

Food Security & Market Assessment in Crisis Areas of NWFP and FATA, Pakistan

APRIL 2010



Supported by: PaRRSA, FATA Secretariat, UNIFEM, WHO and FAO



Funded by **DFID** Department for International Development

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List of acronyms

ADB	Asian Development Bank
CERINA	Conflict Early Recovery Initial Needs Assessment
DFID	UK Department for International Development
DNA	Damage and Needs Assessment
FAO	Food and Agriculture Organisation of the United Nations
FATA	Federally Administered Tribal Areas
FCR	Frontier Crimes Regulation
FSMA	Food Security and Market Assessment
ICG	International Crisis Group
IDP	Internally-Displaced Person
MCH	Mother-and-Child Health
MINFA	Ministry of Food and Agriculture
NADRA	National Database and Registration Authority
NWFP	North-West Frontier Province
PaRRSA	Provincial Relief, Rehabilitation and Settlement Authority
PASSCO	Pakistan Agricultural Storage and Services Corporation
PCNA	Post Crisis Needs Assessment
PDMA	Provincial Disaster Management Authority
PHRP	Pakistan Humanitarian Response Plan
SATP	South Asia Terrorism Portal
TWWA	Tribal Women Welfare Association
UNIFEM	United Nations Development Fund for Women
VAM	Vulnerability Analysis and Mapping
WFP	United Nations World Food Programme
WHO	World Health Organisation

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Executive Summary

Religious extremism and militancy in Pakistan is concentrated in the country's north-west; comprising the Federally Administered Tribal Areas (FATA) and parts of the North-West Frontier Province (NWFP) and Balochistan. In April 2009, the military launched a series of major operations, expelling militant groups from their strongholds in NWFP's Malakand division (covering the districts of Buner, Swat, Shangla, and Upper and Lower Dir). In the second half of 2009, further such exercises were undertaken across the Khyber, Kurram and Orakzai agencies of FATA. Millions of people fled the fighting and took refuge with hosting communities or in established camp facilities, primarily in the safer areas of NWFP. As of February 2010, the Malakand area appears to be stabilizing, amid improved security and an escalating return and recovery process. By contrast, hot spots in FATA have now become the focus of the military.

With the support of PaRRSA, the FATA Secretariat, UNIFEM, FAO and WHO, WFP conducted a Food Security and Market Assessment (FSMA) across crisis-affected areas in early 2010, aiming to:

- Provide a recovery baseline for future social safety net and livelihood programming; and
- Inform respondent operations and promote a refinement of targeting for assistance.

All seven FATA agencies and nine of the 24 districts in NWFP constitute the survey area, with a total population of 13.1 million people.

The following outlines key observations made by this exercise and related recommendations.

Half of the population does not eat adequately: Almost half of the population across surveyed areas (or 6.3 million people) were observed to suffer from inadequate food intake (as indicated by poor or borderline food consumption). The highest proportions of households with insufficient food consumption are found in Malakand division (58 percent) and FATA (46 percent); the two areas in which two thirds of those categorized as food insecure areas are residing. Of the total 6.3 million food insecure people, 1.3 million are considered to fall into the severe category, which is putting their lives at risk.

Profile of the food insecure: Food insecure households are mostly wage laborers and petty traders (40 percent of surveyed population), living in Kucha houses and owning very few assets, and only small or no landholdings. Heads of these households are either uneducated or only attended primary school. They are also disproportionately affected by crop and livestock losses, displacement and damaged property, suggesting that a significant share may have been pushed into poverty as a result of the crisis.

- Unconditional (recovery and protection-oriented) safety nets should be provided for severely food insecure households.
- Targeting criteria for unconditional safety nets should include sex and level of education of household head, ownership of assets and landholdings (less than one acre, or no land at all), and main income source;
- Community based works projects should be initiated in areas of severe infrastructural damage and loss of livelihoods (Malakand division and FATA) in order to help restore infrastructure and provide a safety net to food-insecure households until their livelihoods resume,
- The situation across conflict-affected areas should be re-assessed in February 2011, in order to capture any changes in the intensity and volume of crisis impacts, relative to the baseline established herein. Additionally, the implementation of periodic food security monitoring within the four established strata will determine changes in food consumption, food expenditure, coping strategies and commodity pricing.

Hosts: Despite sharing their resources with IDPs, hosts are observed to have more assets, better incomes and superior food consumption than all other household categories. It appears that many displaced families sought refuge with relatives that could afford to support them, even over prolonged periods of time.

The impact of the crisis on women: Traditionally, most women in surveyed areas pursue *purdah* in its strictest sense, limiting their movement outside of the home. Restrictions to mobility increased further as a result of the crisis, particularly in the Malakand division and FATA. For many female family members, it has become significantly more difficult to seek healthcare services and attend schools. Similarly, income-generating activities at the household level have been greatly reduced, and in some cases stopped entirely. Considerable reductions in the number of poultry owned by families were witnessed during the course of last year; which robbed many women of their only income source and further compromised the quality of household diets. Instances of physical abuse and domestic violence against women appear to have increased; and are often linked to alleged non-compliance with the more restrictive societal rules imposed by male community members and militants.

Female-headed households: Across the survey areas, 2.5 percent of households are formally headed by women. A further 5 percent are 'de-facto' headed by women, owing to the fact that the male head works outside of the district or abroad, or lives and eats with another household. Female-headed households face multiple financial, social, moral and psychological challenges. Even more restricted in their mobility due to the crisis, access to basic goods and services such as food, medicine, schooling, and forms of external assistance, becomes a major hurdle. Households formally headed by women have the poorest diets of all those surveyed. Only 28 percent have adequate food consumption, with 55 percent and 20 percent in the borderline and poor categories respectively. Households 'de-facto' headed by women are notably better off in terms of income and food consumption levels.

- Income support initiatives should be implemented in support of women and female-headed households, including poultry rearing, handicraft production, life skills training and literacy courses, vegetable gardening, and nurseries. To offset the opportunity costs of attending educational classes, or to incentivize a resumption of income-generating activities, women should receive food or cash transfers until courses are complete or the first profit is yielded.

Reductions in livestock have been lower than expected: Though the crisis has clearly had an impact on pastoralist and their livestock, this is observed to be less pronounced than expected. Within one year the livestock population of crisis-affected areas reduced by 13-14 percent. Approximately 17 percent of the 7 million pastoralists were affected by these losses; substantially lower than numbers reported in earlier assessments. A considerable proportion of lost livestock died of natural causes, while one sixth of the overall reduction was the result of abandonment.

Crop losses: Less than 40 percent of the population (or 5 million people) across surveyed areas cultivate land, and 54 percent (or 7 million people) rear livestock. Of the 556,000 farming households, 23 percent reported that their crops had been subject to significant damage as a result of shocks during the last 12 months. Small farmers in the Malakand division bore the brunt of these impacts; with one third of all land-cultivating households experiencing crop losses. Many farmers fled affected areas, and returned only recently, after missing two crop seasons. In FATA, the crisis is far from over and farmers continue to face constraints to their crop production and marketing. These have suffered for the lengthiest duration and are currently the worst affected. Approximately one third lost more than 25 percent of this year's Rabi harvest.

- Agricultural support should be provided for crisis-affected small farmers in Malakand division and FATA, in the form of agricultural inputs (including seeds and fertilizers), the extension of micro credit, and repair and improvement of irrigation systems.
- Medium term measures to improve the income of marginal farmers should be implemented to enhance the productivity of small landholdings and exploit comparative advantages in the production of high value crops.

High food prices continue to burden population: The impact of high food prices was cited by 80 percent of all households in the surveyed areas as the primary challenge faced during the last year. The second most pronounced was noted to be health-related problems (50 percent). Other shocks directly related to the crisis include curfews, insecurity, damage to houses, fighting, and strict militant rules.

Rising food expenditures: Almost all households in crisis-affected areas reported increases in their food expenditure since the previous year. Today, households devote an average of 50 percent of their overall expenditure to food; an increase of ten percentage points since 2008. This is reflective of the nationwide trend of

rising food shares in household expenditure that further compound the difficult situation in the crisis-affected areas.

Markets: Physical access to markets by both traders and consumers has been inhibited by the crisis. Traders in half of the 62 surveyed markets were facing significant access obstacles. A majority were also confronted with higher procurement prices and transport costs than existed one year prior; leading to lower profit margins and sales volumes. In general, traders' response capacity has been undermined by inadequate working capital, a lack of available credit and reduced consumer demand. Markets across FATA continue to be adversely affected by extended periods of curfew, road blocks, and fighting. As a result, they have become less competitive, less integrated and less efficient.

- Interventions to promote markets and help small traders should be initiated, such as enhancing access to credit, in areas where the security situation is stable.

Education – back to a dire normality: The impact of the crisis on educational systems appears to be less prominent this year than in the previous year. Schools formerly occupied by IDPs in Swabi and Mardan have reopened; and limitations on student and teacher participation (in particular female teachers) have reduced as militants were pushed out of Malakand division. Security threats were a key constraint to attendance last year, in addition to the absence of (female) teachers, and certain economic impediments. Strikingly, insecurity as an impediment to school attendance was only cited by 10 percent of surveyed households during the 2009-2010 academic year, indicating a perceived improvement in the safety of school-going children.

The lowest school enrolment rates were observed in the districts of Tank, D.I. Khan and Hangu; whereas gender differentials are most pronounced in FATA. Current IDPs have the lowest proportion of girls attending school (<15 percent). Returnees have the lowest level of boys' enrolment (31 percent). Hosts, with their more sizeable incomes, spend the most on education.

- Existing conditional food-based safety nets in the education sector should be extended to cover all primary schools in crisis-affected areas, in support of approximately 1.5 million students. Through these schemes food rations (oil and wheat) are provided to households with primary school-aged children (5-9 years) in exchange for regular attendance at school. In addition, in FATA and the Malakand division, where food insecurity is highest, nutritious biscuits should be distributed on-site to approximately 870,000 students to address short-term hunger and inadequate food intake.
- Investments are required in infrastructure, equipment and staffing of schools to address the supply side constraints in the education sector.

Health and breastfeeding patterns: Morbidity rates appear to be unusually high in crisis-affected areas, with half of all women and one third of their children reporting to have suffered some illness during the two weeks prior to interview. The crisis also caused deterioration in health services and health-seeking behavior. During focus group discussions, women pointed out that these deleterious impacts have been most severe in FATA and Malakand division. Physical damage to facilities was compounded by an inability among health staff to attend places of work, while medical supplies have also been scarce.

Breastfeeding patterns have undoubtedly been affected by the crisis. Many women felt that they stopped lactating as a result of poor dietary habits; while, in IDP and hosting families, a lack of privacy had compelled reductions in the practice. Many women reported not to be initiating breastfeeding directly after birth, breastfed more irregularly or started introducing weaning foods earlier than usual. With the overall deterioration in household food consumption, the diets of individuals with special nutritional needs are of serious concern.

- Investments are required for health infrastructure, equipment and staffing to urgently reverse the deteriorating health situation in the crisis-affected areas.
- Conditional safety nets should be implemented to enhance utilization of health services by pregnant and lactating women and to improve the diets of small children. Incentives should be provided to encourage attendance at health clinics, while rations of fortified blended food should help improve the nutrient intake of the nutritionally vulnerable groups.

Exclusion errors in the registration of displaced people: Displacement within and from FATA remains significantly underreported by the present NADRA registration system. The actual number of current IDPs is estimated to be up to 25 percent higher than the total currently registered by NADRA. More than one third of current IDPs, and six percent of returnees are unlikely to have been formally registered. The mean household size across survey areas was found to be 9-10 persons. As such, crisis-affected families tend to be substantially larger than the average of 7 members commonly applied by the government and the humanitarian community when calculating beneficiary caseloads.

- Exclusion errors in displaced beneficiary identification should be addressed to include all those in need of assistance.
- Calculations of household needs should be re-assessed to account for a family size of no less than nine members.

External assistance: The results of the household survey indicate that approximately 20 percent of the surveyed population (or more than 2.5 million people) received some form of assistance over the last year. While 65 percent of returnees were reached with such support, only 38 percent of all current IDP households, and one fourth of hosting households, have been assisted at any time. It appears that a significant share of returnees and an even greater proportion of current IDPs have not received any type of assistance to date. Free food aid is cited as the most widely received form of support (by 13.5 percent of households), followed by cash and other forms of government compensation. An analysis of the geographic spread of assistance measures indicate that 80 percent of beneficiaries are located either in the Malakand division or the past IDP influx areas of Swabi and Mardan. While these areas witnessed considerable volumes of displacement, and are therefore rightly targeted, it is of concern that beneficiary proportions in FATA are comparatively low.

I. Crisis Storyline

Religious extremism and associated militant activity in Pakistan is concentrated primarily in the country's north-west; particularly within the Federally Administered Tribal Areas (FATA), and parts of the North West Frontier Province (NWFP) and Balochistan. The roots of the crisis extend as far back as the granting of independence, when a British colonial-era political, administrative and judicial system was retained in FATA, which denied basic constitutional rights and political representation. Adult franchise was only extended to FATA's general population in 1996.

Since the late- 1970s, and under the military government of Zia ul Haq, religious ideologies and active groups were encouraged to fight a proxy war against India along the border in Kashmir. This conflict was later extended to encompass the *jihad* waged against the Soviet army, then occupying Afghanistan; with attacks staged from Pakistan's north-west border areas. In the wake of the 11 September 2001 terrorist attacks against the United States and the subsequent toppling of the Taliban government in Afghanistan, Pakistan has become a main refuge for Taliban and Al Qaeda operatives. Since then, a surge in local and foreign militancy has been observed, resulting in considerable destabilization across the entire country.

Over the last decade, lethal attacks against government and foreign institutions in Pakistan have been steadily rising – in both frequency and severity. The year 2009 was the bloodiest yet. According to the South Asia Terrorism Portal (SATP) database¹, at least 723 major incidents took place last year, resulting in 11,585 fatalities; a figure that comes very close to the cumulative 13,485 deaths that occurred between 2003 and 2008.

FATA, the current crisis hot-spot, comprises seven predominantly Pashtun administrative units, known as tribal agencies. These are collectively governed by the Federal Government of Pakistan, through the Governor of NWFP. Tribes are largely expected to deal with internal security and judicial issues on their own. The provincial government of NWFP maintains control over the agencies via individual Political Agents (PA), whose job it is to maintain peace in his agency with the support of *maliks* (state-recognized tribal leaders). The Frontier Crimes Regulation (FCR), developed in 1901, still serves as the legal framework for the PA and affords them wide-ranging powers, including collective punishment of a tribe for actions by individual members.

In 2002, the Pakistan army began to engage in FATA in search of foreign militants, ostensibly with the support of local tribes. In some areas this was met with resistance, and battles between the military and tribal groups became increasingly common during 2003 and 2004. From 2004 onwards, a series of peace deals were established between the military and militant groups in various agencies, all of which had limited success in curbing the violence across FATA. Instead, the militants consolidated their power by killing several hundred *maliks*, while others were forced to adjust their loyalties.²

In late-2007 the army began to resort to more aggressive measures; launching outright military operations in North Waziristan (FATA) and Swat (NWFP) in October that year, and in Bajaur (FATA's northernmost agency) in August 2008. During the preceding months, militants had begun to take control of some villages in NWFP's Swat Valley, imposing *sharia* law. For the first time, the Pakistan Taliban assumed control over a sizable area outside FATA. Although they were periodically repelled by paramilitary and police forces, they continued to gain ground until mid-2009.

On 13 April 2009, Pakistan's National Assembly and President Zardari approved a military-devised accord with the Swat-based extremists. When it was violated by the latter within less than a month, the military launched a major armed operation and drove out militant groups from their strong-holds in the Malakand division; including Buner, Swat, Shangla, and Upper and Lower Dir. Similar operations were also launched in the FATA agencies of Khyber in September 2009, and Kurram and Orakzai in November 2009. Millions of people fled the fighting and took refuge with hosting families or in camps facilities, mainly across safer areas of NWFP.

In the interim, the Malakand division (incorporating the districts of Dir, Swat, Shangla and Buner) has been largely pacified; with notable improvements in security, and the return of IDPs well underway in confluence with associated recovery processes. On the other hand, agencies in FATA have since become the focus of military

¹ Source: <http://www.eurasiareview.com/2010/02/31662-terror-rules-in-pakistan-south.html>

² ICG, Countering Militancy in FATA, 2009

activity. As of February 2010, army operations were ongoing in South Waziristan, Bajaur, Khyber, Kurram and Orakzai. More than 50,000 families have been newly-displaced from these current hot-spots, and predominantly into the Hangu, Kohat, Tank and Dera Ismail Khan districts of NWFP³.

Militant violence and military operations undermine any prospect of economic development in the tribal areas. At the same time, poverty and unemployment may fuel violence in the first instance. Even prior to the rise of the militancy, FATA was among Pakistan's most severely underdeveloped areas, plagued by onerous legal barriers and structural impediments to investment and private enterprise. In the absence of economic regulation and legitimate courts, black markets have flourished – most notably in the form of a pervasive arms and drugs trade.

Moreover, state functions are partly dysfunctional in FATA. Some areas remain inaccessible to government officials, ensuring that decisions are ultimately adopted and implemented by the local *maliks*⁴. The state's difficulties in providing basic services and supporting economic opportunity are, thus, contributing to the growth of the insurgency.

Madrassas are in part responsible for proliferating religious ideologies and fuelling extremism. These seminaries provide free religious education, boarding and lodging, and are often the only option for poor families. The militants' distorted interpretation of Islam has influenced the curricula propagated through these institutions to young people. Unregistered, extremist *madrassas* are a broadly cited dimension of the radicalization witnessed across the north-west frontier region⁵; and high levels of illiteracy in these areas already render young men vulnerable to rhetoric and manipulation.

Weak governance, poor educational standards, widespread poverty and unemployment, are both causes and products of the crisis. An increase in militancy impairs human and economic development, while inadequate livelihood opportunities weaken peoples' resistance to financial incentives and ideological persuasion offered by extremist groups. Change and development across crisis-affected areas will only be possible if its root causes are addressed.

³ NADRA database

⁴ International Crisis Group (ICG), *Countering Militancy in FATA*, 2009. Maliks, often hereditary and land-owning, play a critical role in traditional social power structure in FATA.

⁵ PCNA, *Crisis Analysis framework: Summary*, 2010

Figure 1: The vicious cycle of the crisis



II. FSMA Aims and Methodology

2.1 Rationale and Objectives

With significant investments being made in the crisis-affected areas, comprehensive and accurate analyses of the situation on the ground are indispensable. In 2009, and in response to the considerable volume of IDP influxes, the humanitarian community provided large-scale emergency aid, with WFP supplying general food rations for a peak of 2.6 million displaced individuals. In the 2009 Pakistan Humanitarian Response Plan (PHRP), more than 50 organisations appealed for roughly US\$ 680 million; with WFP alone accounting for 42 percent of the total (or US\$ 286 million). In 2010, interventions in NWFP are shifting from the use of predominantly relief modalities, to more recovery-oriented approaches. As such, early recovery is a key element in this year's PHRP, which totals US\$ 537 million for 6 months.

Though numerous assessments have been fielded since the start of the crisis, significant knowledge gaps remain in terms of livelihoods and markets. Information on a variety of key variables has remained unavailable, including: number of people and profile of households affected, impact on different livelihoods and respective coping strategies, and verifiable targeting criteria that capture these households. Similarly, changes in food market functioning and prices, the effects rendered upon traders, and market integration are not known. Considering the substantial inflow of cash and food assistance into NWFP and FATA, and the ongoing medium-term planning processes, a better understanding of these issues is warranted.

In this context, WFP - supported by UNIFEM, FAO, WHO, PaRRSA and the FATA secretariat - conducted a food security and market assessment (FSMA) in crisis-affected areas, in early 2010.

The objectives of this assessment are to:

- Provide a recovery baseline for social safety nets/livelihood programming; and
- Inform operations and promote a refinement of targeting.

Ongoing or planned interventions, such as the envisaged cash transfer scheme by NWFP/PaRRSA, will benefit from this analysis. Moreover, the assessment will inform the substance of a Social Protection/Livelihoods component of the Post Crisis Needs Assessment (PCNA) led by the World Bank and ADB.

2.2 Methodology

In order to capture both direct and indirect impacts of the crisis, as well as its very dynamics, a majority of areas that have borne the brunt of fighting and displacement over the last two years are included in this assessment. The survey area covers all seven agencies of FATA and nine districts in NWFP, with a combined population of 13.1 million, or approximately 8 percent of the country's general population.

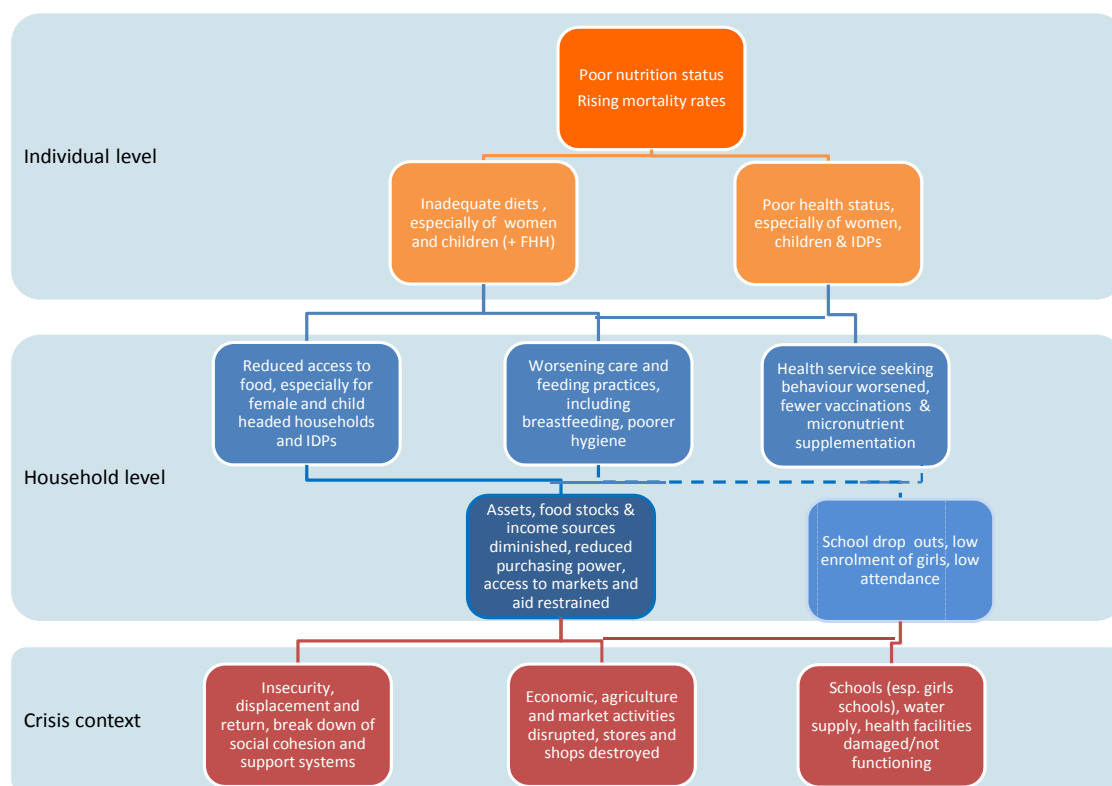
Surveyed districts in **NWFP**: Lower Dir, Buner, Shangla, Swat, Tank, Dera Ismail Khan, Hangu, Swabi and Mardan
Surveyed agencies in **FATA**: Mohmand, Bajaur, Kurram, Orakzai, South Waziristan, North Waziristan and Khyber

The conceptual framework below outlines the scope of the assessment, combining all three dimensions of food security:

- Food utilization at individual level, determined by health, hygiene, care and feeding practices and by individual food consumption pattern.
- Food access and household food consumption, determined by household assets, income sources, aid, market dependence and food prices.
- Food availability, determined by local food production, stocks, food aid, trade and market functioning.

Education has additionally been examined; as a key element of livelihoods, closely correlated with women's care, feeding and hygiene practices, and a crucial condition for longer term food security. To ensure that the assessment methodology and tools are gender- and crisis-sensitive, the assessment methodology, data analysis plan and tools were shared and discussed with PCNA advisors on gender and crisis.

Figure 2: Food Security Conceptual Framework



The assessment combines a secondary data review with both qualitative and quantitative primary data collection:

- Secondary data review
- Statistically representative household survey (~1,800 households)
- Community-based female and male focus group discussions
- Collection of staple food prices in communities and markets
- Trader survey

The surveyed districts/agencies were grouped into four strata: the first two have been directly affected by the crisis in the form of fighting, destruction of property, infrastructure and/or assets, and high levels of insecurity; while the second two strata have been more indirectly affected, in the form of hosting large numbers of IDPs.

- **Stratum 1:** Districts that were subject to army operations in 2008/2009 which resulted in population displacement, but where currently the security situation is relatively stable and recovery has started. These are referred to as ‘past hot spots’, and include Shangla, Swat, Buner and Lower Dir.
- **Stratum 2:** Areas that are currently categorized as ‘hot spots’, meaning that military operations are ongoing, or the security situation remains extremely unstable. These include all seven agencies of FATA.
- **Stratum 3:** Districts that are currently hosting an increasing number of IDPs, referred to as ‘current IDP influx areas’, including Tank, Hangu and D.I. Khan.
- **Stratum 4:** Districts that have been the centre of a mass influx of IDPs in 2009, and from where most IDPs have now returned home. These are referred to as ‘past IDP influx areas’, and include Swabi and Mardan.

