providing incentives for female students and teachers by offering scholarships, hardship allowances and transportation facilities.

Health

The lack of a proper health infrastructure is one of the most illustrative examples of the extent of the development gap in FATA. Access to adequate healthcare is restricted for a number of reasons that include limited and distant facilities, social restrictions for women's mobility, and cultural misperceptions regarding modern medicine. However, simply increasing the number of facilities is not enough. Since FATA does not have its own health workforce (FATA relies on staff in NWFP) it is in need of developing its own public health system by recruiting and training local staff for health facilities.

Water

Improving FATA's water supply is important to the pastoralist tribal communities that rely on their livestock and agriculture for their livelihood. The region's low annual precipitation and its arid and semi-arid environment pose a challenge. As a result, there are a low number of public water schemes. As of 2004-05, only 56% of the population was covered by water supply schemes, and far less (10%) had access to adequate sanitation in the form of toilets, sewage, drainage and solid waste disposal. To improve this sector, the government hopes to implement additional groundwater-based supply schemes, and new sanitation services. ⁽³⁴⁾

(34) *Ibid*, page 35.

Key Points:

- In 2006, the US pledged \$750 million in development assistance specifically for FATA. Despite this investment, the perspective on the ground has been that the projects have not had any substantial impact.
- Prior projects have been criticized by local experts for inefficiency, falling short of FATA’s needs and lacking long-term impact.
- A critical opportunity to earn good-will is lost due to limited data available to the public regarding USAID’s projects and achievements.

In March 2006 the US announced that it would provide Pakistan with \$150 million USD annually for five years (totaling to \$750 million USD) for USAID projects in the Federally Administered Tribal Areas (FATA).

In December 2008, USAID reported the following accomplishments in support of Pakistan’s Sustainable Development Plan (SDP): ⁽³⁵⁾

- \$43 million FATA Capacity Building Program has built up the infrastructure of the FATA Secretariat by providing administrative and management training for staff from FATA development agencies.
- \$300 million Livelihoods Program has benefited over 10,000 youth through short-term cash-for-work programs, while enrolling over 800 youth in vocational training and scholarship programs, and 350 youth in literacy and life skills programs. In addition to spurring economic growth, USAID has worked with local banks to disburse micro loans.
- \$15.4 million education programs have trained over 340 education staff in areas such as school management, financial management, training, and educational planning. In addition, 58 primary, middle, and high schools have been constructed and furnished in FATA.
- \$16.7 million health programs have conducted 1,824 Child Health Days that provided more than 207,821 children and 19,000 mothers with medical care and vaccinations. In addition, the programs provided training for 1,321 health providers in newborn and child health care.

According to these public figures, these programs total \$375 million, which is a sizeable investment in FATA. Despite these achievements, the perception on the ground is that these projects have been inefficiently executed and largely ineffective.

Several additional points repeatedly arose from consulting with development experts and policymakers in Pakistan, which have been included below.

“An Incomplete Picture of Results”

The basic problem in assessing USAID’s work in FATA stems from the fact that there is limited data available for the public. What little data is available was found in a Government

(35) Government Accountability Office (GAO) Report to Congressional Requestors: “Securing, Stabilizing, and Developing Pakistan’s Border Area with Afghanistan. Key Issues for Congressional Oversight.” February 2009.

Accountability Office (GAO) Report to Congressional Requestors, not on USAID/Pakistan’s website.

Given the data publically available, the figures for the cost of each program are unrepresentative of the actual amount of aid that reaches FATA residents. For example, USAID reports spending \$300 million as part of the Livelihoods Program to impact 11,150 youth. Without any additional information this would lead the public to believe that the cost of this program was about \$27,000 per person. Considering that FATA’s GDP per capita is a small fraction of the average GDP per capita of Pakistan which is \$993, USAID invested a disproportionate amount of money into this program.⁽³⁶⁾ Without any additional information, it is difficult to assess this costly program. Either the cost of operating and managing such programs is very high and such programs should be reevaluated, or these numbers are incomplete. If the positive impact is greater, then these figures should be readily available. In either circumstance, the numbers reported in USAID’s documents require further clarification.

