

# Dividends of Peace

MDTF Results



Khyber Pakhtunkhwa  
Federally Administered Tribal Areas  
and Balochistan  
Multi Donor Trust Fund

On the request of the Government of Pakistan, the Multi Donor Trust Fund (MDTF) for Khyber Pukhtunkhawa (KP), Federally Administered Tribal Areas (FATA) and Balochistan was established in 2010. This was part of the response to the 2009 crisis which displaced over 2 million people in the western border areas of Pakistan. The MDTF was established to provide funding for reconstruction, rehabilitation, reforms and other interventions needed to build peace and create the conditions for sustainable development. The MDTF is administered by the World Bank and supported by eleven donors - Australia, Denmark, European Union, Finland, Germany, Italy, Netherlands, Sweden, Turkey, UK and USA.

Cover Photo: (c) MDTF/Pakistan



## Acknowledgments

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# Foreword

Rebuilding lives as comprehensively as possible is the primary focus of projects supported by the Balochistan, Khyber Pukhtunkhawa (KP) and the Federally Administered Tribal Areas (FATA) Multi-Donor Trust Fund (MDTF). This booklet illustrates many facets of this effort in an engaging and humane way. The stories reflect sentiments of those affected by the crisis of 2009 in KP and FATA that displaced an estimated 2 million people.

Drawing from the strategic priorities in the Post Crisis Needs Assessment (PCNA), restoration of livelihoods is a key pillar of MDTF's work. The PCNA recognizes that lack of livelihoods was a major factor contributing to instability and must form an integral part of the peace building process. Through the Economic Revitalization of KP and FATA Project, livelihoods are receiving a boost through support to small and medium enterprises that empower people. Each grant builds a business that employs many others, thereby having a multiplier effect on employment generation.

Social capital building, resettlement of crisis-affected population and peace-building efforts all suffer immeasurably from the stress of dilapidated infrastructure. The KP Emergency Roads Recovery Project has thus supported the rehabilitation of a strategically located road in Swat. As one reads the testimonials from many who have benefitted, one recognizes the value of this intervention.

Underpinning these efforts is the strong support provided by MDTF to efficient and functioning governance systems that can impart speedy justice, improve systems of public grievance redress and build trust in government. Responsive and inclusive governance systems can lay the foundation for lasting peace. The Governance Support Project strives to contribute precisely towards this goal.

MDTF was able to achieve these results with the support of the Government of KP and the FATA Secretariat. In partnership with the MDTF, they continue to work unstintingly to ensure sustainable results as envisioned in the PCNA. The MDTF donors have also provided extensive support. Sincere thanks to all: Australia, Denmark, European Union, Finland, Germany, Italy, Netherlands, Sweden, Turkey, UK, and USA.

While implementation embodies a range of challenges and we have learned many lessons along the way, it is my hope that these stories will inspire us to continue our efforts towards empowering lives and strengthening resilience of crisis-affected communities.



Rachid Benmessaoud

Country Director, Pakistan, The World Bank



# Multi Donor Trust Fund - An Overview

Years of regional instability underpinned by decades of poor governance and wide-ranging socio-economic deficit shaped the crisis in the western border areas of Pakistan. The 2009 insurgency and subsequent operations in the Khyber Pakhtunkhwa (KP) and Federally Administered Tribal Areas (FATA) led to one of the worst crises in the Pakistan's history. Over 2 million people were forced to leave their homes and considerable damage was caused to physical and social infrastructure.

At the request of the Government of Pakistan, the Multi-Donor Trust Fund (MDTF) for KP, FATA and Balochistan was established in 2010 to provide funding for reconstruction, rehabilitation, reforms and other interventions needed to build peace and create the conditions for sustainable development. The MDTF is administered by the World Bank and supported by eleven donors - Australia, Denmark, European Union, Finland, Germany, Italy, Netherlands, Sweden, Turkey, UK, and the USA.

## MDTF works in four main areas

Through out all of it's programming, MDTF works through the provincial governments and the FATA Secretariat on priorities identified by them and builds on the strategic priorities defined in the Post-Crisis Needs Assessment (PCNA).

Broadly, the MDTF works on:

1. Restoring damaged infrastructure & disrupted services
2. Improving local and provincial service delivery
3. Supporting livelihoods and developing skills
4. Strengthening government institutions

## The Framework

The MDTF serves as one of the funding mobilization mechanisms for implementation of the PCNA. The PCNA covers the immediate post-crisis needs and provides strategic priorities for longer-term peace building. It was carried out by the Asian Development Bank, the European Union, the World Bank and the UN, in collaboration with the provincial government of KP and FATA Secretariat with oversight by the Government of Pakistan.

## How the MDTF operates

MDTF projects are executed by the Governments of Pakistan, KP, Balochistan and FATA Secretariat. The World Bank appraises, reviews, monitors and reports on these development initiatives following its guidelines and procedures. The Steering Committee is the governing body and includes representation from donors and is co-chaired by the Government of Pakistan and the World Bank.



8,000 direct and indirect jobs will be generated and restored in enterprises supported by ERKF

# The Economic Revitalization of KP and FATA

KP and the FATA have consistently been among the poorest regions in the country. The growth rate in KP was already slowing in the period leading up to the crisis in 2009, which displaced an estimated 2 million people and caused colossal damage to infrastructure and livelihoods. Similarly, in FATA, the majority of the unemployed were young men some of whom were enticed by those who offered financial incentives to propagate the conflict. Over time, limited economic opportunities in both KP and FATA have encouraged people to seek employment elsewhere, even outside Pakistan. This has serious social implications.

The MDTF thus allocated USD 20 million to an Economic Revitalization of KP and FATA (ERKF) Project to enable rehabilitation of the crisis affected small and medium enterprises (SMEs). This would facilitate the creation of new jobs and restoration of jobs lost during the crisis. It also aims to mobilize the Diaspora to facilitate local and foreign investments in KP and FATA, while improving the overall business environment in these areas. The ERKF follows well defined criterion for selection of SMEs including: number of employees, which can range from three to a hundred; its operational existence before August 2012; a sound business plan and financial history. This project is being implemented by an independent Project Unit (PU) of Small and Medium Enterprise Development Authority (SMEDA) in Peshawar.

As in other projects under the MDTF portfolio, the ERKF is also mapped to PCNA's strategic objectives. The PCNA defines employment and livelihood generation as a key objective, recognizing economic deprivation as a key driver of the crisis.

A photograph showing three men in a quarry or stone processing facility. In the center, a man in a white shirt stands near a large industrial machine with a prominent white electric motor. To the left, another man in a light blue shirt is operating the machine. To the right, a third man wearing a traditional cap and a dark apron is holding a large, round, patterned bowl. The background shows stacks of cut stone blocks and some greenery.

“With this grant my annual income would increase to Rs. 1.2 million (US \$ 12,672) per year...”

Iftikhar Ali

# A Livelihood Restored

Iftikhar Ali lives in Landay Kas, Mingora, Swat and owns Makki Marble. He has been running the factory since 2005. Before that he helped his father with his transportation business in Swat. The first two years of the marble factory were very successful. "I was earning good money till the beginning of 2007," Iftikhar Ali recalls.

However, a few months into 2007, the law and order situation began to deteriorate in Swat, and towards the middle of 2008 insecurity was at its peak. In 2009 the people of Swat suffered heavy losses; lives and properties were lost; houses, shops and business units were damaged during acts of violence.

"The transformer and roof of my factory was hit by a shell and badly damaged." The raw marble stones dumped at the factory for cutting were destroyed by the shelling. "I suffered a loss of about Rs. 1.5 million (US \$ 15,840)," Iftikhar lamented. Makki Marble remained closed for six months.

The factory was barely back on its feet when in July 2010 the worst floods in Pakistan's history hit the unit again, this time causing damage of about Rs. 0.7 million (US \$ 7,392). Now Iftikhar was in a real crisis. To keep the factory operating, he needed cash which he did not have. Iftikhar had to make the difficult decision of selling his house and moving his family into rented accommodation. The house sale gave him enough cash to repair the transformer, the cutting machine and the roof of the factory, but he still needed money for the raw material.

