

ENCOURAGING
EXCELLENCE
GENERATING
JOBS
ENHANCING
INCOMES
CREATING
OPPORTUNITY



**The Aga Khan
University's
Economic Impacts
in Pakistan**



AKU's 83-acre Stadium Road campus not long after sunrise. On average, 32,500 people per day visit the campus.

Two Paths to Impact

In one year, the Aga Khan University has an economic impact in Pakistan of more than Rs 103 billion, or \$1 billion, and supports nearly 42,000 jobs.* Even more importantly, AKU is a pioneer and role model that influences other institutions and multiple professions, benefitting the public at large. The University's most valuable contribution to Pakistan is such public benefits – for example, improvements in health care that are the result of new training programmes or treatments first introduced by AKU and later adopted by other universities or hospitals.

THE AGA KHAN UNIVERSITY IS A POWERFUL SOURCE OF ECONOMIC IMPACT AND A LEADER THAT SPARKS POSITIVE CHANGE IN PAKISTAN.



PRESIDENT FIROZ RASUL

That is the conclusion of the first-ever study of AKU's economic impact in Pakistan. Conducted with exemplary rigour by Washington, D.C.-based Centennial Group International, the study estimates the value the University creates in a single year as an educator of leaders, a provider of outstanding health care, one of Pakistan's largest private-sector employers and a significant purchaser of goods and services. And that figure is substantial, according to Centennial, amounting to more than Rs 103 billion, or \$1 billion.

But that is not all. In the words of the study's authors, AKU is also "a national innovator and a powerhouse for quality," and "a nationwide role model for high-quality tertiary education and medical care." As such, the University is improving health care and education in the public and private sectors, empowering women and the disadvantaged, and generating solutions to critical problems through research. We continue to build on this legacy of impact, and we look forward to making an even greater contribution to Pakistan in the decades to come.

Economic Impact

Rs 103.2 Bn
\$1.01 Bn
41,869 Jobs

Leading
The Way
Forward

Public Benefits

* Figures represent AKU's impact in 2015, a typical year. Dollar figures are in U.S. dollars. Rupee/dollar figures represent gross value added (GVA), a standard measure of the value of goods and services produced in an area, industry or sector.

INTRODUCING AKU:

Serving Pakistan Since 1983

After years of efforts inspired by the vision of its founder and Chancellor, His Highness the Aga Khan, **AKU became Pakistan's first private university in 1983.** Since then, 75 private universities have followed in its footsteps.

STAFF

10,000

ALUMNI

11,000

FACULTY

700

STUDENTS

2,000

EDUCATING LEADERS

The Medical College

The Examination Board

The School of Nursing and Midwifery

The Institute for Educational Development

IMPROVING HEALTH

The Aga Khan University Hospital

251 Outreach Medical Centres

4 Woman and Child Hospitals

1.3 Million Patients Annually

AKU's annual spending is equal to **15% of total government spending on health**, and **7.5% of private spending on health.**

PART OF AKDN

AKU is **one of 10 agencies** of the **Aga Khan Development Network (AKDN)**, founded by His Highness the Aga Khan. Working mainly in Africa and Asia, AKDN strives to help those in need achieve self-reliance, and to improve their quality of life through a long-term, multi-input approach to development that spans economic, social and cultural dimensions. AKDN promotes pluralism and gender and social equity, and works to strengthen civil society and support good governance.