“Impact of Programs Unknown”

USAID needs to provide and make public a thorough analysis of its programs and their impact. USAID is presenting an incomplete picture of its efforts. For example, regarding the FATA education program, USAID simply announced that its project trained 340 education staff and constructed 58 schools. The public should be informed as to the impact and efficacy of the program. Data on *outputs*, such as the number of schools built, should have been supplemented with analysis on *outcomes*, such as whether student enrollment and teacher retention increased, or whether new schools diverted student enrollment from radical *madrasas*. Without this information, USAID is losing an opportunity to win hearts and minds.

Perspectives on the Ground
 According to an education analyst and professor based in Islamabad, Fatimah Khan, “Enrollment rates don’t tell you the whole story. It is quite typical of USAID and other similar agencies to show the public numbers; but what numbers hide at times is the quality of education.”

“Absence of Infrastructure”

Although a comprehensive roads network provides access to a wide range of services and facilities critical in a post-conflict/transitional region, within the first 6 years of its mission in Pakistan, USAID did not take advantage of the opportunity to implement programs to improve FATA’s infrastructure. ⁽³⁷⁾Other critical areas in need of reform such as irrigation, water supply and sanitation were not initiated. Similarly the construction of hospitals, bridges and roads were not included in any of USAID’s 2006-2008 achievements in FATA. Had USAID implemented infrastructure programs, the tangible changes would have provided instant gratitude from the local people and a key victory in the battle of winning hearts and minds in the tribal region.

(36) Sajid Chaudhry, “Estimates Show Nominal GDP to be \$162.6 Billion,” *Daily Times*. April 18, 2009. http://www.dailytimes.com.pk/default.asp?page=2009%5C04%5C18%5Cstory_18-4-2009_pg5_9.

(37) Building roads was also hailed by USAID as a critical component in establishing security in other post-conflict areas like Afghanistan. “New Road Increases Market Access and Security.” *USAID*. October 1, 2006. <http://afghanistan.usaid.gov/en/Article.64.aspx>

Projects lacked Long-term Impact

Another major shortfall of the USAID mission is that it did not implement programs that had a long-term impact in FATA. For example to increase FATA's economic growth, the Livelihoods Program only provided short-term relief to unemployed youth whereas it would have been more effective to implement long-term programs like investing in skills development centers, or programs that would develop indigenous options for entrepreneurial activity. Additionally by focusing primarily on offering students scholarships to study elsewhere in Pakistan, the short term strategy did little to address FATA's brain drain.

Similarly, while the Child Health Days program provided mothers and children with medical care, this was a project with short-term results. It would have been more effective to have a long-term project that would develop a public health education system. In short, there were no programs put in place to develop the capacity of local people to enable them to provide services in social and technical sectors.

“There is little evidence to suggest that short-term employment schemes related to realization of CBD projects result in longer-term or ongoing employment for participants. Therefore, if programs contain a short-term livelihoods component meant to occupy unemployed young men, stabilize income and provide alternatives to participation in conflict, sustainable results beyond the term of the CBD program will require that the program match short-term employment and skills training to existing local market demand and supply or to longer-term economic growth initiatives that aim to generate demand and/or develop new markets.”

- USAID *Community-based Development in Conflict-affected Areas: An Introductory Guide for Programming.*

Summary of Recommendations

1. Recognize FATA's unique situation

- Create a development strategy that is tailored specifically to FATA, which works within local cultural norms and tribal customs, and recognizes local social structures.
- Projects need to be implemented through tribal decision making processes, in conjunction with the local power brokers.
- USAID should work closely with moderate religious leaders, who, as educators and social service providers, are naturally positioned to counter radical ideologies.

2. Addressing Security Concerns with the Demonstration Effect

- Given security concerns, USAID should begin by implementing programs in the stable peripheries of FATA.
- The success of graduated programs would encourage neighboring regions within FATA to replicate the efforts.