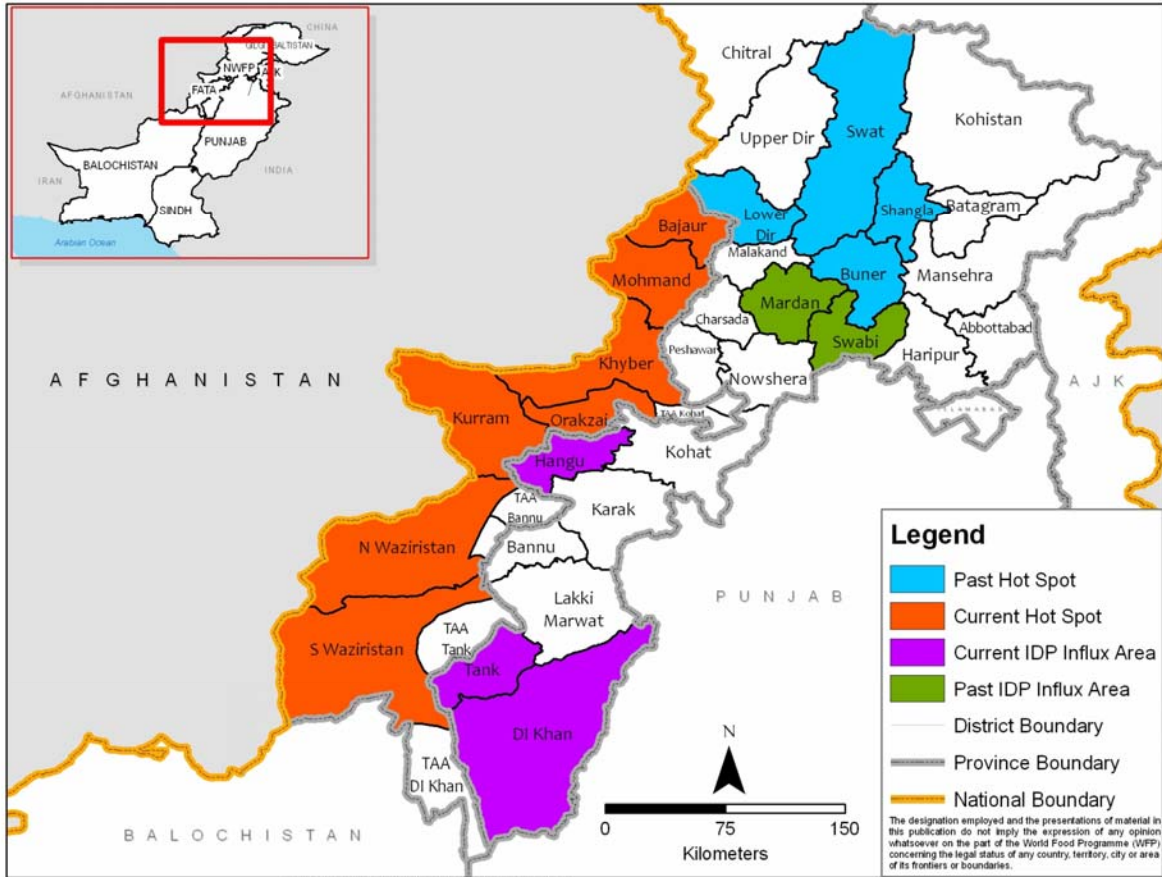
The map below depicts the location of all strata.

The following information was used in formulating the four strata:

- Months in which major military operations took place, and locations (sources: crisis timeline prepared by OCHA for the 2010 PHRP; and list of notified ‘crisis areas’ prepared by PaRRSA and key informants in Islamabad and Peshawar).

- Number of IDPs by month, and by agency/district from which they originated and to which they fled (source: NADRA database).
- Number of returnees by agency/district from which they originated and to which they returned (source: NADRA database).

Figure 3: Survey Areas by Defined Strata



The assumption behind this stratification is that the impact of the crisis on household food security varies depending on the different crisis scenarios experienced across the four strata.

A two-stage cluster sampling approach has been applied for the household survey. In each stratum, 25 sample villages (and another 25 alternate villages) were selected from a list using a simple random sampling method. In each village, 18 randomly selected (interval sampling) households have been interviewed; ensuring that the survey covers a total of 1,800 households in 100 villages.

Of the initial 100 randomly selected villages, 82 were accessible for visitation. The remaining 18 villages (17 of which were in FATA) were replaced by alternatives during the survey process, based on accessibility issues faced by survey teams in the field. As expected, ongoing army operations and militant activity in FATA limited access to randomly selected villages. As such, the list of survey locations underwent several review and adjustment processes: first by the FATA secretariat (as a result of which, Orakzai was removed from the sample); secondly, by the survey teams from respective areas during the course of advance training sessions; and finally, by the enumerators themselves during the conduct of field work and based on the evolving security situation on the ground. Table 1 below compares the initial plan with the actual villages visited (sample or new).

In each of the 100 surveyed villages, one **community focus group discussion** was held with male participants and conducted by the team leader, concentrating on the experienced crisis storyline, views on future scenarios, major impact on livelihoods, access to markets, school and health facilities, local availability and prices of staple food commodities, existing socio-economic support schemes, and perceived needs.

In NWFP, each survey team comprised at least one female enumerator who interviewed female heads of households, and additionally led **female focus group discussions**. Due to the more conservative values and cultural limitations placed upon female participation in the public sphere, an alternative approach was adopted in FATA. Two local NGOs (the Tribal Women Welfare Association and Kwanda Khor), both specialized in working with tribal women, were engaged to interview female focus groups in selected agencies/villages. In contrast to NWFP, these women, however, did not participate in individual household interviews. The total number of female focus group discussions conducted stands at 85.

Table 1: Surveyed villages, households, markets and traders, by strata

Strata	Sample villages	New villages	HH	Female FGD	Male FGD	Market KI	Traders
Past hot spots	25	0	450	25	25	21	84
Current hot spot	8	17	450	18	25	19	58
Current IDP influx	24	1	450	17	25	9	36
Past IDP influx	25	0	450	25	25	13	74
	82	18	1,800	85	100	62	252

The **trader survey** is based on purposive sampling, stratified by trader type (retailers and wholesalers). A total of 62 retail and wholesale markets were visited. Two traders per wholesale market and six traders per retail market were interviewed, for a total of 252 traders.

All data collection tools (including survey questionnaires) are available on the WFP Pakistan VAM website, accessible from www.wfp.org.

2.3 Limitations

- The household sample was drawn in a way that the results of the survey can only be extrapolated to the population within each strata and the entire survey area. The data are not representative at the district level.
- Camps were, by design, not included in the survey. Only off-camp IDPs were covered, and any statement on IDPs in this report is thus only applicable to those residing outside of camp facilities.
- The survey does not cover all areas affected by the crisis. Aside from the seven surveyed agencies in FATA, a further seven frontier areas have suffered the repercussions of fighting and displacement. In NWFP, districts such as Nowshera, Charsadda and Peshawar, and more recently Kohat, have also received IDP influxes. Similarly, the provincial capital of Balochistan has long been considered the headquarters of the Afghan Taliban in Pakistan, and its population still has to cope with recurrent security threats, extended curfews, and so on.
- Ideally the head of household, typically most knowledgeable about family matters, is interviewed by the survey. While enumerators were instructed to do the same, and made every effort to comply, it was only possible for 63 percent of the 1,800 surveyed households. A further 18 percent of interviews involved the wife of the existing household head, 10 percent the son, and almost 5 percent the brother.. It should be noted that information provided by any individual other than the primary decision-maker in the family may be less accurate.
- A total of 410, or 23 percent, of respondents were women; of which more than half were interviewed in Swabi and Mardan (stratum 4). Often, women were less able to recall information related to income and expenditure, and hence their answers on these topics specifically may be considered less accurate.

- Overestimation of household food consumption: Male respondents typically recall information pertaining to their own dietary intake, which is likely to be superior to that of women and children. Traditionally, men eat first and leave the remnants of meals for female and child household members. Thus, men are likely to enjoy a more nutritious and balanced diet than the rest of the family.
- Food insecurity across FATA is likely to be more pronounced than the observations of this assessment might imply, since the surveyed households were located in the region's more secure and accessible areas. By contrast, more isolated or remote areas tend to be the poorest, while the sites at which active fighting has taken place suffer the worst effects of the crisis. Thus, both chronic and crisis-related transitory food insecurity in FATA may be underreported here.
- The population across crisis-affected areas has been subjected to multiple assessments during the last year. They are deeply concerned that the nature of the answers they provide might have positive (in the form of aid) or negative consequences (potentially no aid, or perhaps persecution by the militants or government), thus raising their expectations and fear during interviews. As such, erroneous information may be provided; such as intentionally overstated losses, or underreported assets and income.
- The questionnaires used for the assessment were composed in English, and the training conducted in English and Urdu, while the local language of the survey population is Pashtu. The requisite translation process during interviews might have caused some inaccuracies in how questions were posed to households, and how answers were recorded. Nonetheless, it should be noted that as all enumerators were native to the survey area, and experienced in food security surveys, the translation was generally perceived to be conducted well.
- During focus group discussions, notes were taken in Urdu or English; and then entered into an excel table by another individual. During this transfer of qualitative information, certain elements of the discussion may have been lost or altered.
- During the data cleaning and analysis processes, information was generally observed to be of both high quality and consistency. However, one section of the household questionnaire – relating to primary school enrolment - had been completed incorrectly, and was thus excluded during the analysis and report writing processes.
- The crisis period under review spans February 2009 to February 2010. However, as the crisis has taken place over a much longer period, and given that livelihood shocks have been experienced for many years in some areas, it is problematic to define finite boundaries between pre- and post-crisis scenarios. In FATA, for example, livelihoods are believed to have been consistently deteriorating over the last four to six years; and, in some areas, crisis-related incidents may have been less pronounced in the 2009-2010 period than in previous years. Conclusions, therefore, do not cover the full impact of the crisis on livelihoods, but rather the effect only of the events that took place last year,
- Owing to the absence of long-time price series in FATA and NWFP, no in-depth price analysis was undertaken during the course of this assessment. The market performance analysis was based on qualitative data related to the connections between markets, the change in competition, and market efficiency.
- The population of the north-west frontier areas is simultaneously affected by both covariate and idiosyncratic shocks. In some cases, the impact of the drastic food price hikes witnessed in 2008 may have overshadowed the escalation of fighting between militants and the army. In such cases, where shocks occur in confluence, it can be significantly problematic to make direct and distinguishable causal links to ultimate outcomes.

III. Population and Markets in the Crisis Areas

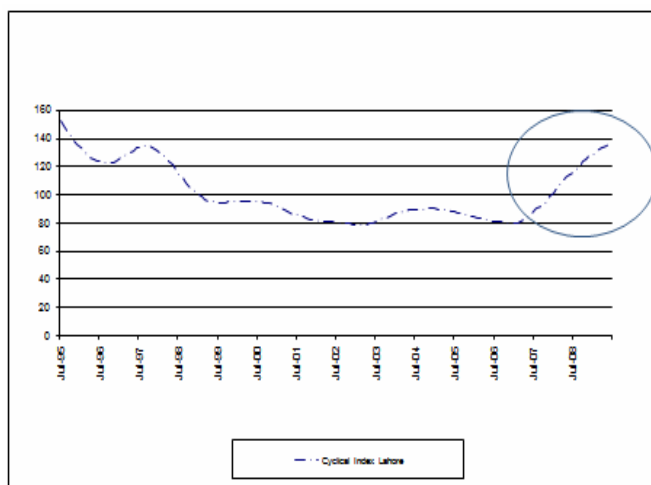
All seven agencies of FATA and nine out of 24 districts in NWFP constitute the survey area. The population of the nine NWFP districts amounts to 9.23 million (or roughly 40 percent of NWFP's total population), whereas FATA is home to only 3.8 million individuals in its entirety.

FATA comprises 3.4 percent of Pakistan's total land area, and 2.2 percent of the national population. Partly attributable to its historical and political distinctiveness, FATA has always been the least developed of Pakistan's administrative regions, in which poverty was endemic and pervasive even before the recent surge in militancy.

Approximately 60 percent of its inhabitants are estimated to be living below the poverty line⁶. NWFP is the third largest of the country's provinces, as measured by population size and contribution to the national economy. It covers 10 percent of Pakistan's land area and accounts for 13 percent of the population. In terms of socio-economic development, the province in general fares better than FATA or Balochistan, but lags behind Punjab and Sindh.

Both FATA and NWFP are cereal-deficit areas, purchasing wheat either from the central government (PASSCO) or the Punjab Food Department, according to allocations specified by the Ministry of Food and Agriculture (MINFAL). As a result, food availability in these areas is heavily dependent on any changes in domestic wheat marketing policy, which immediately affects the supply situation, and is largely influenced by informal cross-border trade with Afghanistan. Due to the significantly higher price of wheat in Afghanistan, a sizeable share of wheat stock allocated to these areas ends up in the neighbouring country, rather than reaching intended consumers. NWFP has the largest wheat deficit, in nominal terms, across the country and typically requires the highest allocation of all provinces. The wheat usually comes from Punjab, known as the country's bread basket.

Graph 1: Trends in the Wheat Cyclical Index in Lahore, Punjab



Source of data: Dorosh and Federal Bureau of Statistics

In crisis areas, market functioning is hampered by difficult topographical terrain, poor road infrastructure and low population density. FATA has 140 persons/sq km and NWFP 295 persons/sq km, compared to 431 persons/sq km in Punjab⁷.

Transportation infrastructure in FATA is particularly rudimentary, with a road network of only 0.18 km per sq km of area⁸. Main roads lead up to and through FATA; however, many communities do not have links to these main roads, and therefore little access to markets. Moreover, one-third of the area is inaccessible due to poor communication links. Feeder and link roads to most valleys, especially the more remote, require significant upgrading.⁹

3.1 High Food Inflation Rates: continuing to burden the population

The market analysis herein assesses the impact of the crisis on food markets in FATA and NWFP. However, the crisis is compounded by ongoing inflation in food prices; and the effects of both shocks are difficult to segregate.

The impact of food price hikes has far from subsided in Pakistan, and has been most severely felt in the country's north-west.

Wheat flour prices in Pakistan are not fully reflecting the level of supply and demand on markets, as the government intervenes in the commodity's trade, and the role of the private sector remains limited. The government's trade policy has two contradictory objectives: to enhance household food security by stabilizing prices at low levels, and ensure price incentives to producers in order to stimulate production. The government sets a Guaranteed Minimum Price (GMP) at farm gate, and purchases a large proportion of the crop available in

⁶ DNA

⁷ Pakistan, Federal Bureau of Statistics website

⁸ FATA Rapid Needs Assessment 2007

⁹ Donneth Walton 2002, ADB, Technical Assistance for preparing the FATA rural development project.

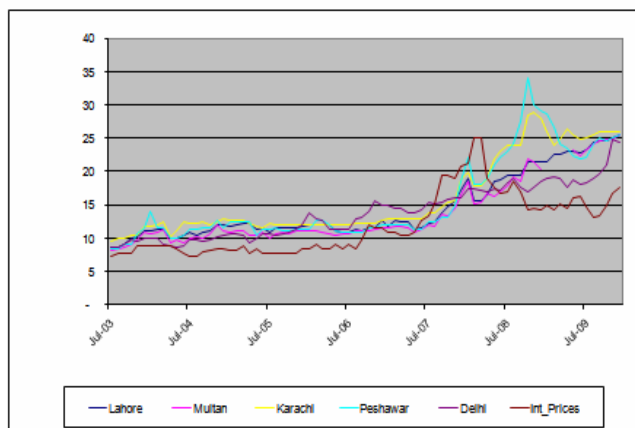
the market¹⁰, in order to sell during the subsequent lean period at subsidized consumer prices¹¹. And yet, this price stability policy has so far been unable to curb food price inflation since 2008.

The cyclical index for prices provides an account of whether prices were above or below their trend due to structural factors. Between 1995 and 2007, the seasonal index decreased, indicating the efficacy of the government policy of subsidized sales that kept domestic wheat prices below import parity price levels (Dorosh et al. 2006; 2007). However, since mid-2007 the index has been increasing (see Graph 2), and the continued upward trend indicates that the crisis is still ongoing.

Cereal prices in Pakistan have stabilized at levels 50 percent higher than prevailing prices on international markets. As of December 2009, wheat flour and IRRI 6 rice prices were 63 percent and 54 percent, respectively, above their 5-year average levels. In combination with double-digit inflation, high prices for staple commodities are likely to continue forcing declines in household purchasing power.

Wheat prices in Pakistan tend to be disconnected from regional (as compared to Delhi) and international prices; and even more so since the high food price crisis¹². Essentially, this means that Pakistan's domestic wheat market is poorly integrated with international markets. However, within Pakistan, provincial disparities in wheat flour prices have declined significantly since peaking in May 2009.

Graph 2: Wheat Price Trends in Pakistan, India and the International Market



Source of data: Federal Bureau of Statistics

Graph 2 shows that since mid-2009, wheat prices in the main provincial markets of Pakistan are following the same pattern. However, this co-movement is largely attributable to the influence of common factors such as market interventions - which enable prices to move together - rather than actual integration, which is normally led by market forces¹³.

Indeed, the efficiency of the wheat trade between provincial markets in Pakistan is low; as incentives for trade tend to be due mainly to government subsidies on transport costs. When comparing price differences between markets with marketing margins over time (2003-2009), trade inefficiency is illustrated by the fact that trade could have been lucrative for traders only between September 2008 and

January 2009, when wheat prices reached their highest levels. In other words, actual trade flows remained attractive because of government involvement in transporting wheat between the main cities, lowering transaction costs for private traders.

In the crisis-affected areas, wheat flour prices have stabilized, though still at notably high levels; in line with national price trends. As reported by male focus group discussions, wheat flour prices are highest in the hot spot areas and 10 percent above domestic rates; but the steepest increase since last year (23 percent) was recorded by consumers in Hangu, D.I. Khan and Tank - current IDP influx areas.

¹⁰ According to High Food Prices in Pakistan (July 2008), from 2003 to 2007, Government of Pakistan purchased on average 60 percent of the crop available in the market.

¹¹ For the review of Pakistan market intervention policies see the High Food Prices in Pakistan assessment, 2008, the Inter Agency Assessment UN Mission.

¹² The coefficients of correlation between wholesale wheat prices in Pakistan, India and international markets are either low or negative (see table 1 in annex x) International wheat prices are from USA, Gulf, Wheat (US No. 2, Soft Red Winter).

¹³ Even if the coefficient of correlation between Pakistan provincial markets are all above 0.6 (see table 2), the Granger causality tests showed no significant relationships between prices on different markets. Wholesale price in each market is not forecasted by prices on other market and then wheat markets are not integrated in Pakistan.

Table 2: Changes in wheat flour prices, by stratum

Wheat flour price in Rs.	1 year ago	Current price	Price increase
Past Crisis Hot Spot	27	31	15%
Current Crisis Hot Spot	32	33	3%
Current IDP Influx area	22	27	23%
Past IDP Influx area	26	29	12%
Average crisis area	27	30	11%

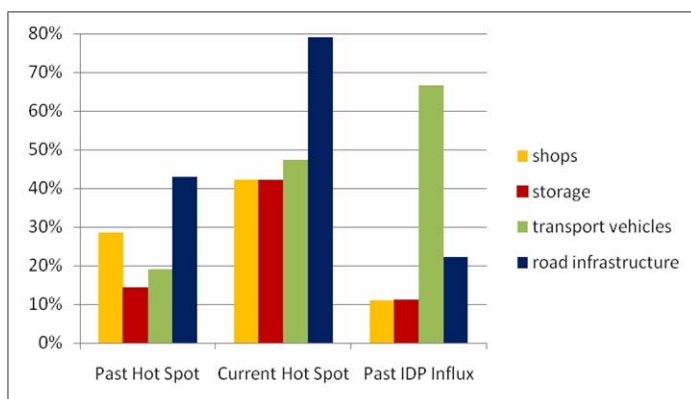
Afghanistan (which lowers the wheat flour supply). An estimated 70 percent of the wheat flour coming from Lahore is exported to Afghanistan through informal cross-border trade. High demand and high prices on the Afghan side of the border are noted as the main incentives for this cross-border trade. A second difficulty lies in the frequent imposition of bans on trade flows from surplus areas of Punjab to NWFP and other deficit areas. While these bans help the provincial government to fulfill their wheat procurement targets and to keep prices low in Punjab, they harm traders and consumers in the deficit areas.

Peshawar, the capital of NWFP, is the main cereal market supplying the entire FATA and NWFP areas. Wheat comes from Multan and Lahore, and then moves on to crisis-affected areas. According to key informant interviews, there are approximately 150 wheat flour wholesalers in the Peshawar market. This market is competitive, as the four biggest wholesalers control only 24 percent of the wheat supply. One major difficulty faced by traders in the Peshawar market stems from the informal cross-border trade with FATA undoubtedly suffered the greatest damage (see Graph 3), followed by past hot spot areas. Only the current IDP influx areas (namely Hangu, Tank and D.I. Khan) have yet to experience any infrastructural damage. Vehicles and roads were the worst-hit, inhibiting transport to and from markets; with frequent curfews, road blocks, insecurity, and looting posing additional threats to business.

IV. Trade across Crisis Areas: more difficult and more expensive

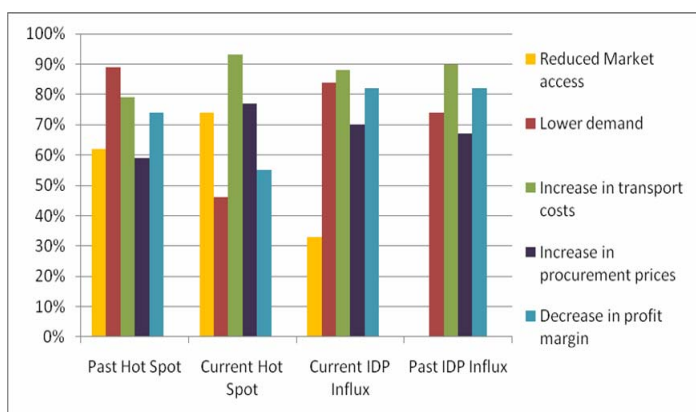
In 2009, militancy and military operations had a negative impact on the functioning of food markets in FATA and NWFP. Fighting led to the physical destruction of markets and transport infrastructure, including shops, storage

Graph 3: Degree of damage to markets and transport infrastructure



space, transport vehicles and roads. By consequence, physical access to markets by both traders and consumers is inhibited. In half of the 62 surveyed markets, traders complained of considerable difficulties in reaching their places of business (see Graph 5). The extent of the impact, however, differs

Graph 5: Problems faced by market, by strata



significantly across strata, with Swabi and Mardan (past IDP influx areas) not affected at all. In the current IDP influx areas, access to one-third of the markets was reduced due to curfews and insecurity, rather than physical destruction.

Wholesalers, who move large quantities of food from one market to another, suffer the most from transport obstacles. Retailers, on the other hand, are mostly affected by damage to local market infrastructure, such as shops, storage facilities, trade vehicles and

communications infrastructure. Limited market access directly impacts upon the volume of food supplies in the market; thereby stimulating price increases and limiting vulnerable households' access to commodities as consumers.

A majority of traders are now facing higher procurement prices (up to 66 percent) and transport costs (86 percent) than were incurred a year ago. The increase in procurement prices is generally perceived to be the result of prevailing food price hikes; whereas the increase in transport costs is considered a result of rising fuel prices, deteriorations in transport infrastructure, and ongoing insecurity. These higher transaction costs have compelled traders to reduce their profit margins, sales volumes, and extension of customer credit facilities. In general, traders' response capacity is undermined by a lack of working capital, inadequate credit, and low household demand. Low demand is, in fact, a common constraint in all settings.

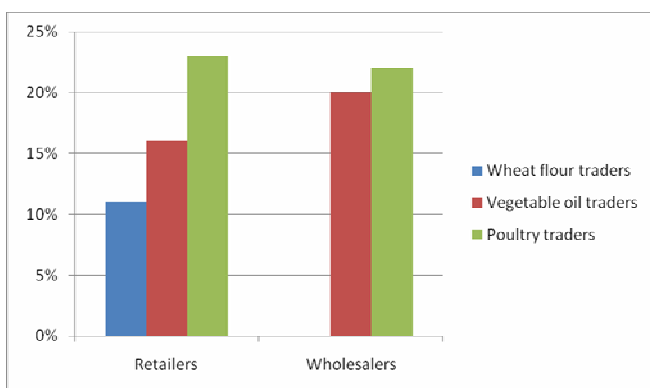
The following section will attempt to analyze differential impacts of the crisis by strata.

4.1 Current Hot Spots (FATA): market functioning is further weakened by crisis

FATA is one of Pakistan's major food-deficit areas, with approximately 86 percent of its requisite annual wheat supply imported. Here, more than in any other strata, food markets play a crucial role in ensuring household food access. Yet, as a result of the crisis, markets have become less competitive, less integrated and less efficient. Food prices are considerably high, and likely to remain so. Traders' willingness to supply markets is undermined by low demand, and their response capacity is weakened by a lack of credit and working capital¹⁴. As such, safety nets for food-insecure groups may be more appropriate in the form of direct food transfers (such as targeted food distributions or food-for-work projects, for example) rather than cash transfers.

Ongoing military operations in FATA are continuing to generate major destruction and displacement. Damage to market infrastructure is significantly higher, and curfews more frequently imposed, than across other crisis-affected areas; rendering physical access to 75 percent of surveyed markets uncommonly difficult. One consequence of trade barriers such as curfews and road blocks has been an increase in transport costs, as reported by 93 percent of traders. Together with the increase in procurement prices (felt among 77 percent of surveyed traders), this has resulted in lower sales volumes and cereal stocks among 62 percent of surveyed traders. As a result, two-thirds of traders decreased their sales, and market supplies dropped by 25-50 percent.

