



AGA KHAN FOUNDATION
UNITED STATES OF AMERICA

AGA KHAN FOUNDATION USA

Annual Report 2023

*generosity
inspires
hope & hope
changes
lives*





A Note from the National Committee

Dear Friends,

The Aga Khan Foundation (AKF) works in some of the most challenging contexts in the world. Indeed, decades of experience in these vulnerable and isolated communities have given AKF a unique perspective that helps illuminate pathways for positive change.

Wherever AKF works, we take a community-led generational approach, emphasizing local leadership, investing in capacity—especially among women, girls, and youth—and leveraging local knowledge and resources to help strengthen the fabric of civil society for long-term sustainable development.

AKF does this work in collaboration with governments, foundations and our dynamic community of volunteers and supporters, who have enabled AKF to develop lasting relationships with communities across Asia, Africa, and the Middle East.

Over the past year, our work has had a profound impact on the communities we serve. On the following pages you will see how your support is changing lives: from establishing access to safe water and helping communities build sustainable food security, to equipping teachers, students, and schools with the tools to address the climate crisis.

Projects like these are possible thanks to our donors, sponsors, and volunteers whose trust and confidence inspire us, even in the face of daunting challenges, to pursue our vision of a better world.

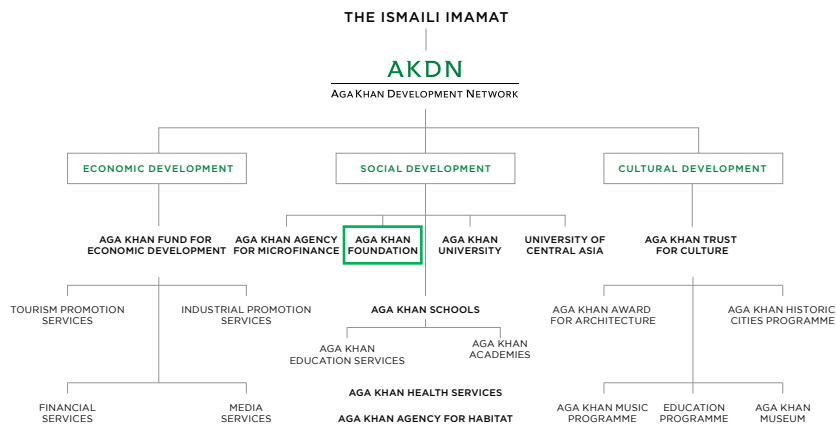
Nageeb Sumar
NATIONAL COMMITTEE
CHAIR

Shaiza Damji Nurani
NATIONAL COMMITTEE
VICE CHAIR

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Aga Khan Foundation: An Agency of the AKDN



AKF plays a central role in the Aga Khan Development Network (AKDN) mission to promote self-reliance and improve the quality of life in disadvantaged communities across Asia, Africa, and the Middle East.

Working in close coordination with other AKDN agencies and local partners, AKF acts as a catalyst, leveraging financial, human, and social capital to create innovative and sustainable solutions in a rapidly changing world.

AKF is powered by donors, supporters and volunteers, whose compassion and generosity enable AKDN's growth and stability as it seeks to serve those in the greatest need.

We are building a future where we all thrive together.

AGA KHAN FOUNDATION GLOBAL PROGRAM PORTFOLIO



AGRICULTURE AND FOOD SECURITY



CIVIL SOCIETY



CLIMATE RESILIENCE



EARLY CHILDHOOD DEVELOPMENT



EDUCATION



HEALTH AND NUTRITION



WORK AND ENTERPRISE

Global Program Highlights

CREATING BRIGHTER FUTURES

As an agency of the AKDN, AKF's vision is rooted in an understanding that international development requires an inclusive, multidimensional, and multigenerational approach to address poverty. We recognize that change is not instantaneous. Long-term sustainability takes a long-term investment—in people, in markets, and in building strong foundations of learning, health, and community development.



We work with our partners to empower communities by making strategic investments that create lasting opportunities and enhance the quality of life and the economic well-being of individuals.