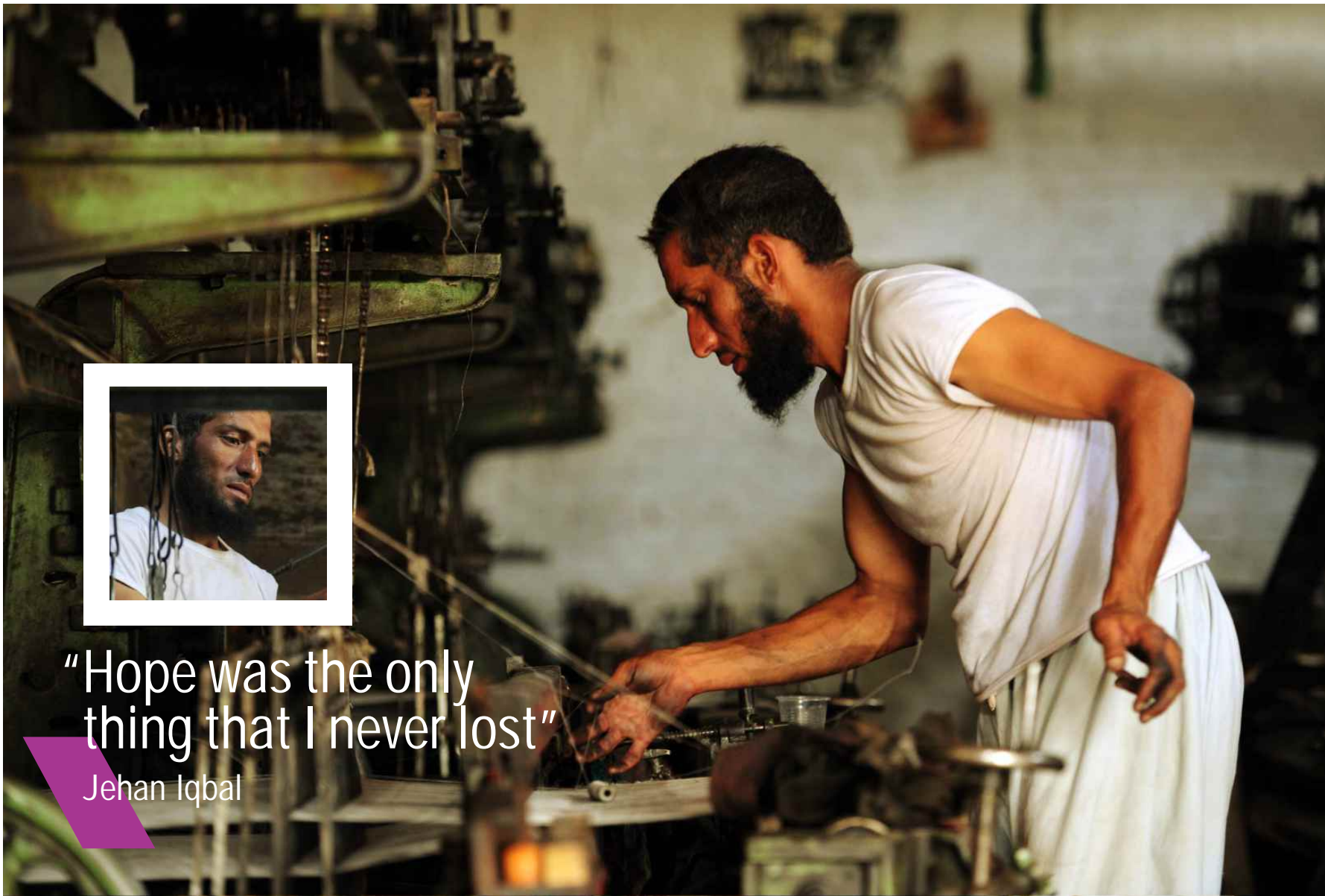
Haji Fazl-e-Manan, President Swat Marble Factories, told him about the MDTF matching grant scheme. Iftikhar said, "I took the form and submitted a claim of Rs. 1.8 million (US \$ 19,007) to SMEDA towards the end of 2011." A representative of SMEDA visited Makki

Marble and verified his claim. ERKF approved a grant of Rs. 0.52 million (US \$ 5,491) and in June 2012, issued a cheque for the approved amount.

The grant has made a big difference for Makki Marble and Iftikhar. In 2010 and 2011 there was only one shift in the morning, but now the factory is running in two shifts. At the end of 2007, Iftikhar had employed 16 workers who had become jobless when the factory shut down. Now there are 9 workers in the unit. "With this grant my annual income will increase to Rs. 1.2 million (US \$ 12,672) per year," Iftikhar added. "If I could get additional funds, I can install new machinery, which would not only improve the quality but would also help in increasing the production of the factory."

When asked whether such support could help in restoring peace and security, Iftikhar replied in the affirmative: "A jobless person is more likely to get involved in criminal activities than a person with a job."

Iftikhar further shared that three other affected businessmen of the area had contacted him to seek information about the grant scheme by the MDTF/World Bank. With Iftikhar's guidance these businessmen have also applied for the grant and their cases are being processed.



“Hope was the only  
thing that I never lost”

Jehan Iqbal

# Weaving a Better Future

Jehan Iqbal lives in Bari Bandi, Mingora and owns Iqbal Brothers Silk Mill Swat. He established the silk mill at Sangota, Swat in 2005; at that time there were 21 labourers working in the mill and it had 42 heavy machines. 'The business expanded rapidly, because of the quality of our silk,' he recalls.

Towards the end of 2006 the situation in Swat deteriorated considerably. The army had set up a base camp at Sangota close to his factory. One day the army camp was blown up, killing dozens of soldiers and also damaging the roof of the factory, which collapsed onto the heavy machinery and other equipment present inside the structure.

During this time, the security situation of the area worsened and Jehan, along with other people, had to evacuate and move to Peshawar as an Internally Displaced Person (IDP). In August 2009, when they returned home, to Jehan's utter dismay the entire infrastructure was destroyed. Homes, schools, hospitals, orchards and markets were all deserted. His factory's structure, including all the equipment inside, had been completely destroyed.

*Jehan said, 'I was faced with the most helpless feeling as I wanted to shift the equipment to some other place, repair the machinery and start working as soon as possible. But the security situation curtailed movement and during long curfew periods nobody was allowed to go outside Mingora.'*

Desperate to seek help, Jehan had a chance meeting with SMEDA's Provincial Chief and explained his plight to him. Around the same time, he had similar meetings with a representative of the MDTF/World Bank and presented the case of Swat Silk Mills Association. 'Finally, in August 2011, a team from SMEDA visited our mill and collected relevant information. We provided them actual details of our losses totaling Rs.8.6 million

(US \$ 90,813) .....We were informed by SMEDA that a grant of Rs. 0.8 million (US \$ 8,448) has been approved which will be paid in three installments'.

With the first installment of Rs.0.3 million (US \$ 3,168), Jehan purchased a transformer, carried out minor repair work to the buildings and paid one year's rent to the building owner in advance.

Presently, he has eight machines in working condition, but due to lack of money and resources only three were functioning. 'Each machine produces 100 meters cloth daily and when I receive the remaining grant amount, I plan to purchase silk for the other 5 machines, which will not only increase my income, through production of 500 meters cloth daily and annual income of Rs.0.5 million (US \$ 5,280), but I will also be able to employ an additional 6 persons from the area', he said.

He said that ever since he had received the grant money, ten people (marble factory owners, silk mills and traders) from the surrounding area had approached him for information about similar grants. He guided them and as far as he knew, of these people, two had received grants while the remaining cases were being processed.

Jehan appreciated the efforts of the ERKF project and its implementing agency i.e. SMEDA, and said that such steps would contribute not only in overcoming the rising unemployment, but in the long run would promote peace and security in the area.



“The grant will help me expand my business...”