A NONPROFIT UNIVERSITY

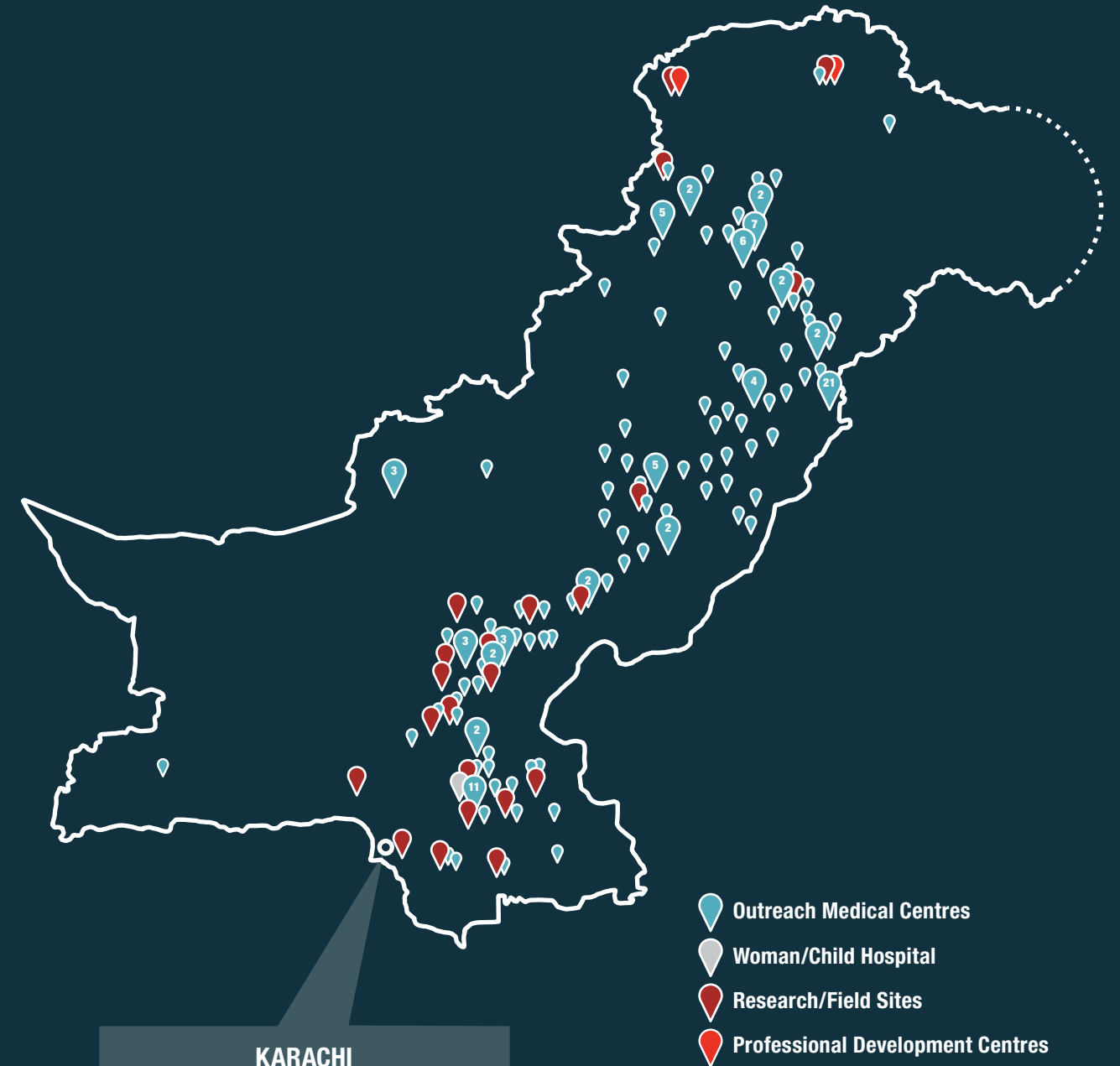
AKU's income and property are used only for its objectives and no dividends or distributions are paid to any individual or institution.

COMMITTED TO PAKISTAN

No funds are repatriated out of Pakistan by AKU in the form of dividends or repayment of investment made in the University, with the exception of repayment of loans from international multilateral or bilateral institutions.

A National Asset

AKU's impact is felt across Pakistan. The University has facilities in 109 cities and all four provinces, as well as Gilgit-Baltistan.



- KARACHI**
- Stadium Road Campus & Aga Khan University Hospital
 - Karimabad Campus
 - Three Woman/Child Hospitals
 - 77 Outreach Medical Centres

* Map is based on the Survey of Pakistan's Map of Pakistan.