Graph 6: Decrease in the number of traders, as a share of retailers and wholesalers in FATA



Food markets have become less competitive, as the number of wholesalers and retailers has

fallen in the area. Compared to the previous year, 28 percent of traders reported a decrease in the number of competitors and new market entrants. Fewer wholesalers and retailers for wheat flour, vegetable oil and poultry, has led to reduced competition in the market for these products, and thus sustained high prices (see Graph 6).

FATA markets are also notably less integrated than the previous year¹⁵. This may be explained by the fact that 74 percent of traders reported to have concentrated sales inside their agency

(in order to evade security risks), thereby reducing their connection with outside markets. With a lower level of market integration, price decreases in other markets will unlikely compel a similar trend in FATA, to the detriment of consumers.

¹⁴ 66 percent of traders indicated the lack of own capital as the first constraint to increase supplies, followed by low demand (33 percent of traders) and insecurity (22 percent of traders).

¹⁵ In this study, market integration is assessed according to the concept of "tradability". This concept is based on the transfer of excess demand from one market to another, as captured in actual or potential physical flows (Barrett, 2005). Under this concept of "tradability", positive trade flows are sufficient to demonstrate spatial market integration.

In addition, the efficiency of food markets – measured by price differences between wholesale and retail prices – has weakened¹⁶. Wheat flour markets are less efficient than one year ago, as wholesale prices decreased on average by 11 percent, while the average retail price increased by 5 percent. In the case of sugar, price differentials are even more apparent¹⁷. Wholesale prices increased on average by 13 percent, while retail prices increased by a hefty 95 percent. Assuming there is no additional processing cost in the value chain from wholesaler to retailer, and transport costs increased for all items at the same rate, a high increase in retail price relative to changes in wholesale price is a clear sign of market inefficiency. It suggests an excess profit margin on retail prices, which limits household access to sugar.

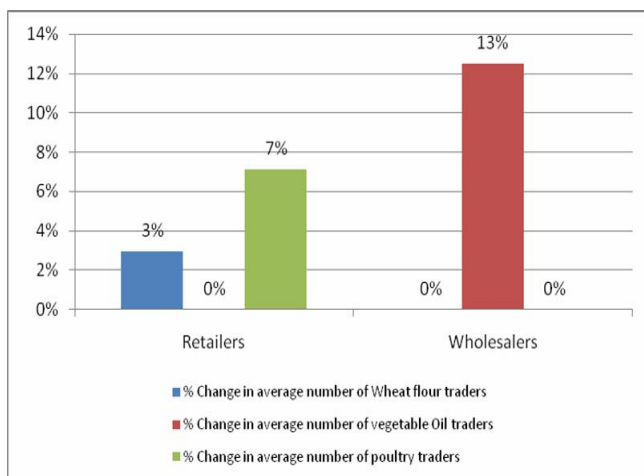
Across FATA, a significant proportion of food markets are currently functioning poorly: including one quarter of cereal (rice and wheat) markets, more than one third of edible oil and maize markets, and almost half of sugar markets.

In an attempt to offset higher transaction costs, traders adopt coping strategies that are likely to be harmful to consumers. While 32 percent of interviewed traders increased their prices, the first reaction was to reduce their scale of operation; mainly implemented as a means of minimizing losses in the case of looting (reported by 81 percent of traders). Secondly, three quarters reduced their business costs; taking advantage, for example, of quick stock rotation opportunities offered by the high demand in Afghanistan, rather than handling costly stocks in FATA. Finally, two thirds of traders offered less credit to customers. As an outcome of these coping strategies, the ability of households to purchase food is further compromised and sales volumes decrease.

4.2 Past Hot Spots (Swat, Lower Dir, Shangla and Buner): *markets are recovering slowly*

The crisis reached its peak within past hot spot areas during the middle of last year, resulting in major market disruption and severe damage to infrastructure, particularly in Swat. Overall, 80 percent of surveyed markets have been affected by insecurity, 70 percent by military operations and two thirds by looting. Traders’ access to 43 percent of markets has been inhibited; and, as in FATA, increased transaction costs are a major problem. In addition, half of surveyed traders drew attention to increases in delivery time from direct suppliers as an additional constraint.

Graph 7: Percentage changes in the number of wholesalers and retailers, February 2009-2010



Markets in past hot spot areas appear to be recovering from the disruptions experienced last year. Competition among traders has improved slightly (see Graph 7), as demonstrated by increases in the number of both retailers and wholesalers; and price determination appears to be returning back within the control of wholesalers¹⁸. Wheat flour prices are set by wholesalers in two thirds of the markets, compared to one third a year ago. Markets are also more integrated within the same district, but remain less integrated with other areas. One third of traders reported to be purchasing more from other markets in the same district, but less from other districts.

¹⁶ Market efficiency analyzes the net marketing margins of market actors, comparing whether price differences across time and space are less than or equal to transaction costs (J. Aker, 2007). Markets are considered efficient when wholesale and retail price variation go into the same direction and the variation in retail price is higher than the one of wholesale prices, such that it takes into account economy of scale at wholesale level

¹⁷ Sugar shortage at national level could explain part of this inefficiency. However this reason may not be enough to explain the big differences between wholesale and retail prices. Traders could take advantage of the deficit in sugar supply at national level to maintain high retail prices.

¹⁸ An exception is the Irri 6 Rice market that remains inefficient: Compared to last year, wholesale prices decreased by 12 percent while retailer prices increased by 27 percent

Half of the surveyed markets have successfully returned to the same levels of food supply as witnessed a year previous, while 14 percent of even increased their supply volumes.

A vast majority of traders (89 percent) cite depressed demand as a key constraint to better market functioning. This may be partly attributable to large-scale supplies of in-kind food assistance to returnees, which is highlighted by one quarter of traders as an impediment to their business. Indeed, almost 1.6 million people returning to the Malakand division were supported with free food rations over a six-month period, as a means of facilitating their recovery process. However, in the meantime, this blanket approach is being replaced by more targeted recovery-oriented interventions. To a certain extent, traders' perceptions may be biased by the ongoing visibility of food aid in affected areas, while its physical volume may in fact be in decline.

However, in contrast to all other observed strata, the problem of low demand in the Malakand division is partly addressed by the traders themselves; with 60 percent reporting to provide more credit to their customers than a year ago, in contrast to other areas where traders still reduce credit sales.

Worryingly, a majority of traders expect to see further increases in food prices over the next six months, which may yet slow the recovery process.

4.3 Current IDP Influx Areas (Tank, D.I. Khan and Hangu): *a normalization of markets*

Markets within this stratum are functioning relatively normally (albeit still poorly overall), despite substantial obstacles to business. Up to 80 percent of markets have faced security-related impediments, while two thirds experienced looting and one third remained difficult to access. Nonetheless, no physical damage either to markets themselves or transport infrastructure was observed in these areas.

Currently, these markets are considered to be relatively efficient (except for IRRI 6 rice) and competitive¹⁹ compared to one year previous. Still, supply and demand remain low: wheat flour, rice and vegetable oil supplies remain at the same level as 2009 in more than two thirds of surveyed markets. Only sugar, maize and livestock supplies are lower. Demand has increased somewhat in Hangu, where 40 percent of traders expanded their sales volume to cover additional demand from comparatively wealthy households who migrated from Orakzai.

Positively, wholesalers appear to have a stronger role in price determination, signaling reduced government intervention. Last year, the government set wheat flour prices in 63 percent of the markets, compared to only 25 percent this year. At the same time, wholesalers are now determining prices in 50 percent of observed markets, a notable increase from 0 percent last year. A similar trend is witnessed in the case of vegetable oil and poultry prices.

Households are likely to face additional inflation of core commodities in the near future, mainly due to the withdrawal of governmental price controls.

4.4 Past IDP Influx Areas (Mardan and Swabi): *markets are performing relatively well*

Markets in Swabi and Mardan have traditionally functioned better than those in other strata areas. This is partly due to superior transport routes and market infrastructure, but also because of the presence of a higher number of traders who buy directly from consumers; indicating the importance of local production in the supply chain. Notable negative impacts as a result of the crisis have been restricted to the period of mass IDP influx (April to August 2009), during which increasing demand for food led to price rises. Today, the situation has more or less

¹⁹ The number of retailers on the markets increased on average by 4 percent for wheat flour and 6 percent for vegetable oil but decreased by 8 percent for poultry. The greatest increase is observed among wholesalers of vegetable oil (25 percent), while the number of wholesalers for wheat flour and poultry remained the same.

returned to normal: both demand and supply have returned to levels observed one year ago, while competition has increased slightly.

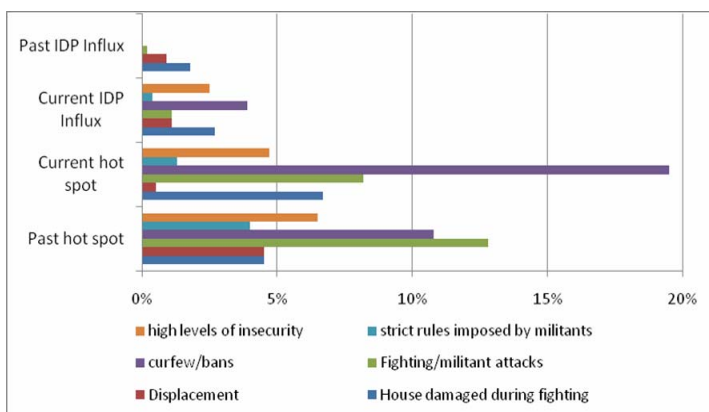
Although prices are set by the government in almost two thirds of markets across this area, price transmission from wholesalers to retailers is still efficient. Markets also appear to have expanded and profit margins increased for 45 percent of traders.

The main constraints limiting traders’ response capacity in these areas include: lack of capital (reported by 75 percent), low profit margins (34 percent) and reduced demand (46 percent). Of all observed strata, Swabi and Mardan are home to the largest proportion of traders who reduced credit sales to consumers (88 percent). According to traders, this trend is related to the return of IDPs, who accounted for much of their credit sales last year.

V. Crisis-Related Shocks and the Fate of IDPs, Returnees, Hosts and ‘Stayees’

The crisis is being experienced by residents of survey areas as a series of diverse livelihood shocks with different levels of intensity: ranging from localized security threats and curfews that restrict mobility, to large-scale fighting that is resulting in displacement and/or a loss of assets and livelihoods.

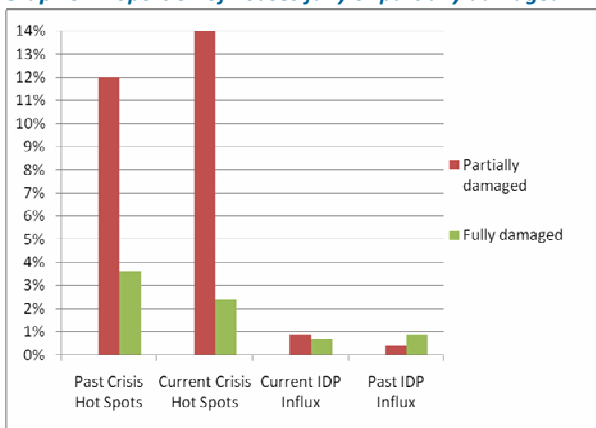
Graph 8: Main Crisis-related difficulties experienced during the last year



Heavy fighting between the army and militants has caused major damage to infrastructure, and disruption of public services and markets. While in some areas the fighting may have been less intense, militant attacks still occur frequently and pose a constant security threat to the population; impeding normal livelihood activities and creating de-stabilising fear. Areas into which IDPs have been displaced are more indirectly affected. For example, host communities are compelled to share their resources, while demand and supply for essential

goods and services (such as household utensils, blankets, tents, staple food items, water and health services) increase, causing market distortions and overburdened public services in some areas.

Graph 9: Proportion of houses fully or partially damaged



The shocks vary from stratum to stratum. In the Malakand division (a past hot spot) fighting and militant attacks, and to a lesser extent curfews and bans, have been the major crisis-related difficulties experienced by households over the last year. In FATA (a current hot spot), curfews and bans are by far the greatest problems cited by one out of five surveyed households. Curfews were also reported to be the main issue faced in current IDP influx areas, in addition to high levels of insecurity (see Graph 8). Yet, as will be seen later in the case of hosting areas, these ramifications of the crisis may still be overshadowed by high food prices and idiosyncratic shocks such as illness.

Overall, damage to houses was reported as a major difficulty encountered by less than five percent of households only. While 6 percent of all houses were found to be partially damaged and 2 percent fully destroyed, these shares are much higher in the cases of FATA and the Malakand division; where one out of six houses was damaged during the fighting.

5.1 Household Composition

The mean household size across survey areas stands at approximately nine persons; while the average in FATA alone is reported as 11 persons. On average, displaced households have approximately ten members. Households in crisis areas are thus substantially larger than the average seven members commonly applied by the government and the humanitarian community when calculating IDP and beneficiary figures.

The vast majority of households are headed by men. In this conservative society, *purdah* is commonly practiced and women are severely restricted in their mobility and their access to services and livelihood opportunities. Family honour and hospitality are values that are strictly adhered to, and the social network of extended households and tribes is strong. Hence, living without a man or with the core family unit alone remains uncommon.

Only 2.5 percent of households are formally headed by women. However, the proportion of households in which women are in fact the main decision-makers, in the physical absence of their husbands, is higher. Approximately 3-4 percent of households are formally headed by men who are residing outside of their district, or indeed abroad, for work purposes; and in another 1-2 percent, the male head is not living or eating with the family, leaving the women to run the household. Overall, it is estimated that at least seven percent of households are formally or 'de facto' headed by women. More than two thirds of these female-headed households are residing in Swabi and Mardan, where rules for women are more relaxed relative to the other three strata.

The average age of the heads of household (both male and female) is 47 years, and almost all are married. Close to five percent of surveyed families reported to have had at least one member either injured or killed as a result of the crisis during the last 12 months. Seven percent have at least one orphan, and 11 percent live with a widow (most of whom lost their husbands as a result of old age or sickness).

5.2 The Fate of IDPs, Returnees, Hosts and “Stayees”

This assessment assumes that the precise status of crisis-affected families – whether displaced, returned, disrupted within areas of origin, or hosting IDPs - has implications for the subsequent impact rendered on livelihoods and food security. As such, the effects of the crisis will now be analysed across five household categories: IDPs, returnees, past and current hosts, and others (with the latter including so-called ‘stayees’ in past and current hot spot areas, a term used by the humanitarian community in Pakistan to refer to individuals who never fled their homes). Many of these stayees were trapped between curfew and fighting and suffered heavy

losses. During the military operations in the Malakand division and FATA, residents were barely given sufficient notice of imminent air strikes, nor time to leave before the imposition of curfews.²⁰

Households categories in crisis area

IDPs	Returnees	Current Hosts	Past Hosts	Others
3.2 %	12.6%	2%	13%	69.2%
420,000	1,647,300	236,500	1,702,000	9.1 million
13.1 million people				

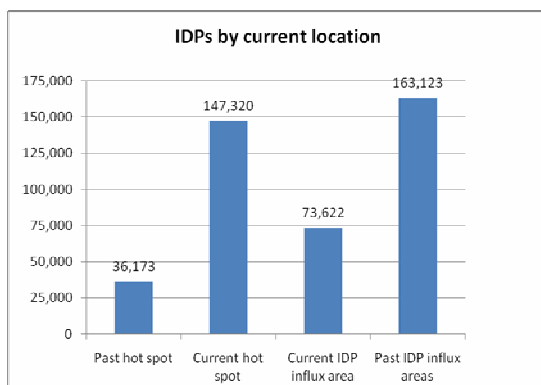
The assessment found that approximately 2.1 million people (or 16 percent of the total population of survey areas), were or remain displaced during the last year. (This figure excludes half a million IDPs that are living outside the survey areas). Slightly less than 2 million have hosted, or continue to host, displaced families. The remaining 70 percent of the population were neither displaced nor have hosted IDPs.

In 2009, it was estimated that approximately 3 million people were displaced across NWFP and FATA, as result of the crisis. The majority fled from the Malakand division during the peak of fighting between May and June 2009. More than half originated from the Swat district, which bore the brunt of the destruction. A significant majority of IDPs temporarily resided in Swabi and Mardan (past IDP influx areas); recording roughly 2.6 million IDP residents in May 2009, which amounted to 80 percent of the local population at that time. In one of the fastest developing

²⁰ ICG- IDPs

incidents of displacement ever witnessed in Pakistan, the combined population of 3.2 million across Swabi and Mardan swelled to 5.8 million within less than two months.²¹

Graph 10: IDPs by current location



Many of those displaced stayed for several months, occupying schools and other public buildings, or living with host families. Only a minority (7 percent) chose to reside in camps. More than three quarters of the IDPs (mostly from other districts of NWFP) returned to their homes within 3 months. Most families from FATA have chosen to stay on, as the security situation in their areas of origin continued to be unstable. As of March 2010, three quarters of these have been displaced for more than 10 months, while one quarter (or 100,000 people) fled only in the last quarter of 2009.²² A majority of IDPs are currently living in FATA (current hot spot), Swabi and Mardan (past IDP influx areas).

The considerable scale of displacement has presented significant challenges in obtaining complete, accurate and reliable data. The National Database and Registration Authority (NADRA) plays a pivotal role in registering IDPs and issuing National Identity Cards (NIC). However, as only household heads are required to possess an NIC, many women remain unidentified.²³ Being recorded in the NADRA database is a precondition for the receipt of any type of support by IDPs from the government and the humanitarian community.

As of February 2010, more than 2.5 million IDPs and returnees were registered with the NADRA database: 1.6 million returnees, 800,000 IDPs living off-camps and 165,000 IDPs in camps:

- In response to a more stable security situation, the vast majority of currently registered returnees went back to Buner and Swat.
- Eight camps are currently operating in Nowshera and Charsadda. Nearly all camp residents are from FATA agencies, and only a very few IDP families from NWFP still remain in camps.²⁴
- More than one third of registered off-camp IDPs live in Peshawar, one third in Swabi and Mardan (past IDP influx areas), and one fifth in Nowshera and Charsadda. As per the NADRA database, an additional twelve percent are living outside the NWFP province (primarily in Lahore, Karachi and Quetta, though many have since returned). In total, the number of IDPs living outside the survey area is at least 465,000.

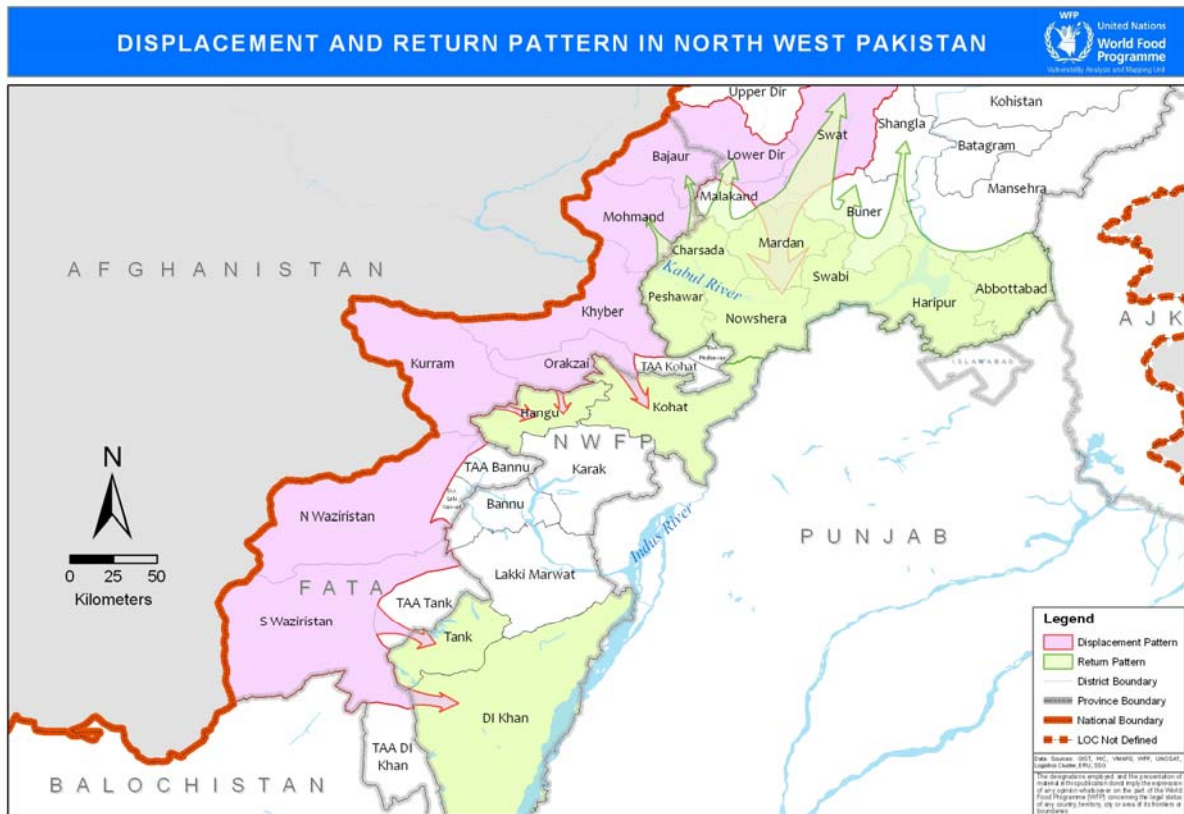
²¹ NADRA database

²² FSMA 2010

²³ ICG_IDPs

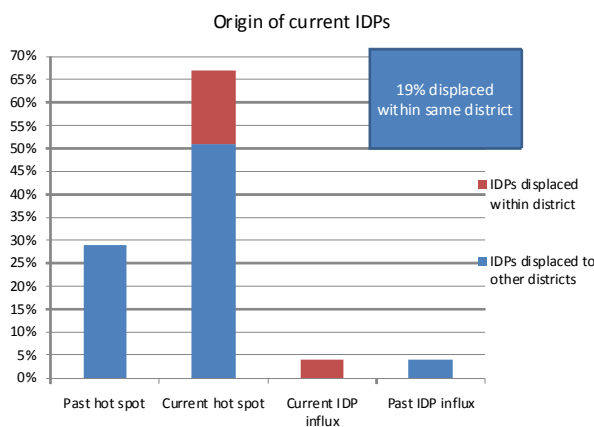
²⁴ More than two thirds of the IDPs still living in camps are from Bajaur, another one third is from Khyber and Mohmand and Orakzai.

Figure 4: Displacement and return patterns in north-west Pakistan



This assessment estimates that the number of actual current IDPs (420,000) is 25 percent higher than the number of NADRA registered IDPs (335,000), implying significant exclusion errors. The discrepancy may be partially explained by the government’s definition of IDP, and the methods applied for NADRA registration.

Graph 11: Origin of current IDPs

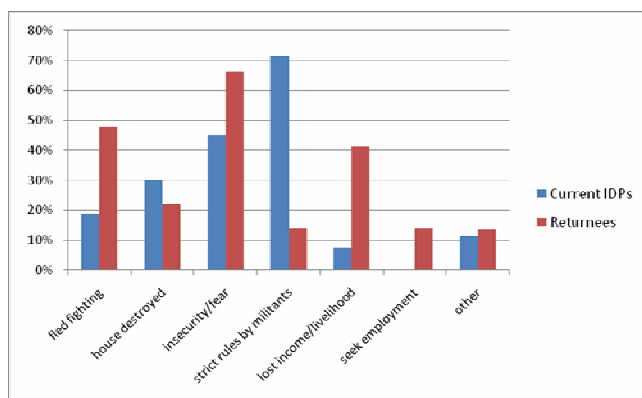


Only displaced families originating from government-notified crisis areas are registered. These notified areas, however, only include locations in which military operations are taking place; in other words, where the local population faces life-threatening danger. In fact, residents of such areas are typically order to leave in advance of an operation. Annex 3 depicts the notified areas, additionally demonstrating that many affected areas are not included. In FATA, all of Khyber and Mohmand agencies, and even large parts of Orakzai, South Waziristan and Kurram, are not considered notified.

The concept of notified crisis areas also implies that only a physical threat to life is an acceptable reason for displacement. In this sense, people who fled as a result of fear, or owing to severe disruptions to lives and livelihoods including from curfews and other bans, do not qualify as IDPs. Yet, many did decide to leave from non-notified areas, and for reasons other than imminent or ongoing military operations.

The survey results indicate that insecurity/fear and the introduction of strict militant rules were the main push factors for displacement. But, significant differences exist in this regard between past and current IDPs. Amongst

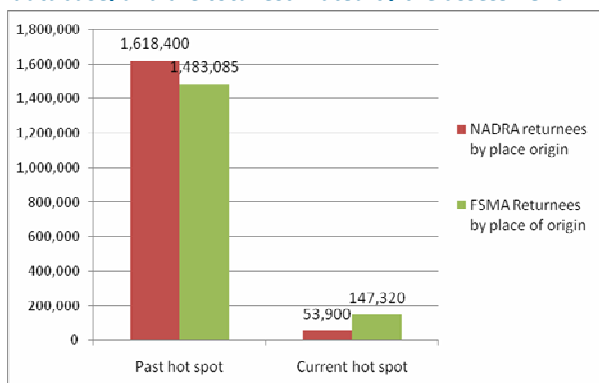
Graph 12: Main reasons for displacement of current IDPs and returnees



now-returned groups, who originated mostly from the Malakand division, the overriding cause was insecurity and fear, followed by fighting. Of the current IDPs, who are mostly from FATA, 70 percent left their homes because the Taliban had introduced strict rules. In addition, all households whose residences had been completely destroyed (2 percent) were displaced; though these are likely to have been registered.