Laziza Batool

# Going Places

Forty-eight year old Laziza proudly shows off her designs at an outlet tucked away inside the Women's Business Development Centre in Peshawar. "I used to run a boutique in University Town a few years ago, as I've always been interested in designing clothes and household items, but then security worsened and the foreigners stopped coming, which is when I lost a lot of business too."

Laziza is one of the few women entrepreneurs who were given a space at the centre, set up by SMEDA. "We pay only Rs. 4,000 (US \$ 42.24) a month which includes rent for the unit and electricity bills. For the display, it is an additional Rs. 1,500 (US \$ 16)". The 'display' is a rack and railing with various handmade items in the reception area of the Centre.

Laziza received the first installment in early August 2012 – a cheque of Rs. 100,000 (US \$ 1,056). "I have bought a generator with this money, and I am still waiting for the remaining amount with which I plan to buy three power looms and some material and threads." That, she says excitedly, would definitely help expand her business; as she wants to make embroidered clothes before winter sets in.

Explaining how the generator will help, Laziza said her workers will be able to put in more hours of work by not having to stop during the long hours of load shedding in Peshawar. This will mean higher production for the business and better quality products that are competitive with the market.

Laziza currently has two workshops with ten employees, all young men from Peshawar and the surrounding areas. "I pay them on time each month, no matter how good or bad business is," she says.

Laziza believes crisis is the main reason that her business, like many others, was affected but she has found an innovative way to counter this. "I get orders online," she says with a smile. Although she needs her sons' help with e-mailing pictures of her work and receiving orders,

she can manage some of this on her own. Laziza believes that maintaining high quality, whether in her brightly coloured embroidery patterns or shimmery 'mukesh' work, is a must. She says her sales are higher because she uses good quality material and workmanship, and her prices are competitive. "Most of my work sells through exhibitions and that is how I get a lot of orders too."

Married at the age of sixteen and widowed early, Laziza is an example for the young women in her family. "People, including my own family, were very conservative when I stepped out to work, now they are more accepting." She gives her family credit for being so supportive. Without that support, she would not have been able to set up her clothes business or the restaurant that her sons manage - now a popular food joint in Peshawar.

Laziza lauds the government for initiatives like the small grant she is receiving, but says there should be more such opportunities to encourage women like her. As for her future plans, Laziza would love to represent Pakistan all over the world if she had the resources. "If I could get a jet power machine and more capital, I can produce best quality material like top designers in the country, for much cheaper."



“Now ‘All in One Superstore’ can again compete with its competitors...!”

Mohammad Azzam

# A Super Success

For Mohammad Azam, owner of 'All in One Superstore' in Nowshera Cantonment life had been looking up until the floods of July 2010. These, followed by a powerful bomb explosion in June 2011, caused heavy losses to his business. The damage caused due to the flood was between Rs. 1.5 to 2 million (US \$ 15,840 – 21, 120) and due to the bomb blast was Rs. 3 to 3.5 million (US \$ 31,680 – 36,960). Azam said, "I had hardly recovered from the damage due to the flood when the bomb blast incident, which was actually a suicide attack, took place, bringing my business to a complete standstill. I lost 50% of the items, all the windows of the store were broken and the ceiling and the electricity system were completely damaged."

Azam carried out the repair work to the store through his own resources within two months. All in One Superstore along with other shops in the same premises remained closed for two months. However, he did not discharge his workers (10 to 12 men) and paid them salaries from his own pocket. "A two month gap in a business means a lot," Azam said. After the repair work, the real challenge facing Azam was arranging stock for the store because, due to the lack of items, sales were very low and he was hardly able to pay the rent, electricity bills and salaries of the staff.

Azam's business was going down and he was disturbed by the situation, when an employee of SMEDA contacted him and told him about the MDTF's grants project. Abrar advised Azam that, as he had suffered direct losses, he should immediately apply for a grant for the rehabilitation of his business. Azam narrated, "Although I had reservations on whether I would get this help, nonetheless I prepared all the required documents and submitted my file to SMEDA on 1 February 2012. My total damage was Rs. 4.5 million (US \$ 47,520) so I claimed the same amount."

According to Azam, SMEDA's documentation process took about two months, following which a grant of Rs. 1.5 million (US \$ 15,840) was approved for Mohammad Azam. Azam was told that the grant would be released to him in three installments. He received the first installment of Rs. 0.5 million (US \$ 5,280) in an inauguration ceremony held at the SMEDA office in Peshawar in April 2012. According to SMEDA's instructions, Azam purchased stock items with that amount and submitted all the bills and vouchers to SMEDA. "My business gained some momentum with that installment," he said.

The second installment of Rs. 0.5 million (US \$ 5,280) was released in June 2012. The majority of items are now available at the store, resulting in daily sales increasing to Rs. 20,000 (US \$ 211). Azam is now satisfied and has given a 15% raise to his employees. He is pleasantly surprised that SMEDA or the government could compensate him in such a short period of time without making him run around. "Now All in One Superstore can again compete with its rivals."



“I facilitated others through the entire process and now their cases are underway.”

Shah Zamin Khan

# A Toast to Success

Shah Zamin Khan had started his beverage business in 2007 and had been working as a certified distributor of soft drinks in Matta and Kabal Tehsils in District Swat. His business was affected by three successive disasters: the growing insecurity in the area, the resultant security operation and the 2010 devastating floods. *'Before this, the business was flourishing but things were on a downturn socially, as kidnappings, killings and bomb blasts were becoming the order of the day. This was forcing the local people, including the traders and shopkeepers, to leave the area. Normally we would provide products to the local shopkeepers either at the start of each month, or at the end of the same month or in the coming month after which they paid us and this was routine, but when the situation become tense most people including our clients left and our business started going down swiftly, causing a loss of Rs. 1.5 million (US \$ 15,840).'*

His business suffered a second blow when security operations started in June/July 2008 at Kanju Zaminhad. His warehouse was in the same area. Curfew had been imposed and he felt helpless. The third and final blow to his business, causing losses of Rs.2.1 million (US \$ 22,175), came when his new and large depot full of products was hit by floods at Kanju, washing away everything.

*"These were hard times of my life. I lost each and everything. One day a friend told me about the MDTF grant program. I searched the details on internet and approached SMEDA and submitted my case/claim for losses of Rs. 4.2 million (US \$ 44,350),"* he said.

After some time, he was informed that a grant of Rs.1.875 million (US \$ 19,800) had been approved which would be paid in three installments. He received the first installment of Rs. 0.5 million (US \$ 5,280) in May 2011 at the Project launch held at the Chief Minister's House in Peshawar. He used it to purchase beverages. This was followed by the second installment

of Rs. 0.5 million (US \$ 5,280) in July 2012, and very recently, he received the final installment of Rs.0.875 million (US \$ 9,240) with which he purchased the same products.

Shah Zamin said that before his soft drinks business he was running a small flour mill and was also a wholesale dealer of rice, supplying it locally. But due to the crises, his businesses were closed down. Now, after receiving the grant, his business is beginning to flourish day by day and he has been earning well in the past few months.

Twenty traders from the surrounding area approached him for information on similar grants. *'I facilitated them through the entire process and now their cases are underway,'* he said.

He said that his annual income is now around Rs. 1.8 million (US \$ 19,007) of which Rs. 0.6 million (US \$ 6,336) or 33% share is due to the MDTF's matching grant. Ever since he received the grant, his products supply has increase manifold as well as his trust in the market. The number of his workers (loaders, drivers and watchman) has also increased from 16 to 25. He lauded the efforts of ERKF and said that such steps would bring prosperity and contribute to lasting peace and security in the area.

A man wearing a white cap and a green shirt is operating a large industrial machine in a workshop. The machine is white and has a large flywheel and a belt drive system. The workshop is filled with stacks of white rectangular blocks, likely tiles or bricks. The man is looking down at the machine, and his hands are on the controls. The background shows more stacks of blocks and other machinery.

