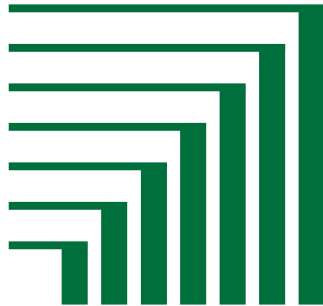
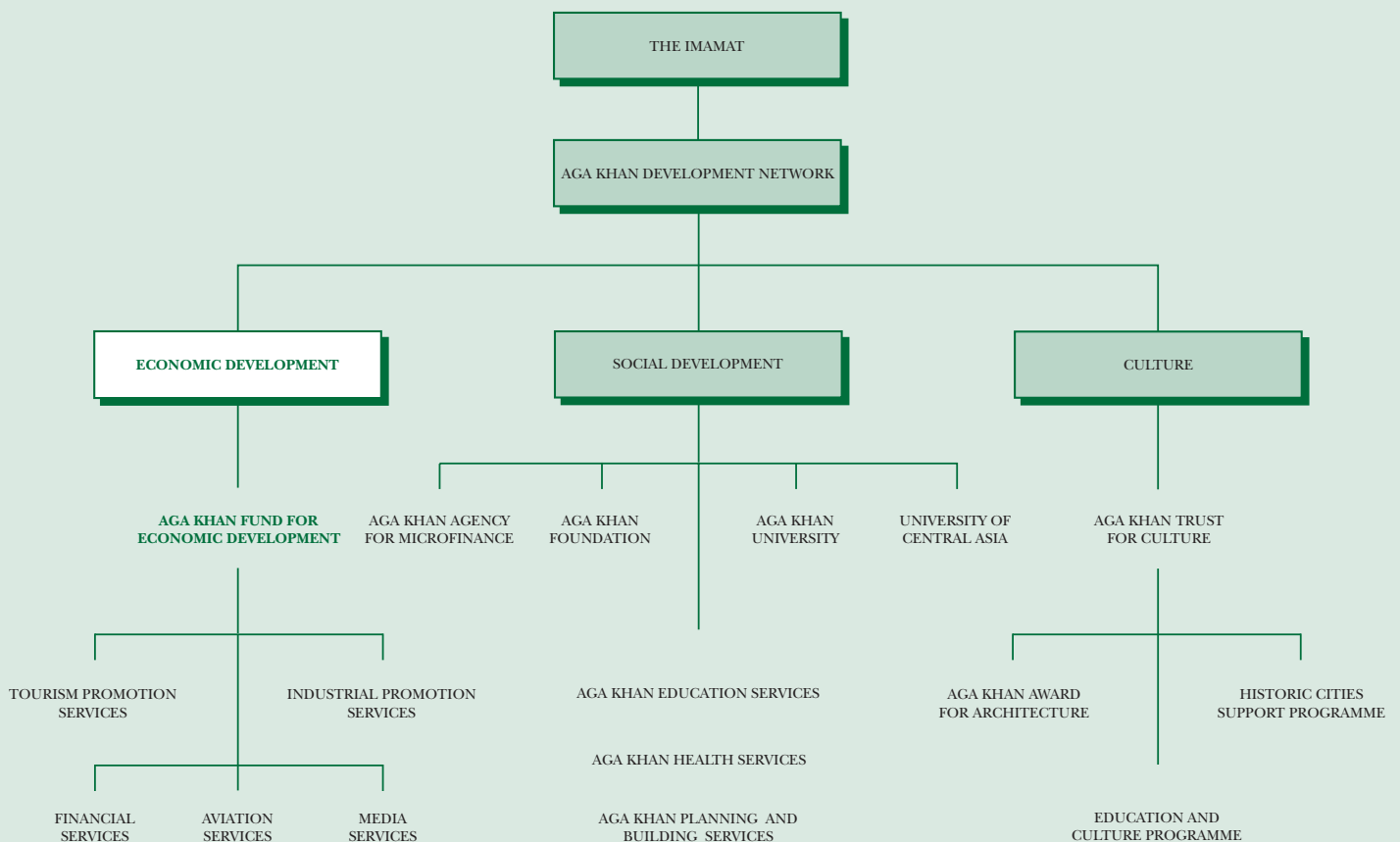


Aga Khan Fund for Economic Development

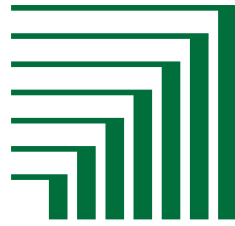


AN AGENCY OF THE AGA KHAN DEVELOPMENT NETWORK



The Aga Khan Development Network (AKDN) is a group of private, international, non-denominational agencies working to improve living conditions and opportunities for people of all origins and faiths in specific regions of the developing world. The Network's agencies have individual mandates that range from health and education to architecture, rural development, culture and the promotion of private-sector enterprise. They collaborate in working toward a common goal - to build institutions and programmes that improve the quality of life for populations in need while helping people respond to social, economic and cultural change. For more information and for the most recent developments, visit the Network's website at: www.akdn.org.

Aga Khan Fund for Economic Development



A US\$ 27-million investment by AKFED and other agencies will boost the supply of affordable hydroelectric energy in eastern Tajikistan, especially during the critical winter months. It provides an alternative to the burning of wood, which has led to wide-scale deforestation.



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AKFED's Approach to Development

The Aga Khan Fund for Economic Development (AKFED) is an international development agency dedicated to promoting private initiative and building economically sound enterprises in the developing world. For more than 50 years, it has made investments and operated companies in the developing nations of Africa, South Asia and Central Asia.

AKFED often works in collaboration with local and international development partners to create and operate companies that provide goods and services essential to economic development. These range from banking to electric power, agricultural processing, hotels, airlines and telecommunications.

AKFED is focused on building enterprises in parts of the world that lack sufficient foreign direct investment. Profits generated by the Fund are reinvested in other economic development initiatives under the AKFED umbrella.

AKFED's economic development activities are intended to be complementary to the social and cultural objectives and programmes of the Aga Khan Development Network (AKDN). This ethical framework guides AKFED's investment decisions and its operations. AKFED seeks to create profitable, sustainable enterprises through long-term investments that result in strong equity positions. This in turn

allows AKFED to take a "hands-on" approach through the provision of managerial and technical expertise. AKFED also works with governments to help promote the creation of enabling legal and fiscal structures that encourage the growth of the private sector.

AKFED makes bold but calculated investments in situations that are fragile and complex, often assisting in rehabilitation and confidence building in economies that have suffered from civil conflict or war.

At the invitation of several governments, AKFED has helped critical industries to make the transition to market economies through the privatisation process. These include industries such as banking, power generation, tourism, manufacturing and the agricultural sector, in countries as varied as Uganda, Tajikistan, Pakistan and Afghanistan.

In Kabul, AKFED's Tourism Promotion Services Ltd. rebuilt a hotel severely damaged by war. It now is the five-star Kabul Serena Hotel, part of the AKFED-controlled Serena chain, a vitally-needed facility for hosting business, government and other visitors from around the world. In Burkina Faso, AKFED holds a majority position in the former government-owned Air Burkina and is modernising its fleet and expanding its services.



