

**Aid Effectiveness and Multiplicity of Actors: the 2005 Kashmir Earthquake in Pakistan
and Implications of Aid Fragmentation**

1. **Murad Ali** PhD, Assistant Professor, Department of Political Science, University of Malakand, Pakistan Email: muradali.uom@gmail.com
2. **Prof. Dr. Zahir Shah** Vice Chancellor, Abdul Wali Khan University Mardan



Abstract

The 2005 Kashmir earthquake in Pakistan was a mega natural disaster that caused massive human and financial cost in eight districts across the province of Khyber Pakhtunkhwa (KP) and Azad Jammu and Kashmir (AJK). The calamity claimed over 74,000 lives while the affected area incurred a loss of over US\$ 5 billion as public and private infrastructure was damaged extensively. Given the magnitude of the disaster, the international community displayed a speedy and generous response. In the rescue, relief and rehabilitation process, over 100 bilateral and multilateral agencies assisted. Based on the analysis of primary data collected during field visits complemented with secondary data, this paper illustrates that although there were numerous actors involved in the rehabilitation and reconstruction; aid coordination and harmonisation was a huge challenge. A well-coordinated framework regarding how to provide humanitarian assistance as well as food and non-food items in an efficient and speedy manner was clearly not visible. Due to uncoordinated and fragmented approach, multiple donors were engaged in similar activities resulting in duplication and overlap of aid, which ultimately led to aid ineffectiveness. Due to this, even after a passage of over two decades, the reconstruction process is still incomplete as many education and health facilities are yet to be rebuilt.

Keywords: Aid Fragmentation; Aid Effectiveness; Pakistan; the 2005 Kashmir Earthquake

Introduction

Human and Financial Cost of the 2005 Kashmir Earthquake

On 8th October 2005, an earthquake of magnitude 7.6 shook northern Pakistan. While the country has always remained vulnerable to a range of natural and man-induced hazards, the 2005 natural calamity was unprecedented in Pakistan's history because the number of fatalities was unrivalled. Overall, more than 74,000 people perished while another over 70,000 residents in the affected area received injuries of various nature (ERRA, 2007). In addition, over 2.8 million inhabitants in the earthquake-hit areas were rendered homeless overnight. Besides unprecedented human cost, the tragedy also caused substantial destruction to physical infrastructure as numerous villages were flattened. In the affected districts in the Khyber Pakhtunkhwa (KP) province and Azad Jammu and Kashmir (AJK), the tremor demolished 203,579 dwellings and partially damaged 196,573 houses (Asian Development Bank and World Bank, 2005). Public infrastructure including hundreds of state-run schools and health centers were damaged, killing over 19,000 students, over 850 teachers and more than 20 health professionals. Overall, the earthquake caused substantial financial cost up to the tune of about US\$ 5.2 billion (Asian Development Bank and World Bank, 2005, p. 2). Hence, it was beyond doubt that Pakistan was faced with a gigantic task of reconstruction and rebuilding.

Because of its geography, Pakistan is exposed to a variety of natural hazards. Among these, historically floods have remained the most recurring natural hazards but despite Pakistan's vulnerability, the country lacks a coherent, effective and well-coordinated disaster risk management system (Ali, 2015, 2019; Cheema, Mehmood, & Imran, 2016). Before the 2005 earthquake, Pakistan had about 27 entities at the federal and provincial level which were directly or indirectly responsible to respond and manage relief and rehabilitation efforts (Cheema et al., 2016, p. 454). Due to lack of central responsibility where there is a clearly defined set of roles and responsibilities of different organisations in different cycles of disaster response and management, the response of the government machinery has mostly remained ad hoc towards disaster preparedness and planning. In most post-

disaster situations, the Pakistan Army has remained the most capable organisation with necessary wherewithal to respond effectively to humanitarian crisis caused by natural or man-induced hazards (for instance, incidents of terrorism).