“With this grant, our business will flourish again...I have employed 20 people”

Wasiullah

# A Flourishing Concern

Wasiullah has been in the marble industry since 1992. *"I started off as a salesman, buying marble from different factories and selling it in the Punjab."* In 2001 he opened a marble showroom in Peerbala, Warsak Road. *"This was the time when Parchave marble industry was at its peak and everyone thought this was the best business to be in,"* recalls Wasiullah.

Originally from Mohmand Agency, Wasiullah decided to also set up a marble factory in 2002. Like other marble factories in the area, Wasiullah's Master Marble was doing well until the crisis in Mohmand started around 2009-2010.

*"A mobile company's booster was attacked, which was right outside our factory...damaging our wall, the main gate to the factory as well as the electricity transformer,"* says Wasiullah. Blasts and attacks became common and his business suffered. The unit had to be shut down for nine months.

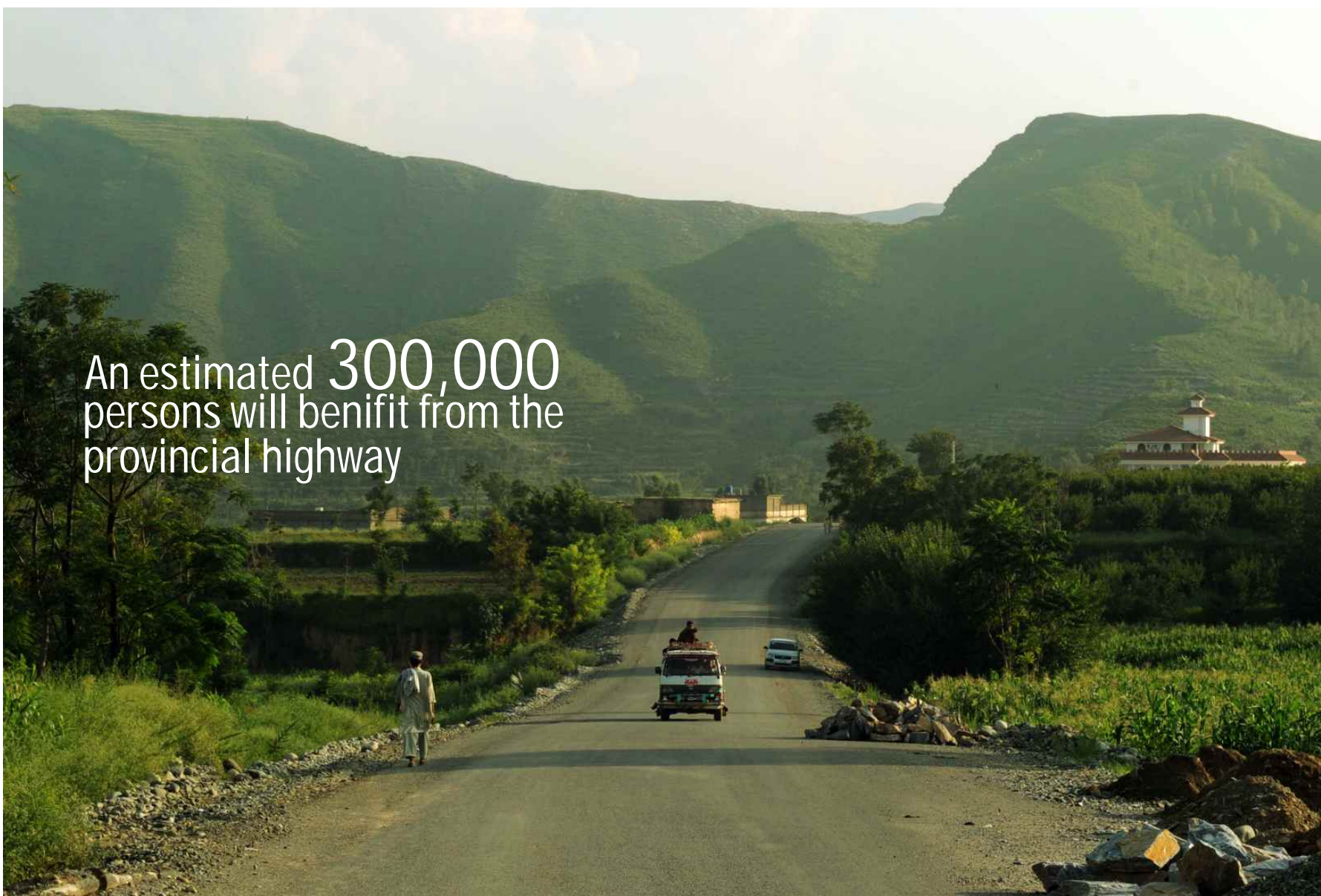
When Wasiullah first heard about the grants from MDTF's ERKF's implementing partner, SMEDA, he did not believe the news. *"At first I did not believe it, but when I found out about the approved cases I also applied for the SMEDA rehabilitation grant through my friend."* Wasiullah claimed Rs. 2.3 million (US \$ 24,287) of which Rs. 1.3 million (US \$ 13,728) was approved.

*"I received the first installment of Rs. 0.64 million (US \$ 6,758) and the remaining amount will be released in the second tranche. With the grant I was able to install another small cutter and also repaired the vertical pillar as well as the shade over it."* Wasiullah explains. He was also able to get the transformer and the gate repaired. *"The SMEDA grant has enabled me to restart my business and provided employment opportunities to 20 people – up from nine people after the crisis."*

Wasiullah's annual income of Rs. 1.2 million (US \$ 12,672) has gone down to Rs. 0.6 million (US \$ 6,336). But he is hopeful that with the grant, *"our business will flourish again and we will go back to an income of Rs. 1.2 million (US \$ 12,672) a year!"*

Wasiullah thanked SMEDA and all other NGOs working for the prosperity of FATA to improve the lives of the people.