Banking: Habib Bank, the second largest bank in Pakistan.



Agricultural Services: The Frigoken Ltd. plant in Nairobi processes green beans grown by 25,000 Kenya bean farmers for export to European markets.

Although many of AKFED's financial services companies were created more than 50 years ago to serve the needs of the Shia Ismaili Muslim community, the scope of these institutions has expanded considerably to serve the general population of the communities where they operate.

Since that time, new sectors of activity have been launched in the developing world in the areas of industry, tourism development, infrastructure, media and aviation. These activities were grouped under a single umbrella in 1984 when AKFED was formed, allowing all entities to be guided by a common development ethic and to benefit from the synergies of a strategic management infrastructure.

AKFED operates as a network of affiliates with more than 90 separate project companies employing more than 30,000 people, with annual revenues in excess of US\$ 1.5 billion. AKFED is active in 16 countries in the developing world: Afghanistan, Bangladesh, Burkina Faso, the Democratic Republic of the Congo, India, Ivory Coast, Kenya, Kyrgyz Republic, Mali, Mozambique, Pakistan, Senegal, Syria, Tajikistan, Tanzania and Uganda. There are also affiliates in Canada that provide resources and technical support to AKFED's activities in the developing world.

AKFED is an international development agency that makes long-term investments in developing countries with the aim of promoting entrepreneurial activity and building profitable enterprises. AKFED invests in and manages companies in five broad sectors: industry and infrastructure, tourism development, financial services, aviation and media.

Investments in industry and infrastructure are managed through locally incorporated Industrial Promotion Services companies that provide venture capital, management services and technical support. Companies in this sector include food and agro-processing, printing and packaging, specialised textiles, telecommunications and power generation.

Tourism Promotion Services companies build and manage hotels and lodges that contribute to economic growth in an environmentally and culturally sensitive manner.

Financial services include banks, insurance companies and property management companies.

Media investments include the publishing of newspapers as well as the operation of radio and television stations.

Aviation includes commercial airline operations and support services.



Tourism: Serena Hotel in Quetta, Pakistan, provides tourism and business facilities in an underserved regional centre.



Aviation: Celestair, the regional airline, connects a growing number of underserved destinations in West Africa.



Media: A newscast from Kenya's NTV, part of the regional Nation Media Group.

AKFED's activities include 90 separate project companies employing more than 30,000 people with annual revenues in excess of US\$ 1.5 billion. The Fund is active in 16 countries in the developing world: Afghanistan, Bangladesh, Burkina Faso, Democratic Republic of the Congo, India, Ivory Coast, Kenya, Kyrgyz Republic, Mali, Mozambique, Pakistan, Senegal, Syria, Tajikistan, Tanzania and Uganda.

AKFED's approach emphasises the development of local human resources over time, including managerial, technical, marketing and financial skills. Other characteristics of this approach include:

- providing essential seed capital to launch projects in those sectors and countries where attracting investment is difficult,
- taking a long-term view in order to build viable, self-sustaining and profitable companies,
- participating in the management of companies in which it invests with the aim of preparing companies for broader ownership, thus bringing the benefits of economic development to a wider local population,
- encouraging the development of local capital markets by floating its companies on national stock exchanges in Africa and Asia,
- developing local human resources with the objective of building local management ability at all levels and creating more employment opportunities in higher-skilled segments of the economy,
- helping make the programmes of international development agencies more effective by acting as a bridge to entrepreneurs, providing agencies with knowledge of local conditions and customs,
- working to help develop local economies through sourcing of goods and services,
- operating with the highest ethical standards and best practices, with principles of good corporate governance and in accordance with national laws and regulations,



India

Development Credit Bank (DCB) of India is one of a range of banks, insurance companies, property owning and management companies developed by AKFED in Africa and Asia.

- helping to foster a sound and socially responsible private sector in the developing world through the impact of its investments on individuals and on the physical environment,
- integrating innovative social development initiatives into its entrepreneurial activities to promote the well-being of employees, their families and surrounding communities,
- participating in the privatisation process by contributing expertise and resources toward creating more efficient, productive and socially responsible enterprises.

Right: Pakistan

Serena hotels and lodges contribute to local economies by upgrading the skills of local men and women, setting standards of service and supporting the growth of local businesses and entrepreneurs by sourcing goods and services in surrounding communities.



Ivory Coast

Several AKFED companies manufacture and print packaging used to bring a variety of products to market, including cocoa, coffee, flour, fertilizers, cement, cotton and flowers for export. At left is the Filtisac plant in Abidjan which produces jute and polypropylene bags and other industrial packaging.

Below: Kyrgyz Republic

As in other investments in economies in transition, AKFED's creation of the Kyrgyz Investment and Credit Bank is designed to help stimulate the local economy through medium and long-term finance to corporations.



Kenya

The social programmes of AKFED include health and sanitation, education and training. Support for employment and promotion of women includes programmes such as this child care facility at the Alltex garment manufacturing plant in Nairobi.



Working in concert with AKDN

AKFED pursues its development mandate in concert with the not-for-profit agencies of the Aga Khan Development Network (AKDN), a group of private, international, non-denominational development entities created by His Highness the Aga Khan, the Imam (spiritual leader) of the Shia Ismaili Muslims (see organisational chart on the inside front cover).

The not-for-profit agencies include the Aga Khan Foundation, which focuses on rural development, health, education and the strengthening of civil society. Aga Khan Health Services, with 200 health centres, dispensaries, hospitals, diagnostic centres and community health outlets, is one of the largest private health networks in the world. Aga Khan Education Services operate more than 300 preschool, primary, secondary and higher secondary level education programmes in Bangladesh, India, Kenya, Kyrgyz Republic, Pakistan, Tajikistan, Tanzania and Uganda. Aga Khan Planning and Building Services work to improve building design and construction, village planning, natural hazard mitigation, environmental sanitation and safe water supply systems. The not-for-profit Aga Khan Agency for Microfinance (AKAM) operates microfinance programmes and institutions, ranging from community credit programmes to registered microfinance banks, in more than 20 countries in Africa, Asia and the Middle East.

Two universities are also part of the AKDN: Aga Khan University, a private, self-governing university with campuses in Karachi, Dar es Salaam, Kampala, Nairobi and London; and the University of Central Asia, the world's first university dedicated to education and research focused on mountain regions and societies. It is establishing campuses in Khorog (Tajikistan), Naryn (Kyrgyz Republic) and Tekeli (Kazakhstan).