This paper primarily aims at evaluating whether the international aid and donor community responded to the situation by adhering to the principles of aid effectiveness or not. It examines whether foreign donors delivered humanitarian and development aid in line with international best practices and respected aid effectiveness principles, or they followed what suited them. For this research, several data collection tools and strategies were employed. Alongside documentary evidence and analysis in the form of policy and other documents published by national and international organisations, primary data was collected via field visits. The primary author travelled to the affected areas and conducted personal interviews with numerous stakeholders associated with various public and private sector organisations. This enabled the author to have a series of discussions with government officials, academics, civil society representatives and primary beneficiaries of some projects. Interviewees were conducted with stakeholders based on their knowledge, expertise, relevance and affiliation with public and private sector organisations which were directly or indirectly involved in either phase of the post-earthquake rescue, relief, reconstruction and rehabilitation. Thus, in view of the magnitude of the disaster, a broad range of actors were interacted with at the district, provincial and federal levels to collect a comprehensive and diverse set of information, opinions and insights about the role of various government organisations and external development partners and their modus operandi of aid delivery and project implementation.

Response of the International Community

Following the earthquake, the government immediately carried out a detailed post-disaster needs assessment survey with the help of Asian Development Bank (ADB) and World Bank. The survey assessed the magnitude of the disaster and human and financial losses the country incurred. The document also provided a detailed estimate of the needs of the affected population and long-term rehabilitation strategies required in various sectors. In view of this, a Donors' Conference was convened in Islamabad in November 2005 to share findings of the survey with the donor community and devise a comprehensive rehabilitation and reconstruction strategy. Responding to the appeal of the Government of Pakistan, the international community vowed generous funding. As per the World Bank (2014), the international donor community pledged a total of US\$ 6.2 billion for reconstruction and rehabilitation. Out of these financial commitments, US\$ 2.5 billion was in the form of grants while US\$ 4 billion was in the shape of concessional loans. Also, as Pakistan was a frontline US ally in the 'war on terror' at that time, the US, European donors and Arab countries provided generous aid packages. The US and Saudi Arabia each pledged over US\$ 500 million and European countries including the UK, Germany, France, Norway and the Netherlands also pledged substantial aid. Besides western and Arab donors, Beijing pledged an amount of US\$ 320 million comprising grants and soft loans. Neighboring Iran pledged US\$200 million in the form of credit line. Along with these bilateral aid providers, multilateral donors also vowed substantial financial packages. The ADB pledged US\$ one billion as a mix of grants and loans while the World Bank pledged US\$ one billion in concessional loans. Similarly, the Islamic Development Bank (IDB) also pledged US\$ 500 million in soft loans to support the government of Pakistan in the reconstruction and rehabilitation process.

Hence, because of both Pakistan's position in the 'war on terror' as well as given the gravity and enormity of the disaster, the government was able to receive swift and generous support from numerous bilateral and multilateral aid donors. In the donors' conference convened by Pakistan, delegates from 75 donor countries and organisations showed up and vowed to deliver over US\$ 6.2 billion to restore and rebuild livelihoods and infrastructure in calamity-hit districts (World Bank, 2014). Once the global community was apprised of the actual situation about the scale of the destruction the earthquake had caused; the international donor community displayed immense generosity. Many rescue and relief teams were sent by donor countries. In addition, over 100 international and national non-governmental organisations joined hands with government bodies to spearhead long-term reconstruction and rehabilitation efforts. As the analysis in the subsequent sections shows, despite their generous efforts, unfortunately most foreign aid was delivered in ways that reduced its effectiveness in addressing challenges with which earthquake survivors were faced.

Aid Coordination and Fragmentation

Aid coordination has remained a key concept in the aid effectiveness debate. The importance and centrality of aid coordination for enhancing the efficacy of aid was more clearly pronounced in the so-called 'new aid paradigm' that ushered in a series of High-Level Forums (HLFs) on aid effectiveness led by Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). Along with other concepts such as ownership, alignment and accountability, aid coordination and harmonisation also remained at the centre of the debate in the Rome HLF on Aid Harmonisation (2003), the Paris Declaration (2005) and the 2008 Accra HLF on Aid Effectiveness and the 2011 4th HLF on Aid Effectiveness in Busan (Klingebiel, Negre, & Morazánb, 2017). The demand for greater aid coordination is also because of the fact that the aid and development landscape has considerably expanded, having significant implications for both aid providers and receivers. For instance, the number of multilateral aid-providers reporting its aid activities to the OECD is more than 200 (Woods, 2011). Similarly, there are various other actors such as China, India, Brazil and South Africa and most notably a host of private organisations, foundations and charities that contribute substantial development financing in one way or the other. Due to the prominent role of non-state actors in the development arena, it is argued that aid and development is no longer a field once primarily managed and run by aid officials and development consultants (Kharas, 2014).

