



Kabul, July 5, 2005

First Generic Medicines Factory being set up in Afghanistan

- **Public-private partnership equips Afghani population to produce safe and effective generic medicines**
- **Medicines production equipment arrives in Kabul**

Today the donated production machinery for a newly constructed generic medicines factory named "Baz International Pharmaceutical Company Ltd." arrived in Kabul. It will be the first medicine plant built in Afghanistan since the civil unrest. About 300 million to 400 million tablets of urgently needed medicines such as antibiotics and analgesics will be produced each year. Production is scheduled to start in the fourth quarter of 2005. The locally produced generic medicines will significantly improve the availability of safe, effective and affordable medication in the country.

The "Afghan Generic Medicines Project" brings together private and public partners. The project was launched in 2002 by the Swiss non-profit organization Business Humanitarian Forum (BHF), the Brussels-based European Generic Medicines Association (EGA) and the United Nations Development Programme (UNDP) Country Office in Afghanistan. Deutsche Post World Net joined the project with its express and logistics subsidiary DHL to provide comprehensive support by organizing the logistics of the donated machinery and training of the local staff in storage and delivery methods. The project is being co-financed by DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, one of Europe's largest development finance institutes, with funds from the Public-Private Partnership Programme of the German federal government. The plant will be fully Afghan-owned and managed by Dr. Karim Baz, an experienced local doctor.

The project's primary goal is to construct a pharmaceutical plant in Kabul to provide safe and effective generic medicines to the Afghan population. Currently, one-quarter of all Afghan children die before the age of 5, often from treatable infectious diseases due to the lack of proper medication. Approximately 40 local employees will be taught basic operating skills and production technology to allow them to be self-sufficient.

The plant's equipment and materials, as well as pharmaceutical expertise and training are being donated by the European Generic Medicines Association (EGA), the official body representing roughly 500 pharmaceutical companies from the generic medicines industry in Europe. In September 2005, 14 Afghan technicians will be trained in EGA member companies in Europe in order to start production in Afghanistan by the end of 2005.

The BHF is responsible for the overall coordination and implementation of this project in cooperation with Dr. Baz. The BHF provides this support from its offices in Switzerland and from its field office in Kabul. In addition, the BHF is providing support in finding appropriate operations and management staff for the factory, developing a marketing plan, and providing overall business advisory services to Dr. Baz.

DHL used its core competencies in multi-modal transportation and logistics as well as customs and export regulations to deliver the shipments. The production machinery was shipped to the United Arab Emirates and has been flown by two cargo planes to its final destination in Kabul. DHL has also committed to additional post-delivery activities related to the logistics of distributing the medicines once the plant is operational. DHL provides its logistical know-how in ensuring an appropriate and efficient delivery of the medication to hospitals and pharmaceutical outlets. In addition, DHL will safeguard effective training. DHL began its operations in Afghanistan in 2002 and now has three office locations in Bagram, Kabul and Kandahar.

The project Partners BHF, EGA and Deutsche Post World Net have signed a two-year public-private partnership agreement with DEG. Ever since the launch of the government sponsored PPP Programme in 1999, DEG has co-financed over 350 of these projects, especially in the fields of environment and qualification.

All partners have reaffirmed their continuing commitment to the project beyond the completion of the plant to ensure the storage and transportation of the medicines once production begins.

**Pictures of the arrival of the equipment in Kabul are available by emailing emma.sutcliffe@undp.org or calling 070 152874.

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The BHF is an international Geneva-based non-profit association. Launched in 1999, the Business-Humanitarian Forum's primary purpose is to encourage dialogue and mutual support between the business and humanitarian communities. The BHF seeks to foment the recognition that business has a strong, long-term interest in supporting the work of the humanitarian community, which is a key element in the stabilization of developing and post-conflict societies. To implement this concept on the ground, the BHF seeks to use the synergy of business-humanitarian cooperation to help build sustainable economies in post-conflict and developing areas. To achieve these goals, the BHF is developing specific projects involving the private sector and humanitarian organizations in Afghanistan and other post-conflict and/or developing areas. These projects represent the concrete expression of cooperation between business and humanitarian organizations to reconstruct the economies of war-torn countries, providing sustainable employment and locally-owned production facilities for these needy societies.

Deutsche Post World Net is the world's leading logistics Group.

With the combined logistics competence of its brands Deutsche Post, DHL and Postbank, the group offers integrated services and tailored, customer-focused solutions for the management and transport of goods, information and payment flows through its multinational network combined with local expertise. As the leading provider of one-to-one communication, Deutsche Post World Net also has a unique portfolio of effective dialog-marketing services as well as efficient outsourcing and system solutions. Some 380,000 employees in more than 220 countries and territories worldwide generated revenue of €43 bn in 2004.

DHL's parent company, Deutsche Post World Net, is committed to balancing economic, social and environmental objectives for the overall goal of a successful sustainable business. "Social responsibility" is one of Deutsche Post World Net's seven corporate values. This is expressed, among others, by the company's engagement in initiatives of the United Nations, the World Economic Forum and others. Additional information on Deutsche Post World Net's commitment to social responsibility is available on the Internet at www.dpwn.de in the Society and Environment <<http://www.dpwn.de/umweltbericht>> section.

DEG – Our business is developing.

DEG, member of KfW Bankengruppe (KfW banking group), finances investments of private companies in developing and transition countries. Our aim is to establish and expand private enterprise structures, and thus create the basis for sustainable economic growth and a lasting improvement in the living conditions of the local population. In 2004 DEG invested 563 million euros in 100 projects.

The EGA – Making Medicines Affordable

The EGA is the official representative body of the European generic pharmaceutical industry, which is at the forefront of providing high-quality affordable medicines to millions of Europeans and stimulating competitiveness and innovation in the pharmaceutical sector. Formed in 1992, the EGA represents over 500 companies and their subsidiaries from throughout Europe which provide over 100,000 jobs to citizens in Europe. The EGA plays an important consultative role in European healthcare policy making. The EGA and its members work with European national governments and the EU institutions to develop affordable solutions for pharmaceutical care and to increase Europe's competitive strength in the global pharmaceutical market.

The UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.