There are many opportunities for the AKDN agencies to work closely with AKFED companies. For example, AKAM makes loans available to the thousands of Kenyan small farmers who supply products to AKFED-owned Frigoken, a Nairobi-based plant which cans and freezes high-quality beans for export



Zanzibar

An underused and partially-abandoned building that once housed the government telecoms provider, Extelcom, as well as an adjoining building that was formerly a private home, have been converted by AKFED into the Zanzibar Serena Inn (foreground). It was part of an integrated development programme for the city's historic Stone Town that involves other AKDN agencies, including the Aga Khan Trust for Culture.

to Europe. The loans are used to pay land rent or labour costs and the farmers are not required to repay the principal until after they have received final payments for their harvest. Similar programmes are in place for farmers supplying cotton to Faso Coton, an AKFED company in Burkina Faso. There the loans have been used to help farmers improve their productivity with the purchase of equipment such as plows and harnesses for their oxen.

Loans also are available for housing improvements, health services and education. AKFED and the Aga Khan Foundation collaborate in many other countries on programmes to support farmers and rural development.

In Afghanistan, the AKFED-owned telecommunications company Roshan, established in 2003, is working closely with AKDN agencies in helping Afghans make the transition to the post-conflict economy. Roshan is assisting the process of demobilising former combatants by helping them to set up small

businesses in the form of a Public Call Office (PCO). At a PCO, those who cannot afford to purchase a mobile telephone can make calls on a pay-as-you-go basis. Working in consultation with village leaders, Roshan also has helped widows of men who died in the war to earn income to support their families through the sale of Roshan phone usage cards.

AKFED also works closely with the Aga Khan Trust for Culture (AKTC) which implements initiatives aimed at revitalising the heritage of the Islamic world, contributing to social and economic development. For example, AKTC and AKFED-owned Tourism Promotion Services (TPS) worked closely to convert derelict or underused heritage properties into hotels (operated by the AKFED-owned Serena chain) as part of its community-wide restoration and development programmes. At Shigar, in Northern Pakistan, AKTC worked to restore a 17th century fort and to convert it into a guest house for visitors to the picturesque and historic region. Serena management assisted with the training of local residents to operate and maintain the facility to professional standards.

Other AKTC programmes include the Aga Khan Award for Architecture, the Historic Cities Support Programme, the Aga Khan Program for Islamic Architecture at Harvard University and the Massachusetts Institute of Technology, the Music Initiative in Central Asia, the Humanities Project in Central Asia and museum projects in East Africa and North America.



Kenya

Farmers who grow beans for AKFED's Nairobi-based Frigoken, which cans and freezes beans for export to the European market, have been assisted by the Aga Khan Agency for Microfinance. The farmers receive small loans to assist in land rental or labour costs. Loan repayment is not required until after the farmers have been paid for their crops.

Pakistan

Shigar Fort, a 17th century residence in Northern Pakistan that had fallen into disrepair, was restored with the help of the Aga Khan Trust for Culture. It was converted into a guest house for travellers to the picturesque region, situated along a southern strand of the historic Silk Road. AKFED's Tourism Promotion Services assisted with the training of local residents to operate and maintain the facility.



Financial Services

In its efforts to encourage the creation of strong and efficient capital markets, AKFED provides an institutional umbrella for banks, insurance groups and property owning and management companies in Eastern Africa, Central Asia and South Asia.



Pakistan

AKFED invested in Habib Bank Ltd., which was privatised by the Pakistan government. It is Pakistan's second largest bank, with 1400 branches in 25 countries.

Origins

AKFED provides support to a number of developing countries through its shareholdings in banks, insurance and property companies in East Africa, and Central and South Asia.

AKFED's financial services institutions originated as cooperative societies and insurance companies founded in the first half of the 20th century under the guidance of the present Aga Khan's grandfather and predecessor, Sir Sultan Mahomed Shah Aga Khan. Under the present Aga Khan's direction, these institutions have evolved, grown and expanded into banks, life and general insurance companies.

AKFED's involvement in these companies includes working closely with the board and management of each company in order to ensure sound business development and high standards of business practices. Close attention is paid to providing training to local staff who have management potential to ensure sound future growth.

Banking

AKFED has investments in a variety of institutions in the banking sector. They include a controlling interest in Habib Bank Limited (HBL), Pakistan's largest private bank, which was acquired through a government privatisation programme in 2004. HBL was incorporated in 1941 in Bombay and in 1947, it was the first commercial bank established in Pakistan. Today it is the leader in the corporate banking market and has more than five million retail customers and total assets of more than US\$ 8.5 billion. A pioneer in the introduction of new products such as automated teller machines and other consumer services into the Pakistani market, HBL has more than 1400 branches and is present in 25 countries across five continents.

In India, the Development Cooperative Bank was created through an amalgamation of two small cooperative societies and, in the mid-1990s, was converted into a commercial bank and now operates as Development Credit Bank Limited (DCB). AKFED facilitated the growth of the cooperative bank and now is the largest shareholder in DCB, which today operates 63 branches in eight states across India.



India

In India, the Development Credit Bank has grown considerably from its origins in a group of cooperative societies set up in the 1930s. In the mid-1990s, these institutions were merged and converted into a commercial bank.

AKFED is the founder and lead shareholder in Kyrgyz Investment and Credit Bank (KICB), which opened in 2001 as the largest commercial bank in Kyrgyz Republic. KICB focuses on the corporate sector and on medium and long-term finance that will both contribute to the growth of the banking industry and stimulate entrepreneurial activity. In Bangladesh, AKFED is the majority owner of Industrial Promotion and Development Company, which is a leading provider of corporate finance and lending services to major businesses and projects in that country.

Diamond Trust Bank was founded in the 1930s in Kenya to help recycle local savings into loans for home building and small businesses. Today it has operations in Tanzania and Uganda and offers a range of retail banking products as well as innovative business products such as asset finance.

Right: Kenya

The Diamond Trust Bank in Kenya has grown to become one of the leading regional financial institutions in East Africa. It is listed on the Nairobi Stock Exchange.



Above: Bangladesh

Through its Industrial Promotion and Development Company in Dhaka, AKFED supports emerging industries in Bangladesh.



Insurance

Greater economic and political integration in East Africa during the 1990s has enabled the Jubilee Insurance Group (originally established in the 1930s and 1940s) to provide services more efficiently by operating on a regional basis in Kenya, Tanzania and Uganda. The company offers general insurance as well as life and medical insurance. It is listed on the Nairobi Stock Exchange.

Insurance operations in Pakistan are conducted through two publicly listed companies: New Jubilee Insurance, the country's third largest insurance firm, offers general insurance services. New Jubilee Life offers life and pension products.

Property Development

Property Development and Management Ltd. is an AKFED company that manages residential and commercial properties in Kenya, Uganda and Tanzania. It also is involved in property development and provides property services, project management and consulting to AKDN agencies, including support to AKDN institutions in unlocking the value of their undeveloped property holdings.

Microfinance

The Network agencies have been involved in microfinance lending for some 50 years, beginning in Pakistan, and a number of micro-credit institutions were established over the years. In 2004, these activities were grouped together and transferred to a new non-profit agency, the Aga Khan Agency for Microfinance (AKAM). The new agency continues to work closely with AKFED entities.

Right: Pakistan

AKFED's microfinance activities, which included the First Microfinance Bank Ltd. of Pakistan, were transferred to the newly-created Aga Khan Agency for Microfinance, a not-for-profit organisation.