For this research, the challenge of aid coordination is examined from one key angle. It employs Woods' (2011, p. 8) concept of coordination which implies "what has been delivered: sharing timely and accurate information and what is being delivered, where, and how effectively". Based on this concept of aid coordination so as that development assistance is used more effectively during the rehabilitation and long-term reconstruction phase, this paper explores donors' harmonisation and a proper division of labour (or lack of it) at the sectoral or geographical level. Specifically, it looks at the extent to which donors' approaches were coordinated and harmonised at the implementation level. Using this conceptual framework, the paper examines whether there were any joint funding mechanisms led by a particular donor or several donors in a particular sector in the rehabilitation and reconstruction phase or not.

Uncoordinated and Fragmented Approach and its Implications

Aid coordination has remained central in the overall discussions on aid effectiveness, and this has been clearly pronounced in all High-Level Forums (HLFs) aimed at enhancing the effectiveness of aid. The outcome document of the Paris Accord stated unequivocally that the aid effectiveness principles are not only vital in normal donor-recipient aid relations, but these are equally critical for the effective utilisation of aid during humanitarian crisis and disaster situations. The Paris Accord on aid effectiveness clearly states that increasing and improving the quality of foreign assistance is vital in fragile and complex situations, such as in any post-disaster landscape like the tsunami disaster that affected states in the Indian Ocean region following the disastrous tsunami of 26 December 2004 (OECD, 2005). Thus, aid coordination is central for aid effectiveness in post-conflict and post-disaster circumstances like the situation created by the 2005 earthquake in Pakistan.

As this study has shown, following the 2005 disastrous earthquake, bilateral and multilateral donors responded timely and generously, but the overall approach to this disaster lacked a coherent and coordinated tactic. As mentioned earlier, about 100 bilateral and multilateral NGOs and agencies took part in the early rescue, recovery and relief operations (personal communication with PERRA official). Because of the involvement of so many diverse actors, aid coordination and harmonisation posed a massive challenge. This created various issues not only at the early stages of rescue and relief operations, but long-term reconstruction and rehabilitation practices were afflicted by similar set of issues caused by lack of a well-coordinated and harmonised approach. There was neither any joint funding strategy such as multi-donor budget support (MDBS) or Multi-donor trust fund (MDTF) where several aid donors pool resources to make an impact nor was there any division of labour among donors. Pakistani officials disclosed during interactions that most donors rarely demonstrated an interest for pooled funding or a division of labour across a particular sector or a particular geographical area. Thus, most aid was fragmented as numerous donors followed their own strategies and mechanisms while providing relief items and implementing projects in various sectors and areas. Such approaches not only created a huge challenge for the government bureaucracy to coordinate with all actors, but it also resulted in various issues. These include a mismatch of what was needed and what was provided, aid and relief items not reaching far off places but were distributed mostly in

areas easily accessible and long-term rehabilitation activities still incomplete despite the passage of two decades.

Incongruity between what is needed and what is delivered

It was a huge undertaking to deliver aid and relief items smoothly and efficiently to the affected population spread across nine districts, mostly hilly areas not easily accessible. As feared, neither all food and non-food items were delivered to all survivors in a very coordinated and organized process nor was all of it actually needed. In some cases, aid could not reach the neediest and most deserving people on time, particularly those living in far off areas away from the main roads. At times, the affected population received something which they had neither asked for nor needed. For example, in some tent villages, a large number of farming tools had been distributed among the tenants while they were still living in tents and there was no use whatsoever of these expensive imported farming tools (personal observation). Similarly, a local shopkeeper in Mansehra told me that most of his perishable items like milk, bakery and bread got expired and wasted as his shop remained close for several days because all affected people would get ready-made items consisting of sugar, milk, flour, pulses from aid organisations, badly affecting his whole business. He stated that due to this, he was unable to pay the due amount to big wholesalers from whom he used to buy these foodstuffs for his shop. Not only this, but a large number of people would also sell back food items they had received from NGOs and donor agencies. The question arises as why they sold food and other items which they had received as relief package. The reason for this was that in such circumstances most victims of the disasters do not have cash to buy things they might need and prefer. Donors give most aid in kind; sometimes irrespective of the fact whether the local population need such items or not. For example, what was the use of imported farming tools for earthquake survivors as they were not there to cultivate their own vegetables with these farming kits? Similarly, most relief items (such as clothes/readymade dresses) sent for the survivors were available for sale in local markets. The key reason for this was that a huge quantity of such material was not appropriate to be used according to the local culture and traditions. Similarly, although the role of numerous international donors and aid agencies was commendable in providing tents, blankets, medicines and other food and non-food items to the affected population, there were also a number of issues caused by lack of proper coordination between government departments and international actors. One such issue was the provision of a huge number of tents which were more suitable for plain areas but not for hilly areas where the weather condition was vastly different and much colder than lower altitude areas.

