

The state of the art Dushanbe Serena Hotel supports Tajikistan's efforts to become a more viable and friendly destination for visitors, ultimately translating into improved economic activities in the country and increased availability of trained manpower.



Partners

Government of Norway
 Government of the Swiss Confederation (SECO)
 International Development Association (IDA)
 International Financial Corporation (IFC)
 TeliaSonera
 World Bank

Over 600 people were employed during the Dushanbe Serena's construction and approximately 200 are employed for the hotel's operation, with a focus on hiring from the local population at all levels of the organisation. In an effort to develop local management ability, employees will be provided extensive training in hotel management and will be exposed to other Serena hotels globally for on-the-job training.

Operational since 2002, the six-room Khorog Serena Inn was Tajikistan's first hotel built at international standards of quality. The roof of the Inn and pillars inside the lobby are inspired by the design of a Pamiri house, while the interior also reflects local culture.

The Inn caters to the needs of Government dignitaries, diplomats, NGOs and tourists in the GBAO region, providing a fully equipped business centre and a restaurant offering local and international cuisine. An expansion of the Inn is currently being planned to meet the growing demand for quality accommodations in Khorog.

In line with AKFED's objectives, the Inn is fully staffed by local residents. In order to promote cultural awareness of the surrounding regions, it sells handicrafts manufactured by the local community and also organises performances of traditional music.

TPS projects have and will continue to contribute to Tajikistan's economic growth in an environmentally and culturally sensitive manner. With the opening of the Dushanbe Serena Hotel, TPS is further enhancing its support to Tajikistan by increasing tax and foreign exchange revenues, improving the availability of trained manpower, providing employment to local residents and promoting the products of local vendors.

More broadly, by offering high quality accommodations for tourists and business travellers, Serena projects will support Tajikistan's efforts to become a more viable, friendly and comfortable destination for visitors, which ultimately will translate into improved economic activities in the country.

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The Aga Khan Development Network (AKDN) is a group of private development agencies working to empower communities and individuals, often in disadvantaged circumstances, to improve living conditions and opportunities, especially in Africa and Asia. Its agencies work in over 30 countries for the common good of all citizens, regardless of their gender, origin or religion. Its underlying impulse is the ethic of compassion for the vulnerable in society.

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TAJIKISTAN



Aga Khan Fund for Economic 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.

The Fund is making long-term investments in Tajikistan as part of an effort to catalyse foreign investment and strengthen the role of the private sector in the country while building essential infrastructure. Its approach emphasises the development of local human resources over time, including managerial, technical, marketing and financial skills.

AKFED's current investments in Tajikistan are in the sectors of energy, telecommunications, and tourism; they include the PamirEnergy company, Tcell (formerly Indigo Tajikistan) and Tourism Promotion Services.

PamirEnergy

Following the collapse of the Soviet Union in 1991 and the ensuing five-year civil war, Tajikistan's electrical infrastructure required significant investment. Among the most affected areas was the Gorno-Badakhshan Autonomous Oblast (GBAO) region. Economic and human development in the region was stifled during the cold winter months when schools, health centres and small businesses were forced to close due to a lack of electricity for heating.

AKFED, in partnership with the International Financial Corporation (IFC), formed the PamirEnergy company in 2002 to address the situation. Under a public-private partnership agreement signed with the Government of Tajikistan in 2002, the company is managing all power generation, transmission and

distribution facilities of GBAO for a 25-year concession period. Since then, over US\$ 37 million has been invested by the company to repair the electrical infrastructure of the region and expand hydroelectric capacity. Looking ahead, it is anticipated that US\$ 50 million will be invested in electrical infrastructure by 2027 producing for the region a total economic benefit of US\$ 85 million.

Following its rehabilitation efforts to date, over 85 percent of the population of GBAO now has access to electricity. Most residents of the city of Khorog are enjoying 24 hours of power a day for the first time since the end of the Soviet era. The company has increased the installed capacity of its hydropower plants from 33 Megawatts (MW) in 2002 to 43.5 MW.

A pioneering subsidy scheme makes the electricity produced by PamirEnergy affordable to residents and financially



Aga Khan Agency for Maintenance



Aga Khan Education Services



Aga Khan Foundation



Aga Khan Fund for Economic Development



Aga Khan Health Services



Aga Khan Planning and Training Services



Aga Khan Trust for Culture



Aga Khan University



University of Central Asia

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PamirEnergy has doubled the installed capacity at the Pamir I power plant, enabling most of the plant's Khorog customers to have electricity 24 hours a day for the first time since the end of the Soviet era.



PamirEnergy's rehabilitation efforts have included:

- Installing an additional two turbines and generators at Pamir I, the company's main generating facility, thus increasing the plant's installed capacity from 33 MW to 43.5 MW.
- Creating a retention structure at Lake Yashilkul, the source of water for Pamir I. The addition has increased water flow of the Gunt River by as much as 40 percent during the winter months, when electricity is especially crucial but power generation ability is restricted due to low river flows.
- Re-calibrating 9,200 old electricity meters and installing over 8,700 new individual meters to provide efficient billing to approximately 80 percent of all customers to date.

viable for the company. One such subsidy ensures that a minimum "lifeline" monthly supply of power is provided to all households served by PamirEnergy at a rate of US\$ 0.25 / kilowatt-hour, one of the lowest rates in the world. The subsidies are made possible by generous grants from the Government of the Swiss Confederation (SECO) and by the Government of Tajikistan through financing by the International Development Association (IDA), a member of the World Bank Group.