Above: East Africa

As part of AKFED's efforts to broaden ownership, the Jubilee Insurance Group in Kenya, with operations also in Tanzania and Uganda, is listed on the Nairobi Stock Exchange. With assets in excess of US\$ 70 million, the Jubilee Group is one of the largest regional insurance groups in Eastern Africa.



Above: Pakistan

The New Jubilee Life Insurance Company, based in Karachi, offers life insurance services in Pakistan.





Uganda

Invited by the post civil-war Government of Uganda to help revitalise the financial services sector, AKFED runs the Kampala-based Diamond Trust Bank Uganda and Jubilee Insurance as part of a regional network of institutions covering banking, insurance, and property development.

Financial services

Eastern Africa

Diamond Trust Bank Kenya Ltd.
 The Jubilee Insurance Company Ltd. (Kenya)
 Property Development and Management Ltd. (Kenya)
 Diamond Trust Bank Tanzania Ltd.
 The Jubilee Insurance Company of Tanzania Ltd.
 Diamond Trust Bank Uganda Ltd.
 The Jubilee Insurance Company of Uganda Ltd.
 Diamond Trust Properties Uganda Ltd.
 Jubilee Investments Company Ltd. (Uganda)
 Diamond Jubilee Investment Trust Uganda Ltd.

South and Central Asia

Habib Bank Ltd. (Pakistan)
 New Jubilee Insurance Company Ltd. (Pakistan)
 New Jubilee Life Insurance Company Ltd. (Pakistan)
 Development Credit Bank Ltd. (India)
 Platinum Jubilee Investments Ltd. (India)
 Kyrgyz Investment and Credit Bank Ltd. (Kyrgyz Republic)
 Industrial Promotion and Development Company of Bangladesh Ltd. (Bangladesh)

Tourism Development

AKFED promotes tourism by building, rehabilitating and managing hotels and lodges that contribute to economic growth in an environmentally and culturally sensitive manner. Operating under the brand name Serena, AKFED owns and manages properties in Afghanistan, Kenya, Mozambique, Pakistan, Tajikistan, Tanzania and Uganda.

AKFED promotes the development and growth of tourism and a range of ancillary services and craft industries by designing, building, rehabilitating and managing hotels, inns and safari lodges that contribute to economic growth in an environmentally and culturally sensitive manner. Operating under the brand name Serena, Tourism Promotion Services (TPS) seeks to develop tourism potential in selected areas in the developing world, particularly in underserved regions. These investments are the result of close consultation with governments, with TPS often assisting them in the development of integrated tourism development plans for specific regions.

AKFED owns and manages tourism properties in Eastern Africa (Kenya, Mozambique, Tanzania and Uganda) and Asia (Afghanistan, Pakistan and Tajikistan). Careful cultural and market research into local conditions is conducted at new sites before construction. Each property that is built or rehabilitated aims to promote awareness of local cultures, national heritage and the immediate natural environment. As a result, the Serena chain is recognised for the diversity of its architecture and local experience as well as its consistent high standards of service and comfort.

AKFED's tourism activities contribute to the development of infrastructure and improvement of the investment climate in the countries concerned. Creating high-quality accommodation and leisure facilities for business travellers and tourists results in increased foreign exchange revenues and acts as a stimulus for further investment and job creation.

Serena hotels and lodges contribute to the local economy through human resource training and development, the reinvigoration of artisans and craft industries, and through sensitive conservation or development of the surrounding area.



Kenya

The development of Serena lodges and hotels in Kenya's famous game parks has helped bring new tourist revenue to the country as well as creating employment in remote regions.

Serena hotels have established benchmark standards of excellence in services and hospitality in addition to helping stimulate the local economies in the cities and regions where they are located. This includes placing priority on the hiring and training of local residents for employment at all levels of the organisation, including senior management.

Origins

The first hotel ventures of TPS were launched in the 1970s in Kenya where Serena today operates seven hotels and lodges. AKFED's involvement in East African tourism now extends to Tanzania, Zanzibar, Mozambique and Uganda. Safari lodges, luxury tented camps and hotels have been established in and around Tanzania's world-renowned national parks. Regional expansion has included: conversion of a 100-year-old building into a hotel in Zanzibar's historic Stone Town, the privatisation of the Hotel Polana in Maputo, Mozambique, and the redevelopment of the former Nile Hotel in Uganda as the Kampala Serena Hotel.

TPS often seeks to develop properties in less-travelled areas which require accommodation at an international standard to support tourism and business development, but which often are ignored by traditional commercial hotel chains. For example, since the early 1980s in Pakistan, TPS has owned and managed hotels in Gilgit, Hunza and Swat, in the mountainous northern region. And TPS was among the first to build international-class hotels in the capital, Islamabad, as well as Faisalabad and Quetta. TPS also operates a smaller hotel in the Pamir Mountains, in Khorog, Tajikistan. A war-damaged, fifty-year-old property in the centre of Kabul has been redeveloped as the Kabul Serena Hotel, adding much-needed accommodation facilities to support development and post-war reconstruction in Afghanistan. Serena facilities in remote locations often become important centres of local community activity.



Eastern Africa

AKFED designs, builds, rehabilitates and manages hotels, resorts and safari lodges in Eastern Africa as a way of contributing to economic growth in a culturally sensitive manner. Above is the Zanzibar Serena Inn.



Kenya

With Mount Kilimanjaro in the background, the environmentally sensitive Amboseli Serena Safari Lodge is located amidst 400 species of birds and animals.



Pakistan

Serena hotels, like this one in Faisalabad, are often built in remote areas and underserved regional centres to serve as part of the tourism and business infrastructure.

Below: Pakistan

The Islamabad Serena is the flagship hotel in Pakistan. Serena also operates hotels and lodges in Gilgit, Hunza, Swat, Faisalabad and Quetta.





Zanzibar

AKFED's hotels in Eastern Africa include properties in Kenya, Mozambique, Tanzania/Zanzibar and Uganda.



Tanzania

Through local sourcing of building materials, textiles, furniture and other crafts, Serena hotels embrace local cultures while providing accommodation of an international standard, as exemplified by this camp in the Serengeti.



Mozambique

AKFED has made long-term investments in developing countries, including the rehabilitation of one of Mozambique's most famous hotels, the Polana Serena in Maputo.



Pakistan

Like all Serena hotels, the Serena hotel in Quetta, Pakistan sources locally much of the furniture and furnishings such as curtains, bedspreads and carpets. Through frequent training programmes, Serena hotels encourage the development of local skills while minimising the use of expatriate staff.

Kenya

In Amboseli, Kenya, AKFED led a reforestation campaign that has planted more than 200,000 trees. The campaign was awarded a Green Globe commendation and an Environmental Award by the American Society of Travel Agents.



Culture

Serena properties are designed and constructed to demonstrate local architectural traditions and to provide stimulus to local crafts people and artisans. Building materials are locally sourced and much of the furniture is made by artisans from the surrounding communities.