To achieve this, AKF works with institutional donors and philanthropic organizations, such as the World Bank, USAID, UNICEF, the Bill & Melinda Gates Foundation, the Bezos Family Foundation and the Mott Foundation, among others. Whether human, technical or financial, we align our contributions to community needs and priorities, while strengthening the capacity of these communities to set and achieve their own development goals.

AKF engages with isolated and underserved populations in rural and urban settings, connecting communities to much needed services. Whenever possible, we draw on the resources and expertise of other AKDN agencies to enhance the depth and scope of our work.

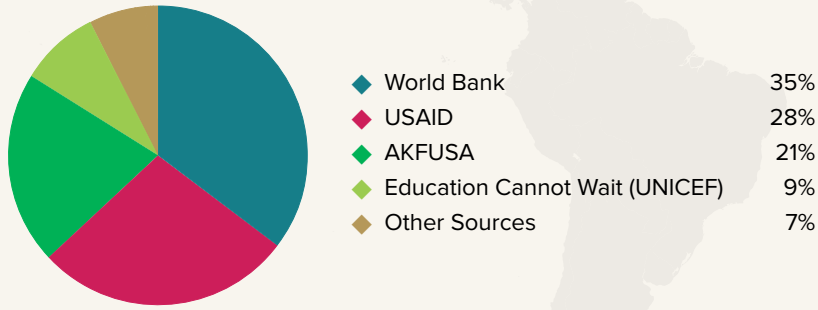
In 2023, thanks to close collaboration with staff and partners on the ground, we continued to meet our targets for more than 20 active projects in Asia and Africa and added eight new projects to our portfolio. Ten projects ended in 2023, and we are building on what we have achieved to co-create the next phases of these initiatives. We are also sharing these lessons so that future programming can be adapted to find new solutions, whether in the original country or beyond.

Across every sector of our work, we are increasing the capacity of citizens and local institutions, promoting pluralism and social cohesion, and catalyzing inclusive economic growth to create conditions for resilience and self-reliance for generations to come.

AGA KHAN FOUNDATION USA PROGRAM INSIGHTS 2023

2023 PROGRAM FUNDING

AKF USA's programs are supported by institutional donors and philanthropic organizations, with AKF sharing costs on many programs. AKF funds include donations from generous individuals and families in the United States and around the world.

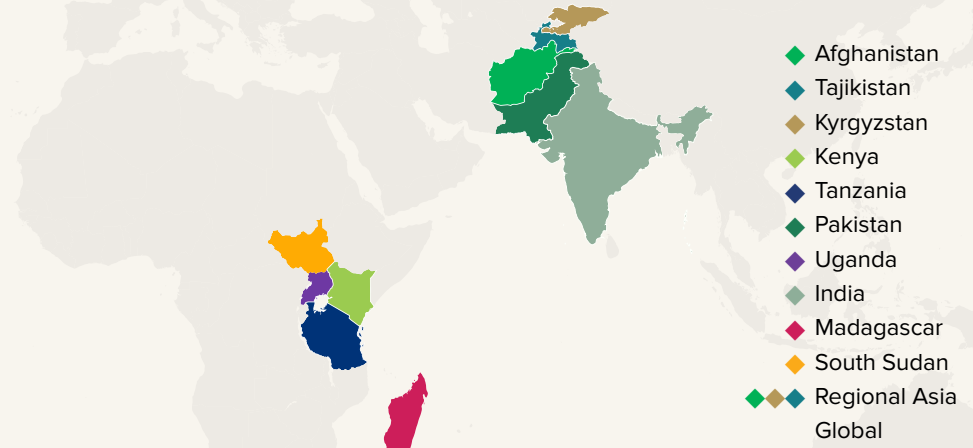


2023 FUNDING BY FOCUS AREA OR SECTOR

Aga Khan Foundation USA works on many fronts at once, often combining several focus areas (see page 3) in a holistic, multi-dimensional approach, such as the Local Impact program (page 10) and the Water Emergency Relief Project (page 13).



2023 PROGRAM LOCATIONS



2023 HIGHLIGHTS AT A GLANCE



In Afghanistan, we are helping to close the immunization gap, providing access to safe drinking water to more than one million people, and supporting farmers with irrigation.