ECONOMIC IMPACT

Patients and family members fill the courtyard of the Aga Khan University Hospital. AKU health facilities treat patients from all socioeconomic backgrounds.

ECONOMIC IMPACT:

Getting to Rs 103 Billion

How does AKU create an impact of Rs 103 billion (\$1 billion) in one year? Through high-quality education that increases alumni incomes, outstanding health care that keeps people healthy and productive, and its operations, which support businesses and jobs.

Alumni

Rs 8.6 Billion
\$84 Million
5,260 Jobs

11,000 students have graduated from AKU in Pakistan, and an estimated **60% live in Pakistan**. Alumni earn more over their careers because of the knowledge and skills they develop at AKU, create jobs as entrepreneurs and send money home from abroad. In calculating alumni income gains, only alumni living in Pakistan were counted.

Alumni Income Gains
Rs 4.52 billion (\$44 million)
Alumni Startups
Rs 2.2 billion (\$22 million)
Alumni Remittances
Rs 1.85 billion (\$18 million)

Operations

Rs 30 Billion
\$294 Million
36,609 Jobs

The University spends money on salaries and benefits for its **10,700 employees**, purchases services and supplies from firms across the country, and invests in capital projects. **The result is economic activity and jobs for Pakistan**, as AKU's employees, vendors and partners take the funds they receive and engage in further spending.

Expenditures on Employees
Rs 14.2 billion (\$139 million)
Purchasing
Rs 7.38 billion (\$72 million)
Spending by Employees
Rs 5.13 billion (\$50 million)
Capital Spending
Rs 2.34 billion (\$23 million)
Research Partner Spending
Rs 969 million (\$9.5 million)

Hospital Care

Rs 64.6 Billion
\$632 Million

By providing international-quality health care, the Aga Khan University Hospital enables its inpatients to overcome illness, get back to work and stay economically productive for longer. In 2015, the Hospital created estimated **lifetime income gains of Rs 64.6 billion (\$632 million)** for its inpatients.

AKU's spending has a multiplier effect.

Every Rs 1 of its direct gross value added generates **Rs 7.3** in economic benefits.

Rs 1

Creates
Rs 7.3
of Benefits

* Graph is not to scale.

PUBLIC BENEFITS

In Ibrahim Hyderi, AKU provides free primary care to 15,000 children and pregnant women annually and conducts influential studies on newborn care in low-resource settings.

PUBLIC BENEFITS:

Leading the Way Forward

Numbers cannot capture AKU's biggest contribution to Pakistan: the public benefits it creates. Whether as a result of its pursuit of excellence, innovation, research or promotion of gender equity, the University has an impact that goes far beyond its students, patients, employees and vendors. These impacts are what economists call public benefits: benefits that one party creates – in this case, AKU – and that others enjoy at no cost to themselves.

The University creates public benefits in six ways:



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Excellence



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Partnering with
Government



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Empowering
Women



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Making Higher
Education Accessible