An estimated 300,000  
persons will benefit from the  
provincial highway

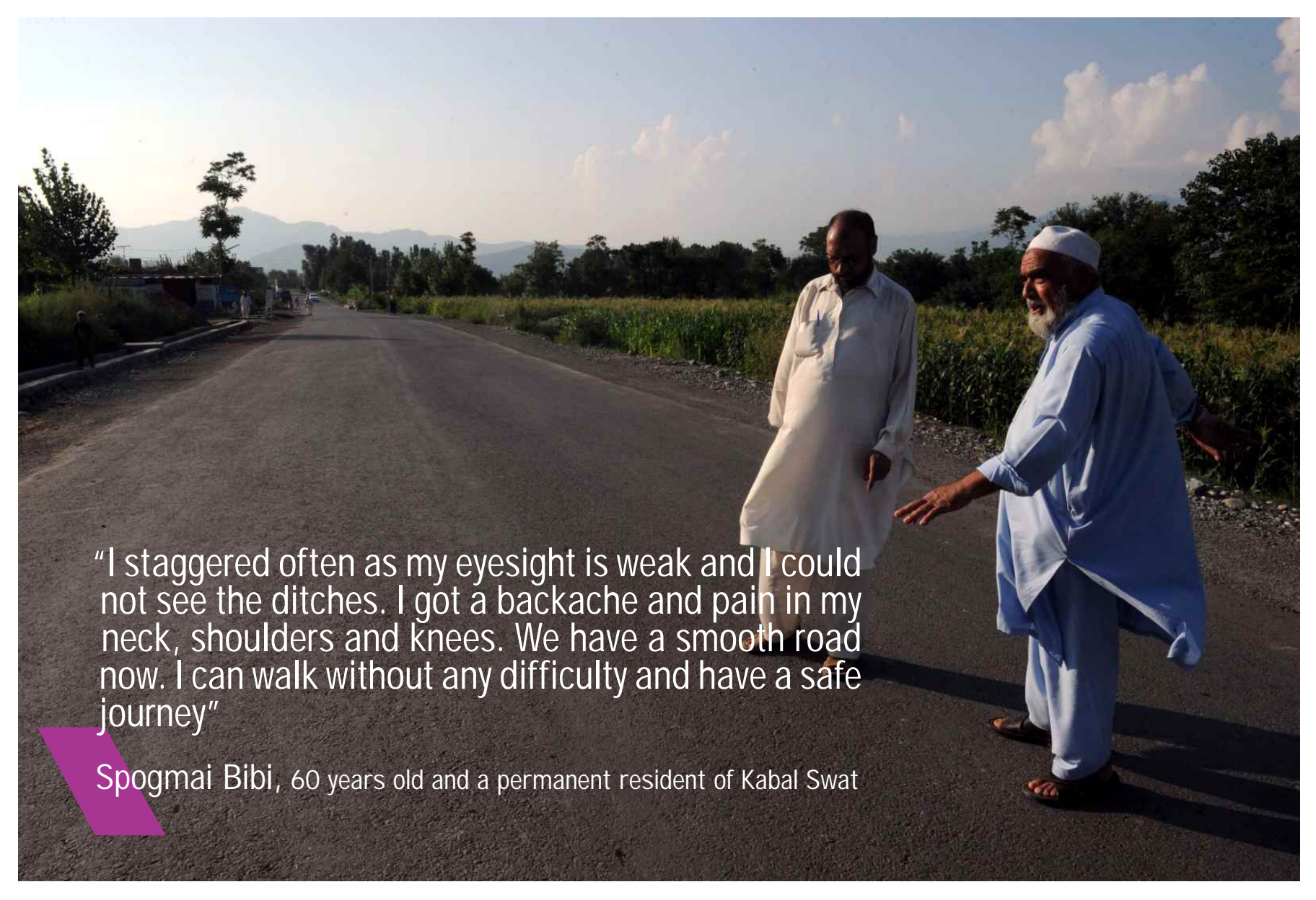


# KP Emergency Roads Recovery Project

The USD 8 million Emergency Roads Recovery Project (ERRP) is undertaking the reconstruction and widening of a 12.5 km stretch of the Kanju to Sharif Abad provincial highway in the Swat District of KP to become fully operational and guarantee 24/7 access and mobility to the residents. The Project will.

Once fully rehabilitated, the road will improve traffic flow resulting in reduced vehicle operating and transport cost and travel time. Corresponding components including culverts, footpaths and bridges are also being built. Shopkeepers, farmers and landowners along the road are also being compensated.

As in other projects under the MDTF portfolio, the ERRP is also mapped to PCNA's strategic objectives. The PCNA defines restoration of damaged infrastructure and restoration of services as a key priority.

A photograph showing two men walking on a newly paved road in a rural setting. The man on the right is older, with a white beard and a white cap, wearing a light blue traditional outfit. He is gesturing with his right hand towards the road. The man on the left is younger, wearing a white traditional outfit. The road is wide and smooth, stretching into the distance. The background features green fields, trees, and mountains under a clear blue sky with some clouds. The lighting suggests it is late afternoon or early morning.

“I staggered often as my eyesight is weak and I could not see the ditches. I got a backache and pain in my neck, shoulders and knees. We have a smooth road now. I can walk without any difficulty and have a safe journey”

Spogmai Bibi, 60 years old and a permanent resident of Kabal Swat

# Road towards Empowerment: The Community Perspective

A Focus Group Discussion was held in August 2012 to ascertain the community's feedback and views on the newly constructed stretch of road under the ERRP. The road stretches from Sharif Abad to Aligram Tehsil, Kabal District, Swat and is the only road to the market, hospitals, fields, duty stations and any other place outside Kabal.

Keeping in view cultural sensitivities of the community and ensuring that discussions were as interactive and candid as possible, two separate sessions were held for men and women. The twenty participants in the women's session (between the ages of 18-60 years) comprised of housewives, students and teachers. The second session included fourteen men from a representative cross section of road users; farmers, shopkeepers, fruit and vegetable cart owners, teachers, government employees and community elders.

Here is what the communities had to say.....

The road had been in a very bad condition. It was a single-lane dilapidated road and the commute was uncomfortable. The unmetalled road was in poor condition which meant increased vehicle maintenance expenditure for travelers. Also it was difficult for traffic to flow both ways. Students and workers had to leave their homes very early in the morning and return late because of the condition of the road.

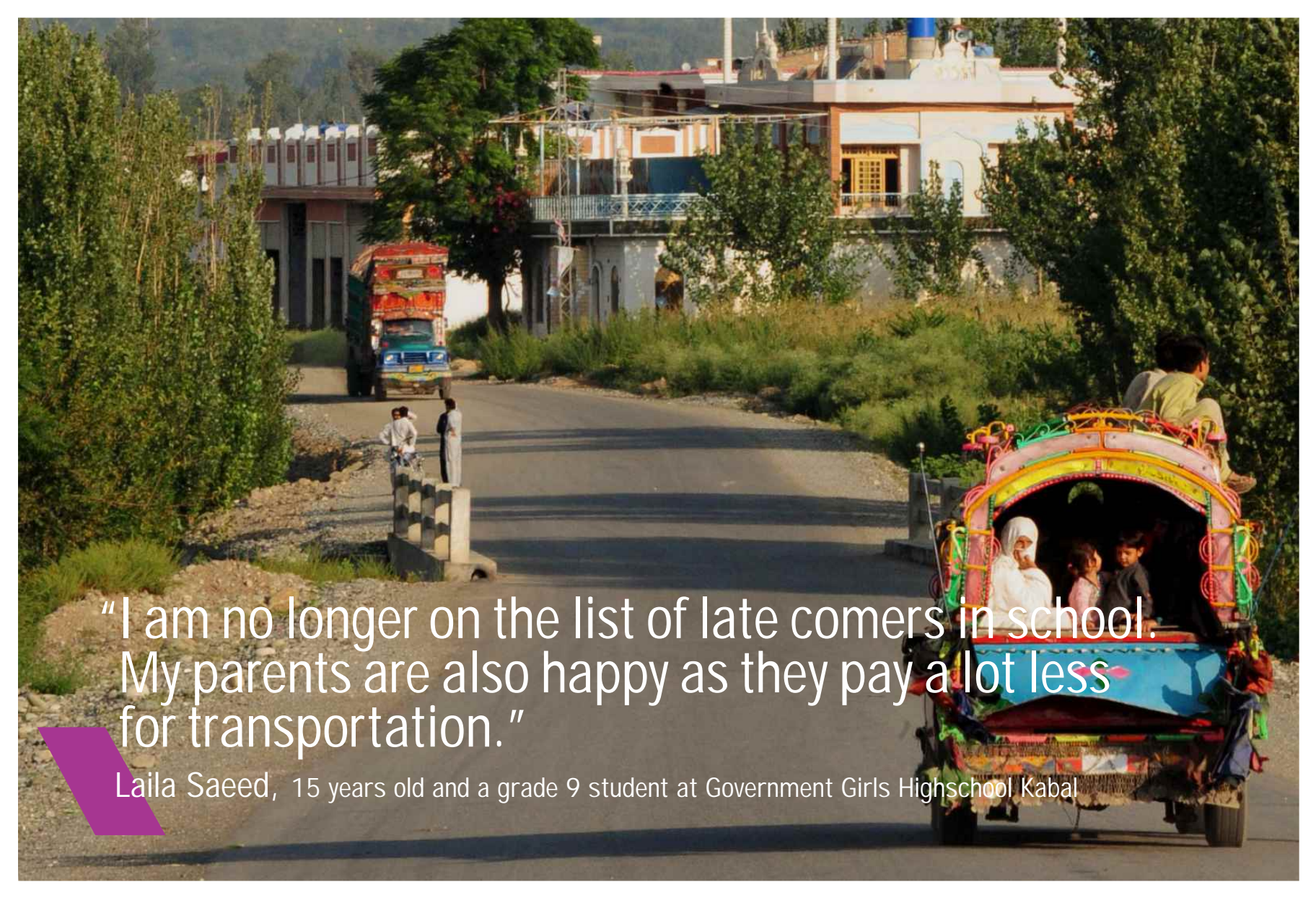
We are very happy as travel time is three times less now. Prior to the reconstruction of this road, it took 15 minutes to reach our homes from Ali Granay Police station but now it just takes 5 minutes. Children are able to reach school on time. Working women can get to hospitals, schools, factories or offices in time and feel less tired as the road was smooth and comfortable to travel on.