In all regions, our education initiatives ensure children have access to high-quality early childhood development services.



We are facilitating access to financing for micro, small, and medium-sized enterprises, revitalizing the local economies in Tajikistan, Kyrgyz Republic, and Afghanistan.



Our environmental initiatives are promoting biodiversity, using regenerative farming, and supporting nature-based solutions for climate change adaptation in Afghanistan, Tajikistan, Kyrgyzstan, and Pakistan.

THRIVING MOUNTAIN COMMUNITIES IN CENTRAL ASIA

In the mountains of Central Asia, harsh winters, water scarcity, and climate change are straining the livelihoods of those who rely on livestock, farming, and food production. High unemployment is driving youth migration, draining communities of their vitality.

To address these challenges, in 2019 AKF expanded its partnership with USAID and launched Local Impact, a dynamic, global Leader with Associates (LWA) award. Since then, the program has created an innovative framework for achieving sustained impact on key development priorities, and benefited more than 400,000 people in Afghanistan, the Kyrgyz Republic, and Tajikistan.

Thanks to cornerstone initiatives such as the Youth Entrepreneurship and Employable Skills program and the Coalition of Employers program, Local Impact has seeded dozens of employment and entrepreneurship projects, built climate-sensitive service delivery programs, and promoted pluralism and social cohesion throughout the region.

Human-centered design (HCD) is a hallmark of Local Impact, giving stakeholders a creative problem-solving tool to identify priorities, pilot, iterate, and scale up projects. HCD has sparked solutions to complex problems and generated new knowledge and experience to improve AKF's global development practice.



2023 LOCAL IMPACT HIGHLIGHTS

1,524 full-time jobs and internships for **1,211** youth



Entrepreneurship and employment skills workshops for **6,623** youth



12,476 community-led activities for young people to enhance their self-reliance



Technical assistance, incubation/acceleration, and performance-based grants for **1,919** enterprises through Accelerate Prosperity



1,164 participants in HCD processes





TEACHERS AND YOUTH AT THE HEART OF CLIMATE EDUCATION

The future of education and the future of the planet, two of the most pressing issues on the global agenda, are at the heart of the CO-CREATE initiative launched in 2023.

CO-CREATE (Collaborative Opportunities for Climate Resilience, Empowerment, and Transformation through Education) will promote climate action in schools and communities with local stakeholders, especially girls and women.

Implemented through AKF's Schools2030 network in 10 countries and 1,000 schools, the initiative will provide critical insight on "what works" when it comes to climate education.

CO-CREATE relies on a holistic, human-centered design process to test teacher- and youth-led solutions for promoting climate action in schools and communities.

It will generate new evidence and methods for advancing climate action, learning outcomes, and gender equality, while fostering collaboration across sectors and systems at local, national, and global levels.

CO-CREATE in Tanzania is the first project supported under the Climate Action Partnership for Education (CAPE) from the American people through USAID and UK International Development from the UK Government.

As part of this project, AKF is leading the consortium of key partners at the nexus of climate, gender, and education, including Belmont University, Creative Action Institute, and Restless Development.

WATER RELIEF REVIVING RURAL COMMUNITIES IN AFGHANISTAN

Across Afghanistan, most rural communities lack a clean, reliable supply of water, whether for drinking, washing, or irrigating crops.

Water scarcity affects every aspect of life in a community, but the heaviest burden falls on women and girls who are often tasked with fetching water daily across long distances.

In drought-prone regions, the situation is urgent and expected to worsen as communities face the reality of climate change.

The Water Emergency Relief Project (WERP), a groundbreaking partnership between the World Bank and AKF, targets 120 drought-prone rural districts in 20 provinces.

To address the immediate crisis, AKF has tapped into existing community-led organizations to improve access to drinking water, as well as to piped water and irrigation services for millions of Afghan people.

Local entities are taking the lead in the construction and rehabilitation of small-scale climate-resilient water supply and irrigation systems. The program has also catalyzed the market for private renewable off-grid energy companies able to pump water wherever it is needed.

In restoring reliable water services, the project is helping communities become more self-sufficient and resilient in the face of drought and other risks.