Local textiles specially designed for each individual property are used in the furnishings. The decor and ornamental items within each hotel are locally sourced and the landscaping and layout of the properties are drawn from local designs and cultural traditions. The result is that unlike most international chains, each Serena hotel, inn or safari lodge is unique, while every facility maintains the same high standards of service.

Environment

At each hotel, the policy is to minimise impact on the local environment while seeking to maximise socio-economic benefits to the local economy. In Tanzania, for example, prior to the creation of new facilities in the country's national parks, four environmental impact studies were carried out. These evaluations prompted changes in design and new methods of operation that included more efficient use of water. At all Serena safari lodges in East Africa, special equipment incinerates waste to provide a source of energy for the hotel. Only indigenous plants are propagated on all sites. The Serena Hotel in Mombasa maintains a

sanctuary for indigenous butterflies and also works actively with local residents on a programme to protect sea turtle nesting sites.

These measures have earned the Serena hotels numerous awards. All Serena properties are members of the Green Globe organisation, which is sponsored by the World Travel and Tourism Council. The Amboseli Serena Safari Lodge was awarded a Green Globe commendation and other awards for reforestation efforts in Amboseli National Park.

Human Resources

TPS places a high priority on human resource development and provides extensive training for staff, ranging from language skills to management techniques.

Many lodges are located in remote areas where unemployment is high and access to education is low, making the contribution to development in these areas particularly important.

Local Ownership

In keeping with its policy of seeking to broaden ownership and build regional tourism, AKFED regrouped all its East African properties under a single entity, TPS Eastern Africa.

The entity was first listed on the Nairobi Stock Exchange. With plans for listings on other East African exchanges, it is the first regional tourism company to seek listing on all regional exchanges.

Serena Hotels and Lodges

Eastern Africa

Kenya

Nairobi Serena Hotel
Mombasa Serena Beach Hotel
Serena Mountain Lodge
Kilaguni Serena Safari Lodge
Amboseli Serena Safari Lodge
Mara Serena Safari Lodge
Samburu Serena Safari Lodge
Sweetwaters Tented Camp

Mozambique

Polana Serena Hotel

Tanzania/Zanzibar

Ngorongoro Serena Safari Lodge
Serengeti Serena Safari Lodge
Serena Mountain Village - Arusha
Lake Manyara Serena Safari Lodge
Kirawira Camp Western Serengeti
Mbuzi Mawe Camp
Zanzibar Serena Inn
Mangapwani Serena Beach Club and Restaurant

Uganda

Kampala Serena Hotel

South and Central Asia

Afghanistan

Kabul Serena Hotel

Pakistan

Islamabad Serena Hotel
Faisalabad Serena Hotel
Quetta Serena Hotel
Swat Serena Hotel
Gilgit Serena Hotel
Hunza Baltit Inn

Tajikistan

Khorog Serena Inn

Industry and Infrastructure

AKFED works with governments, international corporations, international financial institutions and donors to create solutions to pressing infrastructure needs, including power generation and telecommunications services. AKFED has invested in, and manages, more than 50 industrial project companies in West, Central and East Africa and in South and Central Asia.

Origins

In the early 1960s, a group of companies was set up under the corporate name Industrial Promotion Services (IPS). Each company was created to provide venture capital, technical assistance and management support to encourage and expand private enterprise in countries of sub-Saharan Africa and South Asia. Growth, privatisation and a re-orientation away from import substitution and toward export promotion resulted in adjustments to the approach taken by IPS in all regions through the 1970s and 1980s. Expansion into areas such as agribusiness, packaging and infrastructure in sub-Saharan Africa were accompanied by the need for new investments in the emerging economies of Central Asia in the 1990s and 2000s, in particular, in Tajikistan and Afghanistan. IPS companies today play a vital role in supporting development of local and regional economies. The award of ISO certification has made many AKFED companies leaders in their respective sectors.

These companies operate in West, Central and East Africa and in South and Central Asia. They are currently invested in more than 50 projects in 12 countries in the developing world. IPS Switzerland acts as a focal point and technical clearinghouse for these companies, giving each of its affiliates the advantages of the combined experience and resources of the entire international organisation. There is also an IPS venture capital company in Canada that invests in medium-sized industrial and infrastructure projects. It provides trained manpower and technical links to the other IPS companies in developing countries.

AKFED's industrial and infrastructure companies have consistently emphasised good



Kenya

Frigoken, an AKFED company, provides agricultural extension services to 25,000 bean farmers. The beans are processed and exported to Europe.

corporate citizenship, from the importance they place on training and development of local human resources, to the social services provided to employees, to the active engagement in support of the local community.

In addition to promoting the employment of women, AKFED companies such as Alltex and Frigoken in Kenya have become national role models in matters of employee welfare with programmes such as on-site child care and provision of health-care services. Companies such as Roshan, the Afghanistan telecommunications company, are helping the development of the Kabul University through the donation of a video conference facility and satellite network access to enable distance learning for academic staff.

Food and Agro-Processing

Agro-processing is an important and growing operational sector for IPS, with companies supplying products for both the domestic and export markets. IPS companies make an important contribution to the rural economy through direct purchases from farmers as well as complementary social support programmes. In Kenya, for example, Frigoken Ltd. provides agricultural extension services to the 25,000 farmers who provide the Nairobi plant with beans for processing and export to European markets. Loans are provided to the farmers by the non-profit Aga Khan Agency for Microfinance to assist them with expenses that arise before they receive payment for their harvest. In the Ivory Coast, AKFED's Ivoire Coton furnishes seed, working capital, ginning, and cotton transport services to 45,000 small farmers. In Burkina Faso, Sosuco, a company acquired under the government's privatisation programme, operates a sugar plantation and refinery. Social services to farmers include basic education, health-care, and programmes for clean drinking water.

Right: **East Africa**

In addition to cardboard cartons and other packaging products, AKFED companies provide printing and marketing services in Eastern Africa. At right is Printall Ltd. in Nairobi.

Far right: **Ivory Coast**

In West Africa, AKFED-owned Ivoire Coton supplies agricultural extension services to more than 45,000 cotton farmers, operates cotton ginneries and exports finished products. Its social programmes offer microfinance, education, health and sanitation to the farmers. This cotton ginning plant is in Boundiali.



Mali

In Bamako, Embalmali manufactures polypropylene bags for packaging and transport of goods to local and export markets.

Printing and Packaging & Other Manufacturing

IPS also has expertise in the manufacture of jute and polypropylene bags. Originally developed in Bangladesh, this expertise has since been transferred to the Ivory Coast, Burkina Faso, Mali, Senegal and Kenya. The bags are used for bringing a variety of products to market, including cocoa, coffee, flour, fertilizers, cement, cotton and other crops. Filtisac, one of the largest companies in this sector, is listed on the Abidjan Stock Exchange.

Several IPS companies support the preservation and distribution of consumer goods through the manufacture and printing of packaging. These products include corrugated cartons for flower exports by Allpack in Kenya, printed packaging and advertising material produced by Printall Ltd., also in Kenya, and the manufacture of flexible packaging, plastic bottles and jerrycans for the food and cosmetics industries in the Ivory Coast, Burkina Faso and Senegal. IPS is active, through Nairobi-based Alltex EPZ Ltd., in the manufacture of garments for export from East Africa to the main fashion distributors of the United States. Other IPS affiliates produce finished leather, pharmaceuticals and fishnets.