This was an important need of the area, as it is one of the main arteries to connect Swat to other places. The Sharifabad to Aligram road is the only road to nearby hospitals, markets, offices, schools, the main towns and surrounding villages. People would only travel on this road if there was an emergency, but now we use it for pleasure trips as well, we can go where we want and make useful contacts.

Pregnant women travel on this road comfortably without fearing miscarriage or any other complications that may arise from a bumpy ride. Travelling on the clean road means children's uniforms stay cleaner for longer and do not have to be washed daily, saving time and money. The new road has contributed overall in improving people's access to information, education and health services, the women added.

Since the road is properly constructed, there is no dust or soil around it, ensuring a cleaner environment and health for people who use it on a daily basis. A good road will encourage the people to do business and trade. Drivers and vehicle owners are saving on fuel and maintenance costs as well as time. Businesses are doing better as traders visit more frequently to sell and buy goods. With public transport service being easily available, people are saving on taxi fares – all these things have made a difference in our monthly budgets.

Farmers use this road to transport their fruits and vegetables from their farms to the local market. Now, larger vehicles such as trucks, trolleys and tractors are also using the road, with the traffic now smoothly passing through this route.



"I am no longer on the list of late comers in school. My parents are also happy as they pay a lot less for transportation."

Laila Saeed, 15 years old and a grade 9 student at Government Girls Highschool Kabal

Earlier, the construction material was not coming from Peshawar as the road was in poor condition. Now traders supply goods from other cities. It costs much less time and money with taxi fare reduced to half.

There was evidence of economic revitalization due to the newly constructed road. The number of hotels had increased to cater to people passing through this route. This has created more jobs. For farmers, the transportation of farm produce has become easier and less time consuming, making them earn more and spend less. Local labor is hired to load and unload the cargo. Also, a good road increases the life of a vehicle as there is less wear and tear.

Another concern of road users is the pollution, which according to the women, is caused by poorly maintained cars. Those who have skin or respiratory problems are affected by this when using the road.

## Addressing concerns

Where there are clear and substantial benefits, there has also been some negative impact as well according to the community. People tend to over speed increasing the risk of road accidents. Increased traffic and better access means more tourists which becomes inconvenient for the locals, especially women, children, the old and the handicapped when they try crossing this road. Zebra crossings and speed breakers would greatly reduce these risks. Alternate link roads will also reduce the burden on the present one.

*As of September 2012 the project team is working on building shoulders that can serve as pavements/footpaths. As of August 2012, about 3.58 km of shoulders have been constructed while work on the remaining shoulders is underway. Based on community feedback, speed breakers will be built near schools, hospitals and urban areas. Covered side drains are being constructed in urban areas which will act as walkways/footpaths for the pedestrians.*

## A Brand New Start

“Before I faced a lot of transportation problems when going to my college...now I don't get late going to school, where I teach.”

 Saima Mauf

Saima Mauf introduced herself as a 25 year old girl, living in Mohallah Shahda Khel, Tehsil Kabal of District Swat. She has done her masters in Business studies (M.B.A) and is now teaching in a private school in Kabal. She first thanked the MDTF, which had provided financial support for the construction of a 7.42 km stretch of road, from Sharifabad to Aligram Swat and said its construction had helped her a lot by reducing her travelling time. *'Now I don't get late going to the school'.*

She said that the road had provided everyone using that route with a smooth and safe journey and had also helped in saving travelling costs. *'This road linked us with the other parts of the district like hospitals, market, schools, colleges and other workplaces and the locals have benefited by having increased linkages and communication. It also increased the value of the land lying on both sides of it'.*

*'When I was a student, I faced a lot of transportation problems when going to my college which was in Chakdara. Travelling on the uneven and rough road was time consuming and it took almost 3 hours to reach there. But now it takes me only one and half hours or one hour and forty-five minutes. My father had to hire a car for me because most of the time, due to the uneven road, local transport was not available'.* She said that the cost of hiring a taxi car was much higher than buying tickets for a public van, which put financial strain on her parents.

The bad condition of the road created traffic jams due to which she and her fellow students would be late in reaching the college and also when coming back home. *'The road bumps and long hours of travelling affected our physical and mental health and I and my friends would end up having headaches and backaches sometimes and would be exhausted by the time we reached our homes,'* she said.

She said that during the time of the crisis, the flyover had been destroyed, forcing the locals to cross the fields to get across. This left the women and girls vulnerable and exposed to other threats. While no such incident actually happened, the villagers did not like their female family members crossing the fields and also crowded areas.

Finally, she said that the newly constructed road had had a very positive impact on the lives of women especially, because it has solved their mobility problems. *'Now we can easily access the market, hospitals, educational institutions, workplaces or any other place we want to go and my traveling expenses have also reduced.'* The road had also benefited elderly citizens, children and especially patients by providing them a safe and smooth way to travel: *'Now they reach the hospitals in less time to get medical treatment'.*

## A Stepping Stone

“From early morning till midnight, you will see constant flow of traffic from both sides; it is one of Swat’s busiest roads.”

 Miftahuddin

Miftahuddin is the owner of a medical store and a native of Kabal. Citing the example of the Mughal Emperor Shah Suri, who made the Grand Trunk Road, he says all developed nations of the world have a good road network, thereby ensuring further development in the region.

Miftahuddinn recalls that, a long time ago, the roads in Swat used to be in very good condition, but in recent years had deteriorated considerably. People wanted to have better

access to their markets, fields and homes.

Ever since Kabal road has been fixed, people are happy and even those whose lands, markets or homes were in its path, gladly sacrificed for the overall good that the road would bring. *‘We are hoping that it is further extended till Chakdara’*, says Miftahuddin. The people of Sharifabad have greatly benefitted from this new stretch of road.

Locals have already started reaping benefits; saving precious time, fuel and less reliance on public transport. Many people had sold their cars and started using public transport because the road was in such bad condition and public transport was expensive. *‘Now if we want to go to the city, we go happily. Before, it cost us an extra Rs.35-40 (US \$ 0.37 - 0.42) when we used to go to Peshawar. We would first go to Mingora and from there hire another car to reach the bus stand from where we would go to the nearest GT road point. Now, we just sit in one car and have only one stop in Chakdara, and that too only if we are using public transport, not our own. We used to waste one hour before. Everyone who uses it has benefitted from it’.*

To Miftahuddin, the disadvantages such as increased traffic and pollution are outweighed by the huge benefits from the road. *‘It’s a stepping stone for development and to tackle the problems, the local government needs to create awareness about traffic and proper road usage in parallel to these infrastructure projects.’*

He feels that all age groups, including women, children, older people and even the disabled, have benefitted. The nearby hospital is 25-30 km away but now this distance is quickly covered. Children reach their schools on time.

The construction of this stretch of road has also had direct financial implications. Miftahuddin is now able to save Rs.120 (US \$ 1.27) every month because, every day 5-6 people from his household use the road and each trip costs him and his family members Rs. 10 (US \$ 0.11) less than before.

Kabal is a gateway to upper Swat and lower areas. Thousands of people pass by on this stretch of road daily. Miftahuddin estimates that about 60,000 families in the nearby and extended vicinity are dependent on this road, *'from early morning till midnight, you will see a constant flow of traffic from both sides; it is one of Swat's busiest roads.'*

## Reaping Benefits

Sultan Room is a local transporter to whom the provincial highway provides an important passage. As a frequent traveler, Room is witness to the many benefits that the rehabilitated road brings to the community.

“There was really no road before this road was built, just a dirt track,” says Room. He goes on to talk about the difficulties that people had before the road was built. As a local transporter, he spent thousands of rupees maintaining his car. “I did not even feel like driving on this road!” he adds.

Room tries to recall when the road became really bad and concludes that it had been in terrible shape for the past eight years at least, and had become much worse after the Swat crisis. “It was not a road, just khandarat (ruins),” he says.