New Initiative On the Horizon

MOBILE CLINICS DELIVER VITAL CARE IN AFGHANISTAN

In the mountains of northeastern Afghanistan, where most communities are hours away from the nearest clinic, families rely on visiting healthcare workers to provide basic health services to their children.

But the lack of security, along with bad roads and unpredictable weather have left tens of thousands of children undernourished and unvaccinated against common illnesses.

In 2023, with support from the Bill & Melinda Gates Foundation, AKF expanded the network of visiting healthcare workers to communities in Takhar, Kunduz, and Baghlan provinces.

Mobile clinics provided lifesaving care, routine immunizations, and nutritional support to children and new mothers.

The program also improved logistics and operational support, and trained 150 staff, supervisors, and backup vaccinators. Mobile teams can now reach the most isolated and marginalized communities.

In 2023, more than 37,000 children were vaccinated, boosting immunization rates to 90% of the national target in certain areas.

Malnutrition remains a severe problem. Of the 31,443 children screened in 2023, 1,049 were diagnosed with severe and acute malnutrition. In response, AKF-trained healthcare workers quickly deployed a program to supply children with vitamins and food fortified with micronutrients.

Thanks to this partnership, AKF demonstrated that targeted investments can ensure that all children, no matter where they live, have a chance to thrive.

STRENGTHENING FINANCIAL RESILIENCE IN AFGHANISTAN

EMERG(e), the Empowering Microfinance & Enterprises for Resilience and Growth project, aims to build financial resilience for lenders and small businesses, while promoting women's economic inclusion.

With support from the World Bank and building on AKF's history of supporting the people of Afghanistan, EMERG(e) will create new linkages.

Promising clients will benefit from business development services to improve their business acumen, creditworthiness, and appeal in the eyes of microfinance providers.

A Credit Viability Fund will make it easier for eligible businesses, especially those led by women, to access formal banking via products designed to create market-based buffers for both credit providers and clients.

In stabilizing microfinance providers, the project will restore trust among partners looking for new investment opportunities and contribute to the long-term vitality of the sector.

Resource Development

TURNING HOPE INTO ACTION FOR POSITIVE, LONG-TERM CHANGE

In a world of mounting challenges to peace and prosperity, AKF Resource Development offers a pathway toward transformative change for some of the most isolated and marginalized communities.

With 100 percent of donations directed to programming, AKF is able to fund high-impact community-driven initiatives, while sponsorships provide an essential source of support for AKF's operations in the United States.

In 2023, under the banner of "Generosity Inspires Hope, and Hope Changes Lives", AKF invited supporters to multiply the impact of their contributions through matching funds provided by private donors.

We also attracted new commitments through our iHope monthly giving program, which provides sustained and stable funding to AKF programs.

Giving Tuesday was a great success thanks to the ever-enthusiastic participation of our community.

With the worst of the pandemic behind us, the Resource Development team looked for innovative ways to bring supporters together, in person and online.

Through professional mixers, dinners, and virtual Dine & Discover sessions, as well as AKF Golf Tournaments in Austin and Atlanta, this year's events were a fun and meaningful way to raise funds and awareness.

Throughout the year, our outstanding volunteers ensured that we met our targets for sponsorships and donations.

The team will build on this success in 2024 with more in-person events and the annual fall digital campaign.