The renewable energy produced by the company's plants has displaced the need to burn trees or to use high-polluting diesel generators. The company is also serving as a source of livelihood and skill development for populations in the region, providing employment opportunities to over 600 local residents and 200 contractual opportunities.

The company opened a cross-border transmission line between Tajikistan and Afghanistan in June 2008, enabling it to share its surplus power in the summer months with 1,000 households in the Shugnan District of Afghanistan. AKFED expects to replicate this project in other villages along the border, representing a significant step towards increasing cross-border collaboration and development in the region.

Tcell Tajikistan

In the late 1990s, telephone service in Tajikistan was in a poor state: it was delivered using a single, out-of-date, radio system; handsets were heavy, expensive and short on battery life;

and coverage outside urban areas was almost non-existent, forcing residents in rural districts to line up for hours at scattered land-line stations in order to communicate with others.

In 2001, AKFED partnered with MCT to launch the "Indigo Tajikistan" mobile telephone company in Tajikistan as part of an effort to improve service and spur competition in the country's mobile services industry. In March 2010, the company announced the change of its brand to Tcell.

Today, Tcell is the largest mobile operator in Tajikistan by revenue, with annual figures in excess of US\$ 110 million, and by subscriber base, with over one-third market share in 2010.

It became the first third-generation (3G) mobile operator in Central Asia, making Tajikistan the first 3G-enabled country among the five Central Asian republics. Tcell offers international roaming service in over 116 countries (279 operators) and a wide range of GSM services including video calls and multimedia messaging service.

Among Tajik telecom companies, Tcell is widely recognised as a leading provider of customer service, with a 24-hour service hotline, eight walk-in customer service facilities in Dushanbe, as well as more than 33 regional offices to serve the rural areas of the country.

It is one of the few companies in the country to conduct an internationally-accredited annual audit, performed by PricewaterhouseCoopers, promoting

transparency and best business practices amongst other companies operating in the country. Tcell received the award "Best Tax Payer of the Year" in 2009 and 2010.

Through investments like Tcell, AKFED aims to create more employment opportunities in higher-skilled segments of Tajikistan's economy and to build local management ability. All of Tcell's employees – more than 500 – are local residents. In line with AKFED's philosophy, Tcell also seeks to welcome rather than discourage mobile service competitors in the country and to expand telecommunications coverage into Tajikistan's rural areas, even if these regions are not profitable in the short term.

Tourism Promotion Services

High-quality tourism infrastructure is largely underdeveloped in Tajikistan. Due in part to instability and insecurity in the 1990s, investors have been reluctant to make large investments and long-term commitments necessary to build hotels at international standards of quality in the country.

Tourism Promotion Services (TPS), an affiliate of AKFED, seeks to develop tourism potential in underserved areas such as Tajikistan. Operating under the "Serena" brand name, TPS hotels enjoy an established reputation for the highest standards of comfort and service, with over 30 properties in eight countries in East Africa and Asia.

Each Serena property is carefully built to harmonise with local culture and heritage and to reflect the architectural styles of the region so that it promotes awareness of these elements amongst travellers.

The Dushanbe Serena Hotel, a five-star hotel with over 100 rooms and apartments and a project cost of over US\$ 55 million, opened its doors to guests in 2011.

The site of the Serena Hotel is centrally located on Rudaki Avenue, the main boulevard through the city close to Government and civic buildings and a 10-minute drive from the city's international airport. The Dushanbe Serena Hotel has been designed by the renowned architects and interior design firm Le Groupe ARCOP based in Montreal, Canada. The hotel follows Serena's successful design standards, reflecting Tajikistan's rich cultural heritage enveloped in a modern glass structure. The Dushanbe Serena Hotel offers 540 square meters of purpose built meeting and conference spaces for events ranging from executive board meetings to large banquets and State functions. The hotel's food and beverage outlets feature an all-day-dining restaurant, a tea lounge, a roof-top restaurant and a lobby lounge with a bar. Health-and-leisure facilities consist of a Fitness and Spa Centre and a swimming-pool. The hotel also provides office space to meet the growing demands of organisations based in the city.

"AKFED, in turn, seeks to use its resources in a highly strategic way – by building up sectors which will have a strong and swift impact on the national economy. Its record is one of creating sound enterprises in places and sectors where private investors often fear to tread and where management experience is frequently in short supply. We adapt to these challenges by bringing knowledge and technical capacity to create a positive ripple effect across the national economy."

The future Dushanbe Serena Hotel will, I believe, reflect that ethic by contributing significantly to stability and prosperity in this region. As this site is developed, it can both draw on and feed a positive investment climate."

— His Highness the Aga Khan, speaking at the foundation stone-laying ceremony of the Dushanbe Serena Hotel, 30 October 2006.



Tcell is a customer service leader amongst Tajik mobile service providers, with eight walk-in facilities in Dushanbe. The company has gained recognition for its customer-oriented culture and broad national coverage area.

Cover Photo: Today, PamirEnergy is operating all power generation, transmission and distribution facilities of GBAO under a 25-year concession agreement with the Government of Tajikistan.