Only families who fled to safe locations in NWFP are considered IDPs, while households displaced within notified areas or within past and current hot spots (the Malakand division and FATA) are not. Yet, up to one fifth of those currently displaced simply remained in their district/agency, while a further 15 percent only went to a neighbouring district/agency. Four percent have also been displaced into Hangu and D.I. Khan (current IDP influx areas), which have yet to be officially notified. In total, more than one third of all current IDPs (or up to 160,000 people) are unlikely to have been registered, or to have received any assistance.

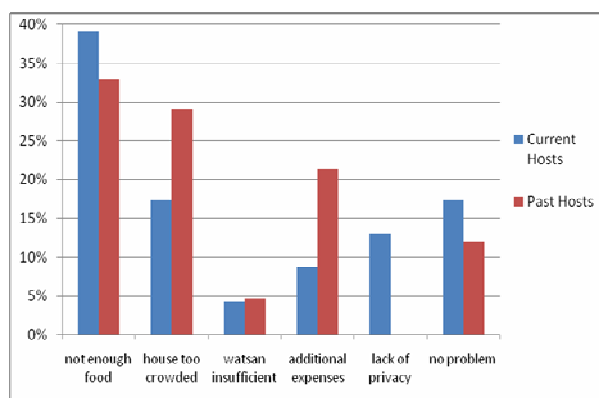
Graph 13: Number of returnees registered in the NADRA database, and the total estimated by the assessment



The number of returnees estimated by this assessment (1.65 million individuals) is closer to the official NADRA figure for the same (1.6 million). Malakand division (specifically Swat and Buner) is home to 90 percent of these. The proportion of returnees who were displaced within their own districts (13 percent) or within areas where registration is difficult, remains lower than the respective share of current IDPs. Thus, exclusion errors for returnees are likely to be smaller.

Still, six percent of returnees, or 100,000 people, who were displaced within FATA have, in all likelihood, never been registered by NADRA as either IDPs nor returnees²⁵. Overall, it appears that displacement within and from FATA remains significantly underreported by the present registration system.

Graph 14: Location of returnees during displacement



For the purposes of this assessment, hosts are defined as families who have provided, at the very least, free shelter to people displaced by the crisis. Not included in this category is the 1–2 percent of households renting accommodation to IDPs.

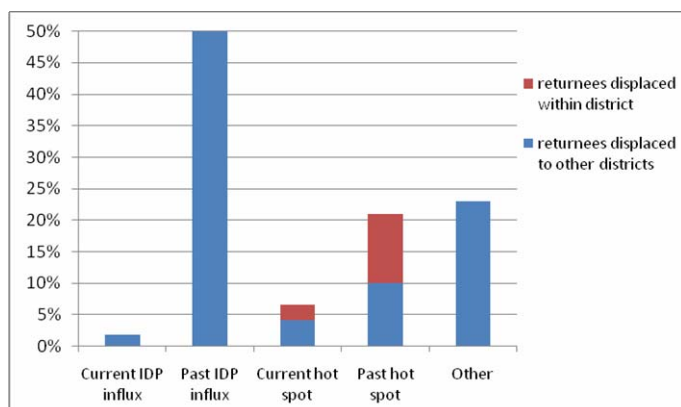
Almost 2 million people (or 220,000 families) have hosted IDPs during the last 12 months; of which 12 percent (or 240,000 people) are still accommodating guests. Current hosting families are found in all four strata, while more than half of past hosts are in Swabi and Mardan (past IDP influx areas). Many

households have accommodated entire families; with some reportedly hosting up to 20 displaced individuals.

²⁵ This may explain partly the difference in returnee figures by FSMA and NADRA: According to FSMA, roughly 150,000 people returned to their homes in FATA during the last 12 months, including the 100,000 who never left FATA, while NADRA registered only the 54,000 who returned from NWFP.

The additional burden placed upon hosting households depends not only on the number of IDP residents, but also on the type of support provided. In Swabi and Mardan, three quarters of all hosts were sharing their food with IDPs, but only half were accommodating them under their own roof. The remainder were offering living space in separate houses. Current hosts are noted to be sharing more of their resources with IDPs and for a much longer period than past hosts. Many IDPs have lived with their hosts since mid-2009, and the majority are sharing both houses and meals. Only one quarter of hosts provide only shelter in another house.

Graph 15: Main problems encountered by past and current hosts



Of the main problems identified by hosting families, inadequate food is reported at the

first priority, followed by a lack of space or privacy (see Graph 15).

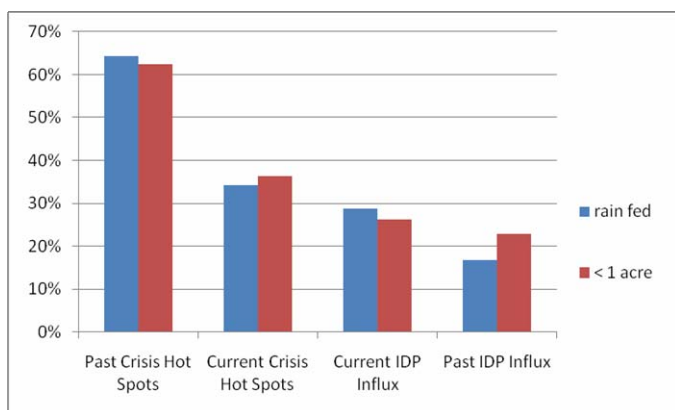
The following discussion demonstrates that, despite sharing resources with IDPs, hosts still enjoy greater assets, better income and superior food consumption than all other household categories. It would appear that displaced families sought refuge with relatives in the best position to accommodate and support them, even over a prolonged period of time.

VI. Agriculture and Livestock in Crisis-Affected Areas

Survey areas are predominantly rural and pastoralist; with less than 40 percent of the population (or 5 million people) cultivating land. On the other hand, 54 percent (or 7 million individuals) rear livestock.

Landholdings are extremely small and distribution is skewed. Approximately 85 percent of farmers have less than five acres (2.02 hectares) of land, compared to an average of 60 percent across Pakistan, and only seven percent consider farming their main occupation. Crop production among small farmers is typically below subsistence levels, and many work as agricultural or wage labourers to earn their main income. Wheat is the most important *Rabi* (winter) crop, occupying the bulk of cultivated land. Maize, rice, fruit and tobacco are the main *Kharif* (summer) crops, while vegetables are grown throughout the year. Sugarcane, tobacco and fruits are the primary cash crops.

Graph 16: Farmers cultivating < one acre and rain fed land



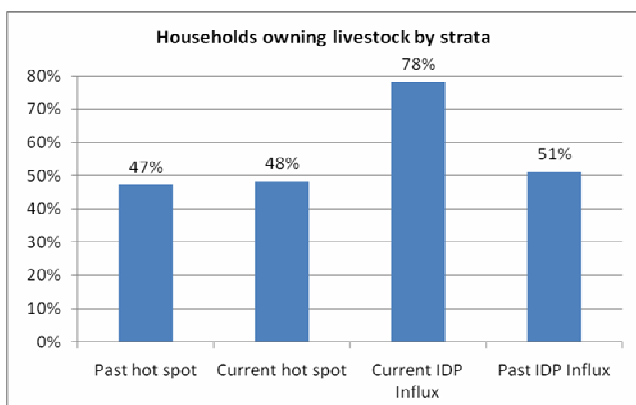
Livestock farming is a major element of livelihoods in the arid plains and mountain regions of southern and northern NWFP, and most parts of FATA. Livestock provides an important source of income and food, but also serves as a buffer in times of hardship. If crops fail, animals can be slaughtered and eaten or sold in the market to generate capital. Typically, a family keeps up to three cows or buffalos, 5 to 8 sheep or goats, and 6 to 10 poultry²⁶. Yet, while it is common to own livestock, less than 1 percent of the population considers selling livestock and animal products as their main livelihood. The size of the herd depends on the household's capacity to purchase animal feed in the

winter and spring months, when natural fodder is scarce. Larger herds are concentrated in the more mountainous areas of NWFP, such as Upper Dir, Shangla and Kohistan - which were not covered during the assessment. This

²⁶ DNA

explains the low share of surveyed households (< 1 percent) that generate their main income from livestock production.

Graph 17: Share of households owning livestock by strata



There are distinct differences between the four strata with regard to the performance of the agricultural sector and the importance of livestock.

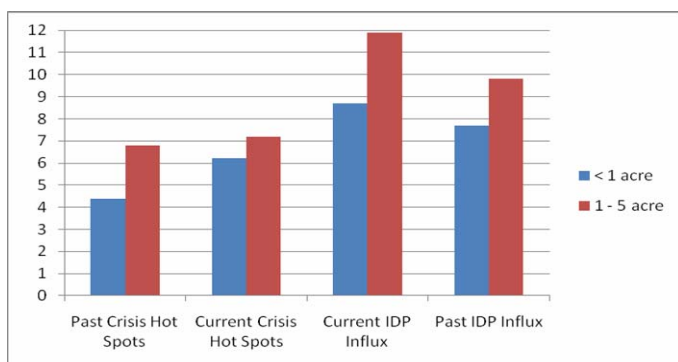
FATA (current hot spot): The terrain across FATA is predominantly hilly, dry and not conducive to significant agricultural production, which is practiced in a limited number of fertile valleys. Only 7 per cent of the total geographic area is cultivated, with another one per cent recorded as fallow, accounting for roughly half of all potentially cultivable land²⁷. Approximately 38 percent of the population is involved in crop production. In general, most farmers have very small plots of land that do not yield enough even

for the household’s own consumption. More than one third of farmers cultivate less than one acre of land and rely exclusively on rainfall (*barani* land). Though the remaining agricultural land is under irrigation, most canals are so-called “civil canals” and mainly function during the *Kharif* season²⁸. Only a small fraction of farmland produces more than one crop a year. The main food crops are wheat, followed by maize and rice. In Waziristan, vegetables and fruits are the main cash crops. Limited means of transport and impeded market access prevent growers from profiting from the comparative advantages for producing off-season vegetables and high-value fruits enjoyed in some areas²⁹. Poppy is still cultivated in certain parts of FATA, and remains an important source of income for farmers in remote areas.

In NWFP, due to its rugged terrain and limited rainfall, no more than 30 percent of the land is cultivable; still more than double the area in FATA.

Malakand division (past crisis hot spot): Amongst the four strata, Malakand division is the most disadvantaged in terms of food crop production (though Swat is a major centre for commercial vegetable and fruit production.) With 60 percent, it has by far the largest share of small rain-fed landholdings (< one acre). Households cultivating these marginal lands are only able to cover four months of their annual cereal requirements. Just one tenth of farming households is cereal self-sufficient, compared to 55 percent in the current IDP influx areas, and 45 percent in the past IDP influx areas.

Graph 18: Land productivity: Mean number of months wheat production lasts for household’s own consumption



Tank, D.I. Khan and Hangu (current IDP influx areas): The districts in the south of NWFP are pastoralist in nature. Almost 80 percent of households own livestock, the largest share of all four strata (see Graph 17). This area is also the first in terms of agricultural productivity. Though only 30 percent of households are involved in crop production, their landholdings are larger and better irrigated than in other parts of the survey area. Almost one third of farmers cultivate more than 5 acres of land, compared to 20 percent in Swabi and Mardan (past IDP influx areas) and less than 10 percent in FATA (current hot spot) and

²⁷ FATA Development Plan

²⁸ DNA

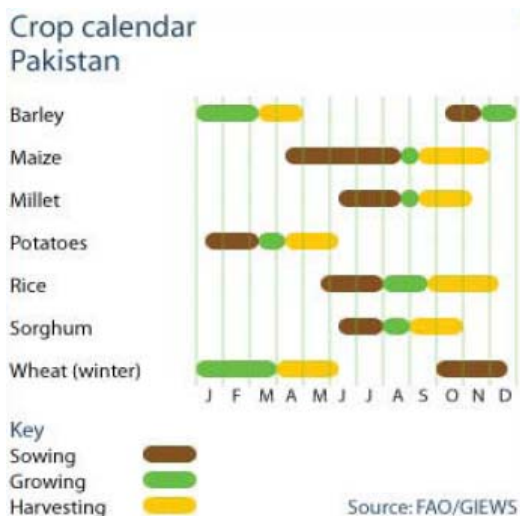
²⁹ Walton

Malakand division (past hot spot). Up to 12 percent of households consider farming their main occupation, again the highest share among the four strata. More than half of these farming households are able to cover their annual cereal requirements through their own production. The main cash crops are sugarcane and vegetables.

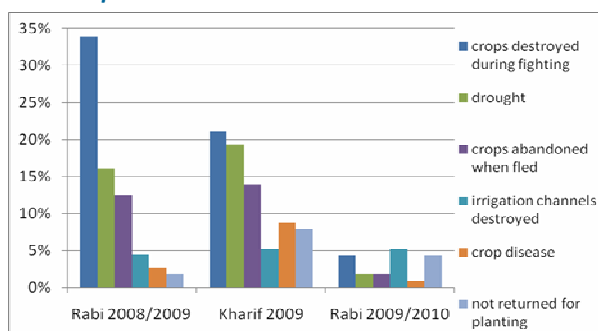
Swabi and Mardan (past IDP influx areas): Agriculture in the valleys of Swabi and Mardan benefits from extensive irrigation systems. More than 80 percent of landholdings have water channels, enabling even small farmers to produce enough wheat to cover requirements for 8-10 months in the year. For over forty percent of households in this area, farming is a key source of food. Main food crops are wheat, rice and maize, while there are also various cash crops, including fruits, vegetables, tobacco and sugar cane.

6.1 The Impact of the Crisis on Three Crop Seasons: FATA's farmers still struggle

In April 2009, when army operations began in Swat and neighbouring areas, the *Rabi* crops, mainly winter wheat but also fruits and vegetables, were ready for harvesting. As families fled and abandoned their farms, cash and food crops rotted and were eaten by insects. The impact was not limited to those areas directly affected; prices for fruit in major cities increased significantly, as a result of the loss of production from Swat, a major source of supply³⁰. The crisis not only disrupted the harvesting of 2008/2009 *Rabi* crops but also the planting of the 2009 *Kharif* crop (maize, fruits and vegetables). A large share of farmers did not return in time for land preparation; others came back, but found fields and irrigation channels destroyed, or agricultural inputs such as seeds and fertilizers lacking.



Graph 19: Reasons for crop losses by share of farmers and crop season

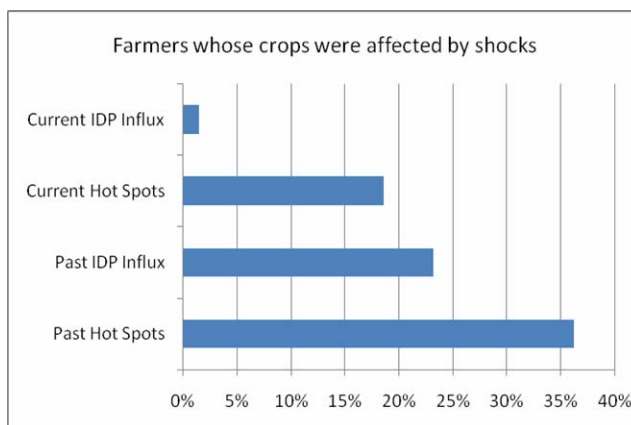


In FATA, farmers faced additional problems, which were highlighted during the course of focus group discussions. At the end of 2009, the army prohibited harvesting of maize (*Kharif* crop), due to security reasons. Furthermore, due to the imposition of frequent curfews, many fruit and vegetable producers could not reach markets in time to sell their perishable produce. These problems persist today, and are affecting the *Rabi* crop that is due to be harvested in April/May 2010.

On top of these crisis-related shocks, drought and crop disease took their toll, especially during the *Kharif* season (see Graph 19).

Of the 556,000 farming households (or 5 million people, assuming an average household size of 9 in survey areas) 23 percent reported that their crops had been damaged by shocks during the last 12

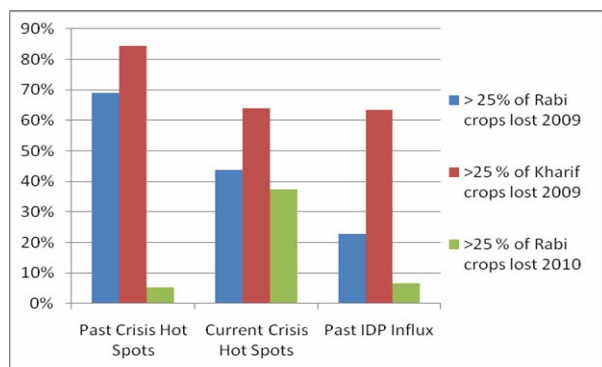
Graph 20: Share of farmers affected by shocks during last 12 months



³⁰ DNA

months. The *Kharif* harvest (October – December 2009) was affected more severely than the *Rabi* harvest of mid-2009; though partly due to non crisis-related shocks such as crop disease and drought.

Graph 22: Proportion of livestock losses during the last year



Small farmers in the past hot spot areas bore the brunt of these trends. In the Malakand division, one third of all households cultivating land lost crops. Half of these (or 28,000 households) lost more than 50 percent of their harvest in both seasons in 2009. Here, more than in any other strata, fighting, displacement, and destruction of infrastructure, fields and houses, went hand in hand. Most of those farmers whose fields were destroyed fled and returned only recently, missing two crop seasons. Yet, the forthcoming *Rabi* wheat harvest (starting in April) appears to be returning to normal, as less than 8 percent of farmers reported any shock. Fears of drought vanished – at least temporarily -when delayed rains eventually arrived in February 2010.

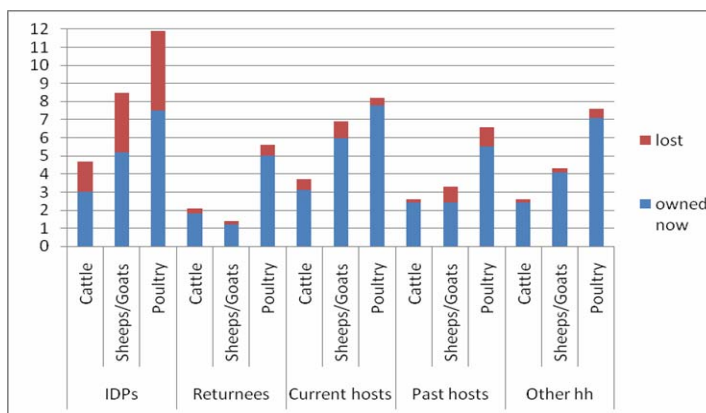
While in the past hot spot areas, the main impact on agriculture took place during a period of six months between April and December 2009, in FATA the crisis is far from over. Farmers continue to face difficulties that limit crop production and marketing. Though, overall, less than one fifth of the farming population has experienced shocks affecting agriculture during the last year, their hardship has endured for the longest period and remain the worst affected. Around one third has lost more than 25 percent of this year’s Rabi harvest.

Losses reported in Swabi and Mardan were mainly due to the prevalence of crop

disease during last year’s *Rabi* and *Kharif* season, affecting 22 percent of the farming population. In current IDP influx areas (Hangu, Tank and D.I. Khan) crop production has remained more or less unharmed.

Farming households amongst returnee groups were the worst hit of all five household categories³¹; supporting the finding that displacement has been a major factor causing crop loss. Two thirds of these lost part of their agricultural produce due to shocks, compared to one third of those currently displaced, and only one fifth of past hosts and other households cultivating land.

Graph 21: Share of affected farmers who lost > 25 percent of their crops by strata



6.2 The Impact of the Crisis on Livestock: fewer losses than expected

Livestock is a main asset for rural families. Among the four strata examined, current IDP influx areas (Tank, D.I. Khan and Hangu) are home to the highest proportion of households owning livestock: 80 percent, compared to an average of 50 percent across the remaining three strata. Households mainly rear cattle, sheep and goats. In FATA, pastoral households own fewer cattle, but significantly more sheep, goats and poultry than livestock owners in other strata. Poultry rearing is undertaken most extensively, with more than 20 animals per livestock owner, and often by women who have limited options for contributing to the household income. Livestock owners in Swabi and Mardan own the fewest number of livestock: four cattle, three to four sheep and goats, and eight poultry, on average.

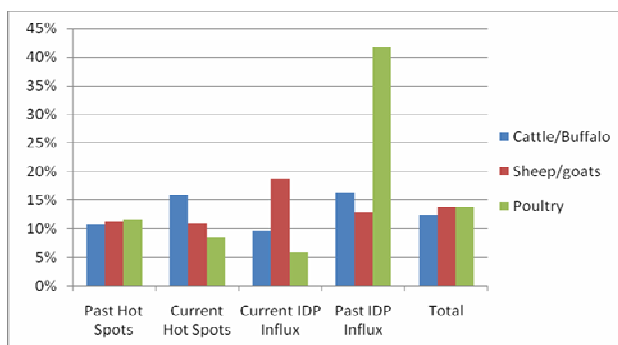
³¹ The five household categories are 1) current IDPs, 2) returnees, 2) current hosts, 4) past hosts, 5) other households including stayees

During last year's peak displacement flow from the Malakand division, livestock-owning families were faced with difficult choices. Some households left a member behind to protect their assets from damage and looting. Others attempted to hire transport facilities that would enable them to take their animals with them. In most instances this was impossible, and many animals were sold at distress sales prices of around 10-25 percent of their market value³². In some cases, livestock were turned loose to fend for themselves; or water and fodder was left accessible, in the hope that owners would be able to return relatively quickly. Many of the abandoned animals subsequently died, or were caught and slaughtered by fighters operating in the area. As animal shelter and fodder were also damaged during the fighting, households who managed to retain their livestock were often unable to adequately feed them, resulting in poor milk and meat outputs. A number of animals succumbed to disease and died, as a consequence. Moreover, in many militant stronghold areas, particularly in FATA, large numbers of livestock (primarily cattle) were killed or stolen.

Though the crisis has clearly had an impact on livestock, this was found to be significantly less pronounced than expected. Within a one-year period, the livestock population in crisis areas was reduced by 13-14 percent, affecting 17 percent of the 7 million pastoralists. These figures are substantially lower than those reported in earlier assessment exercises, including the CERINA and DNA.

While it is not possible to compute the precise proportion, it may reasonably be noted that a considerable share of livestock simply died of natural causes. Only one sixth of the overall reduction in the livestock population was, in fact, directly attributable to households abandoning their animals.

Graph 23: Mean number of animals lost during the last year, and currently owned



The largest reductions in livestock are found within hosting areas. In Swabi and Mardan, the poultry population diminished by 40 percent over the assessment period. This may be explained in part by the manner in which market demand for food rose in confluence with the population in hosting areas, which had more than doubled by mid-2009. Yet, former hosting households saw their livestock reduced by one sixth, indicating that most hosts in Swabi and Mardan had to resort to distress coping mechanisms, such as asset sale.

In Hangu, D.I. Khan and Tank (current IDP influx areas), the number of sheep and goats was reduced by 18 percent over the assessment period. However, a majority of these died as a result of dry weather conditions and a lack of pasture.

Graph 24: Share of households owning and having lost livestock



Declines in livestock in the past hot spot area of Malakand division (amounting to 12 percent of the total population) is comparatively low (see Graph 24). One reason may be that in this region fewer households rear fewer animals than in the other three strata. Accordingly, the losses experienced by returnees (who are mainly from the Malakand division) are observed to be minor. Less than one third of returnees own livestock; and half of these pastoralists lost between 11 and 14 percent of their animals. It appears that a greater number of livestock owners than was expected retained a household member in their areas of origin, to take care of animals while others fled.

³² Preliminary Damage and Needs Assessment (DNA), ADB and World Bank, September 2009

Displaced livestock owners experienced greater losses than those who stayed behind. While less than 45 percent of IDPs own livestock, four fifths of these pastoralists lost almost 40 percent of their animal stocks. Despite these losses, displaced livestock owners still have more animals on average than the other household categories, with the exception of current hosts.

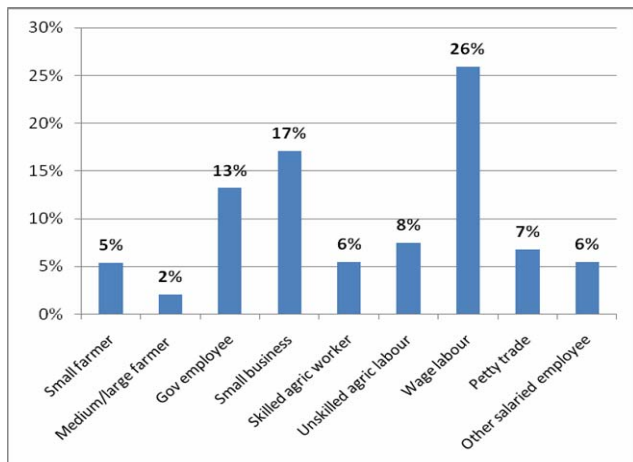
Two thirds of current hosting households are livestock owners, and half of these lost one sixth of their cattle, sheep and goats. ‘Stayees’ were the least affected by livestock losses. Only 15 percent of households lost less than 8 percent of their animals during the last year.

VII. Off-Farm Livelihoods: *hot spots are the worst affected*

Aside from agriculture, the main income sources in crisis-affected areas are wage labour (26 percent), small business earnings (17 percent), and government employment, typically in the security sector (13 percent). The category ‘other salaried employee’ includes those working for the numerous NGOs that now operate across crisis areas (see Graph 25).