VOLUNTEERS ARE THE ROOTS AND WINGS OF AKF USA

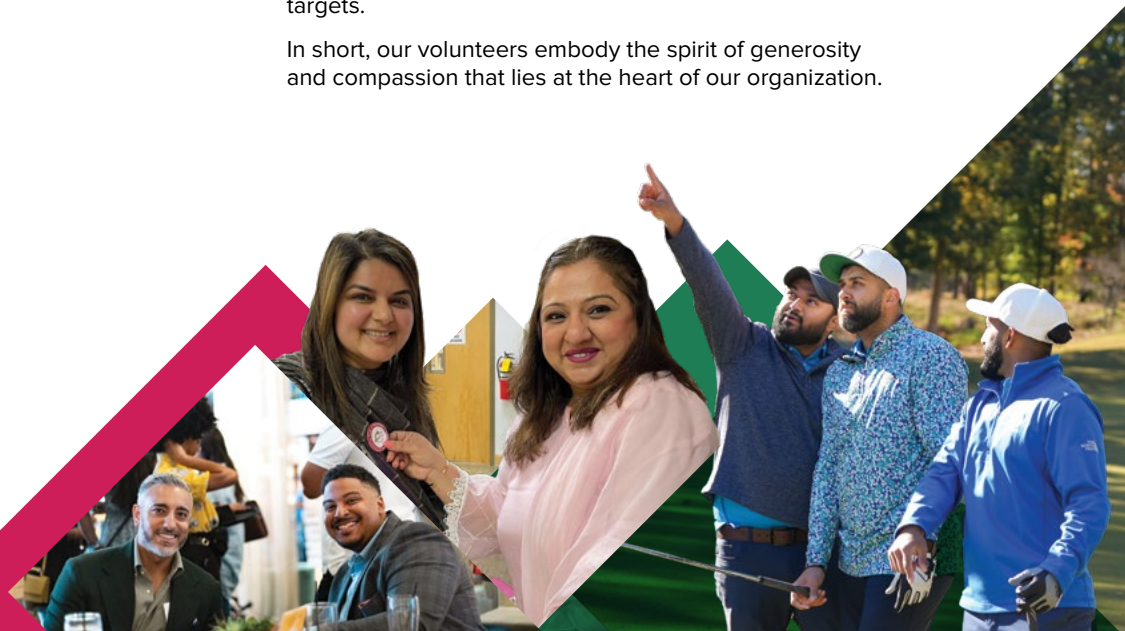
Among volunteer-driven organizations, few can match the dedication of those who give their time and energy to AKF USA.

Coming from a wide range of personal and professional experience, our volunteers are united in our mission to create resilient, self-reliant communities.

Volunteers support the organization at many levels. In the United States, they raise awareness among their friends, colleagues, and social networks. In the communities in which we work, volunteers contribute knowledge and resources to help ensure the success of local initiatives.

In 2023, an array of fundraising, awareness-raising, and celebratory events relied on the hard work and leadership of teams of volunteers and helped AKF meet its fundraising targets.

In short, our volunteers embody the spirit of generosity and compassion that lies at the heart of our organization.



Planned & Legacy Giving

ENSURING AKF'S FINANCIAL RESILIENCE INTO THE FUTURE

AKF USA's Planned and Legacy Giving (PLG) program allows our donors to ensure the well-being of their families while pledging enduring support for AKF and the AKDN.

A PLG gift is the result of making a commitment to donate an asset (life insurance policy, bequest in a will or trust, designating AKF USA as beneficiary of a retirement or donor advised fund etc.), the value of which is generally realized at the time of the donor's passing. Typically, estate planning in consultation with legal and financial advisers is the best way to ensure protection of one's family and fulfillment of charitable intention. Thanks to the generosity of legacy donors, these endowments provide a reliable income stream that contributes to the sustainability of AKDN programs in perpetuity.

Coinciding with the PLG program's 30th year, AKF USA held its inaugural 1967 Legacy Society event in Chicago to celebrate the extraordinary generosity and foresight of legacy donors in the Midwest since the program's inception in 1993. Similar events will be held annually in other regions from 2024 onward.

The program's success is made possible by a countrywide team of more than 60 volunteers and 14 facilitators who educate and engage potential donors considering planned and legacy gifts to AKF.

AKF's Strong Financial Footing

AKF has a proud record of using funds wisely and effectively for programs that have a direct and long-term impact on the communities being served.

No donations from individuals, foundations, or corporations are used for AKF USA's operating expenses in the US. These are funded by a combination of sponsorship income and specific operating and overhead recoveries from institutional grants.

The financial results reflected here are derived from the AKF USA audited consolidated financial statements.

AKF USA is a non-profit, tax-exempt organization under section 501(c)(3) of the Internal Revenue Service code.

AKF USA's financial statements are audited by BDO USA, LLP, which is available for review at AKF USA's office or AKF USA's website.