p 14
Generating
Knowledge



p 19
Making Health Care
Affordable

PUBLIC BENEFITS:
Encouraging Excellence

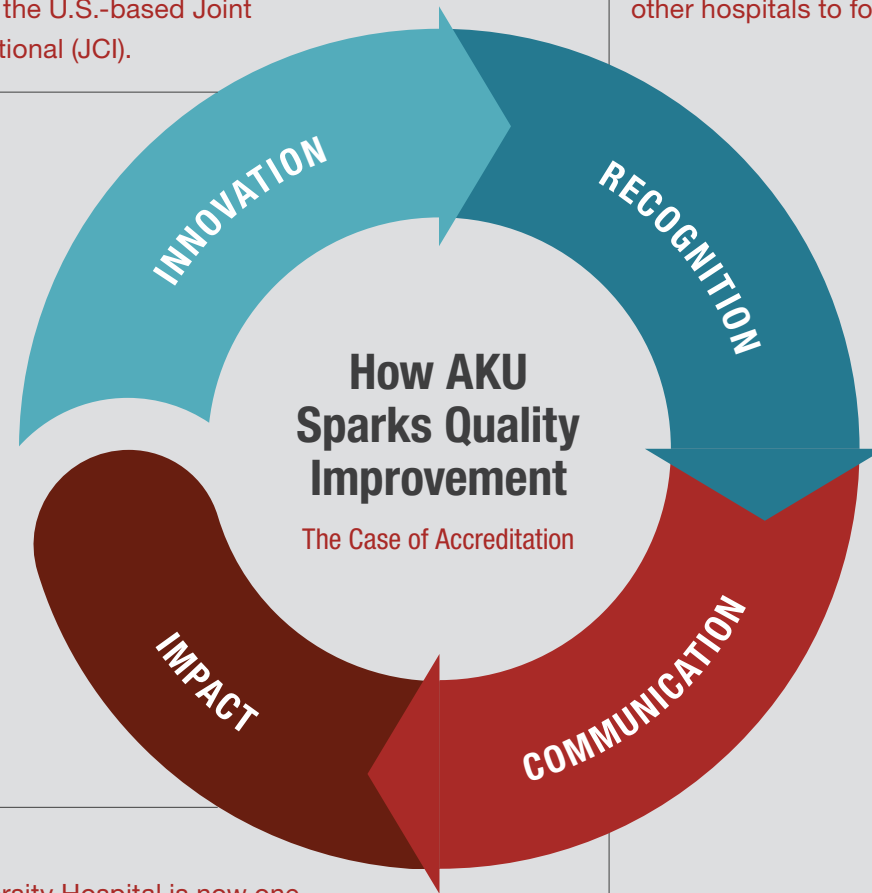
AKU's leadership has transformed the nursing profession and helped to improve the quality of medical care, medical education and primary and secondary education.

Innovation

The Aga Khan University Hospital becomes the first in Pakistan to meet the rigorous quality standards of the U.S.-based Joint Commission International (JCI).

Recognition

Seeing a local institution achieve international accreditation inspires other hospitals to follow AKU's lead.



Impact

The Aga Khan University Hospital is now one of two JCI-accredited hospitals in Pakistan.

Communication

AKU shares its experience and advice for pursuing JCI accreditation with staff from other hospitals.

Transforming Nursing

AKU's School of Nursing and Midwifery has led the way in improving nursing education and practice for decades. It has introduced new degrees to Pakistan, influenced other schools' curricula and produced numerous graduates who lead nursing schools and hold key positions. It was the first private institution to join the Pakistan Nursing Council, which sets nursing standards nationally.



Influencing Laboratories & Pharmacies

When, in 2017, the Aga Khan University Hospital's clinical laboratory became the first in Pakistan accredited by the College of American Pathologists, it once again raised the bar for quality. The laboratory's network of collection centres, standards and purchasing have been highly influential. The Hospital's pharmacy also has been an exemplar, leading the shift from a sales-focused to a patient-focused approach, and assisting regulators.



Pioneering Medical Education and Care

Dozens of treatments, tests, technologies and educational programmes were introduced to Pakistan by AKU. These include residency programmes that are training much-needed specialists; intensive care for newborns and children; various cardiology, oncology and radiology procedures; and advanced diagnostic technologies.



Developing Educational Leaders

Aiming to improve the quality of education in Pakistan, AKU in 1993 became the first private university to launch an Institute for Educational Development (IED). Many of its 1,365 alumni hold leadership positions in the sector. IED also has trained an additional 34,000 educators who have improved the skills of over 200,000 teachers, or 13% of Pakistan's teaching workforce.

PUBLIC BENEFITS:

35 Years of Excellence

AKU's pursuit of excellence has led it to **record numerous firsts in Pakistan**. Over the years, it has been a pioneer in introducing new degrees, programmes and technologies, and in meeting international quality standards. A partial list of AKU firsts follows.

19
83



19
83

1st private university, a milestone that took years of dedicated efforts. Today there are 75 private universities in Pakistan.



19
88

1st to offer a **Post-RN Bachelor of Science in Nursing**.



19
93

1st organized **Family Medicine residency** training programme.



19
93

1st private university to **launch an Institute for Educational Development**.