Current hot spots: Second to agriculture, small businesses and trade constitute an important mainstay of FATA’s economy. In fact, one quarter of resident households consider engagement in small business activity as their main occupation, with a further 13 percent citing petty trade. In NWFP these figures stand at 17 percent

Graph 25: Main livelihoods across survey areas



and 7 percent respectively. A large share of commerce and trade is fuelled by the war economy. Peaking in the 1980s, the region has historically been a major centre for opium production and onward trafficking. Partly a legacy of the Afghan civil war and partly owing to the absence of a criminal justice system and economic regulatory laws, the arms and drugs trades are still flourishing in FATA³³. With key access points along the region’s border with Afghanistan, cross-border smuggling continues relatively undeterred. Khyber, often known as the gateway to Afghanistan, is the centre for these activities, though Bajaur also has an important role to play in the drug trade specifically. High profits generated through such

illegal activity attract a large number of unemployed youth, particularly as alternative opportunities in other job markets have declined.

As farming outputs tend not to yield enough even for households’ own consumption, many male farmers also often work as wage labourers; with 27 percent of surveyed households citing agricultural and non-agricultural wage labour as their main occupation. Unskilled wage labour opportunities are offered by various industries (including stone processing, mineral extraction and textile weaving), most of which are operated as small, owner-financed units without government oversight. In Mohmand, for example, marble mines are an important supplier of wage labour. Skilled labourers tend to work in furniture manufacturing and light engineering units producing firearms.³⁴ However, many of these businesses have been closed, at least for a limited period, during the last year, leaving many wage laborers without income.

Partly as a consequence of the crisis, a significant share of the workforce (15 percent) is now employed by the government. In Bajaur, for example, many people are hired as *levies* (in the local police force) and *Khassadars* (local militia) to fight militants and crime.

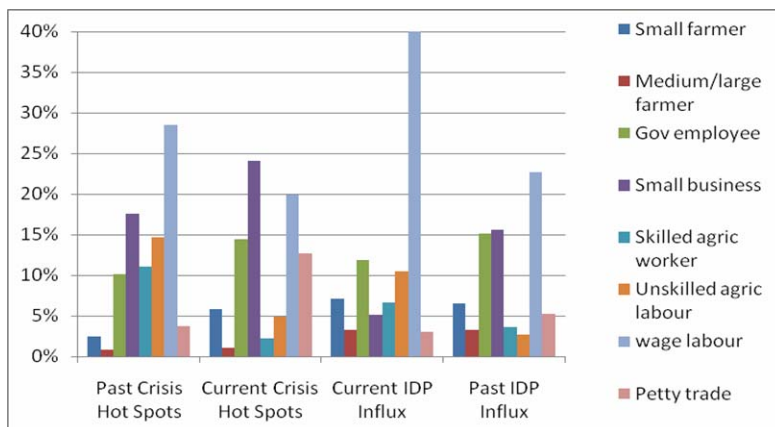
Income-generating opportunities in FATA are generally limited, and unemployment is high. As a result, the large number of unemployed young men may easily be swayed by radical religious groups, who not only appeal to them

³³ ICG: Countering Militancy

³⁴ DNA

ideologically but also offer substantially higher pay than the government or private sector.³⁵ Taliban members reportedly receive a monthly salary of Rs. 15,000 (or close to US\$ 190), significantly more than most other occupations including tribal levies who only earn Rs. 3,500 (US\$ 43) per month.³⁶ Others who are unable to earn a living at home migrate to other parts of the country, or travel abroad in search of work. The remittances subsequently sent back to their families constitute an important component of the household income.

Graph 26: Main livelihoods



Ongoing militancy and military activity are destroying an already poor infrastructure across affected areas; hindering trade and business opportunities, including the transportation of goods. The FATA Secretariat estimates the cost of the conflict so far to be in excess of US\$2 billion, including a tentative estimate of US\$103 million in infrastructural damage³⁷. The crisis continues to take its toll on livelihoods and food security. Frequent curfews still prevent

people from going to work, and lead to the repeated closure of industrial units.

At the same time, it is difficult to definitively assess the function and importance of the black economy, which tends to be fuelled by militancy and fighting. To some extent, profits generated by the drug and arms trades, as well as the substantial ‘salaries’ earned by militants, may counterbalance the negative impacts of the crisis on the rest of the economy.

Past hot spots: More than one quarter of all households in the Malakand division engage in wage labour in the construction and mining industries as their primary means of earning income. A further 25 percent work as agricultural labourers (the highest proportion of all four strata), many of whom are engaged in the large-scale commercial vegetable and fruit production concentrated in Swat and Shangla. Swat is also the centre of small business activity, mostly in the tourism sector, providing employment for 18 percent of households. Tourism in this area has grown as a major industry over the past three to four decades, and supports a sizeable network of shops and other businesses across Swat.³⁸ At the same time, remittances both from abroad and within the country, contribute towards the development of the private sector³⁹.

Even prior to the military operations, the overall economy was suffering. In Taliban-controlled areas, restaurants, hotels, and shops dealing in entertainment products were closed, while curfews and bans further hampered trade. The tourist industry suffered major losses, as people stayed away from these increasingly insecure areas. Furthermore, the military offensive resulted in major destruction of infrastructure. The 2009 DNA estimated that 12 percent of the 500 hotels operating in Malakand, and 17 percent of other industrial units and business infrastructure, were damaged. Disruption to agriculture production has also depressed the demand for agricultural labour, upon which one quarter of the local population depends.

Current IDP influx areas: In Hangu, Tank and D.I. Khan, wage labour is the single largest income source for 40 percent of resident households. Remittances also contribute to family incomes, as many households (particularly in Hangu) have relatives working in the Gulf States. It should be noted that this area has been relatively less affected by the crisis, though some displacement has taken place. The number of IDPs seeking refuge in these areas remains marginal in comparison to the population at large (< 4 percent). A majority of the displaced are residing with hosts, who tend to be more affluent community members and able to accommodate the additional

³⁵ ICG: Countering Militancy

³⁶ ICG Countering Militancy

³⁷ ICG Countering Militancy

³⁸ DNA

³⁹ DNA

burden. It is unlikely that the displacement will yet have any major impact on the economy of the area, unless the number of incoming IDPs was to rise dramatically.

Past IDP influx areas: After the agricultural sector, the main livelihood sources in these areas include participation in wage labour, small business activity and government employment. While severe at its peak, the impact of the crisis in these areas subsided with the return of most IDPs in the last quarter of 2009. Inflated food prices, additional competition for wage labour, and the closure of schools and other public facilities occupied by IDPs, were all rapidly reversed. As in the current influx areas, IDPs were typically accommodated by wealthy relatives. As such, hosts were able to absorb these additional household members, and to successfully recover thereafter from the added strain on their resources.

VIII. The Impact of the Crisis on Women

Across crisis-affected areas, women are primarily responsible for managing the household; collecting fuel wood, fetching water and raising children. Women are traditionally not active participants in income-generating activities, as most pursue *purdah* in its strictest sense, limiting their mobility within the public sphere. A limited number of educated women may work as teachers or health workers, for example, but the majority focus on activities that allow them to remain within the vicinity of their homes (such as poultry rearing or handicraft production). Women tend to be involved in agricultural field work only in the poorer households, and typically owing to necessity rather than any more liberal norms. Women are not formally or directly involved in the general community decision making process, but are consulted at the household level.⁴⁰

During focus group discussions, women discussed the changes they had observed in their lives over the previous year, including increased restrictions on movement because of the crisis (though this was most pronounced in the hot spot areas). Women who had previously been working in the fields, for example, stopped in the face of mounting insecurity. Similarly, income-generating activities at the household level had been greatly reduced, and in some cases were reported to have ceased entirely. Considerable losses in household poultry stocks that were experienced during the last year have robbed many women of their only source of income, and reduced the quality of the family's diet. In the Malakand division, the situation has normalized somewhat, although women in some areas have yet to resume all activities. In FATA, women report that their movement remains more restricted than before the crisis.

In the current IDP influx areas, no significant changes were reported by women with regard to their ability to move freely in the public sphere. In past IDP influx areas, however, a large number of women were noted to have stopped a majority of their extra-household activities out of fear; potentially attributable to the fact that many religious extremist had entered Swabi and Mardan in the wake of large IDP inflows.

According to female respondents, both physical abuse and domestic violence had increased during the course of the last year. The main instances of abuse were linked to purported disobedience in the face of more restrictive rules imposed by male community members and/or militants. In FATA specifically, women cited overarching anxiety as a key driver of rising domestic violence. In the current IDP influx areas, women were conspicuous in their unwillingness to discuss cases of abuse; though some fear was observed, and women were found to remain within the house more than ever before (either willingly, or forced to do so by men). In a limited number of surveyed villages, advocacy efforts were reported to have compelled a reduction in cases of domestic violence.

During the course of female focus groups, it was confirmed that the existence of women-headed households remains rare (less than 5 percent of households in almost all villages), but that this proportion is higher in areas where active fighting was, or had been, ongoing. It should be noted that widows do not automatically become family heads, and particularly in FATA, are likely to have been absorbed within other households, making it difficult to access them individually. Female-headed households are faced with multiple challenges, including financial, social, moral and psychological difficulties. Confronted by even greater restrictions to their mobility, access to basic goods and services (such as food, medicines and water) as well as external assistance, becomes a major hurdle.

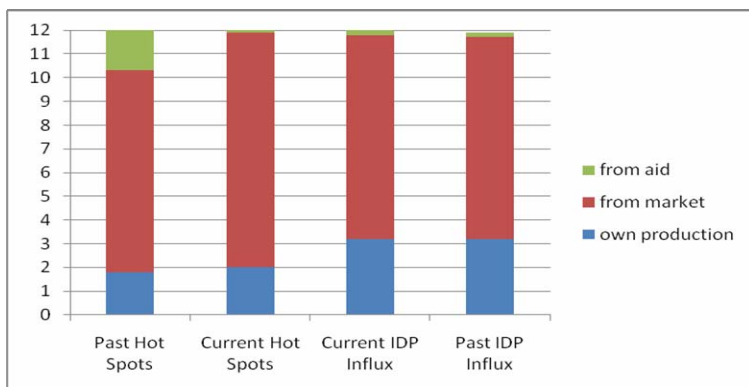
⁴⁰ Donneth Walton

Nonetheless, survey results indicate that households ‘de facto’ headed by women (because the male family head has migrated outside of the district or abroad) are clearly better off, in terms of income and household food consumption, than those absent a male head entirely.

IX. Household Food Access: *food expenditures are rising*

Household food access is determined by the ability of a household to obtain food through market purchases, its own production, and/or gifts or aid. As crisis-affected areas are characterised by low agricultural productivity, markets are by far the most important source of food throughout the year. Wheat is the primary staple commodity in the average diet of a Pakistani family, accounting for 35 percent of kcal intake.⁴¹ In surveyed areas, most farmers cultivate wheat, and to a lesser extent other cereals (such as rice and maize), vegetables and fruit. Still, less than a quarter of all households produce enough wheat to meet their own consumption requirements, and very few are self-sufficient in the production of other cereals, vegetables or fruits. On average, household wheat production is only sufficient to meet consumption needs for a period of 2-3 months across all four strata, ensuring that families must purchase food on the market for the remainder of the year.

Graph 27: Source of wheat and duration of consumption throughout the year



food aid plays a significant role, satisfying cereal requirements for a period of approximately 2 months.

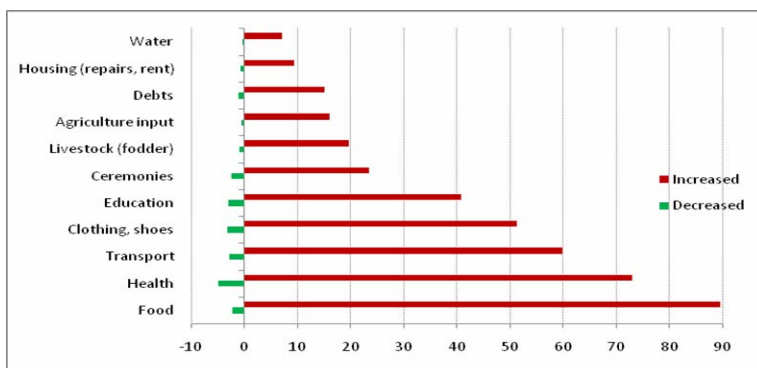
This significant dependence on markets leaves households vulnerable to price fluctuations. Approximately 80 percent of all households in surveyed areas cited high food prices as the main difficulty faced over the last year (with health expenditures following, at 50 percent). As such, and from the household perspective, high food prices have been the single largest problem affecting crisis areas. In combination, other direct crisis-related shocks such as curfews, insecurity, physical damage to property, fighting, and onerous militant rules, were highlighted by three quarters of surveyed households.

High food prices have been a major problem across Pakistan in recent years. From a consumer point of view, the trend has continued to compromise household food access, particularly in the border areas where inflation has been exacerbated amid other negative corollaries to the crisis.

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Almost all households in crisis-affected areas reported an increase in their food expenditures during the course of the assessment period; with 70 percent also spending more on health, and 60 percent more on transport.

Graph 28: Share of households reporting changes in expenditure since



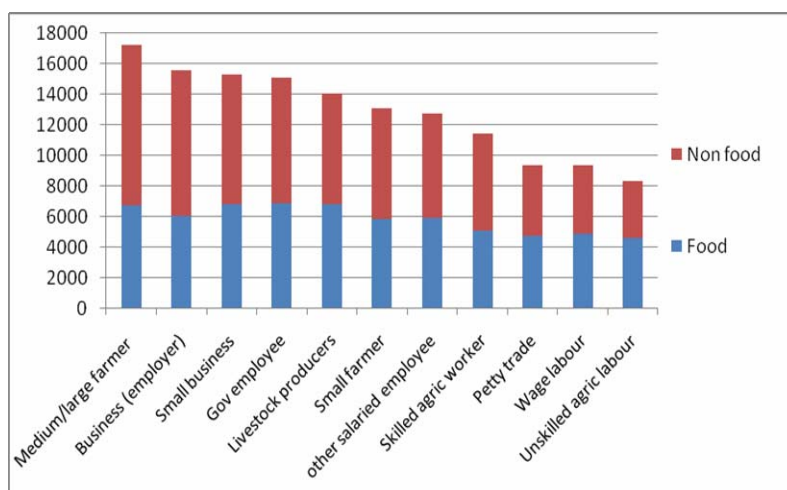
On average, households are currently devoting approximately 50 percent of their expenditure to the purchase of food items; a notably high proportion. Although baseline data are unavailable for the surveyed areas, a general comparison may be made with the situation observed two years earlier across four provinces.. According to the High Food Price Impact Assessment undertaken in 2008, approximately 40 percent, of household

⁴¹ High Food Price Impact assessment 2008

expenditure in NWFP is devoted to food; the second highest level across the country, after Balochistan with 47 percent. Though surveyed areas in FATA are commonly agreed to be less developed than NWFP, an increase of 10 percentage points between 2008 and 2010 is conspicuous. It would appear that the nationwide trend of rising household expenditure on food (observed over the last two years) is continuing on an upward trajectory, and has affected crisis areas in particular.

Worryingly, this trend may render a severely negative impact on the long-term food security and general wellbeing of affected households. Typically, all households – regardless of financial status – demonstrate a low elasticity of demand for wheat, given that it remains the key constituent of most diets. In other words, a family’s demand for wheat remains almost constant, even when incomes or prices change. As such, and in the context of

Graph 29: Monthly food and non-food expenditures by livelihood group (Rs.)



sustained high food prices, many households are forced to increase the proportion of expenditure they devote to food in order to maintain normal dietary intake, to the detriment of non-food items or services. This often implies compromising on engagement in educational services, or the use of healthcare facilities.

Poor households are almost always the most vulnerable to increasing expenditures on food, since they already face a higher marginal propensity to consume out of income.. Surplus-producing farmers, businessmen and government employees generally

benefit from levels of income sufficient to cover their basic food and non-food needs, as indicated by recorded monthly expenditure levels (see Graph 29). At the other end of the scale, monthly expenditures of wage labourers and petty traders tend to be below Rs. 10,000, or US\$ 120; representing approximately 40 US cents spent per person per day, in a family of ten. These occupational groups depend primarily on markets, and spend between 53 and 59 percent of their meager income on food, compared to an overall average of 50 percent. Thus, wage labourers and petty traders are likely to be worst affected by high food prices.

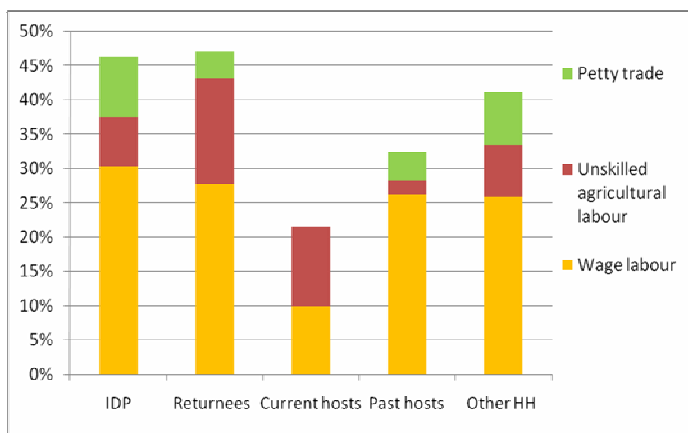
Table 3: Wage rates and Terms of Trade, by strata

Current average wage rates by strata	wheat flour price			ToT now (kg of wheat flour/one day work)			
	Unskilled agricultural labour	Skilled agricultural labour	Non agricultural labor	Unskilled agricultural labour	Skilled agricultural labour	Non agricultural labour	
Past Hot Spots	244	330	214	31	8	11	7
Current Hot Spots	258	383	280	33	8	12	8
Current IDP Influx	213	472	200	27	8	17	7
Past IDP Influx	198	337	218	29	7	12	8
Average	229	380	230	30	8	13	8

Of all observed occupational groups, unskilled wage labourers were found to have the lowest purchasing power. An increase of 13 percent in unskilled labourers’ wages over the last year was offset by a concurrent 11 percent increase in the price of wheat flour. As a result, the amount of wheat flour that these households are able to purchase with their daily wage (Terms of Trade) has remained stable. As of February 2010, wage labourers in crisis-affected areas earn approximately Rs. 230 per day, allowing for the purchase of 8kg of wheat flour at

current prices⁴². A family of ten requires approximately 3.5 kg of wheat flour a day (at a cost of Rs. 105), in addition to other essential food items such as vegetables, oil and lentils. In this case, and if all food needs are met, very little cash will remain with which to purchase other non-food requirements.

Graph 30: Low paid income sources by household category



Skilled agricultural labourers tend to have significantly higher wages. In Hangu, Tank and D.I. Khan, where the agriculture sector is more developed and the demand for skilled agricultural workers is higher, the average wage stands at Rs. 470 a day, or the equivalent of 17 kg of wheat flour.

Relative to other parts of the country, wage labourers in NWFP and FATA historically receive the lowest wages and must pay the highest prices for food. In December 2009, the price of wheat flour in FATA was 11 percent higher than the national average, while wage rates remained well below levels

in other areas: resulting in TOT 27 percent lower than the average across Pakistan⁴³. In February 2010, labourers in Lahore were able to purchase 11 kg of wheat flour with a daily wage, comparable to the 11.7 kg in Karachi; while labourers in Peshawar and FATA could purchase only 9.3 kg and 8 kg respectively.

Displaced households rely most heavily on low-paying jobs, such as wage labour and petty trade. While approximately 46 percent of IDP and returnee households are engaged in daily labour, less than one third of hosting families were observed to rely on the same. ‘Stayee’ households are better off in this regard than those displaced, but worse off than hosts - with 40 percent earning an income through wage labour or petty trade.

X. Household Food Consumption: half of the population is suffering from an inadequate diet

10.1 Household food consumption

Household food consumption levels usefully denote food security status. Good access to food, in the form of passable income sources, strong support from others, and/or sufficient food production, usually translates into an adequate household diet. The chief indicator for measuring food consumption is meal frequency and diversity - used by WFP in a standardised formula applied globally. Households are asked to recall what food items they consumed over the last seven days, and with what frequency. Dietary diversity is a sound indicator of the adequacy of food consumption, and correlates to kcal intake.

A poor diet is defined as insufficient food intake in terms of quality (diversity) and quantity; meaning, the diet provides less than the international threshold 2,100 kcal per day, and lacks essential nutrients. People who rely for prolonged periods of time on such a diet are likely to become malnourished, putting their health and eventually their lives at risk. A borderline diet is defined as inadequate in its nutrient content (quality), though the overall energy intake may or may not satisfy the recommended 2,100 kcal per day. Macro or micronutrient deficiencies may occur, particularly among groups with special nutritional needs such as pregnant women and their babies, and may have serious repercussions on the mental and physical development of children and adolescents.

Almost half of the population in survey areas, or 6.3 million people, have inadequate food intake (in the form of poor or borderline food consumption).

⁴² Averages calculated on the basis of 100 Male Focus group discussions in the survey area (FSMA 2010)

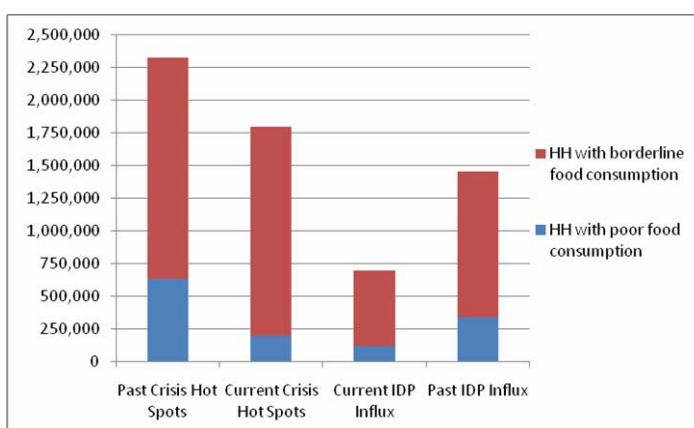
⁴³ WFP Pakistan Food Security and Market price Monitoring, Bulletin 15, October – December 2009

Share of population with inadequate diets		
Past Hot Spots	58%	2.3 million
Current Hot Spots	46%	1.8 million
Current IDP Influx Area	36%	0.7 million
Past IDP Influx Area	45%	1.5 million

The Malakand division is home to the highest proportion of households suffering from insufficient food consumption (58 percent), followed by FATA with 46 percent. Two thirds of those categorized as food-insecure (4.1 million people) are residing in hot spot areas. The lowest share of households with poor or borderline food consumption (36 percent) was found in Tank, Hangu and D.I. Khan (current IDP influx areas).

Out of the 6.3 million people found to be food-insecure, 1.3 million are categorized as severely food-insecure; suffering from poor food consumption, which is placing their lives at risk. Half of these are in the Malakand

Graph 31: Number of people with poor and borderline food consumption by strata



division, while one quarter (340,000) are residing in Swabi and Mardan, 15 percent in FATA and the remaining 10 percent in Tank, Hangu and D.I. Khan.

It is unsurprising that large numbers of severely food-insecure individuals were found in Malakand, given that this area has been the worst affected by infrastructural and agricultural damage, eroded livelihoods, and displacement. The fact that the second highest volume is located in Swabi and Mardan (areas that have largely recovered from last year's shocks), however, suggests the importance of other causal factors that may not be crisis-related.

The findings of this assessment demonstrate that food insecurity in crisis-affected areas is attributable to both structural and shock-related causes. Certain households are chronically food-insecure and have always suffered from poor or borderline food consumption (with some seasonal variation); while others have clearly become food-insecure as a result of the crisis and its repercussions, particularly resultant displacement. While it remains difficult to estimate the precise number of households pushed into destitution as a result of the conflict, the following analysis sheds some light on the issue of chronic versus transitory food insecurity.

Households with poor food consumption were disproportionately affected by crop losses (28 percent compared to an average of 14 percent) and by displacement (25 percent compared to an average of 16 percent).

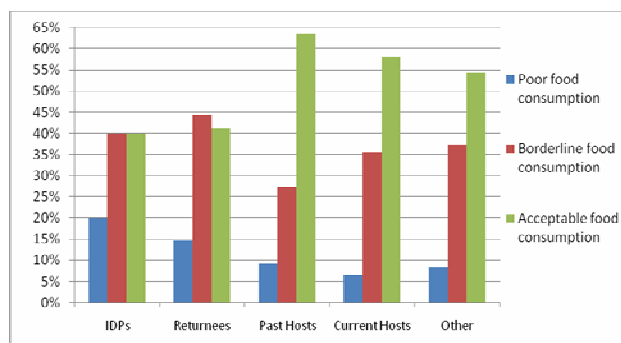
Table 4: Number of people with varying food consumption levels

	IDPs	Returnees	Past Hosts	Current Hosts	Other
Poor food consumption	84,048	240,510	156,620	15,369	754,430
Borderline food consumption	168,095	729,767	463,051	83,937	3,390,390
Acceptable food consumption	168,095	677,053	1,082,721	137,374	4,944,697
Total	420,238	1,647,330	1,702,392	236,680	9,089,517

Of the five examined household categories, IDPs and returnees are found to be the most food-insecure. One fifth of current IDPs and one sixth of returnees have poor food consumption. Here the link between the crisis and food insecurity is clear. Displaced populations suffered the worst effects, losing household and productive assets, as well as livelihood opportunities. Many were likely to have been food-secure prior to the crisis, or were pushed from moderate into severe food insecurity.