3. Bottom-up Strategy

- Development assistance must be administered through grassroots NGOs and local experts rather than solely through the Government of Pakistan.
- In FATA's tribal society, it is important to achieve consensus and support from all members of the community before beginning a project.
- Micro-level projects yield quick, tangible results and are effective in building initial trust which can be leveraged for further long-term projects.
- USAID should establish local community-development liaison teams to help plan and implement development schemes.
- Local staff should be provided the tools and training to implement programs.
- Development agencies will have to tap into NGOs and qualified professionals elsewhere in Pakistan, particularly the 1 million Pathan population which has migrated from FATA.

4. Encourage Key Political Reforms

- USAID should encourage the Pakistan to extend political rights to the people of FATA.
- Political reforms must be undertaken so that the people of FATA can take ownership of their development programs.

5. A Hands-on Approach

- USAID's hands-off reliance on contractors and grantees has decreased oversight and accountability. USAID needs to conduct more field visits to monitor its projects directly.
- Given security concerns, USAID should work increasingly with Pakistani NGOs and Pakistani-American NGOs.
- It would be useful for USAID and Pakistani Americans to share knowledge and best practices, and cooperate in identifying reliable partners in Pakistan.

6. Transparency and Building Goodwill

- USAID needs to provide thorough analyses of its programs and their impact.
- USAID should increase transparency with regards to where funds are going and provide analyses on how the development schemes revitalize the region.
- Engaging with Pakistani policymakers and think tanks and even routinely updating USAID/Pakistan's website will build greater credibility for USAID's efforts.

7. Sustainable Development

- To improve America's image in Pakistan resulting from the "rollercoaster relationship" of the past, our projects need to demonstrate a long-term commitment.
- A long-term approach in Pakistan will require a high level of commitment from USAID and its partners to carry out projects until its strategic objectives are met.
- USAID should implement programs as rapidly as possible without sacrificing the competitiveness of the grants or the quality of the program.

1. Recognize FATA's unique situation

Despite the strategic importance of the Federally Administered Tribal Areas (FATA), in the past eight years, insufficient US development assistance has been allocated for projects in FATA. ⁽³⁸⁾ The upcoming \$7.5 billion in economic assistance is a critical opportunity for the US to flex its soft power capability where it is needed most. In order to succeed here, a unique development strategy must be adopted that takes into consideration the extraordinary political, economic and social structures of FATA.

Create a development strategy that is tailored specifically to FATA

Throughout USAID's missions across the world, a major challenge is staffing missions with aid officials who are familiar with the cultural mores, attitudes and institutional relationships in the recipient country.⁽³⁹⁾ In Pakistan, this challenge was compounded by the seven year hiatus in which the Pakistan mission was closed (from 1995-2002).

Evaluations of past USAID programs reinforce this point. In the Improved Child Health Project, evaluators found that "Since FATA is culturally, politically, and structurally different from the rest of Pakistan, USAID should design an integrated maternal, neonatal, and child health (MNCH) project with a water and sanitation component specifically for FATA."⁽⁴⁰⁾

Tailored projects require partnering up with organizations and individuals on the ground who are either from FATA or very familiar with the area.

Recognize local power structures.

The tribes form the basis of the social structure in FATA. They own the land, and through the *jirga* system collectively deliberate on all major decisions including development projects. Therefore, USAID and its partners on the ground have to forge relationships with the tribes. Projects need to be implemented through tribal decision making processes, in conjunction with the local power brokers.

In Afghanistan, where similar tribal norms predominate, village councils were used to administer small grants less than \$100,000. The locals elected the most trusted villagers, and the government in Kabul, aided by foreign donors, provided them with direct grants. "Local residents contend that the councils work because they take development down to its most basic level, with villagers directing the spending to improve their own lives, cutting out middle men, local and foreign, as well as much of the overhead costs and corruption."⁽⁴¹⁾

(38) Statement of Acting Deputy USAID Administrator James Kunder before the Senate Foreign Relations Committee, December 6, 2007 in K. Alan Kronstadt, "Pakistan – US Relations," *Congressional Research Services (CRS)* February 6, 2009).

(39) Carol Lancaster and Ann Van Dusen. "Organizing US Foreign Aid: Confronting the Challenges of the 21st Century." *Global Economy and Development: Monograph Series on Globalization*, (Washington, DC: Brookings Institution, 2005), 34.

