



AGA KHAN DEVELOPMENT NETWORK

Economic Development



Building the foundations of economic growth

www.akdn.org

Economic Development

For more than 50 years, the Aga Khan Fund for Economic Development (AKFED)* has sought to create the foundations of economic growth. To that end, along with its partners, it makes bold but calculated investments in situations that are fragile and complex, or lack sufficient foreign direct investment, or require investments that go beyond commercial norms. Many of these project companies, such as large hydropower plants, were created to overcome impediments to national or regional progress; others encompassed essential goods and services ranging from banking and anti-malaria pharmaceuticals in Uganda to a hotel and a mobile phone network in Afghanistan. As a development agency, AKFED's ethos is very different from a commercial entity. Its aim is to create ethical and self-sustaining enterprises that stimulate job growth, support entrepreneurial activity and contribute to overall economic output. Its project companies do seek to generate profits to become self-sustainable, but all profits are reinvested in further development under the AKDN umbrella.



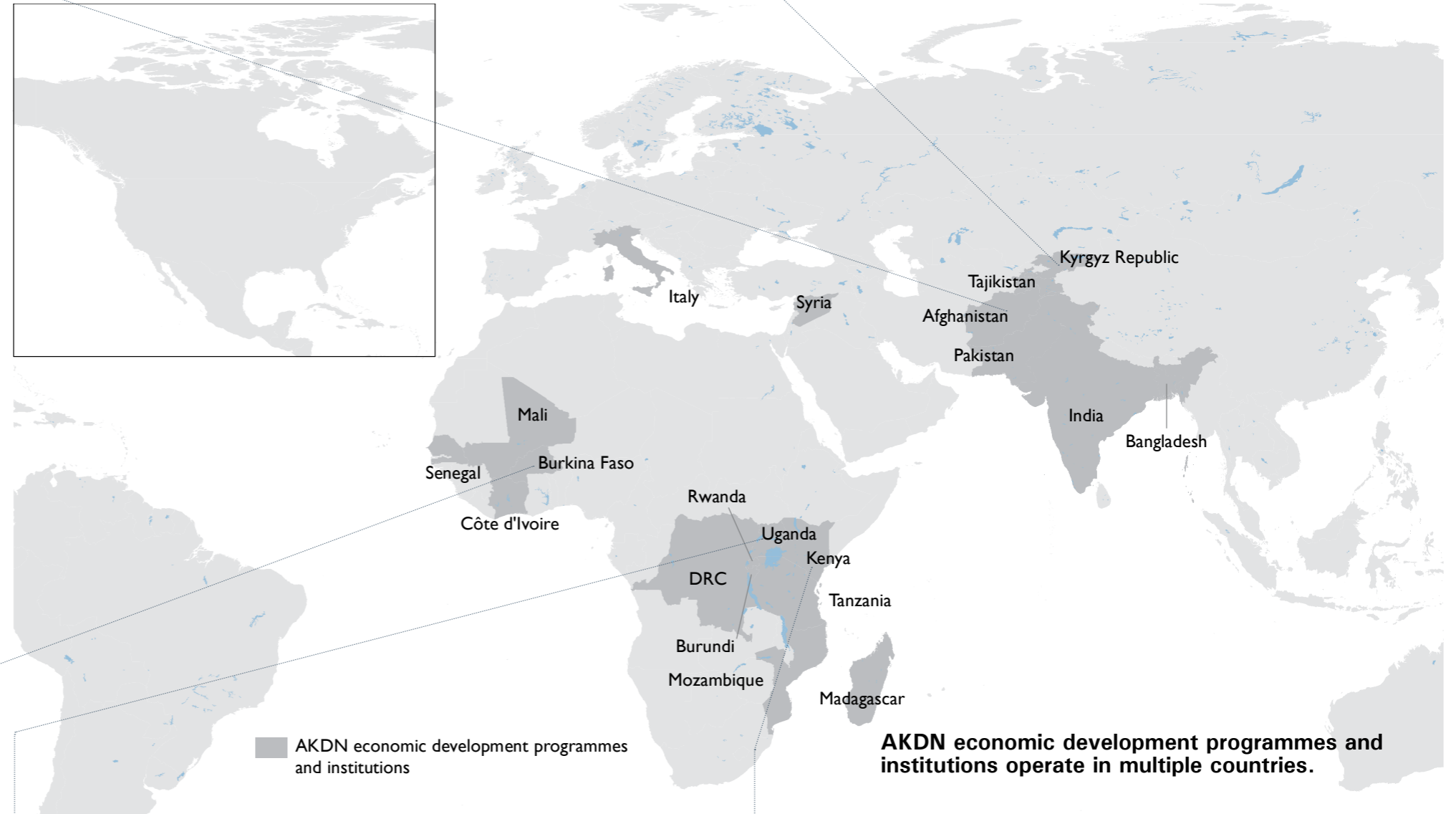
Tourism Services

In 2002, the Government of Afghanistan asked the AKDN to help restore the Kabul Hotel, which had been destroyed by the civil war. Today the **Serena Hotel in Kabul** employs 400 staff, and develops and supports local suppliers of goods and services.