Burkina Faso

Sosuco, acquired under the Burkina Faso privatisation programme, farms its own sugar cane plantations and operates a sugar refinery in Banfora.



Kenya

The Alltex plant near Nairobi manufactures garments that are exported to the main fashion distributors in the United States.





West Africa

As a lead investor in infrastructure projects in the developing world, AKFED works to mobilise other investors to construct the essential components of economic development, such as electricity generation and telecommunications.

Infrastructure

Increasingly, governments in the developing world are turning to the private sector to provide services that have long been the domain of the public sector. AKFED has responded by working with governments, international corporations, international financial institutions and donors to create solutions to pressing infrastructure needs, including power generation, telecommunications and water supply services.

Energy

AKFED’s first investment in the power sector was the US\$ 225-million Azito Energy project in the Ivory Coast in 1997, then the largest private sector power plant in sub-Saharan Africa. It was followed by a number of other energy projects. The Tsavo Power plant in Mombasa, was Kenya’s first privately-financed “open-bid” project and the first such plant successfully constructed under an updated and more stringent environmental law.

In an innovative investment venture, AKFED joined forces with the International Finance Corporation (IFC) to boost the eastern province of Tajikistan’s dangerously inadequate electricity supply, reduce deforestation and contribute to the region’s economic recovery. A pioneering financing scheme makes the hydroelectricity produced by the project affordable to the poor people of this remote mountainous area through tariff subsidies (provided by the Tajikistan government and financed by the International Development Association, a member of The World Bank Group, and the Swiss Government).

In Uganda, AKFED is leading the \$500-million, 220-megawatt Bujagali hydro power project, to produce critically-needed electricity for the country, and for neighbouring Kenya.

Left: Ivory Coast

In the Ivory Coast, a US\$ 225-million plant built by AKFED and its partners in Abidjan provides 30 percent of the electricity needs of the country.

Below: Kenya

Kenya’s Tsavo power plant in Mombasa was the first privately-financed “open-bid” project and the first one constructed to meet the criteria of new environmental laws.



Telecommunications

AKFED's initial involvement in the telecommunications sector was through Indigo, a GSM mobile phone operation in Tajikistan, a co-investment with MCT Corporation. This has helped spur competition. Mobile phone coverage has expanded while prices have fallen, which has contributed to productivity improvement and growth of the local economy.

As one of the first investors to participate in the reconstruction of Afghanistan, AKFED identified telecommunications as a critical need. Few fixed land lines remained at the end of hostilities and residents of many villages had to travel long distances from remote areas to use a telephone. AKFED led a consortium that was awarded the country's second GSM mobile phone licence in the first international open-bid process in the country's history. Roshan, the AKFED subsidiary, had invested more than \$175 million by the end of 2005 and mobile phone services had been extended to 45 cities and towns across the country.



Central Asia

To jumpstart economies after war or civil strife, AKFED makes bold but calculated steps to build essential infrastructure, including mobile phone operations in Afghanistan under the brand name Roshan. AKFED has also invested in mobile telecommunications in Tajikistan.

Industrial Promotion Services

East and West Africa

Kenya

Industrial Promotion Services (Kenya) Ltd.
Allpack Industries Ltd.
Alltex EPZ Ltd.
Farmer's Choice Ltd.
Frigoken Ltd.
Kamyn Industries Ltd.
Leather Industries of Kenya Ltd.
Premier Food Industries Ltd.
Printall Ltd.
Tsavo Power Company Ltd.
Wire Products Ltd.

Uganda

Industrial Promotion Services (Uganda) Ltd.
Bujagali Energy Ltd.
Kampala Pharmaceutical Industries Ltd.
Leather Industries of Uganda Ltd.
Uganda Fishnet Manufacturers Ltd.
West Nile Rural Electrification Co. Ltd.

Tanzania

Industrial Promotion Services (Tanzania) Ltd.
Moshi Leather Industries Ltd.
TLL Printing & Packaging Ltd.

Democratic Republic of the Congo

Industrial Promotion Services (Congo) sarl
Masal sprl
Metalu sprl
Sotral sprl
Trefilkin sprl

Mali

Embalmali s.a.
Energie du Mali s.a.

Burkina Faso

Faso Coton s.a.
Fasoplast s.a.
Sosuco s.a.

Ivory Coast

Industrial Promotion Services (West Africa) s.a.
Azito Energie s.a.
Chimtec s.a.
Filtisac Côte d'Ivoire s.a.
Ivoire Coton s.a.
Sisep s.a.

Senegal

Cofisac s.a.
Fumoa s.a.

South and Central Asia

Pakistan

Industrial Promotion Services (Pakistan) Ltd.

Afghanistan

Telecom Development Company Afghanistan Ltd. – Roshan

Tajikistan

Indigo Tajikistan Cjsc
PamirEnergy Ojsc
Somoncom Cjsc

North America

Canada

IPS Industrial Promotion Services Ltd.
Acorn – Custom Medallion Inc.
Mayfield Toyota Ltd.
Signature Plastics Inc.
T&T Honda Ltd.

Media Services

Majority-owned and run by Kenyans, the Nation Media Group's operations include a growing number of English and Kiswahili national newspapers, a regional weekly, and radio and television stations. In recent years, the Group has expanded its operations into Uganda and Tanzania. It has an annual turnover in excess of US\$ 50 million.

The Nation Media Group, founded by the Aga Khan in 1960, has its origins in Kenya's *Taifa* and *Nation* newspapers, which were set up to provide independent voices during the years just preceding the country's independence. The Aga Khan's long association with the newspapers was institutionalised in 2003, when his shares were transferred to AKFED, making it the largest shareholder in the Nation Group.

Operations include a growing number of English and Kiswahili national newspapers, a regional weekly, and radio and television stations. In recent years, the Group has expanded its operations into Uganda and Tanzania. It has an annual turnover in excess of US\$ 50 million.

The Group has become one of the largest companies on the Nairobi Stock Exchange and it is majority-owned and run by Kenyans. A leader across East Africa, the Nation Media Group's market share dominance is underpinned by state-of-the-art printing technology, investment in professional development and a highly-subscribed internet presence through its English-language publications.

Nation Newspapers publishes the daily and Sunday *Nation* and *Taifa* newspapers and the regional weekly, *The EastAfrican*. It is also expanding into web directories and multimedia. In Uganda, Monitor Publications Limited publishes the daily and Sunday *Monitor*. In Tanzania, Mwananchi Communications Limited publishes two dailies, *Mwananchi* and *The Citizen*. Nation Marketing and Publishing Limited produces a variety of publications, including *The Weekly Advertiser* and the *Nation Business Directory*.



East Africa

AKFED's media operations in East Africa include English and Kiswahili newspapers and radio and television stations. The Nation Group is the largest media group in Eastern and Central Africa.

