

## Operating in remote disadvantaged and conflict-affected areas of Pakistan

To date, the Asia-Pacific strategy of 2002 is the only IFAD regional strategy to have identified less-favoured areas as its operational niche. In that strategy, the reason given for selecting a geographical niche is as follows: "Taking into account the enormity of the problem and IFAD's experience but its limited resources, the Fund must intervene in a niche area so as to play a catalytic role. Thus IFAD strategy for Asia and the Pacific envisages a focus on the less favoured areas." These areas include remote uplands and mountains, marginal coastal areas, drylands and rainfed areas.

In recent years, IFAD has concentrated its operations in Pakistan on *barani* (rainfed) and mountain areas. These areas – a particular subset of less-favoured areas – include the remote, disadvantaged and conflict-affected areas located near the country's international borders<sup>1</sup>. Available documents do not clearly explain how IFAD and the Government arrived at this particular niche-within-a-niche. But facts suggest that a common understanding was reached over the years, based on two main factors: IFAD's desire to seek a niche that was not dominated by other donors; and the Government's decision to accord particular attention to remote and neglected areas falling within the crucible of geopolitics.

Of the 22 projects financed by IFAD in Pakistan since 1979, 12 focus on area development, five on credit, four on irrigation, agricultural and livestock development, and one on areas affected by the October 2005 earthquake. In 1980, at a time when almost no donors or NGOs had adopted this approach to rural development, IFAD launched its first area development project in Punjab, the country's largest province. Soon, however, the area development approach was also adopted by multilateral development banks and smaller, donor-assisted and NGO initiatives<sup>2</sup>. As a result, it may well be that IFAD felt 'crowded out' of its original niche.

In 1987, IFAD took the area development concept to Chitral, a remote district of the North West Frontier Province (NWFP) bordering Afghanistan. Chitral is isolated from the rest of Pakistan for six months of the year because the only road link is snowbound for the other six months, but it has access to Afghanistan all year round. In the 1980s, Chitral gave asylum to large numbers of Afghan refugees fleeing from the Soviet invasion of Afghanistan, as well as to many of the *mujahideen*

who were fighting the invaders with the help of Pakistan, the United States of America and other countries. Not surprisingly, intrigue and uncertainty were injected into this serene and peaceful mountain district, and, although unrelated to the refugee situation, a certain amount of sectarian tension was also evident at the time.

### Barani Area Development Project

An eucalyptus and poplar seedling nursery. These trees are then planted in rows to work as windbreaks which combat soil erosion. They are also used for reforestation, for fuelwood, to improve soil fertility and reduce the sediment load.

IFAD photo by  
Giuseppe Bizzarri



In 1991, an IFAD-assisted area development project was approved for the State of Azad Jammu and Kashmir (AJK), which suffered a devastating earthquake in 2005. IFAD is still active in AJK, which borders India. In 1997, an area development project was initiated in the Northern Areas, which border Afghanistan and China, and, in 2000, a similar project was launched in three of the tribal agencies in the Federally Administered Tribal Areas (FATA) that border Afghanistan. FATA has since become known as an area beset by terrorism and international conflict. Another IFAD-assisted area development

project covers some districts of NWFP where conflict has spilled over from FATA and across the border.

Excluding NWFP, the border areas where IFAD has been concentrating in recent years – AJK, FATA and the Northern Areas – are referred to in government plans (since the late-1970s) as Special Areas. They are also governed under administrative and legal systems that are distinct from the rest of the country. All three areas are administered, in one way or another, by the federal government rather than by the provinces that constitute the Federation. At the same time, two such areas – AJK and the Northern Areas – have no representation in the national Parliament. The law of the land does not apply as such to FATA and is applied selectively in the Northern Areas. In addition, the civil administration of FATA is managed with the help of tribes, sub-tribes and tribal elders, an arrangement introduced by the British more than a century ago.



**Punjab Smallholder Dairy Development Project**

Project's main components are milk marketing development, improvement of animal and crop productivity, credit to support the marketing and animal/crop productivity components and farm-to-market road improvement.

*IFAD photo by Giuseppe Bizzarri*

The country programme evaluation (CPE) highlighted a number of factors that have caused operational difficulties in these areas: poor infrastructure and communications; weak government presence and market linkages; various sources of conflict (including insurgency and counter-insurgency operations in FATA); and a high degree of cultural sensitivity to gender issues. As a consequence, projects have experienced difficulties in recruiting and retaining staff; mobilizing communities and linking them to services; delivering interventions efficiently and on time; achieving targets and project objectives; generating broad-based impacts on poverty; and sustaining impacts and institutional change. On the whole, however, the performance of IFAD-funded projects

in such areas may be considered as fairly satisfactory.

The Government has expressed an interest in continuing to work with the Fund in remote and neglected areas. There may be good reasons for a small, focused organization such as IFAD to do so. For example, these areas account for some of the lowest indicators of socio-economic well-being in the country; access to input supply and markets is uncertain; and institutional capabilities are often inadequate. While the operating environment is difficult, opportunities may exist for innovation. For example, even in the most conservative areas, IFAD-assisted projects have managed, through trial-and-error, to introduce locally acceptable approaches for enhancing the productive potential of women.

IFAD and the Government would also need to find ways and means of working in a difficult operating environment, so that development effectiveness is maintained and future allocations to Pakistan are not jeopardized<sup>3</sup>. Setting realistic development objectives and implementation time frames is essential in this regard. Also, it must be recognized that working in remote and problematic areas is a particularly high-cost proposition. This, together with the possible need for innovation, suggests that grant assistance from donors may be welcome, over and above the loan funds provided by IFAD. In addition, administrative and financial rules designed for other areas may not work equally well in remote hardship locations. And, finally, as recent events in Pakistan and other countries tend to show, conflict resolution requires a special kind of strategy and expertise so far lacking in development initiatives aimed at conflict-affected areas. In short, if IFAD and the Government wish to focus on the more problematic areas of the country, they will need to articulate a more flexible and differentiated approach, an approach that effectively addresses the unique features and requirements of these areas.

<sup>1</sup> In the divided State of Kashmir, administered separately by India and Pakistan, the dividing line is referred to as the Line of Control rather than an international boundary. And where Indian-administered Kashmir touches Pakistan, rather than Pakistan-administered Kashmir the boundary is called a working boundary.

<sup>2</sup> In the early 1980s, the area development approach was also adopted by the Government and the United States Agency for International Development in an effort to eradicate poppy cultivation in targeted districts.

<sup>3</sup> Projects in complex contexts are difficult to implement and may eventually fall under the "project at risk" category, affecting portfolio performance. Under the current performance-based allocation system, IFAD allocates its resources using a formula that incorporates measures of country need and country performance (which includes portfolio performance).

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**Further information:**

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