Financial Services

A number of its institutions began as housing cooperatives 50 years ago, but have grown into the **leading financial institutions in Africa and Asia**. Today, over 17 million people rely on AKFED institutions for financial services ranging from micro-insurance to corporate finance.



AKDN economic development programmes and institutions operate in multiple countries.



Industrial Production

In West Africa, Faso-plast manufactures jute and polypropylene bags that help bring a **variety of products to market**, including cocoa, coffee, flour, fertilizers, cement, cotton and other crops.

Each year in collaboration with its partners the AKDN :



17 million

Provides a range of financial services to 17 million people



10 million

Generates electricity for 10 million people



Infrastructure

The Bujagali hydropower plant, a US\$ 900 million AKFED infrastructure project built with partners, **provides nearly half of Uganda's electricity**, thereby removing a key impediment to economic growth.



Media

Founded in 1959 to provide independent voices during the transition to democracy in Kenya, the Nation Media Group is the **largest independent media house in East and Central Africa**, with several newspapers, a regional weekly, and radio and television stations.

*AKFED is an agency of the Aga Khan Development Network (AKDN)

AGA KHAN FUND FOR ECONOMIC DEVELOPMENT (AKFED)

AKFED project companies employed 47,000 people and generated revenues of US\$ 4.1 billion in 2015 (all surpluses are reinvested in further development activities). The Fund is active in 17 countries: Afghanistan, Bangladesh, Burkina Faso, Burundi, the Democratic Republic of the Congo, India, Ivory Coast, Kenya, Kyrgyz Republic, Mali, Mozambique, Pakistan, Senegal, Syria, Tajikistan, Tanzania and Uganda. Its main components are:

Infrastructure

AKFED works with governments, corporations, financial institutions and donors to **create solutions to pressing infrastructure needs, including power generation and telecommunications**. Its investments in the power sector include Azito Energy in Côte d'Ivoire, Tsavo Power in Kenya, Pamir Energy in Tajikistan, and the Bujagali hydropower and West Nile electrification projects in Uganda. In telecommunications, it set up Roshan in Afghanistan, Indigo in Tajikistan and SMART in Tanzania, Uganda and Burundi. It has helped address bandwidth problems in East Africa through investments in Seacom, the first company to deploy a subsea fibre optic network connecting South and East Africa to Europe and Southern Asia.

Industrial Production

AKFED invests in agribusiness, pharmaceuticals, textiles, packaging and other essential goods in sub-Saharan Africa and South Asia in order to **encourage and expand private enterprise**. Its companies play a vital role in local and regional economies, providing essential goods for local populations while helping others prepare goods for export.

Tourism Promotion

Serena hotels, resorts, safari lodges and camps, palaces and forts are **economic engines for development in remote or neglected areas**. Its 35 properties encompass Kenya, Mozambique, Rwanda, Tanzania and Uganda in East Africa, and Pakistan, Afghanistan and Tajikistan in South Asia. While celebrating local artistic and cultural expressions, AKFED commits to developing human resources in each of these areas and being a good steward of the local environment.

Financial Services

To encourage strong and efficient capital markets in developing countries, AKFED invests in **banks and insurance companies**. With its partners, it created the Kyrgyz Investment and Credit Bank, took a controlling interest in Habib Bank Ltd, and operates the Development Credit Bank in India. In Bangladesh, AKFED is the majority owner of a leading provider of corporate finance. In East Africa, Diamond Trust Bank, founded in the 1930s in Kenya to help recycle local savings into loans, now offers a range of retail banking products. Jubilee Insurance Group provides insurance across East Africa. In Pakistan, New Jubilee Insurance and New Jubilee Life offer a range of products.

Support the AKDN

Partnerships

Typically, when the AKDN refines its development approach in a given area, it looks to partners to help expand the scale. A significant portion of the funding for AKDN activities therefore comes from national governments, multilateral institutions and private sector partners. For more information, visit: akdn.org/partners

Individuals

Individuals can support the AKDN. For more information, visit: akdn.org/support

Join the conversation