All these instances illustrate that in the absence of meaningful and well-coordinated mechanisms, there is often a big mismatch between the actual needs of the affected population and what is provided by external donors and aid agencies. An official in ERRA stated that the government made all efforts to reach to the farthest survivors and provide them whatever was available at the time (personal communication). It was further stated that some donors and aid agencies were not specifically aware of the weather conditions and had not coordinated with the government about the specific items that were required and that is why some relief items were not useable in the affected areas. It shows that if there had been proper channels for prior coordination and sharing of information regarding what is required and where it is needed most, such issues would not have surfaced.

Fragmented aid: many donors with many projects

It is important to mention that in the reconstruction period, about 200 donor agencies and over 100 INGOs implemented about a total of 4,000 small and large projects in the education, health, housing and water and sanitation (personal communication). The nonexistence of a harmonized approach can be gauged from the fact that a large number of actors focused in various areas but there was no coherent and joint funding approach in the form of MDDBS, MDTF or sectoral approaches from donors. Due to this, there was concertation of donors in certain sectors such as education.

Unfortunately, the approach and modus operandi of every donor was different, and everyone wanted to work alone and execute projects of its own choice in various sectors rather than choosing one sector or a specific geographic area. One of the key reasons for this was that they wanted to be visible in several sectors and in all the affected areas rather than restricting their presence in a few chosen sectors and areas. Due to this, although a large number of schools had been rebuilt with external assistance, numerous remained incomplete as students were attending classes in temporary tented schools.

Parallel Projects Implementation Units and Structures

Another repercussion of individual donor-led reconstruction initiatives was the creation of numerous parallel projects implementation units and structures for the execution and monitoring and evaluation of projects in various sectors. Officials in ERRA stated that in most cases, the government was consulted and informed, but it could exercise limited role and had no authority in the selection and implementation of foreign-financed projects. They asserted that government department had limited role to monitor and evaluate interventions funded by international donors. Government officials stated that in most cases, donors chose projects from the government's list of priority areas but INGOs or other implementing partners executed such interventions (personal communication). It was argued that instead of assigning central role to INGOs and avoiding the active involvement of government departments, donor agencies should have more fully engaged government institutions. In that case, according to government officials, there was minimal ownership on the part of the government as its institutions were side-lined.

However, several officials working with donor agencies highlighted that one of the main reasons for the lack of proper and active involvement of government line ministries and departments was because government institution lacked capacity, and their credibility was tarnished by incidence of corruption. According to these officials, such issues persuaded donors to design and implement projects through private contractors rather than government departments. A USAID official stated that when USAID or other donors implement projects through external partners, government officials and contractors have minimal opportunities for corruption and thus they say that aid agencies ignore or bypass government institutions (personal communication). The same official further stated that actually USAID and its implementing partners utilize aid funds more effectively than government departments.

It shows that due to trust deficit and because of a lack of holistic approach, there was fragmentation of aid activities and actors. Such approach not only made the task of effective post-earthquake reconstruction more challenging, but it also resulted in spending too much time, money and resources on coordination. In such a situation, a significant amount of aid funds is consumed on establishing and running structures outside the government domain to execute project activities. This policy also results in spending a big chunk of aid funds on parallel administration outside the government system. Research has shown that the cost of project activities implemented by national and international actors is much higher than those managed by local administration. Evidence illustrates it will need Rs 1 if certain interventions are executed with the help of local community or community-run organisations, similar set of activities cost three times more if local administration or local government manages; the cost increases seven times if these are implemented by provincial administration and the cost of such projects reaches Rs 28 if these are financed and executed by international donors (Asian Development Bank & Government of Pakistan, 2008, p. 72). It implies that if projects are managed and implemented by host governments, its costs are significantly reduced. Thus, aid fragmentation and proliferation of aid projects and activities resulted in issues such as additional costs as well as weakening of existing institutional capacity by poaching experienced public officials.