The Nation Broadcasting Division operates *NTV* and *Easy FM* radio, both highly popular stations which now operate throughout Kenya, and *KFM* radio in Uganda. Expansion plans include creating a television network serving all three countries.

Aviation Services

The aim of the Aviation division is to assist in maintaining critical aviation infrastructure in support of regional economic development. The division provides investment, management and operational expertise and training. It has made investments in sub-Saharan Africa and is considering additional investments in Central Asia.



West Africa

In West Africa, AKFED is making investments in the critical aviation infrastructure through the creation of a regional aviation alliance, Celestair.

The aim of AKFED's Aviation Services division is to assist in creating and maintaining critical aviation infrastructure to support economic development. It provides investment, expertise in airline and airport operations, as well as management and training for the sector.

AKFED has taken a majority stake in Air Burkina as part of a privatisation plan announced by the Government of Burkina Faso designed to ensure the long-term viability of the airline. AKFED brought together investors to work with the government, which retained minority participation in the company.

In 2005, AKFED launched Compagnie aérienne du Mali to add to airline capacity in West Africa and create synergies with Air Burkina.

Operationally, AKFED's involvement has led to enhanced manpower development and improvements in reservation systems, route planning, marketing and upgrading of the fleet, including the operation of an Airbus. The airline has also increased its regional routes and launched an international service to Europe.

AKFED is continuously reviewing additional air transport needs and required investments in this sector, in sub-Saharan Africa and Central Asia.

Activities by Country

Aga Khan Fund for Economic Development Associated Companies

	Company	Location	Field of Activity
Afghanistan	Telecom Development Company Afghanistan Ltd. - Roshan	Kabul	GSM mobile telecommunications
	Tourism Promotion Services (Afghanistan) Ltd.	Kabul	Tourism promoter, hotel owner and manager
Bangladesh	Industrial Promotion and Development Company of Bangladesh Ltd.	Dhaka	Development finance company
Burkina Faso	Air Burkina s.a.	Ouagadougou	Aviation
	Faso Coton s.a.	Ouagadougou	Cotton ginneries and agricultural extension services
	Fasoplast s.a.	Ouagadougou	Production of polypropylene bags, cordage, polyethylene films and plastic moulded products
	Sosuco s.a.	Banfora	Sugar production/plantations
Canada	IPS Industrial Promotion Services Ltd.	Toronto	Development institution/venture capital company
	Acorn – Custom Medallion Inc.	Toronto	Printing and packaging
	Mayfield Toyota Ltd.	Edmonton	Automobile dealerships
	Signature Plastics Inc.	Concord	Manufacture of plastic profiles
	T&T Honda Ltd.	Calgary	Automobile dealerships
Democratic Republic of the Congo	Industrial Promotion Services (Congo) sarl	Kinshasa	Development institution/venture capital company
	Masal sprl	Kinshasa	Manufacture of matches
	Metalu sprl	Kinshasa	Manufacture of aluminium frames and household goods
	Sotral sprl	Likasi	Manufacture of aluminium and copper household goods
	Trefilkin sprl	Kinshasa	Manufacture of wire products
India	Development Credit Bank Ltd.	Mumbai	Banking
	Platinum Jubilee Investments Ltd.	Mumbai	Investments

	Company	Location	Field of Activity
Ivory Coast	Industrial Promotion Services (West Africa) s.a.	Abidjan	Development institution/venture capital company
	Azito Energie s.a.	Abidjan	Power generation
	Chimtec s.a.	Abidjan	Marketing company (chemicals)
	* Filtisac Côte d'Ivoire s.a.	Abidjan	Production of jute and polypropylene bags, and other industrial packaging
	Ivoire Coton s.a.	Abidjan	Cotton ginneries & agricultural extension services
	Sisep s.a.	Abidjan	Production of plastic bottles and jerrycans
Kenya	Industrial Promotion Services (Kenya) Ltd.	Nairobi	Development institution/venture capital company
	Allpack Industries Ltd.	Nairobi	Manufacture of high quality corrugated carton packaging and polypropylene bags
	Alltex EPZ Ltd.	Nairobi	Garment-making
	Farmer's Choice Ltd.	Nairobi	Meat processing
	Frigoken Ltd.	Nairobi	Vegetable processing for export
	Kamyn Industries Ltd.	Mombasa	Manufacture of hosiery
	Leather Industries of Kenya Ltd.	Thika	Processing of raw hides to finished leather
	Premier Food Industries Ltd.	Nairobi	Processing and canning of fruits and vegetables
	Printall Ltd.	Nairobi	Commercial printing and packaging
	Tsavo Power Company Ltd.	Mombasa	Power generation
	Wire Products Ltd.	Nairobi	Manufacture of wire products & agricultural tools
	* Tourism Promotion Services Ltd.	Nairobi	Serena hotel and lodge owner and manager in Nairobi, Mombasa, Aberdares, Amboseli, Kilaguni, Mara, Nanyuki, Samburu
	* Diamond Trust Bank Kenya Ltd.	Nairobi	Banking
	* The Jubilee Insurance Company Ltd.	Nairobi	Life and general insurance
	Property Development & Management Ltd.	Nairobi	Property owner/manager
* Nation Media Group Ltd.	Nairobi	Print media and broadcasting	

	Company	Location	Field of Activity
Kyrgyz Republic	Kyrgyz Investment and Credit Bank Ltd.	Bishkek	Investment and credit banking
Mali	Embalmali s.a.	Bamako	Production of polypropylene woven bags and other synthetic packaging
	Energie du Mali s.a.	Bamako	Power and water generation and distribution
Mozambique	Polana Serena Hotel Ltda.	Maputo	Tourism promoter; hotel owner and manager
Pakistan	Industrial Promotion Services (Pakistan) Ltd.	Karachi	Development institution
	Tourism Promotion Services (Pakistan) Ltd.	Islamabad	Serena hotel owner in Islamabad, Faisalabad, Gilgit, Hunza, Quetta, Swat
	Habib Bank Ltd.	Karachi	Banking
	* New Jubilee Insurance Company Ltd.	Karachi	General insurance
	* New Jubilee Life Insurance Company Ltd.	Karachi	Life insurance
Senegal	Cofisac s.a.	Dakar	Production of polypropylene bags
	Fumoa s.a.	Dakar	Production of metal drums and plastic moulded products
Switzerland	Industrial Promotion Services s.a.	Geneva	Industrial management services
	Serena Tourism Promotion Services s.a.	Geneva	Tourism management services
Tajikistan	Indigo Tajikistan Cjsc	Dushanbe	GSM mobile telecommunications
	PamirEnergy Ojsc	Khorog	Power generation
	Somoncom Cjsc	Khojand	GSM mobile telecommunications
	Tourism Promotion Services (Tajikistan) Ojsc	Dushanbe	Tourism promoter; hotel owner and manager