(40) Improved Child Health Project (IHP) Evaluation

(41) Sabrina Tavernise. "Afghan Enclave Seen as Model for Development" New York Times. November 12, 2009. <http://www.nytimes.com/2009/11/13/world/asia/13jurm.html?pagewanted=1&r=2&emc=eta1>

Respecting cultural norms

To create a program specifically for FATA and engender trust, USAID’s programs have to adhere to local cultural norms, gender relations, and tribal customs. Projects can not be seen as challenging these norms.

Image is vital, according to Mohammad Allauddin, Director of Orangi Welfare Project (Trust), one of the most successful grassroots NGOs in Karachi. “Unfortunately, development workers in Land Cruisers, not speaking the local language, and wearing Western clothing creates a disconnect between the organization and the people they strive to help. They immediately lose legitimacy and credibility in places like FATA.”

Perspectives on the Ground

A development activist in Pakistan warned that “given the current lack of trust in the frontier regions, a government school manned by teachers from outside the region, who are teaching curriculum that is developed by outsiders will be looked upon with extreme suspicion. Therefore, any school teaching secular subjects should also incorporate local religious teachers, and include a familiar curriculum espousing local values. Ideally, out of every 3 teachers, 2 should be local.”

In Afghanistan, where similar tribal norms predominate, a development worker spent more than a year trying to persuade a *mullah* to allow building a girls’ school. His tactic involved giving the local leader respect by sitting lower than him and praising his leadership. After gaining his cooperation, he arranged for the mullah to visit other villages to witness the positive impacts of girls’ education.

Where cultural norms might prove contrary to project goals, sensitization events like those organized in USAID’s Improved Child Health Project (IHP) can help educate and involve people in health/sanitation issues. According to the project evaluation, “Reaching out through village elders and *ulama* (religious leaders) and through local structures is crucial to reaching men with vital information.”

Working with moderate religious leaders

Moderate religious leaders wield considerable power and influence as some of the primary educators and social service providers in rural Pakistan. In FATA, they also serve on *jirgas*. In order to implement a successful program based on consensus and support from all members of the community, USAID will have to work with moderate religious leaders.

A prerequisite to determining whom to work with is to avoid treating all religious elements as one monolith. There is a vast difference between the Wahhabist Jihadi networks who infiltrated the region during the Soviet invasion of Afghanistan, and the indigenous religious leaders, commonly known as the *Ahl Sunnah wa Jamaah*, who espouse peaceful, mainstream Islamic practices.

Across Pakistan and in FATA, the majority of the people do not support the Taliban and reject their extreme interpretation of Islam. In contrast, the *Ahl Sunnah wa Jamaah* represent the

(42) *Ibid*

form of Islam most practiced in Pakistan which is in the classical Sunni-Hanafi school of thought and the mystical teachings of Sufism.

Unfortunately, the Taliban have launched a campaign to target the moderate religious leaders. For example, within the past year, the mausoleum of a legendary 17th century Sufi poet known as Rehman Baba was bombed. In June, a suicide bomber killed Sarfraz Naeemi, a popular religious leader who had arranged an Anti-Taliban seminar in his *madrastas*. Most recently, the Religious Affairs Minister of Pakistan, Hamid Saeed Kazmi, who has spoken out publicly about Sufi Islam as “the true Islam of Pakistan,” was targeted in an attack in September in Islamabad. (43)

2. Addressing Security Concerns with the Demonstration Effect

Given the instability and security concerns in most of FATA, we can not expect to implement sustainable development schemes in the center of conflict zones. As a result, USAID has had limited mobility and has been unable to directly monitor its programs.

It is far more effective to begin in the peripheries of FATA, in stable regions like Bannu and Karak where IDPs have settled. Here, we can build schools, roads and hospitals and implement microfinance schemes. The success of the graduated programs would encourage the people in neighboring regions within FATA to replicate the efforts, and would make them more willing to have USAID initiate similar programs in their areas. This “demonstration effect” has worked in conflict zones worldwide and has been recommended by USAID’s Maternal and Child Health Program evaluators. (45)

3. Bottom-up Strategy

Working with local NGOs and local experts

According to USAID, it is important to work with local organizations and individuals because they will have “the most direct contact with communities in highly divided conflict-affected environments. They should be included in all phases of program planning, design, implementation and monitoring, both to build capacity and to develop commitment to the program model.” (46)

Perspectives on the Ground

The Pakistani Economic Affairs Division which administers foreign economic assistance is too dysfunctional to appropriate funds for projects. According to one MNA, the minister hasn’t held a meeting in over a year! (44)

According to a *malik* from FATA “if USAID funds are channeled through the Pakistan government, development aid will be wasted or pocketed by a few influential people.”