19
97

1st to offer a four-year **Bachelor of Science** in Nursing.



20
00

1st organized **Emergency Medicine** residency training programme.



20
01

1st to offer a **Master of Science** in Nursing.



20
03

1st private **Examination Board**.



20
06

1st hospital in Pakistan **accredited** by the U.S.-based Joint Commission International.



20
13

1st to offer a **post-RM Bachelor of Science** in Midwifery.



20
15

#1-ranked **Medical College** by the Higher Education Commission when rankings were last released.



20
15

1st state-of-the-art centre for simulation-based learning, the **Centre for Innovation in Medical Education**.



20
17

1st clinical laboratory accredited by the **College of American Pathologists**.

20
17

PUBLIC BENEFITS:

Empowering Women

When women have the opportunity to fully develop and utilize their abilities, society as a whole gains. Many of AKU's 7,200 **women graduates** are leaders and role models.

“There is neither democracy nor meritocracy in a society that excludes half its members.”

– His Highness the Aga Khan

Since inception, the **School of Nursing and Midwifery** has aimed to improve the status of women in Pakistan. AKU has graduated **3,900 nurses and midwives, 93% of whom are women**. Even more importantly, as a pioneer provider of high-quality nursing education, the University has enhanced the practice and reputation of nursing, leading more women to enter the field and more nursing schools to open. **Nursing's transformation empowered many thousands of women** by enabling them to pursue professional careers.

Women are:

2 in 3
Students & Alumni

2 in 5
Employees

1 in 2
Senior Faculty

1 in 3
Senior Staff

1 in 2
Medical Students

High-quality nursing care is indispensable for the critically ill newborns in the Aga Khan University Hospital's Neonatal Intensive Care Unit.

PUBLIC BENEFITS:

Generating Knowledge

AKU's research generates **knowledge that can be accessed by anyone** and used to address critical problems. It has led to the introduction of life-saving vaccines and **new approaches to fighting diseases** that afflict women, children and the poor.

AKU is #1

in Pakistan on a key measure of research impact, Category Normalized Citation Impact.*

AKU is #2

in the number of highly cited studies published in Pakistan, ahead of many larger universities.

7 of 10

According to the Pakistan Council for Science and Technology, 7 of the country's 10 most productive health researchers are AKU faculty.

*CNCI is a metric that allows comparison of the research impact of institutions by taking into account the age and subject of published papers.

Improving Women's and Children's Health

AKU is renowned for its research in women's and children's health. It recently received a \$25 million grant from the Bill & Melinda Gates Foundation to improve health for 11.5 million women and children.



AKU research spurred the introduction of **Hib and pneumococcal vaccines** in Pakistan, and helped government sharply **reduce polio** cases through innovative outreach strategies in insecure areas.



AKU has made **key contributions** to 12 **globally influential series** and commission reports on maternal/child health and nutrition in *The Lancet*, one of the world's top medical journals.



Innovative community-based interventions were integrated into the national Lady Health Worker programme after AKU studies proved their effectiveness.



AKU provided **critical support** for the 2011 **National Nutrition Survey**, and has been asked to undertake the 2018 survey, which will be Pakistan's largest ever and a key source of evidence for policy and action.



AKU has developed **unique breast cancer cell lines**, enabling **cutting-edge research** into the disease, the most common cancer among women in Pakistan.



PUBLIC BENEFITS:

Partnering with Government

AKU helps government to better serve the people of Pakistan. It provides assistance in developing public policy, advice to improve health and education and supplements government efforts in times of crisis.



Assisting Policymakers

AKU faculty played a key role in developing the National Health Vision (2016-2025) and the Sindh Health Sector Strategy (2012-2020). The Institute for Educational Development contributed to the National Education Policy (2009) and the national teacher professional development framework, as well as textbook development, curriculum reform and education planning in Sindh.



Advising Examination Boards

Pakistan's first private examination board, the AKU Examination Board works to improve the quality of secondary education. Recognized as a role model, it regularly advises government examination boards. 90% of 2015 graduates of schools affiliated with the AKU Board were admitted to university. The Board's examinations, syllabi and teacher training stress critical thinking and problem-solving, while its electronic marking system prevents cheating and produces detailed feedback on performance.