	Company	Location	Field of Activity
Tanzania	Industrial Promotion Services (Tanzania) Ltd.	Dar es Salaam	Development institution/venture capital company
	Moshi Leather Industries Ltd.	Moshi	Processing of raw hides to finished leather
	TLL Printing & Packaging Ltd.	Dar es Salaam	Commercial printing and packaging, corrugated cartons, multi-wall sacks and paper mill
	Tourism Promotion Services (Tanzania) Ltd.	Arusha	Serena hotel and lodge owner and manager in Arusha, Kirawira, Lake Manyara, Ngorongoro, Serengeti
	Tourism Promotion Services (Zanzibar) Ltd.	Zanzibar	Tourism promoter; hotel owner and manager
	Diamond Trust Bank Tanzania Ltd.	Dar es Salaam	Banking
	The Jubilee Insurance Company of Tanzania Ltd.	Dar es Salaam	General insurance
	Mwananchi Communications Ltd.	Dar es Salaam	Print media and radio
Uganda	Industrial Promotion Services (Uganda) Ltd.	Kampala	Development institution/venture capital company
	Bujagali Energy Ltd.	Jinja	250 MW hydropower project
	Kampala Pharmaceutical Industries Ltd.	Kampala	Manufacture of pharmaceutical products
	Leather Industries of Uganda Ltd.	Jinja	Processing of raw skins and hides to finished leather
	Uganda Fishnet Manufacturers Ltd.	Kampala	Manufacture of fishnets
	West Nile Rural Electrification Co. Ltd.	Arua	Rural electrification project
	Tourism Promotion Services (Uganda) Ltd.	Kampala	Tourism promoter and hotel manager
	Diamond Jubilee Investment Trust Uganda Ltd.	Kampala	Investment company
	Diamond Trust Bank Uganda Ltd.	Kampala	Banking
	Diamond Trust Properties Uganda Ltd.	Kampala	Property owner/manager
	The Jubilee Insurance Company of Uganda Ltd.	Kampala	Life and general insurance
	Jubilee Investments Company Ltd.	Kampala	Property owner/manager
	The Monitor Publications Ltd.	Kampala	Print media and radio

* Quoted companies

Partners

AKFED works with a variety of partners. In recent years, it has worked with the following development agencies and corporations:

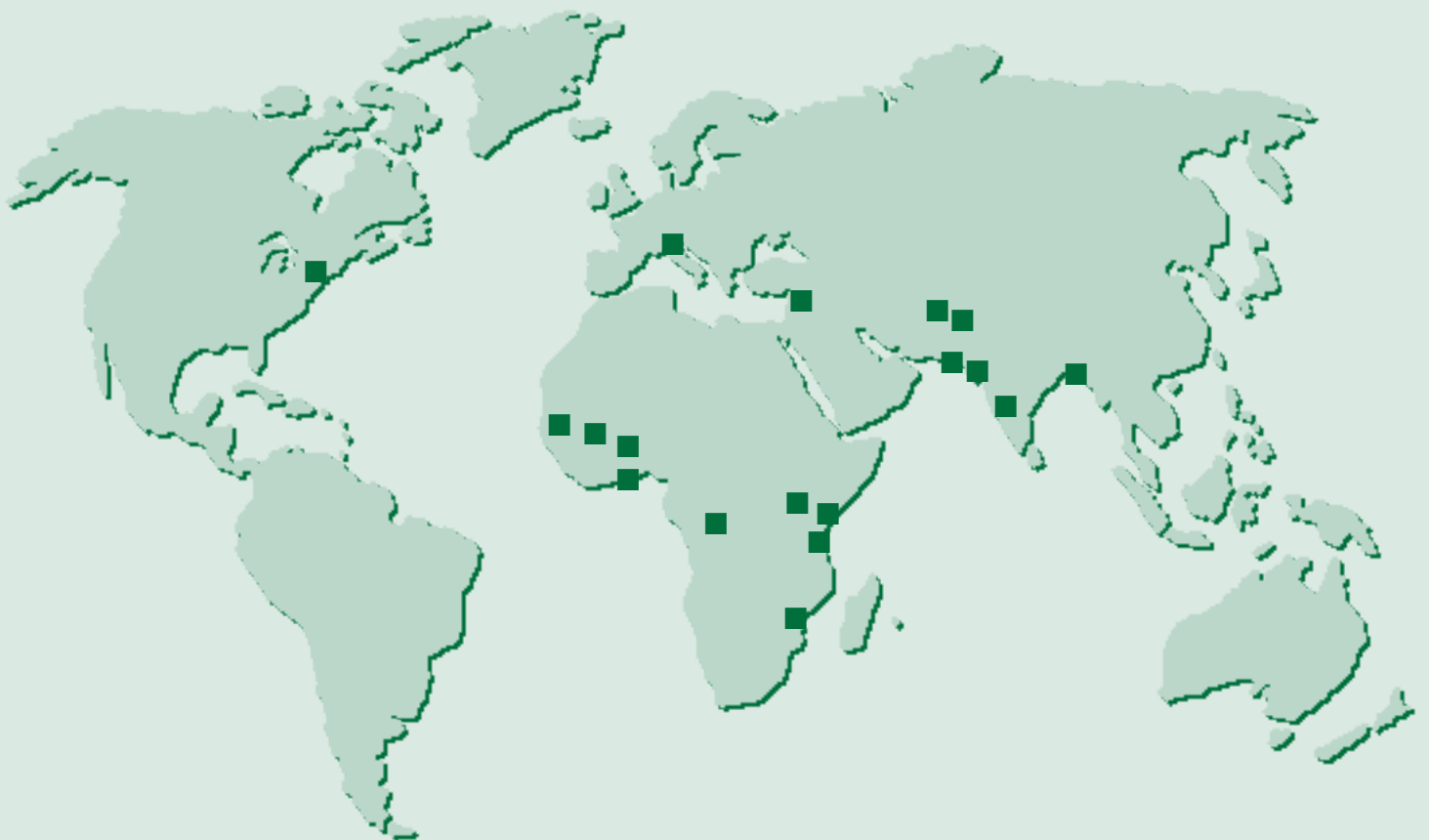
International and Bilateral Development Agencies

Asian Development Bank (ADB)
African Development Bank (AfDB)
CDC Capital for Development/Actis
Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)
East African Development Bank (EADB)
European Bank for Reconstruction and Development (EBRD)
International Development Association (IDA)
International Finance Corporation (IFC)
Japan Bank for International Cooperation (JBIC)
Kreditanstalt für Wiederaufbau (KfW)
Multilateral Investment Guarantee Agency (MIGA)
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO)
Norwegian Investment Fund for Developing Countries (Norfund)
Société de Promotion et de Participation pour la Coopération Economique (PROPARCO)
Government of the Swiss Confederation (SECO)
The World Bank
United States Agency for International Development (USAID)

Multinational Corporations

ABB	Cinergy Global Power Inc
Alcatel	Electricité de France
Barclays Bank	Monaco Telecom
BNP Paribas	Siemens
Bolloré Group	Société Générale
Bonduelle	Standard Chartered Bank
Bouygues	UBS
Cable & Wireless	Wärtsilä

Aga Khan Fund for Economic Development Areas of Activity



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