(43)Omar Waraich. “Pakistani Minister Survives Terrorist Attack.” *Time.com* <http://www.time.com/time/world/article/0,8599,1919988,00.html#ixzz0XvyAE9RB>

(44) Interview with Ms. Donya Aziz, Member of the National Assembly. November 24, 2009.

(45) “High-performing districts could be graduated as they prove a certain level of sustainable quality service before USAID assistance phases out and initiates similar interventions in new, preferably neighboring districts. The graduated districts then could be encouraged to serve as role models to facilitate implementation in the new districts.” USAID Maternal and Child Health Program Evaluation.

(46) *USAID Community-based Development in Conflict-affected Areas: An Introductory Guide for Programming.*

USAID needs to expand its relationship with grassroots NGOs who have the capacity to affect change at the tribal level. Several development experts have noted that the most important factor in conducting development work in Pakistan is recognizing which organizations are capable to actually working on the ground. In Pakistan, NGOs can be donor-oriented (capable of issuing solid proposals and raising funds) or people-oriented, who operate at a grassroots level and can work fluidly with local power structures. Too often foreign aid agencies work with the former. The key is to find an NGO which can do both. An ideal NGO is one which has a proven track record in the region, a reputation for integrity, and the capacity to mobilize people on the ground. This may entail reaching out beyond the usual suspects and engaging a lot of grassroots NGOs which in past have fallen below the radar.

Linking with organization and individuals at the grassroots level can also help change the general perception in Pakistan that USAID is an “insider players club” where only a select group of NGOs are chosen to do work. (47) USAID’s partners are often identified as belonging to the wealthy strata of society and being out of touch with ground realities.

Administering aid through government channels

Administering US development assistance solely through the Government of Pakistan may be an imprudent option for several reasons.

- The government has a poor track-record regarding funding FATA’s develop needs.
- Working through the government would only reinforce the top-down socio-political structure of FATA which has bred corruption and a culture of mistrust. Working through the official channels would only serve to strengthen inefficient institutions.
- According to the former governor of the State Bank of Pakistan, government-to-government assistance results in the relaxation of domestic efforts and a dependency on a top-down approach.
- Civilian-led governments have faced frequent turnovers of power. This would further delay allocation of development funds to the region.
- Development funds are dispersed to each province on the basis of their population. As a result, the most populous and politically powerful provinces receive a greater amount of development funds leaving regions which need the aid the most chronically underfunded. If development funds are given directly to the Government of Pakistan instead of through NGOs, regional politics and inter-provincial rivalries for resources would come into play. Not only would a region like FATA receive disproportionate funds according to its needs, but project implementation would be severely delayed.

Community-building programs work

It FATA’s tribal society, it is important to achieve consensus and support from all members of the community before beginning a project.

In 2006, the Government of Pakistan held a series of public town hall meetings to assess the needs of this underdeveloped region. This was the first development program in the tribal areas that was cre-

(47) Interview with Mohammad Allauddin, Director, Orangi Welfare Project (Trust), Nov. 25, 2009.

successful in engaging tribal elders, *maliks*, and members of academia and the media. Similar town-hall meetings should be institutionalized and held on a regular basis.

Starting small, particularly in Conflict Zones

It is vital to understand that Pakistan's current military victories in FATA present a tremendous opportunity to win hearts and minds among populations on ground as well as IDPs who have been devastated by the conflict. Many in FATA are skeptical about the Pakistani and US governments' abilities to improve their lives. However, if development efforts are not made after the military campaigns, these areas will become greater breeding grounds for the Taliban.

