

**Speech Delivered  
by Dr. Ahmad Mohamed Ali,  
President, Islamic Development Bank  
at the  
Pakistan Development Forum: "Sustaining Growth and Improving Quality of Life"  
Islamabad, April, 25, 2005**

*Bismillahir Rahmanir Raheem*

In the name of *Allah*, The Almighty, The Compassionate, The Merciful. Thanks to *Allah*, The Lord of the Universe, Praise be to Him for His Abundant Blessings and Bounties. Peace and Blessings be upon the Prophet Mohammad (SA W), the Noblest and Final of all messengers of *Allah*, and His Family and Companions.

**His Excellency the Prime Minister of Pakistan, Honourable Ministers, Distinguished Ladies and Gentlemen.**

*Assalamu Alaikum Wa Rahmahtullahi Wa Barakatuh*

At the outset, let me convey, on my own behalf, and on behalf of the delegation of the Islamic Development Bank, our profound appreciation for the invitation extended to IDB to participate in this important Forum.

This year's theme: "Sustaining Growth and Improving Quality of Life" is highly relevant and provides food-for-thought to the development practitioners in two ways. Firstly, it gives an opportunity to review the relevance of past development policies and consider the future needs. And secondly, it helps to assess the progress made by the Government of Pakistan in the achievement of the Millennium Development Goals. The Forum also provides a unique opportunity to review the efforts made by the international community and the Government of Pakistan in their joint quest to achieve economic development, improve the quality of life of the people and ensure that these efforts are eventually concretized into real achievements within the principles of just and equitable access to basic needs and opportunities for the spiritual and economic advancement of human society.

In this pursuit, the economic managers of Pakistan deserve to be congratulated for their prudent economic policies pursued over the last five years which have successfully steered the economy out of internal and external macroeconomic imbalances and resulted in attaining an enviable economic performance. This achievement is all the more remarkable in the face of difficult geo-political environment, recurrent global economic recession and high oil prices. The significant improvement in socio-economic development bold reforms in governance and credible economic policies have led to sustainable economic growth in Pakistan. I am sure that the economic, fiscal and institutional reforms undertaken by the Government of Pakistan will further improve the economic management and contribute to GDP growth in the years to come. Although a great deal more needs to be done to alleviate poverty, IDB commends the successful implementation of the poverty reduction strategy by the Government of Pakistan. IDB has been watching with great appreciation your Excellency's efforts towards formulating and implementing an effective strategy for the reduction of poverty in the country. Increasing budgetary allocation for key social sectors and providing economic opportunities for the poor, both in rural and urban areas and across the social groups, reflect serious commitment of the Government to address this problem. It is the result of such focused and concerted efforts that UNDP has declared Pakistan one of the few countries that are on track in achieving the Millennium Development Goal with respect to poverty alleviation. I would also like to take this opportunity to highlight the role of two very important Islamic instruments namely Zakat and Awqaf, which have great moral significance and have direct economic implications for poverty alleviation and improvement of quality of life in the society. Zakat can help in distribution of wealth and also bring about economic emancipation for the poor, whereas Awqaf is capable of serving an effective third sector (besides private and public sector) as a vehicle for growth and socio-economic development in the country. These two 'Islamic institutions' have a golden track record in the Islamic history in fighting poverty and providing social insurance to the least privileged members of the society.

It can hardly be overemphasized that these institutions are still capable of offering a universal solution to many of present days economic problems and capable of generating social harmony in the society. I am aware that Pakistan is among the few Muslim countries where policy

makers have made conscious efforts in developing these institutions and organizing them on modern principles of management and organization to allow them to play their effective role. I am sure, your Excellency, that under successful experience of Pakistan in this field deserves to be considered as a valuable model from other OIC countries. IDB will be delighted to play a role in consolidating this experience and in replicating it in other member countries.

**Excellencies,**

As all of you are aware, since its inception in 1975, the Islamic Development Bank has worked closely with the Government and people of Pakistan in supporting their various social uplift initiatives and economic endeavors. Since the approval of the first project for Pakistan in 1977, IDB committed a total amount of about US\$ 3.5 billion under various modes of financing. Bulk of IDB's financing has been provided by way of trade financing and developmental assistance for various projects in the education, infrastructure and manufacturing sectors.

IDB is very keen to consolidate and further strengthen its very fruitful cooperation with the esteemed Government of Pakistan and to actively participate in the economic and social development programs of the country.

Finally, the IDB is extremely grateful to the Government of Pakistan for the most cordial hospitality and excellent arrangements made to organize this Forum. We pray to the Almighty *Allah* SWT that the outcome of our deliberations will serve to provide still better understanding of the opportunities and challenges faced by our brothers and sisters in Pakistan.

Thank you.

*Wassalamu Alaikum Wa -Rahmahtullahi Wa -Barakatuh*