Responding to Crises

Following the devastating 2010 floods, AKU provided free medical care to 1.3 million people, supported by a grant from USAID, AKU's own funds and faculty and staff donations. The Aga Khan University Hospital has repeatedly provided life-saving medical care to victims of terrorist attacks and has sought to improve Pakistan's preparedness for mass casualty events. In 2009, AKU seconded its head of emergency medicine to the Aman Foundation, resulting in the development of Karachi's first high-quality ambulance service.



PUBLIC BENEFITS:

Making Higher Education Accessible

AKU accepts students based on merit, not ability to pay. **60% of students receive grants or interest-free loans, or pay no tuition** in exchange for working at AKU after graduation at market salaries for the same length as their AKU education.

1 in 4

Alumni of the Institute for Educational Development (IED) and 1 in 6 nursing alumni report their parents have no formal education, showing AKU is accessible to low-income families.

4 in 5

Undergraduate nursing students pay no tuition, in exchange for working at AKU after graduation at market salaries for the same length of time as their education.

2 in 3

IED students and 1 in 3 medical students receive grants and interest-free loans from AKU.

73%

For students receiving financial assistance in the form of grants and interest-free loans, it covers 73% of tuition costs on average.

PUBLIC BENEFITS:

Making Health Care Affordable

Nearly **500,000 low-income patients** were able to access care at AKU health facilities in 2015 thanks to **financial support** from AKU's Patient Welfare Programme and from the Patients' Behbud Society for AKUH, which distributes *zakat*.

488,000

Low-Income Patients Received Reduced-Fee Care in 2015

Rs 1.47 Bn*

In Patient Welfare and *Zakat* was Provided in 2015 (Rs 1.34 Billion in Patient Welfare Alone)

100%

Of Eligible Patients Who Seek Patient Welfare Receive Financial Support

1 in 10

Inpatients at the Aga Khan University Hospital Earns Less Than Rs 205 (\$2) Per Day

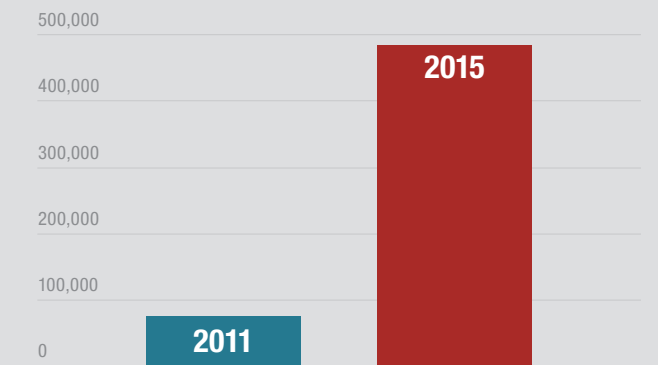
In addition, 42,000 hospital inpatients benefitted from AKU's **35% subsidy** on its general ward hospital beds.

TOTAL GENERAL WARD SUBSIDY:

Rs 188 M*

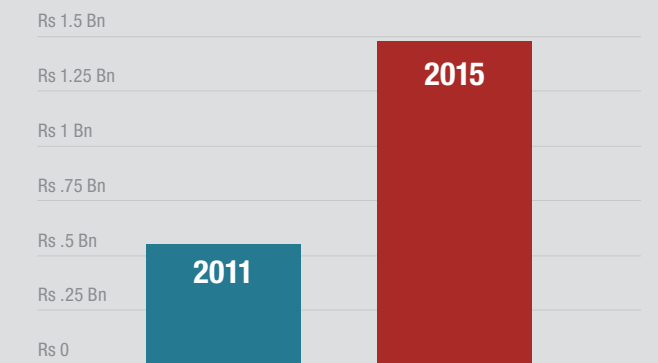
Patient Welfare/*Zakat* Recipients Grew Six-Fold

2011: **76,000**
2015: **488,000**



Patient Welfare/*Zakat* Increased 165%

2011: **Rs 554 M***
2015: **Rs 1.47 Bn**



* Rs 1.47 Billion = \$14.4 Million
Rs 188 Million = \$1.8 Million
Rs 554 Million = \$6.4 Million

The average support per inpatient (Rs 90,965, or \$890) is much higher than the average for all patients.