USAID should begin with small development schemes that can be rapidly implemented (e.g., clean drinking water, short distance roads and basic irrigation schemes) for conflict-affected areas. In stable areas, such short term, micro-level projects should be implemented along side large scale projects such as building hospitals, schools, and major highways.⁽⁴⁸⁾ Micro-level projects yield quick, tangible results and are very effective in building initial trust and working relationships, which can be leveraged for further long-term projects.

Finding credible partners on the ground

USAID should establish local community-development liaison teams in each major town. One suggestion that has been posed is the creation of non-political, community-based teams which would include five community members in each town from a variety of sectors including doctors, teachers, and farmers who are recognized by the tribal leadership as being reputable. They would be designated as official liaisons between aid agencies, the FATA Secretariat, and the tribes. These teams would help plan and implement local development schemes. While Political Agents could ostensibly perform a similar function, they lack credibility and are out of touch with local needs.

This kind of strategy would be in line with USAID's Community-Based Development programs which aim to "focus on local actors – specifically small communities – with the hope of addressing the root sources of conflict, supporting livelihoods, and building local capacity to solve problems in an inclusive and non-violent manner."

There are several USAID projects which included similar community-development liaison teams. However, they were limited in their capacity because they lacked authority from the FATA Secretariat and hence official support.

- Improved Child Health Project (IHP) formulated a "community mobilization strategy to identify areas for intervention and to help bridge the gap between service providers and communities." The program also created linkages with the local community by reaching out to FATA officials, health care providers, and community leaders.
- Improved Child Health Project (IHP) created quality improvement committees "comprised of influential community leaders and health facility staff..." They educate the community and "develop joint solutions with health care providers to meet the needs of the community and advocate for additional resources."

(48) "Clash of Principles." *Human Policy Group*. Policy Brief 36. September, 2009, page 3.

Hire and train qualified local staff

Ideally local staff should be provided the tools and training to implement programs. However the expertise necessary for mid-level management of projects may be unavailable due to the high brain drain from the region. Development agencies will have to tap into NGOs and qualified professionals elsewhere in Pakistan. However the precarious security situation in the region, and the deep distrust of foreigners or non-locals, means that this will be a great challenge.

It has been suggested that USAID should also reach out to the 1 million Pathan population that has migrated outside of FATA to cities like Karachi. This population is an excellent resource because they understand the unique socio-political structures and cultural norms of FATA, and would be able to gain the trust of the local tribes—more so than any other Pakistani or expat Pakistani living abroad.

4. Encourage Key Political Reforms

The people of FATA require a political platform for individuals to integrate and express themselves through peaceful, democratic institutions. Without political reforms, there is no representative local government which can develop its own budget or levy taxes, let alone take ownership of the development process. On top of that, banks can not approve loans and industries can not be regulated. Democratic and economic reforms are a prerequisite to sustainable development. Under its Democracy and Good Governance Strategic Objective, USAID should encourage the Government of Pakistan to extend political rights to the people of FATA. These include reforming or abolishing the Frontier Crimes Regulation (FCR), extending the writ of the State, providing greater political authority to local policymakers to determine how to allocate FATA's annual development program budget, and having the jurisdiction of the Constitution of Pakistan extended to FATA.

In the absence of these badly needed reforms, the local population distrusts the top-down political system. The challenge for USAID is to break away from this top-down system by encouraging greater local ownership of projects through a bottom-up approach. Therefore the political reform processes should include consultation and consensus of the major stakeholders.

Recently, the National Democratic Institute organized town hall meetings with several hundred tribal representatives to recommend political reforms. In the meetings, one of the most repeated recommendations was to hold policymakers and development administrators accountable and answerable to elected representatives of the people of FATA. Transparency and accountability, they argued, can be achieved by establishing an elected body to oversee FATA's development budget.⁽⁴⁹⁾

5. A Hands-on Approach

USAID's hands-off reliance on contractors and grantees has decreased oversight and accountability, disconnecting the organization from the people they strive to help. USAID needs to conduct more field visits to monitor its projects directly. For example, in the evaluation of the

(49) "Mainstreaming FATA." *Benazir Democracy Institute, Shaheed Bhutto Foundation*. January, 2009.