Conclusion and Lessons Learnt

The 2005 earthquake in the country was a natural disaster of unmatched scale for a developing country like Pakistan, which neither had capable institutions to respond effectively nor sufficient resources to manage the post-disaster situation on its own. Even then, the response of the government and the international aid community was laudable after the earthquake as relief and recovery operations were undertaken in an inhospitable terrain. As a result of unstopped operations of the government and numerous aid agencies and NGOs, relief and recovery phase came to an end within a period of six months. Although there were several issues such as food and non-food relief items not delivering to all survivors swiftly and provision of inappropriate in-kind support, there was no endemic disease or another wave of casualties on account of the arrival of winter and snowfall season. Similarly, the government and humanitarian organisations had reached to most people, although not in a very coordinated and efficient way. Despite some shortcomings, the overall performance of the government and its development partners was satisfactory during most recovery and relief initiatives. In view of this, it is safe to suggest that there was reasonable coordination (although not ideal)

between the government and numerous actors participating in early stages of earthquake recovery and relief.

There are two issues that can be considered as key reasons for the lack of harmonisation and a proper division of labor and due to these factors, joint mechanisms such as MDTF or pooled funding or sector-wide approach could not be developed. From the donors' side, bilateral interests of individual donors trump the urge and necessity for a harmonized approach, as they want to preserve their autonomy and demonstrate their importance as a separate actor. For example, aid or humanitarian aid not only in general but in the context of Pakistan was motivated and is still guided considerably by donors' geo-strategic, security and political considerations. Hence, a majority of bilateral donors wanted to retain that sense of their individual significance and visibility in many projects in various sectors and in various geographical areas as a means of public diplomacy. Thus, even if there were coordination mechanisms (such as Donors and Sponsors Coordination Wing in ERRA and Donor Coordination Cell in PERRA), they were for information sharing only and not for real integration, harmonisation and meaningful division of labor.

From the perspective of Pakistani government, lack of institutional capacity is a key issue that resulted in hampering proper coordination and constraining it to spearhead post-earthquake rehabilitation and reconstruction initiatives with a host of donors. Although ERRA was created at the federal/central level and PERRA and SERRA were enacted in KP and AJK to undertake and monitor post-earthquake rehabilitation process in their respective domains, they did not have enough capacity to single-handedly coordinate such a monumental task of rehabilitation involving hundreds of actors. Even after five years of the earthquake, situation was not much different at the time of the 2010 floods in Pakistan as the NDMA [National Disaster Management Authority] team "consisted of only 21 officers to manage the entire disaster" (NDMA, 2011, p. 4). Due to lack of appropriate capacity, in the post-2010 floods humanitarian crisis, lack of effective coordination was a huge challenge, "whether between centre-province, government-UN, inter-agency, or within the overall humanitarian community in general" (NDMA, 2011, p. 5).

In view of this, two main lessons can be learnt from the reconstruction initiatives. First, donors and aid agencies need to forgo their sense of ego for greater humanitarian and developmental objectives. This is easier said than done as quite often, bilateral aid donors have various constraints that force them to promote the interests of national companies, businesses, institutes and NGOs. In such a situation, there is a need for a balanced approach aimed specifically to alleviate the woes of post-disasters survivors rather than to pursue short-term political and commercial goals at the cost of long-term development objectives. Hence, subduing sense of egoism and practically displaying a sense of altruism could be a way forward for donors to come up with pooled funding or a division of labour in specific sectors and areas for a speedy and appropriate post-disaster rehabilitation approach.

From the perspective of developing countries to overcome issues of aid coordination and fragmentation, there is a need to enhance the capacity of public sector institutions. There is dominant consensus that only strong and capable institutions can effectively accomplish the task of coordination in post-crisis humanitarian interventions. This situation is not peculiar to Pakistan only as elsewhere too lack of capacity is a key constraint in implementing "aid reforms and, even more important, for carrying out the essential functions that aid is intended to support" (Wood, 2011, p. xviii). Hence, augmenting institutional capacity is vital for improving aid coordination and rendering humanitarian and development assistance more effective in accomplishing development results.

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