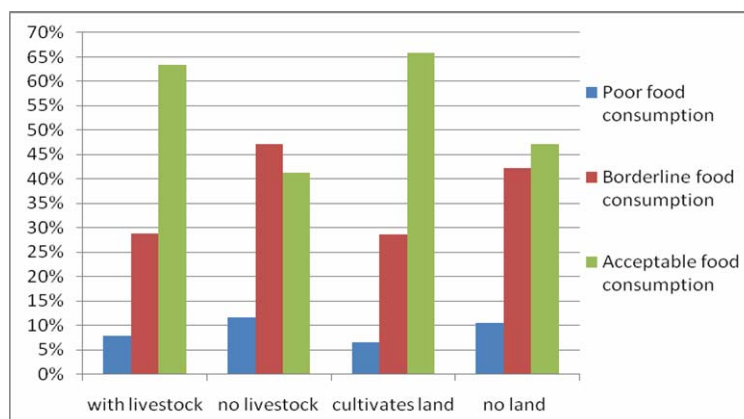
Almost 40 percent of displaced households suffered from complete damage to their houses, while less than ten percent of all other household categories suffered only partial damage. Current IDPs, whose livelihoods relied heavily on livestock production, also reported the greatest animal losses. An IDP household lost on average 7-8 larger animals and 4-5 birds; five times more than other households. Returnees from the Malakand division, on the other hand, suffered the worst crop losses and are still recovering from the effects rendered on agriculture.

Graph 32: Food consumption by household category



Hosting families are evidently more food-secure than all other household categories. Current hosts have the lowest share of households with poor food consumption (6 percent), while past hosts (located mainly in Swabi and Mardan) have the lowest combined share of households with inadequate (poor or borderline) food consumption (36 percent).

Graph 33: Food consumption by share of households with/without livestock and land cultivation

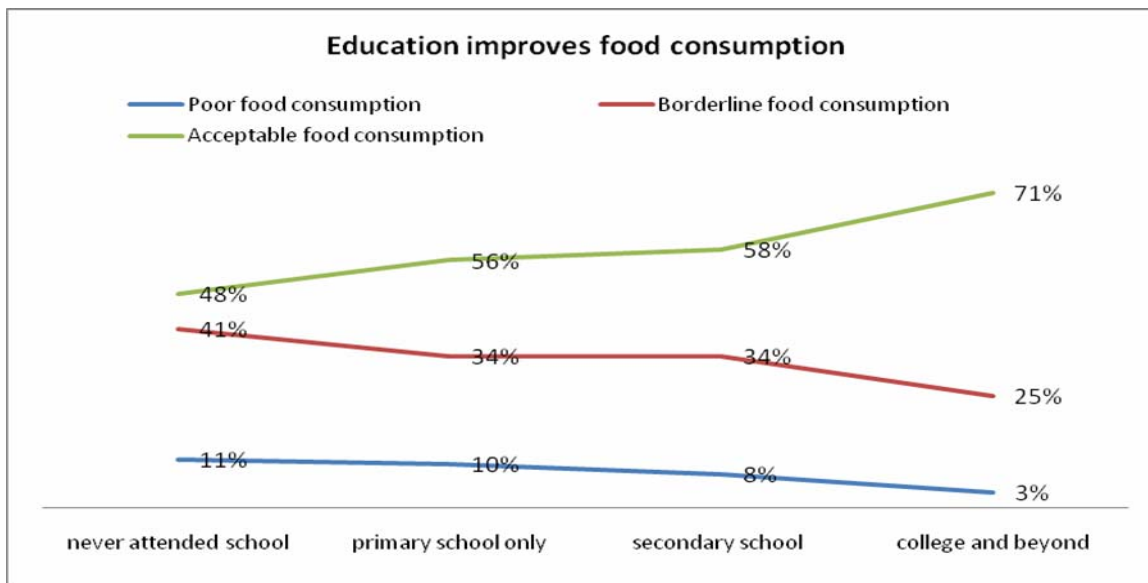


Food consumption clearly correlates to land cultivation and livestock ownership. The greater the land and livestock holdings, the better the household diet, as indicated in Graph 33. Nearly two thirds of all households in possession of land and/or livestock have an acceptable diet, compared to 40-45 percent of households lacking these assets. On the one hand, this correlation alludes to the extent of the impact of crop and livestock losses, as well as displacement, on food security;

while, on the other hand, it also demonstrates the more structural causes of food insecurity. Having the ability to produce food clearly makes a difference in household food security.

In accordance with these observations, surplus-producing farmers enjoy the best diets of all livelihood groups; more than 65 percent can be considered food-secure, compared to an overall average of 53 percent, which is also the level observed in small business owners. Labourers, petty traders and other salaried employees (including NGO staff) are the worst off. The food intake of unskilled agricultural labourers is particularly worrying: 20 percent have poor diets and a further 50 percent suffer from borderline food intake.

Graph 34: Educational level of household head and food consumption



The level of educational attainment of the household head strongly influences the success with which families are able to manage their lives and livelihoods. Schooling achievements clearly correlate with food insecurity. Households whose head member never attended school are much more likely to have an inadequate diet (52 percent), than those whose head attended secondary school (44 percent) or even college and beyond (28 percent).

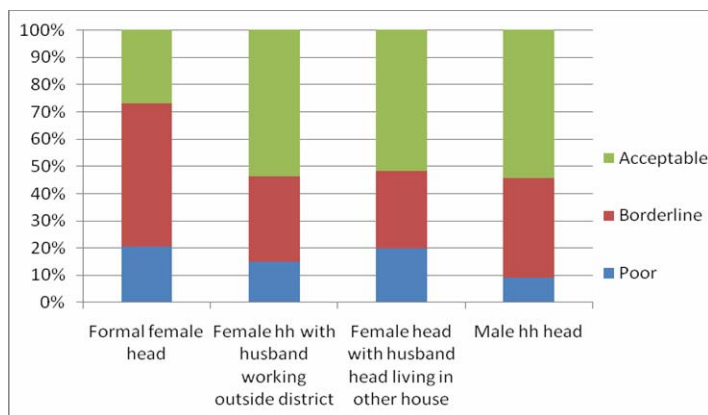
Households formally headed by women are found to be even more food-insecure than those of unskilled agricultural labourers. Only 28 percent reported having adequate food consumption, while 55 percent and 20 percent fall into the borderline and poor categories, respectively. Yet, households ‘de facto’ headed by women were observed to have much better food consumption; most notably those in which the typical male head works outside the district and sends remittances home, whose consumption is only slightly worse than the average male-headed household (see 35).

10.2 Coping Strategies

Households employ a variety of different measures to cope with food insecurity, usually dependent upon the severity and duration of the problem. The first reaction is usually to shift to less-preferred foods and to reduce overall food intake. Households are also typically more prepared to incur debts, before resorting to more drastic measures such as selling assets, removing children from school, or seeking additional employment.

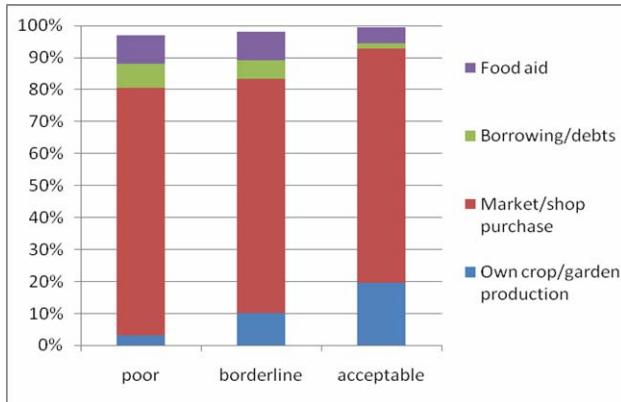
By examining the sources of food (in this case wheat), it is possible to discern the level of stress experienced by households in accessing sufficient food to meet their consumption needs. In February 2010, 16 percent of households with poor food consumption were reliant upon food aid and the adoption of debt in order to cover their cereal requirements, compared to 6 percent of households enjoying acceptable diets. It is not, however, uncommon for households in the surveyed areas to borrow money for a variety of purposes. At the time of the assessment, 45-50 percent of households reported being in debt, while two thirds had incurred new debts during the previous 12 months.

Graph 35: Food consumption by status of household head



In February 2010, 16 percent of households with poor food consumption were reliant upon food aid and the adoption of debt in order to cover their cereal requirements, compared to 6 percent of households enjoying acceptable diets. It is not, however, uncommon for households in the surveyed areas to borrow money for a variety of purposes. At the time of the assessment, 45-50 percent of households reported being in debt, while two thirds had incurred new debts during the previous 12 months.

Graph 36: Source of wheat by food consumption group

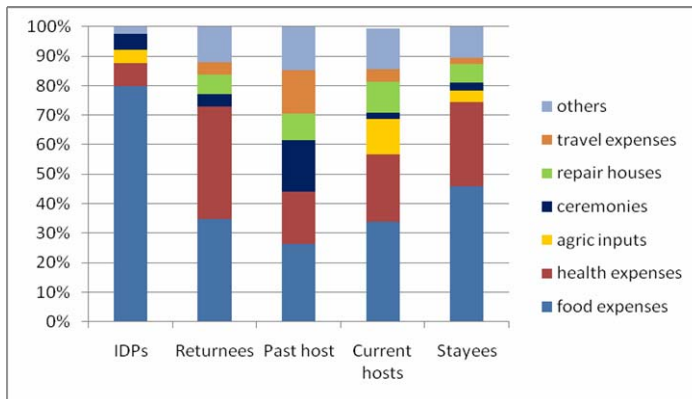


Yet, across all household categories, returnees are currently observed to be the most indebted. Approximately 90 percent of the combined IDP and returnee population were compelled to borrow money over the last year, in order to cope with cash shortages; compared to only 64 percent of past hot spot residents and 82 percent of other households.

Perhaps even more revealing are the reasons why families incurred debt to begin with. In 80 percent of current IDP households, money was borrowed in order to purchase food (significantly higher than

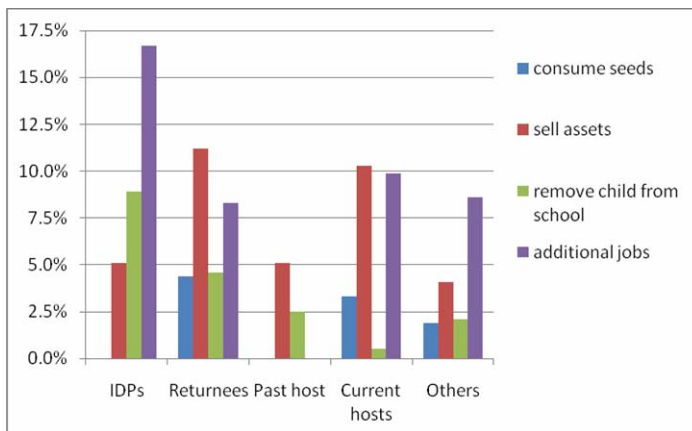
the 45 percent across other household categories). The second highest response related to settling health expenses, while only 23 percent of current host respondents are actually using borrowed capital to invest in livelihoods, agricultural inputs or property repairs.

Graph 37: Reasons for incurring new debts during the last 12 months



In order to identify other coping strategies, households were asked how they dealt with problems experienced in meeting basic food and non-food needs. In varying degrees, the most common responses related to limiting meal sizes and restricting overall intake by adult family members. It was observed, however that IDP household are making the greatest compromises on their dietary intake (at 57 percent). It is apparent that those households currently hosting the displaced have fewer difficulties in maintaining normal food intake habits; with only 28 percent applying food-based coping mechanisms.

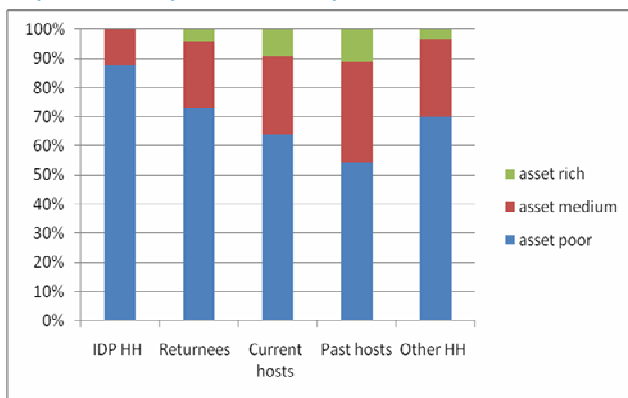
Graph 38: Non-food coping mechanisms



Over a period of one month, 30 percent of IDPs and returnees employed coping strategies that are likely to have a negative impact on longer term food security. Removing children from school (observed among 9 percent of IDPs), selling assets (in 11 percent of returnees), and consuming seeds, for example, may help to address problems in the short-run, but are likely to contribute to a deterioration of livelihoods thereafter. As the recall period was limited to only 30 days, it is likely that the proportion of households resorting to these harmful strategies over the course of

an entire year would be significantly higher than these figures suggest.

Graph 39: Level of asset ownership



Current levels of asset ownership provide some indication as to the eventual impact of asset sale, as well as families' pre-crisis poverty levels. Households were asked about the type and volume of assets they own, ranging from radios, ploughs and TV sets, to washing machines and cars. These assets were weighted according to their typical market value. Results demonstrate that the vast majority of IDPs (90 percent) are considered asset-poor, meaning that they possess only very few valuable assets. As only 5 percent of these reported to have sold any assets within the previous 12 months, it is likely that the majority were asset-poor even before the crisis

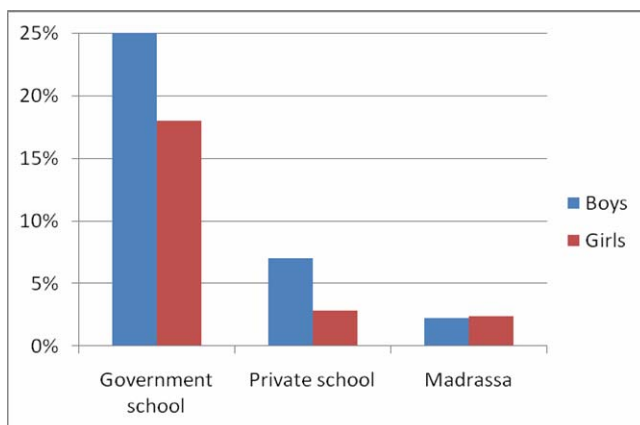
escalated. Amongst returnees, a significant proportion appears to have been rendered asset-poor by displacement, destruction and distress sales. Hosts are seen to be richer in assets than all other household categories (see Graph 39).

XI. Education: *back to a dire normality*

Literacy rates in NWFP and FATA are exceedingly low, and indicative of the dire state of local education systems. Nationally, 56 percent of Pakistan's population above the age of 10 years is literate, with significant gender disparities (69 percent of males are literate, but only 44 percent of females)⁴⁴. At 49 percent and 20 percent⁴⁵, respectively, literacy levels in NWFP and FATA are well below the national average, and gender differentials are even more pronounced. Only one third of women in NWFP are literate, while in FATA it is estimated that less than 5 percent can read or write.⁴⁶

Unfortunately, current primary school enrolment rates do not bode well for halting these negative trends. In NWFP, 55 percent of boys of primary school age (5-9 years) and 39 percent of girls go to school, compared to national averages of 59 percent among boys and 52 percent among girls⁴⁷. While recent estimates are not available, it is expected that enrolment rates in FATA are much lower.

Graph 40: Enrolment of school age children (5 – 16 years) by type of school



Many children only attend primary school, and very few manage to complete their secondary education. According to survey results, only one third of boys and less than one quarter of girls between the ages of 5 and 16 years are currently attending school. A majority of those in attendance are enrolled in government schools, while less than three percent go to *madrassas (religious seminaries)*. It should be noted that these figures may conceal some duplication, as it has been observed that some students attend the government schools in the morning and *madrassas* in the afternoon or evening. Overall enrolment in the *madrassas*, often seen as helping to fuel the crisis, is much lower than expected.

⁴⁴ PSLM - Pakistan Social & Living Standards Measurement Survey 2007-2008

⁴⁵ Latest FATA literacy rates are more than 10 years old

⁴⁶ FATA Sustainable Development Plan 2007–2015, Civil Secretariat FATA Peshawar

⁴⁷ PLSM 2007 - 2008

A significant gender difference is noted within the more expensive private schools; with almost 7 percent of boys enrolled in these facilities, but only 3 percent of girls. In all likelihood, this is reflective of a lower propensity among families to invest in the education of their female members. Nonetheless, both boys and girls from host families are the most likely to attend private schools; while a majority of displaced households choose government schools for their children.

The crisis has had a sizeable impact on schooling opportunities in affected areas, particularly for girls. While the extent of this impact is likely to have peaked in 2009, amid extensive destruction and extended periods of closure, rising religious extremism has been taking its toll for many years and often in more subtle ways. It is not uncommon, for example, for female teachers and students to be subjected to intimidation when attempting to attend schools.

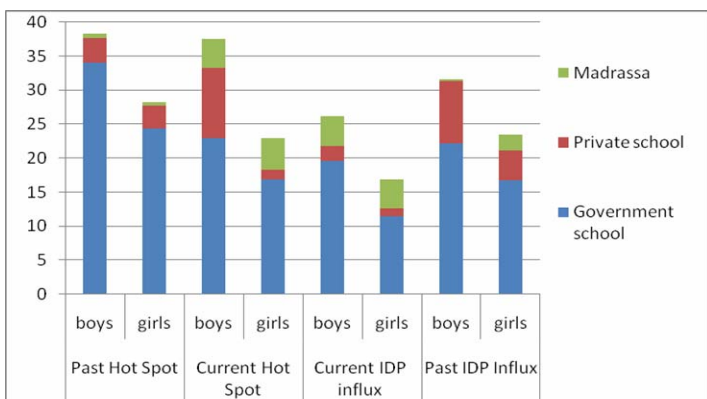
The following account of the varying effects on local education systems is derived mainly from male and female focus group discussions.

FATA (current hot spot): The education system in FATA was already under significant distress prior to the escalation of the crisis. Problems of poor infrastructure and teaching quality were compounded by the restrictive influence of militants. Often, teachers stop attending schools or attend only irregularly, while teaching materials are conspicuously inadequate. Most recently, recurrent military operations, prevailing insecurity and extended curfews led to both physical destruction and prolonged closure. Of 25 villages surveyed in FATA, 18 reported that schools had been periodically closed during the preceding 12 months; while 11 of the 25 girls' schools are still not functioning, either because of destruction or closure by militants, or a lack of female teachers. Often, *madrassas* are reported to still be running even when government schools have closed. Gender disparities are most pronounced in this stratum, with the second highest enrolment rate for boys and the second lowest for girls.

Swabi and Mardan (past IDP influx areas): In mid-2009 the education system in Swabi and Mardan broke down, amid the considerable IDP influx occurring at the time. For many months children were unable to attend school. All 25 surveyed villages in these areas had hosted displaced groups at one point in time; and in a staggering 23 of these, government schools stopped functioning entirely in order to accommodate resident IDPs.. Following the return of a majority of the displaced, schools re-opened and now appear to be functioning normally. There exist a significant number of private schools in these areas that offer higher quality education and were less severely affected by the IDP influx. Still, primary and secondary school enrolment remains lower than in the Malakand division. Interestingly, here only girls appear to attend *madrassas*, which may be the result of parents lacking the capacity to afford alternatives rather than for religious purposes.

Malakand division (past hot spot): With one of the highest recorded literacy rates in NWFP, schools in Swat have

Graph 41: Share of school age children (5-16 years) enrolled by type of school



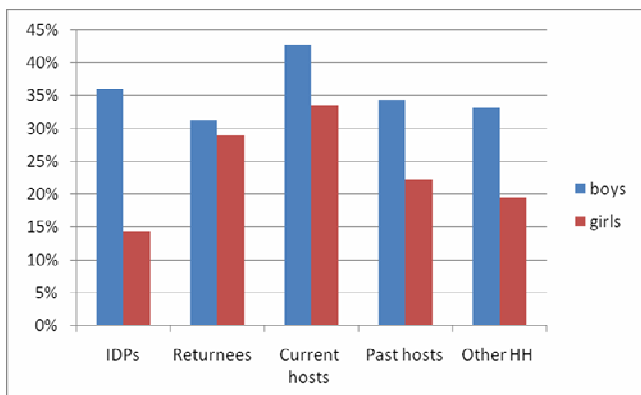
been subject to militant threats against both boys' and girls' schools since 2008. Of the 25 surveyed villages, 20 reported that schools (mainly girls' facilities) had been closed for 2-6 months over the previous year, owing to threats, army operations, curfews or insecurity. By January 2009, and even in advance of the large-scale military operation that subsequently took place, more than 180 government schools in Swat had incurred significant damage⁴⁸, depriving some 80,000 female students of an education. Following the April 2009 offensive, more than 420 schools were reported to be damaged (and 43 entirely destroyed), of which two thirds were located in Swat

⁴⁸ ICG IDP

alone.⁴⁹ Together with their families, many children fled their home mid-way through the academic year.

Today, several schools are still not fully operational, either due to incomplete repairs, inadequate staff, or other factors, not all of which are directly related to the crises. In many instances, past militant threats still serve as a deterrent to participation. Nevertheless, and somewhat surprisingly, this area enjoys the highest enrolment rates among both boys and girls across all four examined strata.

Graph 42: Enrolment of school age children (5 – 16 years) by household category

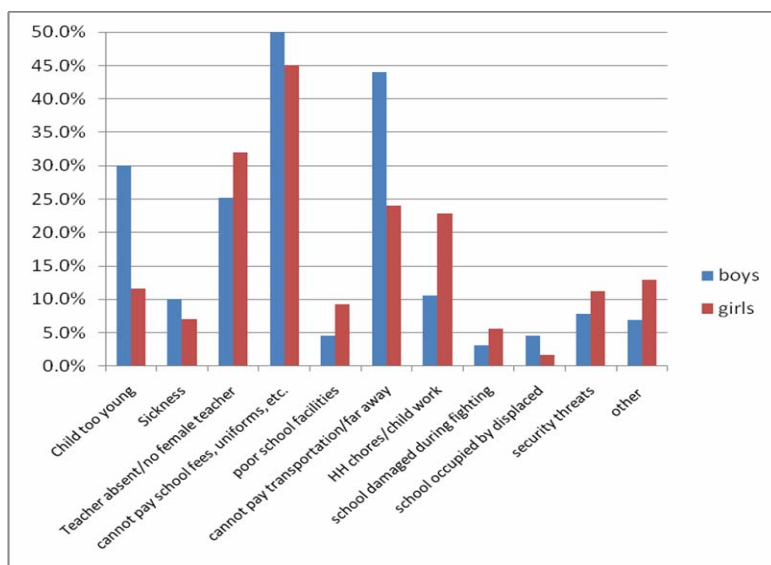


Tank, Hangu and D.I Khan (current IDP influx areas): Educational infrastructure in this stratum is exceedingly poor; with access to functioning girls and boys schools significantly restricted in six and four of the 25 surveyed villages, respectively. These focus group observations are supported by the survey findings, which determined that school enrolment is lowest in these areas, among both boys (26 percent) and girls (16 percent). Although some attributable factors are not crisis-related, the absence of any formal education facility for a large number of school-aged children is alarming. In the absence of both government and private schools, enrollment in local *madrassas* has increased.

Current IDP households are observed to have the lowest proportion of girls attending school (<15 percent). As described earlier, displaced families demonstrate a higher propensity to cope with difficulties by removing children from school, and in most instances it is the girls that must stay home. Such gender disparities appear to be least pronounced among returnees; though this category also has the lowest share of boys enrolled in school (31 percent).

Current hosting families enjoy higher incomes, and appear to be able to invest more in the education of their children. Similarly, past hosts have more children in school than ‘other households’, again demonstrating the superior socio-economic status of host families.

Graph 43: Reasons for not attending school this year



According to assessment findings, the impact of the crisis on education has been less pronounced this year than in the year previous. Almost 40 percent of households cited security threats as the main reason why boys did not attend primary school last year; while for girls, the absence of female teachers and other economic constraints were noted as the key impediments. Strikingly, during the 2009-2010 academic year, security threats were only highlighted by 10 percent of surveyed households, indicating a perceived improvement in the safety of school-going children.

Currently, the high costs associated

⁴⁹ DNA

with schooling (including uniform and book purchases) appears to be the main concern preventing families from sending their children to school. The average annual expenditure of a household on a single primary school student is Rs 1,980; with more than seven times that cost expended on those attending private schools⁵⁰.

On average, households allocate approximately four percent of their total expenditure to education, although this figure varies widely between wealth groups. While wage labourers dedicate less than 3 percent, for example, some business owners spend up to 10 percent on schooling.

XII. Health and Living Conditions

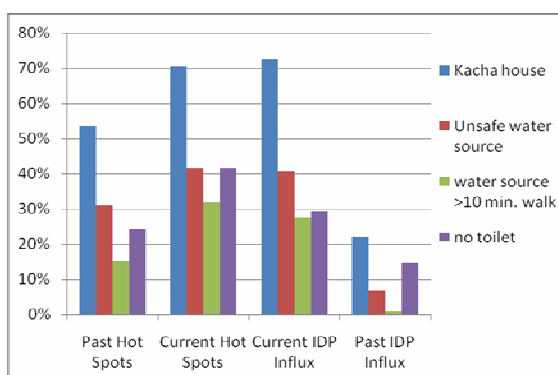
The state of health of a family and its members depends upon a variety of factors that might include living conditions, water and sanitation facilities, food intake, and general health-seeking behaviour.

Living conditions in the crisis-affected areas tend to be poor. In FATA, almost 60 percent of the population is residing in *Kucha* houses, made of clay or mud. Across the country, only Balochistan fares worse, with a high of 70 percent; while in NWFP the figure is more encouraging at 39 percent, though still above the national average. Houses are commonly crowded, with an average of 9-10 persons living in up to 2 rooms among 40 percent of families. A further 50 percent have 3-5 rooms only.