AS OF DECEMBER 31, 2023 AND DECEMBER 31, 2022

Dollars in Thousands

ASSETS	2023	2022
Cash and cash equivalents ¹	\$ 13,952	\$ 28,606
Notes receivable	13,332	14,190
Investments ¹	162,181	186,428
Cash surrender value of life insurance policy	34,175	32,391
Accounts receivable and other current assets	4,727	1,981
Donor agency receivables	1,145	3,096
Receivables from affiliates	7,025	3,219
Contributions receivable, net	45,065	73,221
Operating Lease right-of-use assets	2,041	2,304
Fixed assets, net ²	296,381	222,968
TOTAL ASSETS	\$580,023	\$568,403
LIABILITIES	2023	2022
Accounts payable and accrued liabilities	\$ 20,878	\$ 14,938
Lease liabilities—right of use assets	2,181	2,431
Payable to affiliates	12,002	11,318
Refundable Advances	5,738	698
TOTAL LIABILITIES	\$40,799	\$29,385
NET ASSETS	\$539,224	\$539,018
TOTAL LIABILITIES AND NET ASSETS	\$580,023	\$568,403

Notes:

- Cash and cash equivalent and investment reduced due to payments made towards the construction work in progress for the Community Center.
- Fixed assets increased due to construction work in progress for the Community Center.

AS OF DECEMBER 31, 2023 AND DECEMBER 31, 2022

Dollars in Thousands

REVENUES	2023	2022
Contributions – cash and financial assets ¹	\$41,953	\$55,676
Contributions – non financial assets ²	-	13,754
Federal grants	8,747	9,898
Non-federal grants	610	4,759
Investment income ³	8,111	1,947
Other Income ⁴	6,543	871
TOTAL REVENUES	\$65,965	\$86,906
EXPENSES	2023	2022
International Programs ⁵	\$ 51,564	\$ 37,252
Community Centers Development (U.S.)	10,135	2,033
Management and General	1,233	992
Fundraising ⁶	2,827	2,281
TOTAL EXPENSES	65,759	42,558
Impairment loss on FMFB investment	-	(1,745)
TOTAL EXPENSES AND LOSS	65,759	44,303
CHANGE IN NET ASSETS	\$206	\$42,603
Net assets at beginning of year	539,018	496,415
Net assets at end of year	\$539,224	\$539,018

Notes:

- Decrease in contributions resulting from the fundraising campaign of 2022 which did not continue in 2023.
- Non financial assets in 2022 include contributed land and building to be used as community centers. There were none in 2023.
- Investment income increased due to high interest rate during the year 2023.
- Other income increased mainly due to \$5 million in refund of unspent grant funds returned to AKF.
- Increase in International Programs is related mainly due to higher grant expenditure incurred in 2023.
- Increase in Fundraising expenses is mainly due to higher number of fundraising events organized during the year. Fundraising expenses are covered by sponsorship income.

2023 SOURCES OF FUNDS

64% CONTRIBUTIONS – CASH AND FINANCIAL ASSETS¹

13% FEDERAL GRANTS

1% NON-FEDERAL GRANTS

12% INVESTMENT INCOME³

10% OTHER INCOME⁴

2023 USES OF FUNDS

79% INTERNATIONAL PROGRAMS⁵

15% COMMUNITY CENTERS DEVELOPMENT (U.S.)

2% MANAGEMENT AND GENERAL

4% FUNDRAISING⁶

Board of Directors

His Highness the Aga Khan

Prince Ayn Aga Khan

Princess Zahra Aga Khan

Prince Rahim Aga Khan

Jane Piacentini-Moore

Alan Abela

National Committee

2023

Sherina Ebrahim, Chairperson

Zahid Rahimtoola, Vice Chairperson

Al-Karim Alidina (Ex-Officio)

Ali Aljundi

Shaiza Damji Nurani

Farida Khemani

Mahmood Khimji

Aleem Remtula

Nageeb Sumar

Farrukh Valliani

2024

Nageeb Sumar, Chairperson

Shaiza Damji Nurani, Vice Chairperson

Al-Karim Alidina (Ex-Officio)

Sarah Hassan

Purnur Ilolova

Rozina Mussani

Hassan Natha

Akbar Poonawala

Farrukh Valliani



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UNITED STATES OF AMERICA

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