After the new road was built, from a local transporter's point of view, not only does Room save money on maintenance of his car – he estimates the saving is Rs. 5,000 (US \$ 53) per month - but also saves a lot of time, which he can use to make more trips. Not to mention the comfort of the new road!

He adds that farmers have also benefited from the road because they can get to market in less time with their products and fares have also gone down. “It cost about Rs. 500 (US \$ 5.28) from Mingora to Kabal, and now it costs Rs. 300 (US \$ 3.17),” he says.

“Patients would die on the way to hospital...pregnant women too,” adds Room, describing the dismal state of the road before it was rebuilt. On the new road however, it is easy and comfortable to get to the hospital, and much quicker too.

“Patients would die on the way to hospital and pregnant women too.”

Sultan Room

Distances that took 2 hours to cover before, now take just 15-30 minutes. Sultan says children get to school on time: “I take my own children to school on this road!”

Moreover, the road has also provided jobs to a lot of people who have set up hotels and shops along the road.

Room has a few suggestions to improve the road: a foot path for pedestrians and speed breakers near the schools and hospitals. “Since the road is new and wide, people tend to speed which is dangerous when you are in highly populated areas, especially close to schools and hospitals.”

Generally, Room says that development in Swat has not taken place in parallel with population growth and more projects such as the road rehabilitation project are needed.

190 cases resolved in seven months  
...some pending since 1998



# Governance Support Programme

The USD 8.75 million Governance Support Programme (GSP) supports the efficient delivery of the PCNA program and responds to PCNA's prioritized governance needs by developing systems and processes for the coordination, implementation and management of PCNA activities through the government of KP and Balochistan and the FATA Secretariat.

Specifically, the GSP strengthens the PCNA Implementation Support Units (ISU), provides technical assistance and institutional support to enable the government to effectively implement the PCNA programme. The GSP strengthens the institutional capacity of Line Departments in KP and Line Directorates in FATA as well as PCNA ISUs for identification, design, preparation, appraisal and implementation of projects/ interventions in line with PCNA recommendations.

It also helps the government in data collection, communication, and monitoring and evaluating while ensuring coordination with the donors and fulfilling fiduciary duties.

As in other projects under the MDTF portfolio, the GSP is also mapped to PCNA's strategic objectives. The PCNA considers building responsiveness and effectiveness of state as a key component to build state-citizen trust.

# GSP in Depth - A view from the field

Interview with Asif Shahab, Assistant Chief, Planning & Development Department, KP



**Q:** Tell us in detail, the background and effectiveness of the Governance Support Program.

The masses had lost trust and faith in the existing judicial system for its slow pace and allegedly unsatisfactory judgments pertaining to their day-to-day cases and disputes. Also, there was an alarming new practice by ordinary people of approaching parallel courts for speedy resolution of their internal conflicts and disputes. These parallel courts had been set up in different parts of KP and FATA. This highlighted the need for a mechanism to strengthen and develop the existing judicial system in accordance with modern needs, which would also cater to the local traditions and practices of these areas.

The GSP was launched in October last year with the aim to strengthen and enhance the capacity of the Judicial Academy KP, Federal Ombudsman and the KP Home Department.

The emphasis will be on strengthening the existing system and not creating a parallel or short term arrangement. Under the GSP, the judicial academy was provided with IT equipment, new books for its library and training for judicial officers in judgment writing.

The provision of IT equipment will improve the efficiency of the over-all staff of the academy while provision of new books for the library will benefit the judicial officials as these books have been acquired from international markets, written or compiled by noted jurists.

Litigants had for a long time alleged that the judgments given by the judges in most case were not correctly written and the essence of the judgment was lost when taken to the upper courts for a review. Under the GSP, judicial officials were imparted judgment writing skills, thus addressing the concerns of common litigants. This exercise will also help in curtailing the amount of time and resources wasted on erroneous judgments written in the past.

Similarly, under the GSP, the Ombudsman Office was also strengthened by supporting them in overcoming the shortage of human resources, imparting trainings to its staff and helping establish its regional offices. Strengthening the Federal Ombudsman was vital as a large number of common people approach it daily to redress their grievances.

The KP Home Department has also developed a concept note highlighting needs and the GSP is trying to address their demands by improving the working conditions of the existing crises management centre.

**Q:** To what extent did the government contribute its own resources to implement the recommendations of the PCNA?

We take the PCNA recommendations very seriously as it is a very serious exercise by involving the government of KP in consultation with federal government'.

The FATA secretariat, donor agencies and the MNAs and MPAs of KP and FATA conducted the Post PCNA, by going to far flung and crises affected areas of KP and FATA to ascertain the drivers of the crisis in the region and also to assess the nature of damage at the grassroots. Based on the findings of this assessment, a draft report of the PCNA was prepared. It was further reviewed and discussed at different levels and forums including the provincial cabinet, Economic Affairs Division and the Ministry of States and Frontier Regions along with donor countries at the Friends of Pakistan meeting.

The PCNA has four objectives, build responsiveness of the state to restore citizen trust, ensure the delivery of basic services, foster reconciliation and counter radicalization. I am quite optimistic that if the PCNA recommendations are fully implemented, which the government takes very seriously, it will have a far reaching impact on the performance of

government departments in regards to governance. The PCNA documents have almost become a guidebook for us.

Interview with Mr. Zahoor Khan, Coordinator, PCNA, FATA.



Q: How is the GSP helping Fata Secretariat improve its efficiency and performance?

Under FATA GSP, USD 2.1 million has been allocated for the creation of an ISU and the establishment of a Rapid Response Facility (RRF).

The ISU will enhance the capacity of various departments of the FATA Secretariat, support institutional strengthening for the implementation of PCNA recommendations. The ISU will serve as a central nucleus.

RRF will help in improving the performance of all line departments of FATA Secretariat in regards to their urgent and immediate governance interventions. Concept notes will be developed through a consultative process, to identify needs.

Q: What are important tasks you have undertaken so far?

A fully functional office has been established for the new FATA Tribunal for a year. The Tribunal has IT equipment, a library, support staff and the officials and staffs have been trained. The Tribunal has so far processed more than a hundred cases, much to the satisfaction of the people of tribal areas who had either lost or had very little faith and confidence in the previous Frontier Crimes Regulation (FCR) Tribunal.

In the second phase, FATA tribunal will be strengthened to enhance its institutional capacity through development of proper system.

With the provision of office equipment, trainings to staff and extension of outreach, monitoring and evaluation of the on-going and completed projects will be carried out in a better manner. Earlier, the people of FATA complained regularly about the sub standard materials used in development projects and also about the embezzlement and misappropriation of development funds. Now, with an efficient and well equipped monitoring and evaluation system, there will be constant vigilance of all the development projects thus helping curtail the chances for misappropriation of funds. The people of FATA would be the ultimate beneficiaries as it will help improve their quality of life and service delivery to the tribal people.

In regard to draft Local government regulation 2012, an exercise for analyzing laws which need extension for creating an enabling environment for local government regulation has already been undertaken by ISU/PCNA.

Local governance was one of the main PCNA recommendations, with an objective to enable ordinary people of FATA to have a say in the decision making and development of their area.

A draft document has been devised and posted on the website of the FATA Secretariat for suggestions in this regard. The PCNA also recommended the establishment of a regional bank for FATA, a Public-Private partnership cement factory in Tank, low cost schools to enhance the literacy rate in FATA in a short period and a Mine Yard/display centre in Wana-South Waziristan for the benefit of local miners.

Q: How many resources from FATA Annual Development Plan (ADP) have been allocated for projects to be executed under the PCNA Programme?

Almost all the PCNA recommendations have been incorporated in the ADP for 2012-13 with total budgetary allocations of around 30 percent of the overall FATA budget. It may also be noted that out of all the development schemes executed last year under the ADP, 30 percent were recommended by the PCNA.