Graph 44: Quality of houses, access to water and toilets by strata

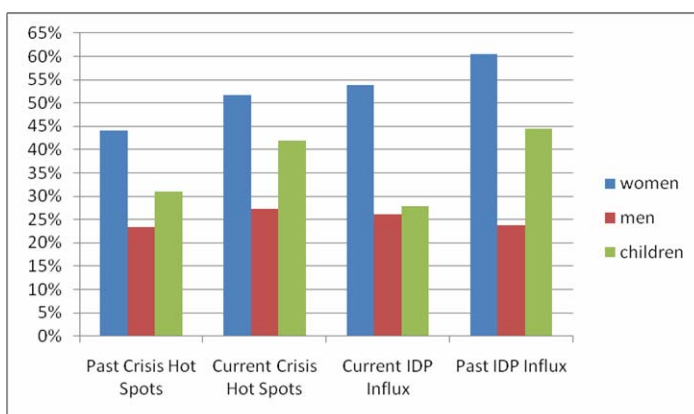
For IDPs, housing conditions certainly changed following their displacement, and reportedly deteriorated severely for those ending up in camps. The conditions faced by those residing with hosts were not necessarily inferior to what they had been used to at home, as hosting families typically benefit from larger and more comfortable residences than the average population.

Minimal changes are observed with regard to access to drinking water and toilets, with the situation remaining as dismal as one year ago. One quarter of the population avails of no toilet facility at all, 30 percent rely on unsafe sources of drinking water, less than 10 percent treat their water sources, and eight out of every 100 households must walk more than 30 minutes



in order to access water. Nonetheless, stark differences exist between the four strata. In FATA and the current IDP influx areas, houses, water sources and toilet facilities are all of poorest observed quality. By contrast, residents of Swabi and Mardan enjoy the best observed living conditions, with the vast majority living in stone houses, in which they also have access to safe drinking water, and use either flush or pit latrines.

Graph 45: Households members falling ill within the 2 weeks prior to interview



Across crisis-affected areas, morbidity rates appear high. Half of all women and one third of all children were reportedly sick during the two weeks prior to the survey; while, men appear to be healthier with only one quarter reporting illness. Surprisingly, a greater number of individuals had been sick in Swabi and Mardan than in any of the other strata, despite the fact that living conditions are clearly superior. Inadequate food consumption may be partly to blame: one third of the area's population suffers from borderline food intake and a further 10 percent from poor food consumption.

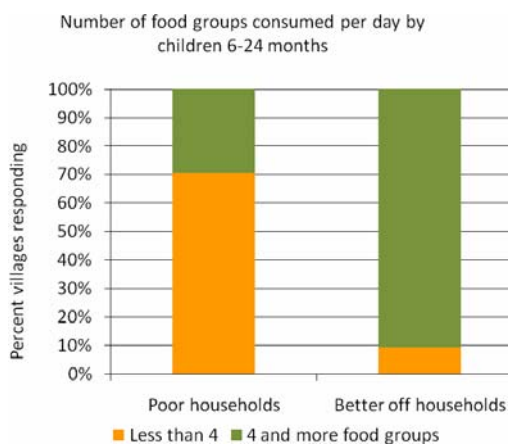
⁵⁰ PLSM 2007-2008

The crisis has resulted in deterioration of health services and health-seeking behaviour. According to the DNA, 30 percent of health facilities in the Malakand division and 16 percent in the two FATA agencies of Mohmand and Bajaur were significantly damaged by mid-2009 (though secondary facilities were barely affected). Since then, further destruction is likely to have taken place in FATA, the current crisis hot spot. As such, structural impediments continue to impede upon the successful provision of public health services in crisis-affected areas, including poor accessibility, limited staff availability, and low-quality medicines and quality of care.

Female participants in focus group discussions drew attention to the health sector as an area of major disruption in crisis hotspots. Aside from the physical damage rendered on facilities, access by health staff (especially Lady Health Workers) was severely restricted, and medical supplies became scarce. Women typically attend health centres during pregnancy, during critical situations, or when their children fall ill. In many areas, however, male community members or militants prohibited women from leaving their homes without a male escort, or in some cases entirely. In addition, long curfews prevented families from visiting healthcare facilities, even for emergency cases. Unsurprisingly, the situation was more problematic for women, again (who are generally limited in their access either because of poverty, cultural norms or a lack of female staff) as these obstacles severely affected their use of natal care and other related services.

Caring and feeding practices among mothers were observed to have changed as a result of the crisis. According to female focus group discussions, most children in the surveyed villages are usually breastfed immediately after birth, and exclusively so for at least the first 6 months. Breastfeeding continues in most cases until the child is two years of age, sometimes as a means of delaying the next pregnancy. Though not statistically representative, these feeding patterns appear to be considerably better than in the rest of the country, where only 37 percent of women exclusively breastfeed for the first six months after birth. Rates of breastfeeding initiation within the first hour after birth are also much lower: 57 percent in NWFP, but 30 percent in Sindh, 20 percent in Balochistan and only 15 percent in Punjab.⁵¹

Graph 46: Number of food groups consumed by small children on average in surveyed villages



However, breastfeeding patterns were also seen to be affected by the crisis. Many women reported a cessation of such practices owing to food shortages that restricted lactation; or, in the case of IDP and hosting families, a lack of privacy in overcrowded houses. As such, many women stopped initiating breastfeeding directly after birth, breastfed more irregularly, or introduced weaning food earlier than usual.

With the overall deterioration in household food consumption due to the crisis, the diets of individuals with special nutritional needs are a matter of concern. This includes pregnant and lactating women and infants, who are more vulnerable to malnourishment. A 2000 study confirmed that cereals and oil are consumed by almost all pregnant and lactating women, while a much smaller proportion consume proteins. Infants are weaned with certain food groups, and mainly given milk or cereals. Few small children are fed micronutrient-rich vegetables⁵².

It is internationally recommended that a child between the ages of 6 and 24 months should consume at least four different food groups a day. However, during focus group discussions, it emerged that the majority of children from poor households typically do not comply with this standard; while children from more affluent families might consume items from in excess of 5 food groups on a daily basis (see Graph x). The poorer children thus consume cheaper and often less nutritious foods; and often go without dairy products, fresh meat or eggs.

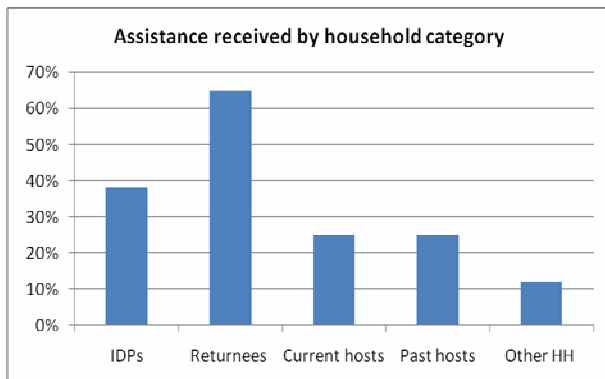
⁵¹ Complementary Feeding Practices Survey draft report (Baig-Ansari, 2008)

⁵²

XIII. Current Response to the Crisis

This section summarizes the assistance provided by the government of Pakistan and the humanitarian community to crisis-affected peoples in NWFP and FATA, between February 2009 and March 2010. Aid supplied to those IDPs residing in camps during this period is not considered.

Graph 47: Assistance received by household category



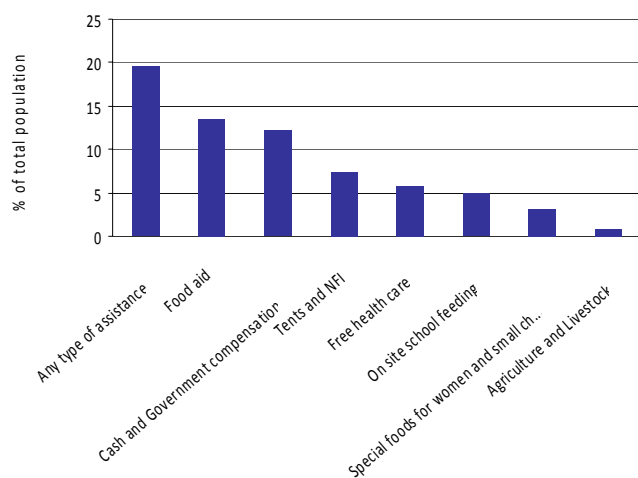
In 2009, the government created the Provincial Relief, Rehabilitation and Settlement Authority (PaRRSA), as a mechanism to lead and coordinate relief, recovery, and reconstruction efforts in crisis-affected areas. A Special Support Group comprised of key military personnel is assisting PaRRSA in this regard.

Since the middle of last year, large-scale relief assistance has been extended to IDPs, in the form of tents, blankets, food, water, and other life-saving items. PaRRSA is also facilitating the return of IDPs through the provision of cash grants, transport facilities and basic food basket items. Furthermore, those households most severely affected by military operations may receive a one-time compensation grant of Rs. 25,000 (approximately US \$312) from the government. In addition, and irrespective of the crisis, social protection and development interventions (including *Zakat*, the Benazir Income support Scheme, *Bait ul Mal*, and food-for-work schemes, among others) have been ongoing for years.

The continued response by the humanitarian community is guided by the current Pakistan Humanitarian Response Plan (PHRP), spanning the first half of the year; which, in turn, has been informed by the findings of the DNA and the CERINA (a joint assessment by the UN and the Provincial Government of NWFP). However, funding for the PHRP remains worryingly insufficient, restricting the implementation of many planned activities.

The results of the household survey indicate that approximately 20 percent of the population of crisis-affected areas (or more than 2.5 million people) received some type of assistance during the last year. While 65 percent of returnees were assisted, only 38 percent of all current IDP households and one fourth of hosting households were provided with some form of support. In addition, 12 percent of 'stayee' households reported to have received some assisted. It appears, therefore, that a significant proportion of returnees and an even larger share of current IDPs have yet to be provided with any support.

Graph 48: Types of assistance received

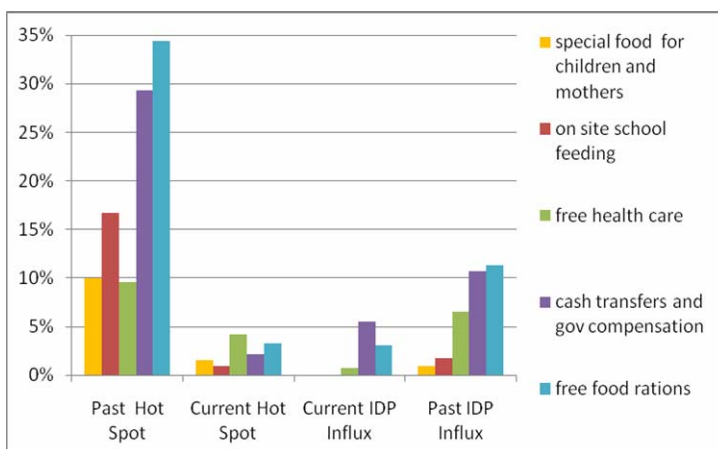


Among those who have received assistance, in-kind food aid is cited as the most commonly-provided input (by 13.5 percent of households), followed by cash and other forms of government compensation (among 12 percent of families). A further 8 percent of households benefited from conditional food transfers, in the form of on-site school feeding and the provision of special fortified foods for mothers and young children. Tents and other non-food items such as kitchen utensils were supplied to 7.5 percent of the population, and health-related items to 5 percent. Most notably in the Malakand division, a large number of households reportedly benefited from the receipt of multiple aid inputs simultaneously.

Less than 1 percent of the population reported having received agricultural or

livestock assistance; particularly worrying in view of the much higher proportion of farming and pastoralist households who incurred substantial losses last year.

Graph 49: Share of population receiving assistance by strata and type of support



An analysis of the geographic spread of assistance shows that 80 percent of beneficiaries are, unsurprisingly, located either in past crisis hot spots (the Malakand division) or past IDP influx areas (Swabi and Mardan). While these areas witnessed considerable displacement and are therefore justifiably targeted, the low proportion of beneficiaries in FATA remains a concern. While one third of the population in the Malakand division received free food rations, for example, less than five percent in FATA benefited from the same support.

13.1 Food Assistance

Approximately 1.8 million people⁵³ across the areas covered by this assessment received food assistance; including 1.2 million in the Malakand division and 350,000 individuals in Swabi and Mardan. While 23 percent of female-headed households received food assistance, only 13 percent of male-headed households benefited from the same, indicating relative success in reaching those considered most vulnerable. The monthly food basket consists of wheat flour, edible oil, pulses, high energy biscuits, sugar, salt and tea. In addition, conditional food transfers are provided to households who are sending their children to school, and to pregnant and lactating women who utilize pre- and post-natal care services at health clinics. According to the survey results, these schemes are primarily implemented across the Malakand division.

13.2 Cash Grants and Government Compensation

Both the household survey and focus group discussions suggest that cash grant projects and government compensation initiatives are quite extensive in their geographical coverage of affected areas. The former estimates that 1.6 million people received some form of cash support, either through the Benazir Income Support Programme⁵⁴, *Baitul-Mal*⁵⁵, government compensation schemes, or in fewer cases from *Zakat*⁵⁶. When applying the criteria used to assess vulnerability through the national poverty score card system, approximately 28 percent of the population across surveyed areas (or 3.7 million individuals) is considered eligible for assistance through the BISP.

⁵³ Excluding the assistance being currently provided in camps.

⁵⁴ The Benazir Income support (BISP), launched as a response to the high food prices, comprises cash grants of 1000 Rs per month, disbursed every 2 months to the women in the households with a monthly income of less than Rs 6000. Coverage of the scheme includes FATA with special attention to remote areas such as North and South Waziristan. For 2009-2010 the budget for BISP was expanded to Rs 84 billion and coverage increased to 7 million families.

⁵⁵ Cash transfers of the Food Support Program (FSP) of the Baitul Mal scheme are disbursed immediately after the wheat harvest season facilitating recipients to buy wheat when prices are lowest. It is implemented by the Ministry of Social Welfare in collaboration with the Pakistan Post Office and Provincial Governments. In 2008-2009 about 300,000 people in NWFP and FATA received an annual subsidy of Rs.3000/- per household (source: Baitul mal website).

⁵⁶ Zakat is the Islamic concept of tithing and alms. It is an obligation on Muslims to pay 2.5% of their wealth to specified categories in society when their annual wealth exceeds a minimum level (nisab). The Zakat scheme is implemented by the Ministry of Religious Affairs, it provides cash transfer support to eligible poor Sunni Muslim recipients through Local Zakat Committees (LZCs). Shia Muslims, Christians, Hindus and other religious minorities are exempted. The size of disbursements depends largely on mandatory and voluntary collections. A total of Rs 4.1 billion was disbursed among 2 million beneficiaries in Pakistan in FY2007/08.

Nonetheless, group discussions brought up numerous reservations with regard to the targeting of these schemes; most notably in FATA, where the coverage of cash and government grants was also much lower (just 2 percent, compared to 30 percent and 11 percent in the Malakand division and Swabi/Mardan respectively).

13.3 Agriculture and Livestock Assistance

The results of the survey show that agricultural and livestock assistance was provided mainly in past crisis hot spots, accurately reflecting the support extended by the humanitarian community under the Agriculture Cluster⁵⁷. The cluster assisted approximately 100,000 households in Malakand division, through the supply of seeds, fertilizers, small agricultural tools, fruit and forest plants, and capacity-building programmes on innovative agricultural techniques. This assistance has been beneficial primarily with regard to the winter cropping season and this year's spring vegetable season.

In addition, since returning to their places of origin some formerly-displaced livestock farmers have been provided with vaccinations, de-worming treatments, and concentrate and dry roughage feed. Landless women-headed households were helped to re-stock poultry and small animals; while some farmers who had lost animals during the crisis and were solely dependent on livestock as their main livelihood source, received large animals (approximately 124,000 beneficiaries).

Strong and effective coordination is required between humanitarian organizations and provincial government departments, in order to reduce exclusion errors and ensure broader geographical coverage of varying aid inputs. Assistance is still desperately needed during the next cropping seasons, to rebuild agricultural livelihoods and restore food security across the more remote areas of the Malakand division and throughout FATA. The agriculture component of the 2010 PHRP estimates that approximately US\$ 25 million is needed to rehabilitate the agricultural sector in NWFP until July 2010. However, this figure is based on early preliminary estimates (from the CERINA and DNA) and appears somewhat inflated in relation to the findings of this assessment.

13.4 Health

Almost 6 percent of the population in crisis-affected areas reported receiving free healthcare during the last year. Coverage was highest in the Malakand division (up to 10 percent of the population) and in past IDP influx areas (6.5 percent). Two findings are particularly worrying. First, less than 5 percent of the households in FATA have received any such support, though this stratum is observed to suffer from the highest morbidity rates among women and children, and access to quality health services has deteriorated here the most. Secondly, female-headed households are under-represented amongst beneficiary households; only 2 percent received free healthcare, compared to 6 percent of male-headed households.

13.5 Planned Assistance

The nature of future assistance programmes will be informed by recommendations from the ongoing Post Crisis Needs Assessment (PCNA), a joint effort involving Pakistan's government, the UN, World Bank, ADB and the EU. The PCNA process intends to generate a Transitional Results Framework that should become the basis for all project and financial planning in crisis-affected areas.

The government (PaRRSA) divides its response plan into three phases:

- The current early recovery phase, during which disrupted services in the crisis-affected areas are to be resumed.
- The rehabilitation and reconstruction phase will commence as soon as the security situation allows and will be informed by the 2009 DNA as well as the PCNA.⁵⁸
- The economic uplift programme for sustainable and long-term development that will be based primarily on the PCNA.

PDMA/PaRRSA also intends to commission a further targeting assessment across the crisis-affected areas of NWFP, in order to identify the number of people eligible for additional cash support.

⁵⁷ (around 25 national and international NGOs, ICRC and UN)

⁵⁸ DNA - Launched on 16th Nov 2009 by the Prime Minister of Pakistan

XIV. Forecasts

The crisis across NWFP and FATA is far from over. Aside from its more structural causes such as poor governance, poverty, unemployment and illiteracy, more immediate factors such as spill-over from the war in Afghanistan, political and military maneuvers by the government, and retaliatory measures by the Taliban, must be addressed. While the government has taken bold steps and recently detained numerous key Taliban leaders, other underlying determinants of the crisis have yet to be adequately tackled.

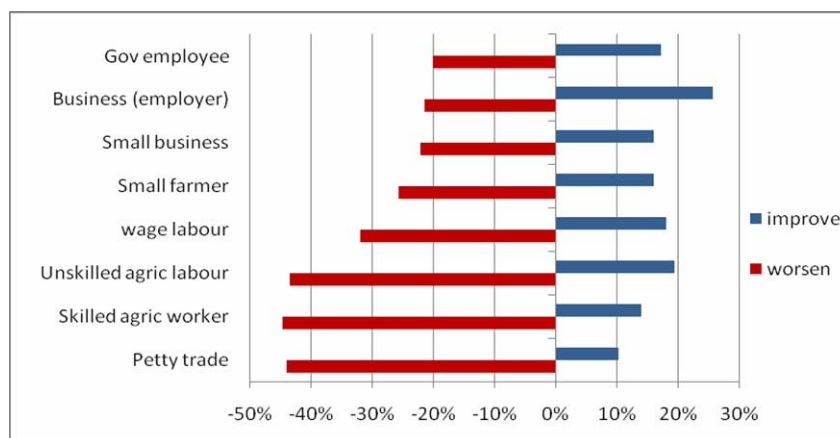
How the crisis develops hereafter will depend heavily upon the institution of political reforms in FATA. It is commonly believed that a major step to end the vicious cycle of the crisis would be to repeal the FCR and institute an effective legal structure that upholds the rule of law once an area is cleared of militancy. This would prevent militants from exploiting legal vacuums in FATA, as has effectively been done in the past.

The number of residual and new IDPs currently stands at more than one million, though will likely decline from now. Nonetheless, the return and successful recovery of families displaced from FATA hinges upon the prevailing security situation, and the level of trust placed by the population in local institutions. According to the survey results, two thirds of current IDPs do not know when they will return, while one quarter plans to go back once the security situation improves. New displacements may yet occur, should the government launch further operations in FATA. North Waziristan is widely seen to be a likely target for the next army intervention. Influx areas for IDPs from North Waziristan are Lakki Marwat, Bannu and Karak, which have a similar socio-economic profile as the current IDP influx areas of Tank, D.I Khan and Hangu.

Sectarian tension between Sunni and Shia Muslims continues to simmer in Pakistan. In the event that this erupts into violence again (particularly in the volatile agencies of Kurram and Orakzai) the result would likely be devastating to lives and livelihoods in these areas.

A majority of households believe that their livelihood situation will further deteriorate, rather than improve, in the immediate period. The most vulnerable appear to anticipate a dire future for themselves (see Graph 50), which is also related to the rise in food prices.

Graph 50: Proportion of households anticipating improvement or deterioration in their situation in the future



XV. Recommendations for Short and Medium Term Interventions

- 1. Unconditional (recovery and protection-oriented) safety nets for severely food insecure households:** Immediate live-saving support should be provided to the 1.3 million crisis-affected people suffering from poor food consumption. The largest number (635,000 individuals) is residing in the Malakand division, 340,000 are in Swabi and Mardan, 200,000 in FATA, and the remaining 124,000 are currently in Tank, Hangu and D.I. Khan. These include small *barani* farmers, landless households who depend on daily wage labour or petty trade, families with few productive or household assets, female-headed households, and families whose acting head is uneducated or only attended primary school. One quarter of the total are either IDPs or returnees and 13 percent are hosts, but the vast majority (58 percent) are 'stayee' households. These households face very

poor access to food and should receive direct and unconditional income transfers; which will support the recovery of returnees and hosts, and protect IDPs, as well as other households who are chronically food-insecure. With the successful return and recovery of displaced people, the overall beneficiary caseload may decrease in the medium term, but is then likely to stabilize thereafter to include the most destitute who will continue to be dependent on unconditional transfers.

- 2. Targeting criteria for unconditional safety nets:** Aside from displacement and location, the targeting of beneficiary households should be based on a set of defined criteria that should include: sex of household head; educational level of the head of household; ownership of assets and landholdings (less than one acre, or no land at all); and main income source.
- 3. Support to crisis affected farmers:** Farming households in the Malakand division suffered the greatest agricultural losses during the last year, and some 50,000 are unlikely to have recovered yet; while farmers in FATA continue to face difficulties with crop production and marketing. Around 44,000 families (or one third of all farming households) in FATA lost more than a quarter of this year's *Rabi* harvest as a result of the crisis. In order to help small farmers in the Malakand division and FATA to recover from or cope with the effects of the crisis, immediate support should be provided in the form of agricultural inputs (including seeds and fertilizers), the extension of micro credit, and repair and improvement of irrigation systems.
- 4. Medium term measures to improve the income of marginal farmers:** In the medium term, structural problems in the agricultural sector should be addressed, with the aim of enhancing the productivity of small landholdings (< 1 acre) and exploiting comparative advantages in the production of high value crops. By replicating successful small scale interventions by WFP, IFAD and FAO in Balochistan and parts of FATA, marginal farmers may be supported with seeds and saplings for fruits, vegetables and nuts (apricots, apples, plums, peaches, walnuts, pistachio nuts, turnips, radishes and onions), as well as locally manufactured all-weather greenhouses which can produce three rotations per year. Until they receive the first return on these investments, and as an incentive to take the risk of adapting their livelihoods, farmers should receive income transfers for a pre-determined period. Irrigation and watershed development are further recommended measures to enhance land productivity.
- 5. Community based public works in areas of severe infrastructural damage and loss of livelihoods:** Food- or cash-for-work schemes should be implemented in the worst-affected parts of hot spot areas (Malakand division and FATA) in order to help restore infrastructure and provide a safety net to food-insecure households until their livelihoods resume. These schemes could include repair of feeder roads and other local infrastructure, tree plantations and watershed development. Providing basic food rations in exchange for labour inputs would help to target the most food-insecure, while cash would attract a larger proportion of each area's population.
- 6. Cash or food transfers:** Depending on the precise objectives of the intervention, level of market functioning, food inflation, security risks, seasonality and gender-related sensitivities, among other issues, food or cash transfers may be more appropriate. Similarly, a mix of food and cash modalities, or the seasonal sequencing of food and cash, may be the optimal response. Food may better serve nutritional objectives and is likely to be the preferred choice among women who are often not allowed to enter markets. In FATA and southern parts of NWFP, where markets are functioning very poorly and supplies remain significantly low, food-based transfers are likely to be more suitable than cash. In Swabi and Mardan, however, as well as the Malakand division (past hot spot areas) cash-based transfers may help to stimulate demand and promote market recovery.
- 7. Investments in educational infrastructure and school equipment:** While the crisis's main damaging impacts on schooling have since been largely reversed, structural problems persist, which affect girls' enrolment most severely. A lack of teachers (particularly female faculty), equipment, and actual school facilities in FATA and southern parts of NWFP (Tank, Hangu and D.I. Khan) are major supply-side constraints. Considerable immediate and longer-term investments are required in order to improve the dire state of the education system in crisis-affected areas. These investments are absolutely crucial, not only to reduce poverty and food insecurity in the long run, but also to address some of the root causes of the crisis; by helping to break elements of the vicious cycle (including inadequate educational opportunities, increases in enrolment in seminaries proliferating extremist ideology, a rise in militant recruitment and destruction of schools themselves). Improvements in this sector will help to restore trust in the local government's ability to provide

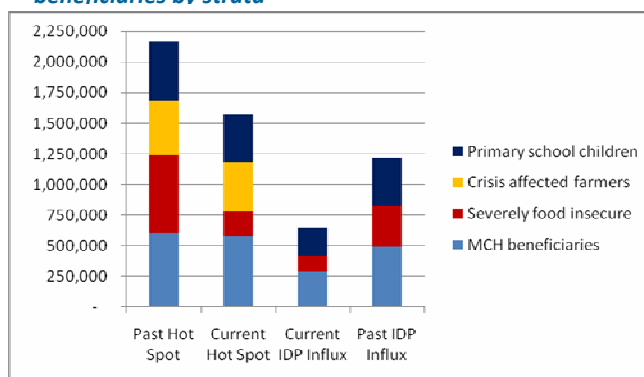
basic social services to the population. Higher educational standards will, in the long-term, reduce the susceptibility of younger generations to indoctrination by extremists. Thus, three of the four strategic objectives of the PCNA will be addressed: 1) responsiveness and effectiveness of the state and civil society; 2) delivery of basic services; and 3) counter radicalization.

