

Address to the Pakistan Development Forum 2006 by Praful Patel, Vice President, South Asia Region, World Bank

Prime Minister Shaukat Aziz, Members of the Cabinet, Delegates to the PDF,
Ladies and Gentlemen

INTRODUCTION

This is my third address to this forum. And on both previous occasions I had the good fortune of a great cricket opener happening at the very same time: in 2004, Pakistan embraced the India team with historic warmth on your home grounds; a year later you thumped India on their home turf in return. This year I'm stumped, off season. No cricket to warm me up.

Instead I will reflect briefly on some heartwarming experiences of the past four days during which I've seen for myself some tremendous progress in Pakistan's development agenda. I've also been sobered by some of the great challenges that remain. We got a bird's eye view of the eastern coastal zone of the Indus delta in Sindh where those challenges are stark for a number of people who have not benefited from the vast irrigation networks upstream. They are indeed the tail of the tailenders and represent some of Pakistan's most vulnerable people. It was heartening to see Farmer Organizations in Sindh and Punjab really beginning to take command of their water management. And at the Taunsa Barrage which we are helping Pakistan rehabilitate, we saw the sort of cutting-edge engineering that is needed to meet Pakistan's infrastructure needs for the 21st Century. But on the river banks, we heard voices of discontent among fisherfolk who had not been among the 160 families resettled into new homes by the project. For Pakistan's infrastructure agenda to be achieved, it is the likes of the delta tailenders and the poorest of the fisherfolk who will have to be brought along too.

I wanted to share this immediate snapshot with you as it captures much of what Pakistan confronts today – social change and a growing hunger for development. Taking a longer view from the perspective of my first visit to this country in 2003, I am most struck by the remarkable economic recovery that is taking place. Growth rates have been consistently above 6% over the past 4 years, exports have expanded strongly, and investment is now picking up.

This is largely due to the economic reforms of the past seven years which, unlike so many other attempts at reform around the world, were truly homegrown – designed and implemented in Pakistan, by an economic team of Pakistanis.

While there is good news, we also think back to the destructive earthquake of October. It presented the people of Pakistan a demanding test of character and they responded with the great generosity and hospitality for which Pakistanis are famous. The Government should once again be lauded for its outstanding response and for shielding hundreds of thousands of families from the harsh Himalayan winter. The recovery process is now well underway though much remains to be done even as reconstruction costs are rising. The donor community pledged generously to the tune of 6 billion dollars in November. For us the challenge is to now translate these pledges – especially grants and concessional credits – into disbursements, through effective, viable actions to restore public services and infrastructure, and to help people rebuild homes and livelihoods.

The theme of this year's PDF – Drivers of Economic Growth – focuses our attention on the critical challenge ahead: sustaining growth. Many over the past few years have said that strong growth would make little difference in the lives of the common Pakistani – or in reducing this country's high levels of poverty. They were wrong. The recently-completed household survey shows that poverty in Pakistan has declined considerably since 2001. It confirms one of the most robust findings in development: sustained, broad