Developing Non-Bankable Territories for Financial Services Project, evaluators found that a monitoring plan for the project was never developed.

Given the security concerns, USAID should work increasingly with Pakistani NGOs and Pakistani-American NGOs. The American diaspora NGO community can be particularly useful. Many have the institutional capacity that Pakistani NGOs lack, and as 501 c-3 organizations, Pakistani-American NGOs have the credibility to undertake projects abroad as PVOs (private voluntary organizations). Above all however, Pakistani-American NGOs have the cultural sensitivity to operate in Pakistan.

The challenge for both USAID and NGOs based in the US is knowing which Pakistani NGOs would be reliable partners on the ground. It would be useful for USAID and Pakistani Americans to share knowledge and best practices, and cooperate in identifying reliable partners in Pakistan. NGOs. USAID should begin by creating a database of Pakistani-American and Pakistani NGOs.

Development assistance can be a slow procedure because contracting and procurement procedures are “nightmarish.”⁽⁵⁰⁾ To simplify the process, USAID should clarify its grant objectives and expectations. Additional workshops for Pakistani-American NGOs should be held to facilitate their application process.

6. Transparency and Building Goodwill

USAID needs to needs to provide more thorough analyses of its programs and their impact. Currently, an incomplete picture of USAID’s efforts is presented to the public when only limited quantitative outcomes of projects are announced.

For example, regarding the FATA education program, USAID simply announced that its project trained 340 education staff and constructed 58 schools. The public should be informed as to the impact and efficacy of the program. Data on *outputs*, such as the number of schools built, should have been supplemented with analysis on *outcomes*, such as whether student enrollment and teacher retention increased, or whether new schools diverted student enrollment from radical *madrasas*. Without this information, USAID is losing a valuable opportunity to build credibility within Pakistan.

While it is understandable that given security concerns USAID would not want to disclose the location of some of their projects and the names of the organizations with which they are engaged, this should not preclude providing detailed information on project impacts.

US taxpayers and the host country have a right to know how aid is being spent. USAID should increase transparency with regards to where funds are going and provide analyses on how the development schemes revitalize the region. In addition, simple changes like routinely updating USAID/Pakistan’s website, or engaging with Pakistani policymakers, academics, and think tanks could help build greater credibility for USAID’s efforts and reduce hostilities to foreigners in the region.

(50) Steven Radelet, “Bush and Foreign Aid.” *Foreign Affairs*. Volume 82, Number 5, (2003). Pg 116.

Lessons from previous programs in Pakistan

With the Maternal, Newborn, and Child Health program, evaluators found that there was “Too much emphasis on monitoring activity, and not enough RMOI (routine monitoring of output indicators) analysis to strategically guide the program.”

Likewise, the Food Security-Poverty Alleviation in Arid Agriculture Baluchistan Project evaluation found that “The project established a good baseline, but it needs to substantially improve data collection procedures and analysis capacity to support meaningful impact assessment. The design of any future activity should plan for impact assessment.”

7. Sustainable Development

Over the past sixty years, the US and Pakistan have experienced a roller coaster relationship, where, for example, large amounts of US economic and military assistance have been followed by sanctions. As a result, many Pakistanis consider the US to be a “fair weather friend.” This is one of the most important perceptions to dismantle if we want cooperation of Pakistani society. Our projects need to demonstrate a long-term commitment.

A long-term approach in Pakistan will require a high level of commitment from USAID and its partners to carry out projects until its strategic objectives are met. Many of the USAID project evaluations recommended extending grant durations, for example the USAID Maternal, Newborn, and Child Health program and the Food Security-Poverty Alleviation in Arid Agriculture Baluchistan Project, which needed long-term support beyond the project timeline.

At the same time while it is important to rapidly mobilize project funds and get projects under way, the quality of the program cannot be sacrificed. For example in the Economic Growth Program evaluation, the report noted that “USAID was in a hurry to re-start the program and lacked management capacity at the time of awards. Instead of completing the long and slow competitive bid process, USAID awarded contracts for seven of the ten projects non-competitively. The evaluation team believes this directly contributed to the lack of performance monitoring and ultimately benefit in some projects.”