- 8. Conditional safety nets to improve schooling and the diets of school-aged children:** Better education opportunities, especially of girls, was cited by all male and female focus groups as a highest priority. From the household perspective, curfews, insecurity and fear (particularly in FATA) still discourage households from sending their children to school. These problems will only disappear with the crisis itself. Yet, the overriding demand-side constraint in all four strata is poverty, which must be addressed immediately by providing economic incentives to households. Existing conditional food-based safety nets in the education sector should be extended to cover all primary schools in crisis-affected areas, in support of approximately 1.5 million students. Through these schemes incentives, in the form of oil and wheat rations, are provided to households with primary school-aged children (5-9 years) in exchange for regular attendance at school. In addition, in FATA and the Malakand division, where food insecurity is highest, nutritious biscuits should be distributed on-site to approximately 870,000 students to address short-term hunger and inadequate food intake.
- 9. Conditional safety nets to enhance utilization of health services by women and to improve the diets of small children:** Securing better health services is the second highest priority among crisis-affected populations, as reported by both male and female focus groups. To improve the nutrition and health of pregnant and lactating mothers, incentives should be provided for accessing pre- and post-natal care at Mother-and-Child Health (MCH) clinics. WFP has achieved positive results in this regard, through the distribution of edible oil in exchange for attendance at health clinics. Given the prevalence of high malnutrition rates and deteriorating food intake as a result of the crisis, pregnant women and mothers should additionally receive fortified blended food to improve the nutrient intake of their young children (aged 6 – 24 months), as well as their own. There are around 1.2 million pregnant and lactating women and 800,000 children under 2 years of age currently residing in survey areas. On the supply side, investments are required for health infrastructure, equipment and staffing, to ensure that demand can be adequately met. As in the case of education, better service provision in the health sector will be viewed as an indication of improved state functioning, and will therefore address two strategic objectives of the PCNA: 1) responsiveness and effectiveness of the state and civil society; and 2) delivery of basic services.
- 10. Interventions to promote markets and help small traders (micro credit schemes):** Traders' response capacities and ability to recover are constrained, to a large extent, by inadequate capital and credit. Enhancing access to credit could thus go a long way to promoting trade and markets, in areas where the security situation is stable.
- 11. Income support to women and female-headed households:** For women, and especially the 37,000 female-headed households residing across survey areas, the following interventions may help to augment incomes and strengthen their ability to manage their lives more independently: poultry rearing, handicraft production, life skills training and literacy courses, vegetable gardening, and nurseries. Priority should be given to areas where traditional income-generating activities were disrupted by the crisis. Sustainable backward and forward linkages in the supply chain should be ensured for products produced by women. To offset the opportunity costs of attending educational classes, or to incentives a resumption of income-generating activities, women should receive food or cash transfers until courses are complete or the first profit is yielded.
- 12. Address exclusion errors:** All people who are displaced due to the crisis and who are in need of assistance should receive support; not only those who comply with the criteria set forth by the government for registration in the NADRA database. One third of all current IDPs (up to 160,000 people) are unlikely to have been registered or to have received any type of assistance thus far. An additional estimated 100,000 returnees have also been excluded. Special attention should be paid to these IDPs and returnees, who were displaced from and within FATA, and are more difficult to reach. The government's criteria to define IDPs should be reviewed and encouraged to be more flexible, in order to accommodate displacements that have occurred for reasons other imminent or ongoing army operations alone, or from areas other than those officially notified.

13. Calculation of household needs to be based on a household size of at least nine

members: Any assistance to households (either in-kind or cash) should take into account that the average household in FATA consists of an estimated eleven members, and nine members in the other three strata. Currently, the size of food rations and cash transfers are calculated on the basis of a seven-member household, which may result in the impact of interventions being lower than expected.

Graph 51: Suggested maximum numbers and types of beneficiaries by strata



14. Flexible response and contingency plans: Continued fighting and displacements call for an in-built flexibility in responses for crisis-affected areas, particularly amid other potentialities such as the incidence of natural disaster (including landslides, drought and earthquakes). In other words, response strategies should incorporate the possibility of adapting safety nets to fit both purposes: relief and poverty alleviation. This might entail swift changes in programme coverage, transfer value and type (food/cash), targeting criteria or distribution modalities. To ensure a flexible response, contingency plans have to be developed for different likely scenarios in close collaboration with all stakeholders. These plans would define caseloads, resource requirements and procedures, and would have to be regularly updated.

15. Periodic assessments and food security monitoring: The situation across conflict-affected areas should be re-assessed in February 2011, in order to capture any changes in the intensity and volume of crisis impacts, relative to the baseline established herein. Additionally, the implementation of periodic food security monitoring within the four established strata will determine changes in food consumption, coping strategies and commodity pricing.

Annex 1: FSMA Field Staff for Data Collection

FIELD STAFF FOR FSMA (Creative Consultant)

Team No.	Person ID	Name	Designation	Gender
Team 1	01	Imran ali	Team leader	Male
	02	Sumera	Enumerator	Female
	03	Inamullah	Enumerator	Male
	04	Mohd Shoab	Enumerator	Male
Team 2	05	Ghaisul wahab	Team leader	Male
	06	Amna	Enumerator	Female
	07	Mohd omar	Enumerator	Male
	08	Manzar hussain	Enumerator	Male
Team 3	09	Mohd waseem	Team leader	Male
	10	Sadaqat	Enumerator	Female
	11	Mohd Athar	Enumerator	Male
	12	Shakil ahmad	Enumerator	Male
Team 4	13	Inam khan	Team leader	Male
	14	Abdullah	Enumerator	Male
	15	Rehmat said	Enumerator	Male
	16	Adnan	Enumerator	Male
Team 5	17	Naveed ur rehman	Team leader	Male
	18	Saadat Hussain	Enumerator	Male
	19	Mohd tariq	Enumerator	Male
	20	Gul wali	Enumerator	Male
Team 6	21	Fazal Rabi	Team leader	Male
	22	MULIM ALI	Enumerator	Male
	23	Mohd tariq 2	Enumerator	Male
	24	Qazi asad rehman	Enumerator	Male
Team 7	25	Rizwan	Team leader	Male
	26	Ruqia	Enumerator	Female
	27	Junaid iftikhar	Enumerator	Male
	28	Mohd yousaf	Enumerator	Male
Team 8	29	Mohd imran	Team leader	Male
	30	Noshad akhtar	Enumerator	Female
	31	Nouman khan	Enumerator	Male

	32	Shakil ahmad	Enumerator	Male
Team 9	33	Shah Hussain	Team leader	Male
	34	Salma khalid	Enumerator	Female
	35	Hadia jabeen	Enumerator	Female
	36	Mohd bilal	Enumerator	Male
Team 10	37	M farooq amjad	Team leader	Male
	38	Shazia noreen	Enumerator	Female
	39	Anila rehman	Enumerator	Female
	40	Shafqat Saeed	Enumerator	Male

STAFF FOR MARKET ASSESSMENT (Creative Consultant)

	41	AMJAD	Enumerator	Male
	42	AZMAT ALI	Enumerator	Male
	43	QAISAR	Enumerator	Male
	44	ZAHID	Enumerator	Male
	45	ASIF SHAH AFRIDI	Enumerator	Male
	46	KAMRAN KHAN	Enumerator	Male
	47	M YEHYA KHAN	Enumerator	Male
	48	FAIZ MOHD	Enumerator	Male
	50	HASSAN ALI	Enumerator	Male
	51	JOHAR ALI	Enumerator	Male
	52	SYED AZMAT ALI SHAH	Enumerator	Male
	53	AZIZ AHMAD	Enumerator	Male
	54	FAZLE RABBI	Enumerator	Male
	55	IFTIKHAR	Enumerator	Male
	56	M FAYAZ	Enumerator	Male

Kwanda Khor: Shafqat, Naila, Wali Mohammad,

TWVA: Sehnaz Bano, Alamzeb, Naseem Riaz, Riffat Bano, Zahoor Khan, Qamar Jana, Begum Jana, Ihsanullah, Yasmin

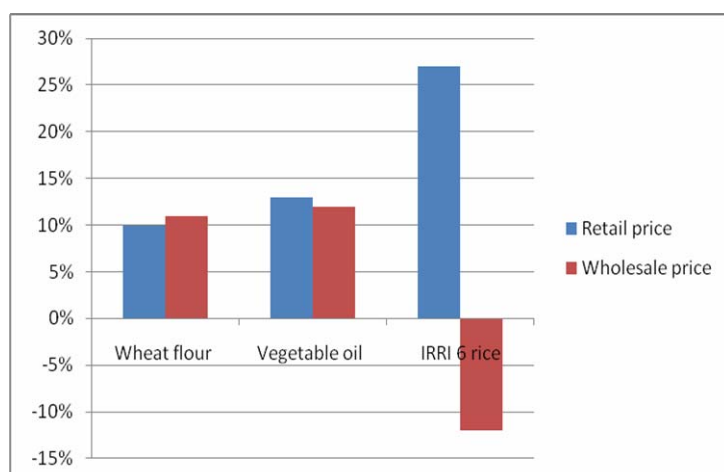
Annex 2: Food Markets in FATA and NWFP

Coefficient of correlation between wheat prices in Pakistan, India and on International Market

	Lahore	Multan	Karachi	Peshawar	Int_Price	Delhi
Lahore	1					
Multan	0.75	1				
Karachi	0.73	0.69	1			
Peshawar	0.68	0.68	0.65	1		
In_Price	-0.26	-0.19	-0.27	-0.29	1	
Delhi	0.12	0.14	-0.01	-0.06	0.20	1

Note: International wheat prices are from USA, Gulf, Wheat (US No. 2, Soft Red Winter).

Percentage change in wholesale and retail prices in past hot spot area compared to last year



PROVINCE	District	TEHSIL	village_name		PROVINCE	District	TEHSIL	village_name	
Strata I - Past crisis hot spots					Strata III - Current IDP influx				
NWFP	LOWER DIR DISTRICT	JANDOO SUB-DIVISION	BERMO BANDA	S	NWFP	TANK DISTRICT	TANK TEHSIL	KAHU	S
NWFP	LOWER DIR DISTRICT	JANDOO SUB-DIVISION	MANAI TANGAI	S	NWFP	TANK DISTRICT	TANK TEHSIL	GUMEL	A
NWFP	LOWER DIR DISTRICT	JANDOO SUB-DIVISION	JELALA	S	NWFP	TANK DISTRICT	TANK TEHSIL	TATUR	S
NWFP	LOWER DIR DISTRICT	JANDOO SUB-DIVISION	BAREQAI	S	NWFP	TANK DISTRICT	TANK TEHSIL	AUDAL	S
NWFP	LOWER DIR DISTRICT	JANDOO SUB-DIVISION	CHUPRAGA	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	NAWAB	S
NWFP	LOWER DIR DISTRICT	JANDOO SUB-DIVISION	DIGANO DEHRAI	A	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	SHERU KOHNA	S
NWFP	LOWER DIR DISTRICT	TEMERGARA SUB-DIVISION	TANGAI PAYEEN	A	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	KHUTTI	S
NWFP	LOWER DIR DISTRICT	TEMERGARA SUB-DIVISION	SHAHZADI PAYEEN	A	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	KHANI SHARIF	N
NWFP	LOWER DIR DISTRICT	TEMERGARA SUB-DIVISION	DHERAI CHAKDARA	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	KACHI PAINDA KHAN	S
NWFP	LOWER DIR DISTRICT	TEMERGARA SUB-DIVISION	GUL MUQAM	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	MIRRANI	S
NWFP	LOWER DIR DISTRICT	TEMERGARA SUB-DIVISION	DAMAMO	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	THOYA	S
NWFP	BUNER DISTRICT	DAGGAR TEHSIL	ASHGHER TARINAN	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	ADHA KHIARA	S
NWFP	BUNER DISTRICT	DAGGAR TEHSIL	KUZ GOKAND	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	RANGPUR JANUBI	S
NWFP	BUNER DISTRICT	DAGGAR TEHSIL	CHEENA	A	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	WANDA SHERU	S
NWFP	BUNER DISTRICT	DAGGAR TEHSIL	MAKHRANAI	A	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	FATEH MANDO	S
NWFP	BUNER DISTRICT	DAGGAR TEHSIL	KANGLAI	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	THATH SOHLAN	S
NWFP	SHANGLA DISTRICT	ALPURI TEHSIL	MALAK KHEL KOTKAY	S	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	RASHID	A
NWFP	SHANGLA DISTRICT	CHAKISAR TEHSIL	KARORA	N	NWFP	D. I. KHAN DISTRICT	D. I. KHAN TEHSIL	NOOR PUR PALHAR	S
NWFP	SHANGLA DISTRICT	BISHAM TEHSIL	BOTIAL	N	NWFP	D. I. KHAN DISTRICT	KULACHI TEHSIL	GANDI UMAR KHAN	S
NWFP	SWAT DISTRICT	SWAT TEHSIL	TAGHMA	S	NWFP	D. I. KHAN DISTRICT	KULACHI TEHSIL	HAT-HALA	A
NWFP	SWAT DISTRICT	SWAT TEHSIL	MASHKOMAI	S	NWFP	D. I. KHAN DISTRICT	KULACHI TEHSIL	SAGGU GANDA PURI	S
NWFP	SWAT DISTRICT	SWAT TEHSIL	MARGHAZAR	S	NWFP	D. I. KHAN DISTRICT	PAHARPUR TEHSIL	GHAUNS SHAH SHUMALI	A
NWFP	SWAT DISTRICT	SWAT TEHSIL	MANYAR	S	NWFP	D. I. KHAN DISTRICT	PAHARPUR TEHSIL	FATEH JAI SHARQI	S
NWFP	SWAT DISTRICT	SWAT TEHSIL	DERI	S	NWFP	HANGU DISTRICT	HANGU TEHSIL	MARDU KHEL	S
NWFP	SWAT DISTRICT	SWAT TEHSIL	DANGRAM	S	NWFP	HANGU DISTRICT	HANGU TEHSIL	GANDERI	S
Strata II - Current Crisis Hot Spots					Strata IV - Past IDP influx				
FATA	SOUTH WAZIRISTAN	BIRMAL TEHSIL	MUGHAL KHEL	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	ALLAH DAD KHEL	S

FATA	SOUTH WAZIRISTAN	BIRMAL TEHSIL	KARI KOT	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	KOZ BAND	S
FATA	SOUTH WAZIRISTAN	BIRMAL TEHSIL	SALOR KHEL	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	KHANDAR	S
FATA	SOUTH WAZIRISTAN	BIRMAL TEHSIL	SARA KANDA	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	GADAR	S
FATA	SOUTH WAZIRISTAN	WANA TEHSIL	GHOAKHA	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	QAZI ABAD	S
FATA	NORTH WAZIRISTAN	MIR ALI TEHSIL	MOSSAKI	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	SHEIKH YOUSAF	S
FATA	NORTH WAZIRISTAN	MIR ALI TEHSIL	KHUSH HALI	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	CHAK MARDAN	S
FATA	BAJAUR AGENCY	UTMANKHEL	TAMHEED ABAD	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	DAGAI	S
FATA	BAJAUR AGENCY	BARANG TEHSIL??	AHRAF KHEL	N	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	SHAMSI	S
FATA	BAJAUR AGENCY	KHAR	PAJA	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	KUNJ	S
FATA	BAJAUR AGENCY	UTMAN KHEL TEHSIL	ARANGAI	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	SAWAL DHER	S
FATA	BAJAUR AGENCY	UTMAN KHEL TEHSIL	KULALA	S	NWFP	MARDAN DISTRICT	MARDAN TEHSIL	SHAMOZAI	S
FATA	BAJAUR AGENCY	UTMAN KHEL TEHSIL	QUAZAFI	S	NWFP	MARDAN DISTRICT	TAKHT BHAI TEHSIL	JALALA	S
FATA	MOHMAND AGENCY	GHALLANAI	PAGOL KOR	S	NWFP	MARDAN DISTRICT	TAKHT BHAI TEHSIL	KHAN KILI	S
FATA	MOHMAND AGENCY	GHALLANAI	MUSAFAR KILI	S	NWFP	MARDAN DISTRICT	TAKHT BHAI TEHSIL	GUJARGARHI	S
FATA	MOHMAND AGENCY	GHALLANAI	HAFIZ KOR	S	NWFP	SWABI DISTRICT	LAHOR TEHSIL	KUNDA MERA	S
FATA	MOHMAND AGENCY	GHALLANAI	KHALIL KOR	S	NWFP	SWABI DISTRICT	LAHOR TEHSIL	HARYAN	S
FATA	MOHMAND AGENCY	PINDIALI TEHSIL	NOA KALLI	N	NWFP	SWABI DISTRICT	LAHOR TEHSIL	JAL-SAI MERA	S
FATA	MOHMAND AGENCY	HALEEM ZAI	AQRAB DAG	S	NWFP	SWABI DISTRICT	LAHOR TEHSIL	GHAZI KOT	S
FATA	MOHMAND AGENCY	YAKA GHUND TEHSIL	YAKA GHUND	S	NWFP	SWABI DISTRICT	SWABI TEHSIL	BAJA	A
FATA	KHYBER AGENCY	JAMRUD TEHSIL	GHUNDAI	S	NWFP	SWABI DISTRICT	SWABI TEHSIL	ADINA	A
FATA	KHYBER AGENCY	LANDI KOTAL	AKA KHEL	S	NWFP	SWABI DISTRICT	LAHOR TEHSIL	YAR HUSSAIN	A
FATA	KHYBER AGENCY	MULAGORI TEHSIL	JAWARA MENA	S	NWFP	SWABI DISTRICT	SWABI TEHSIL	HAMZA DHER	S
FATA	KURRAM AGENCY	FR KURRAM?	KHOR KALI	N	NWFP	SWABI DISTRICT	SWABI TEHSIL	KALA	S
FATA	KURRAM AGENCY	LOWER KURRAM TEHSIL	MANDURI	S	NWFP	SWABI DISTRICT	SWABI TEHSIL	PEHUR	S

= villages selected during field work based on safe access criteria

= villages selected randomly as replacement villages during design stage

Annex 3: Notified Crisis areas in NWFP and FATA



Annex 4: Food Consumption Score (FCS) and Food Consumption Groups (FCGs)

Definition: The frequency weighted diet diversity score or “Food consumption score” is a score calculated using the frequency of consumption of different food groups consumed by a household during the 7 days before the survey.

Calculation steps:

- Group all the food items into specific food groups (see groups in table below).
- Sum all the consumption frequencies of food items of the same group, and recode the value of each group above 7 as 7.
- Multiply the values obtained for each food group by its weight (see food group weights in table below) and create new weighted food group scores.
- Sum the weighed food group scores, thus creating the food consumption score (FCS) for each household.
- Using the appropriate thresholds (see below), recode the variable food consumption score, from a continuous variable to a categorical variable. These are the standard Food Groups and current standard weights used in all analyses by WFP.

	FOOD ITEMS (<i>examples</i>)	Food groups (definitive)	Weight (definitive)
1	Maize , maize porridge, rice, sorghum, millet pasta, bread and other cereals	Main staples	2
	Cassava, potatoes and sweet potatoes, other tubers, plantains		
2	Beans. Peas, groundnuts and cashew nuts	Pulses	3
3	Vegetables, leaves	Vegetables	1
4	Fruits	Fruit	1
5	Beef, goat, poultry, pork, eggs and fish	Meat and fish	4
6	Milk yogurt and other diary	Milk	4
7	Sugar and sugar products, honey	Sugar	0.5
8	Oils, fats and butter	Oil	0.5
9	spices, tea, coffee, salt, fish power, small amounts of milk for tea.	Condiments	0

- Create the three Food Consumption Groups (FCGs), using the titles ‘poor’, ‘borderline’, and ‘acceptable’, based on the below cut-offs:

FCS Profiles:

Poor: 0-28

Borderline: 28.5-42

Acceptable: > 42 Adequate

Annex 5: Asset Scores and Cut-Offs

During the survey, households were asked which type and how many assets they own. To calculate share of households who are asset rich, asset average, asset poor the following computation was done:

Step 1: Each asset was scored according to its local market value:

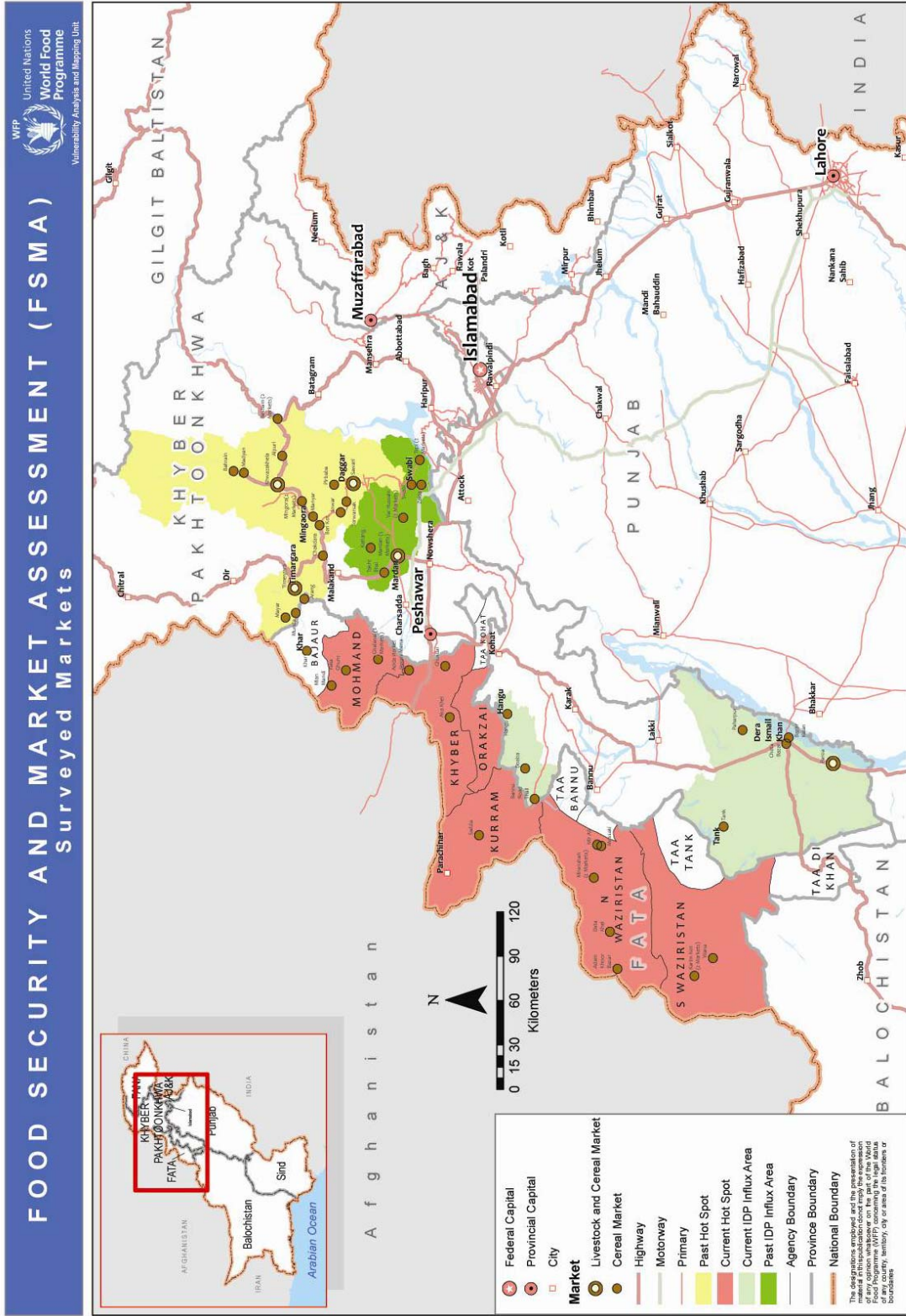
- Sewing machine: 0.5
- Grain mill: 3
- Plough: 0.5
- Other farm machinery: 2
- Motorbike: 3
- Car, taxi, truck: 5
- Television: 2
- Radio: 0.5
- Bicycle: 1.5
- Cooking stove: 1.5
- Washing machine: 1.5
- Freezer: 2
- Refrigerator: 2
- Microwave: 1.5
- Heater: 0.5

Step 2: Weighed scores were added up for each household

Step 3: Households were then classified as follows:

- 0 - 5 scores: asset poor
- 6 -12 scores: asset average
- 13 – 28 scores: asset rich

Annex 6: FSMA Surveyed Markets



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