“The cancer care I received at the Hospital means I can take care of my family.”

– SHAZIA ARSHAD

“My education at AKU inspired me. I founded the Meritorious Education Network, which now has 3,000 students.”

– SAFIUDDIN SIDDIQUI

BEHIND EVERY NUMBER IS A STORY.



“We got our first contract in the building plaster business from AKU decades ago. It’s still a major customer.”

– ABDUL GHAFFAR

The Aga Khan University hired Centennial Group International, a leading international strategy and policy consulting firm headquartered in Washington, D.C., to analyze the economic impact of the University in Pakistan.

CENTENNIAL'S TEAM CONSISTED OF:

- Mr. James W. Adams (co-leader): Former World Bank Vice President
- Dr. Ritva Reinikka (co-leader): Former World Bank Lead Economist and Director
- Dr. Kaisa Alavuotunki: Researcher, Aalto University
- Mr. Tariq Husain: Former Director, World Bank Learning and Leadership Centre
- Dr. John Wall: Former Senior Adviser to the World Bank for Pakistan and Afghanistan
- Mr. Alden LeClair (production support)

ADVISERS:

- Dr. Ishrat Husain: Former Governor, State Bank of Pakistan; Professor Emeritus and former Dean and Director of IBA; former AKU Trustee
- Mr. Praful Patel: Director and President of Centennial Group Africa; former World Bank Vice President, South Asia
- Dr. Jeffrey Hammer: Visiting Professor of Economic Development and Lecturer in Public and International Affairs, Princeton University

MANAGEMENT AND QUALITY ENHANCEMENT ADVISERS:

- Mr. Harinder Kohli: President and CEO of Centennial Group International; former World Bank Senior Adviser and Director
- Mr. Anil Sood: Director and COO of Centennial Group International; former World Bank Vice President for Strategy, Change and Resource Management

The Centennial team spent two weeks in Pakistan as part of the study, and one team member spent an additional eight weeks in Pakistan. Centennial was assisted by an AKU team led by Vice President, Finance and Chief Financial Officer Mr. Al-Karim Haji, and including Mr. Abdul Basit, Mr. Karim Kassimali, and Mr. Iqbal Sadruddin, with support from Mr. Aly Nazerali.

Oversight was provided by a Steering Committee consisting of individuals from both inside and outside of the University possessing significant relevant expertise. The Committee consisted of:

- Dr. Zulfiqar A. Bhutta: Founding Director of the AKU Centre of Excellence in Women and Child Health; Chair of Global Child Health at the Hospital for Sick Children, Toronto
- Dr. Roderick D. Fraser: AKU Trustee; President Emeritus of the University of Alberta
- Mr. Al-Karim Haji: AKU Vice President, Finance and CFO; Chair of the Steering Committee
- Mr. Zakir Mahmood: AKU Trustee; former CEO of HBL
- Mr. Aly Nazerali: Senior independent consultant; Moderator of the Steering Committee
- Mr. Firoz Rasul: AKU President and CEO
- Dr. Jamil Salmi: Global tertiary education expert; former World Bank Tertiary Education Coordinator
- Mr. Benjamin C. Sigman: Executive Vice President, Economic & Planning Systems, USA

“All societies, it has become clear, must invest in higher education for their talented men and women or risk being relegated to subordinate, vulnerable positions in the world. My great hope and prayer is that, in time to come, the Aga Khan University will be only one of hundreds of universities in the Muslim world that are on the frontiers of scientific and humanistic knowledge, radiating intelligence and confidence, research and graduates, into flourishing economies and progressive legal and political systems.”

His Highness the Aga Khan



THE AGA KHAN UNIVERSITY