Defeating the Taliban in Pakistan

By Mehreen Farooq and Waleed Ziad - 11/02/09 07:25 PM ET

<http://thehill.com/opinion/op-ed/65967-defeating-the-taliban-in-pakistan>

It's the strategy, stupid. Once again, we're hoping that Pakistan's latest offensive in the tribal belt will solve the Taliban problem. Our military-centric strategy, which has cost us eight years and \$10 billion tax dollars, is incomplete. What's missing is the complementary soft-power component necessary to secure the pivotal conflict zone in the war on terror.

The Taliban stronghold, the Federally Administered Tribal Areas (FATA), is one of Pakistan's most impoverished regions. In spite of all our resources, U.S. development assistance here has been underfunded, slow and ineffective. In contrast, the Taliban have been quick to provide economic benefits like profit-sharing schemes for workers in a captured emerald mine, and distributing land seized from oppressive landlords to peasants. In short, our strategy has rendered us unable to compete with the Taliban for hearts and minds.

Recently, we finally made a long-term pledge of \$7.5 billion for civilian assistance to Pakistan. This five-year commitment can tip the balance in this war. However, unless six key challenges of implementing aid in FATA are tackled, we're wasting our tax dollars. And if we lose FATA, we lose this war.

First, we need to grasp FATA's unique situation. With its inaccessible terrain, FATA has forged its own proud traditions and laws. The people value their independence. They distrust outside interference as memories of abandonment by the West after the Afghan War are painfully fresh. Once trust is earned, however, they will honor friends above all else.

Second, FATA requires a bottom-up strategy. Our present top-down approach involves working with political agents and maliks, or tribal power brokers, who are out of touch with the needs of the 60 percent of FATA's population below the poverty line. As a result, according to Ms. Bushra Gohar, a National Assembly member from the Frontier Province, "none of the [tribal] agencies have a hospital, university or any of the other basic social services." Local non-governmental organizations, teachers, and underrepresented groups like women need to be brought into the discussion so that the people of FATA can take ownership of developing their region, with local institutions carrying out projects.

Third, the U.S. should encourage Pakistan to implement key reforms in the Tribal Areas, where the absence of political freedoms and economic opportunities breeds extremism. The problem is that FATA is not a province of Pakistan, but a "territory," a veritable no-man's land. The local government can't even develop its budget or levy taxes, let alone take ownership of the development process. On top of that, banks can't approve loans and industries can't be regulated. Democratic and economic reforms are a prerequisite to sustainable development.

Fourth, our aid agency needs to be more active on the ground. USAID's hands-off reliance on contractors and grantees has decreased oversight and accountability, disconnecting the organization from the people they strive to help. For example, an audit of its flagship Education Sector Reform Assistance to counter radical madrasas revealed that it was not possible to assess whether the contractor achieved any of its objectives, and found \$16 million unaccounted for. USAID needs to conduct more field visits, clarify grant objectives and tighten project evaluations.

Fifth, we can't let security concerns paralyze us. We should start by building schools, roads and hospitals in stable regions on the peripheries of conflict zones, like Bannu and Karak. The success of these projects would not only engender goodwill toward the U.S., but encourage locals in FATA to replicate the efforts. This "demonstration effect" has worked in conflict zones worldwide.

Finally, we need to ramp up our PR and increase transparency. Virtually no information on USAID projects in the tribal belt is available and many Pakistanis believe the aid is consumed by contractors. In the war-torn Swat Valley, rumors abound of USAID fueling the Taliban. Regularly engaging with Pakistani media and policy makers, even updating USAID's website, could lend credibility to our efforts and reduce hostility towards foreigners.

At the end of the day, our aid should empower Pakistanis to take charge of the soft-power counterinsurgency. If one thing stands out from our recent meetings with people of the frontier provinces it is that the will to reclaim their country from extremists is palpable, especially after the recent wave of terrorism. Consider the frontier village of Kala Dhaka, whose jirga countered Talibanism by citing the example of Prophet Mohammad's wife Khadija to prove that women have the right to education and employment. If we harness this will and create a long-term relationship of trust outside of the military sphere, our tax dollars will be well spent.

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