# The Pursuit of Justice

The 2009 crisis in FATA was largely attributed to the breakdown of governance and the erosion of state-citizen trust. The PCNA reiterates this, recognizing that FATA is now faced with the difficult task of rebuilding public trust from a very low base. The inadequacy and ineffectiveness of the traditional justice system was widely considered as the inherent dimension of the crises in FATA, enabling the insurgents to present themselves as a 'viable alternative' to provide quick justice.

Recognizing this, the Government of Pakistan, in line with the recommendations of the PCNA made a historical amendment in the Frontier Crime Regulations (FCR) of 1901 in August 2011 to enable the citizens of FATA to have the right of appeal and bail.

Prior to this amendment, the Political Agent was the final authority as arbiter of justice. This had serious limitations. The FATA Tribunal (FT) was thus established in February 2012 with GSP, providing a window to the citizens of FATA for seeking justice in a timely manner. This is a transitional arrangement and is a prelude to the overall and long term institutional strengthening of the legal system in FATA.

The stories of Omar and Ziauddin are a testament of the value of this intervention.

## “FATA Tribunal could prove to be a huge relief for thousands of tribal residents...”

Almost a century ago, Omar Hussain's great-grandfather bought about 150 kanals of agricultural land near Parachinar bazaar from his relatives. “The purpose, as our ancestors tell us, was to own land to cultivate different crops as we are farmers”, Omar Hussain said.

But with the passage of time and due to the rapid expansion of the Parachinar bazaar in recent years, Hussain's grandfather's land came under the growing commercial area and its value increased manifold.

“The great-grandsons of the relatives that sold us the land a century ago, wanted to grab the land by unlawful means and approached the local political administration with false and fabricated documents”, he alleged.

“Our opponents are both influential and financially well-off and were trying to influence the case in their favour by using unlawful and unfair means, despite the fact that we have established documentary evidence in support of our legal right over the land. A number of jirgas held during the last twenty years had at least on three occasions, also supported our ownership rights and decided the case in our favour in keeping with the land and revenue record”, he recalls.

Omar Hussain added that the local administration could not provide justice and he was sent to jail thrice under FCR-Article 40. A portion of his house was also demolished to intimidate him to surrender the land to his opponents. “I spent at least nine years in jail at different times but did not agree to surrendering the ownership right of the land which my family and I had been cultivating and taking care of for almost ten decades”, he contended.

When the political administration finally decided in his favour, his opponents approached the FCR Commissioner in Peshawar against the decision of the APA, Parachinar. After rejection of the appeal by the FCR Commissioner they approached (June 2012) the newly established FT for a revision.

Omar Hussain expressed satisfaction over the handling of his case by the staff and 3-member bench of FT and said that he was quite hopeful that he would get justice.

“They are all extremely cooperative and the bench which seemed to be well versed about tribal customs and traditions, heard my case very carefully”, he said and

added that for the first time voices of the poor people from the most deprived region of FATA are heard at the FATA Tribunal.

Omar Hussain was more than happy with the proceedings of his case as the tribunal directed the Parachinar administration to submit before it all the relevant record about his case only in the second hearing.

Omar Hussain was in jail in Dera Ismail Khan when he was summoned by the FT but he said that he had heard about its creation from his family sources and friends before he was summoned. "It was only after the intervention of FT that local political administration ordered my release and I presented all my record before FT through my council in Peshawar", he informed.

Omar Hussain was of the opinion that FT could prove to be a huge relief for thousands of those tribal residents who had been contesting their legitimate cases at the courts of political administration but were unable to get justice despite lapse of a long time and spending huge amount of money.

"When the people of FATA get cheap and speedy justice, there is every reason that they will overcome the menace of extremism and ordinary people will refrain from taking their cases to the so-called Islamic courts established by Taliban or other militant groups in the region", Omar Hussain concluded.

## "FATA Tribunal is the best forum for provision of speedy and cheap justice..."

42-year old Ziauddin and his family bought a piece of agricultural land back in 2007 from the family of the Khan of Bajaur. As luck would have it, the caretakers in Khan's family refused to handover the land, despite full payment from Ziauddin.

Frustrated with the unlawful tactics of the caretaker, Ziauddin approached the local political administration in late 2007. "We faced some problems in pursuing our case as the local administration was not paying proper attention but later they decided the case in our favour and directed the caretaker to immediately vacate the land... he refused to adhere to the official orders and instead filed a review petition with the FCR commissioner", Ziauddin explained.


The FCR commissioner upheld the verdict of the political administration but the caretaker was adamant not to accept the verdict. "It was at this stage that we heard about the creation of FATA Tribunal in February this year (2012) and decided to approach the Tribunal with the relevant record and evidence", he said.

"Initially the council for the opponents applied delaying tactics by abstaining from the initial two hearings, but today (September 25, 2012) he was compelled to appear before the tribunal as he was warned of a verdict in his absence", he said.

Ziauddin said that he was treated very well by the assisting staff of Tribunal and the 3-member bench also heard his case very patiently. "I did not feel like a stranger at the FT in Peshawar despite coming all the way from Bajaur Agency as the staff was cooperative and members encouraged me to present relevant documents to them", he said.

Ziauddin said that he and his family had full faith in the judicious functioning of FT and hoped that he will also get justice from the newly established justice forum for FATA. "I am quite hopeful and optimistic that most of the long standing cases and disputes would be resolved in FATA with the intervention of the Tribunal as the political administration was under legal obligation to implement its decisions in letter and spirit", he observed.

Ziauddin recognized the need to counter the 'alternate justice mechanism' propagated in the early days of the crisis. He was reassured that the local communities were no longer approaching them for the resolution of internal conflicts and family disputes. "The FATA Tribunal, I believe is the best forum for provision of speedy and cheap justice for the people of tribal areas as their confidence in government institutions has been restored to a great extent", he said



“This Ombudsman Office is distinct from others in the country as it has a dedicated section to deal with grievances of women and children”

Rabia Noor, Director Women and Child Section, Provincial Ombudsman Office

# Grievances Redressed

Restoring state-citizen trust is an integral pre-requisite to peace building as envisioned in the PCNA. As a follow-up to this important PCNA recommendation, the KP Provincial Ombudsman Office was set up in January 2011. Established under the KP Provincial Ombudsman Act 2010, the provincial office has addressed over 400 complaints to date.

GSP provides institutional support to the provincial office. This will be further strengthened through the establishment of regional offices, citizens' liaison offices, trainings in alternate dispute mechanisms and exposure visits, among others.

The KP Provincial Ombudsman Institution is one of a kind. The Act under which it was created has a distinct provision in Section 9(3) which specifically deals with grievances of women and children. Presently, 61 complaints of women and 14 complaints of children have been addressed, with a favourable outcome in most.

Many have benefitted from this intervention as a range of grievances are addressed in an expeditious manner. Zohra Sultan is one of the beneficiaries. After the death of her father, she received pension from the company he had served. She was heavily dependent on it as she had been unwell and needed the money for treatment. The pension had been stopped without explanation. Desperate for help, Zohra approached the Ombudsman's office with this complaint. Within two months of registering her complaint, she happily received the pension.

Shehnaz Begum's case is no different in terms of the timeliness of the process. She was fired from the post of Lady Health Worker (LHW) on the grounds that her performance was below par. On her appeal, an inquiry was held and she was exonerated. Subsequently, on the basis of the findings of the inquiry report, the Director General Health Services ordered

her reinstatement. Despite the order, she was not reinstated and her case was being delayed for unknown reasons. With the intervention of the Ombudsman Office, which entailed a process of seeking explanations from the Provincial Coordinator Health Department and giving Shehnaz an opportunity to respond, Shehnaz was reinstated within almost four months of her complaint.

The Women and Child Section is also a haven for widows seeking justice. Ruqia Begum is one such complainant. The Excise and Taxation Department in her native town had served her a notice for payment of Urban Immovable Property (UIP) Tax and a related fine. She approached the Ombudsman Office with the argument that widows were exempted from this tax and asked for an early redressal. Within one month, after the correction of the land record, Ruqia got the relief she had wanted.

With GSP's support many other such women and children will continue to benefit from a safe and exclusive space to resolve their issues in a timely manner.







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