Speech by Haruhiko Kuroda President of the Asian Development Bank Islamabad, Pakistan 19 November 2005

President Pervez Musharraf,
Prime Minister Shaukat Aziz,
Secretary General of the United Nations, Mr. Kofi Anan,
Dr. Ahmed Mohamed Ali, President Islamic Development Bank
Vice-President of the World Bank, Mr. Praful Patel,
Heads of Delegations,
Ministers,
Ladies and gentlemen.

The scale of this catastrophe is stunning. This is clearly the worst natural disaster in Pakistan's recent history. Our deepest sympathies, our thoughts and prayers, are with the victims and their families today. I would like to also express my personal heartfelt sympathy to the ADB staff, and our many colleagues and friends, who lost family members and loved ones in this tragedy.

The people of Pakistan, the Government, the international community, and the civil society groups who immediately stepped forward to offer assistance are to be commended for their response. The images of ordinary citizens pulling friends and neighbors from the rubble will remain indelibly etched in our minds. I visited some of the affected areas yesterday and was very moved to see such scale of damage and human sufferings.

The United Nations, together with international and domestic NGOs, have made every effort to ensure that relief operations proceed smoothly. With the oncoming winter, we must move swiftly to allocate sufficient human and financial resources to the relief effort. Time is not on our side.

Having seen first-hand the courage and resilience of the survivors, I am convinced that the affected areas will need to not only fully recover but be built in a way to provide a better future for the children. We will maximize the impact of our assistance by drawing on the great assets of the people in these communities – their initiative, their skills and their local knowledge.

The Government's prompt and effective response, its quick mobilization of the army to take the lead in the rescue effort, and facilitation of emergency assistance by national and international civil society organizations and donor agencies is commendable.

Effective implementation arrangements will be crucial to restoring lives and livelihoods. I applaud President Musharraf's establishment of the Earthquake Reconstruction and Rehabilitation Authority (ERRA) and I assure you that ADB will work closely with the government and all other donors to ensure the efficient use of emergency funds.

For our part, ADB will dedicate a program of \$1 billion in concessional support. This will be provided in a number of stages. On the 14th of this month our Board approved \$105 million from loan savings in quick disbursing budget support. The funds should be disbursed next week. The same day the Board also approved the establishment of Pakistan Earthquake Fund – including an initial contribution from ADB of \$80 million in grant financing. We are also actively seeking support from bilaterals as well as the private sector to use the fund as a mechanism to deliver prompt and effective assistance.

Very shortly, we will also present to our Board a proposal for a \$300 million Earthquake Emergency Assistance Project, inclusive of the \$80 million from the Pakistan Earthquake Fund. These funds will be used to rebuild and restore roads, power supplies, schools and hospitals, and to support governance and institutions. The

balance of our support is expected to be finalized in 2006, with flexibility to address the remaining high priority needs of rehabilitation and reconstruction.

In designing our assistance projects, ADB will be cognizant of the need to ensure that infrastructure is built to appropriate earthquake resistant standards. For example, we will develop a major public information campaign to ensure that people know how to protect their homes and property from seismic risks. We will also pay special attention to the needs of the poor, especially women and children, and other vulnerable groups who have suffered so badly from the earthquake.

Further, we will incorporate all our anti-corruption safeguards in our assistance projects. History shows that ownership by all the stake holders, inclusive of Government, civil society, local affected communities, private sector and other development partners is essential to curb corruption in the aftermath of such large-scale disaster. I am confident that the strong sense of ownership shown by the Government and the civil society, and good coordination and cooperation among all involved, will help us in this endeavor. It is our mutual aim and obligation to ensure that every dollar, every rupee of our assistance goes to restore the livelihoods and property of the earthquake survivors.

We are currently looking at a national tracking system for emergency funds, and considering how to most effectively monitor and evaluate progress. We are working in close cooperation with the World Bank and other donors to ensure a harmonized and consistent approach to fiduciary matters associated with management and use of emergency funds.

A key challenge for the Government will be to maintain the momentum of economic development and poverty reduction throughout the country during the reconstruction period. ADB will continue its support, providing a broad range of products to promote these goals. We will make every effort to ensure that our \$1 billion

assistance for earthquake recovery does not impact our overall program for Pakistan during this period.

Ladies and gentlemen, I have seen people in this country literally move mountains in the effort to reach survivors and care for those in need. Let us use that same compassion, determination and sense of urgency to rebuild quickly and well – to leave a legacy of hope, rebirth and renewal for the people of Pakistan.