

### In this issue



**Message from CEO**  
Dr Sunil Motiwal



**SDF Highlights**



**48 projects**  
(7 areas) successfully completed



**Field Monitoring**  
of SDF-Funded Project



**Approval** of two new projects



**Activation of SDF**  
Economic and Infrastructure Windows



**Impact Evaluation**  
of SDF-Funded Projects



**Case study on**  
SDF-funded project



**Partnership and Events**

### SDF Newsletter September 2019



## Message from the CEO

### Dr Sunil Motiwal

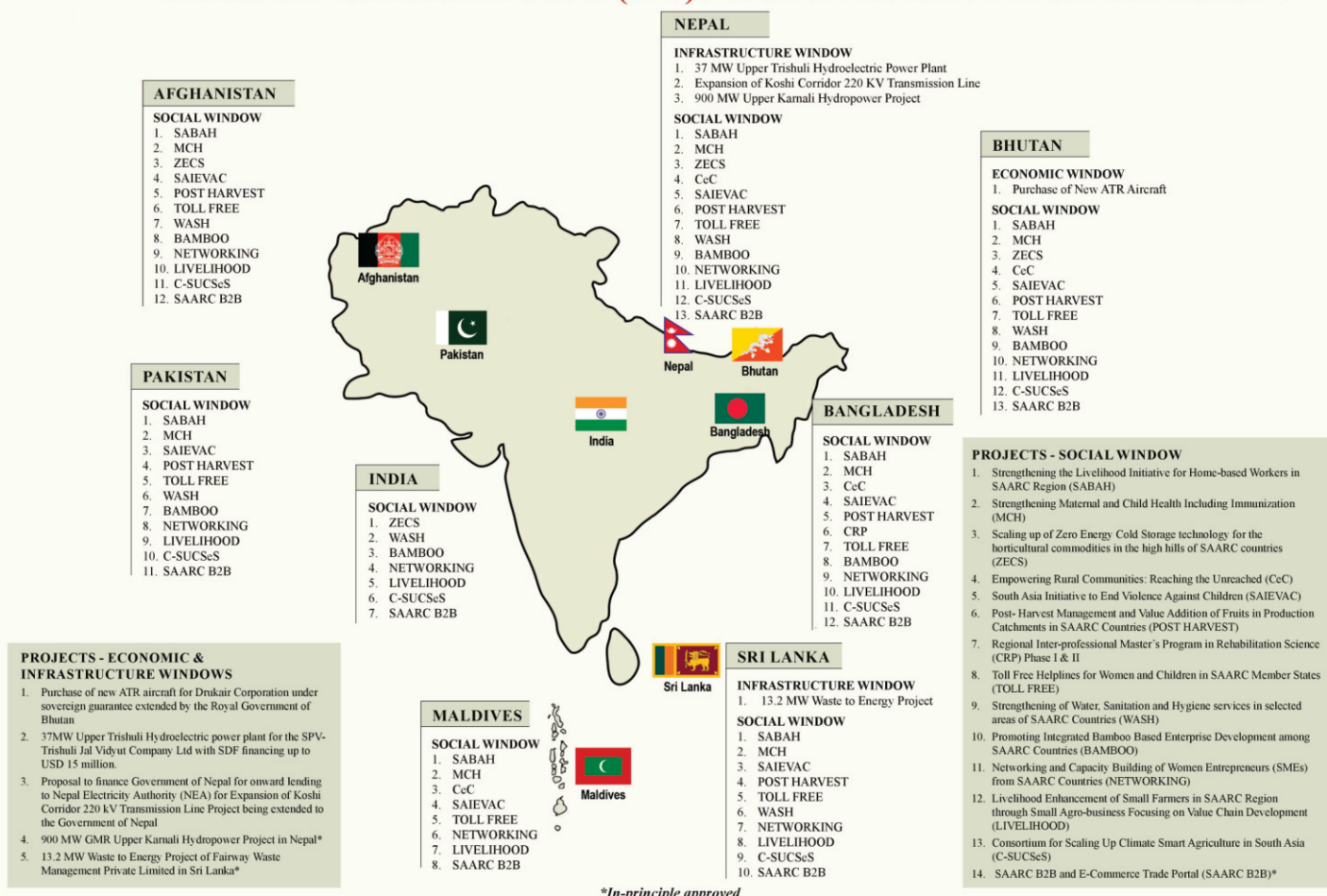
Welcome to the SAARC Development Fund's e-newsletter for the first, second and third quarters of 2019. This newsletter highlights SDF's continued commitment towards promoting the welfare of the people of SAARC Region, improving their quality of life, accelerating economic growth and social progress, and alleviating poverty through financing and implementation of development projects in all the SAARC Member States.

- ▶ Total Fund Commitment of USD 198.23 million under the three funding windows (Social, Economic and Infrastructure) including allocation of USD 50 million for MSME Program
- ▶ Total disbursed USD 61.21
- ▶ Total projects: 92

Currently, SDF is implementing 87 projects (13 areas) under the Social window with fund commitment of USD 74.49 million and 5 projects under the Economic and Infrastructure windows (including 2 in-principle approved projects) with a fund commitment of USD 73 million and MSME Program with fund allocation of USD 50 million in SAARC Member States. We have recently disbursed USD 13 million under Economic Window for financing of ATR aircraft for Drukair Corporation through a sovereign guarantee being extended by Royal Government of Bhutan.



## SAARC DEVELOPMENT FUND (SDF) FUNDED PROJECTS IN SAARC REGION



## SDF Highlights:

**48 projects (7 areas) successfully completed to benefit thousands of people in SAARC Member States**

**The SAARC Development Fund's Social Window has supported a total of 80 projects (12 areas) until date covering all the eight SAARC Member States with a total fund commitment of USD 73.79 million.**

**A total of 48 projects (7 out of 12 project areas) have been successfully completed meaning that the results from these SDF-funded projects were finally achieved in order to benefit thousands of people in South Asia. The projects are:**

1. Strengthening the livelihood initiative for home based workers in SAARC Region – A project through which more than 16,000 home-based workers were trained, 23 sales outlets are established and run by women workers, employed over 9,700 workers and generated a total of more than US\$2 million income for these home-based workers.
2. Strengthening Maternal and Child Health Including Immunization in the SAARC Member States – Through the project, 51 Special Newborn Care Units were established, equipment were provided for 52 district hospitals, and trained more than 450 doctors, nurses and bio-medics.
3. Scaling up of Zero Energy Cold Storage (ZECS) technology for the horticultural commodities in the high hills of SAARC countries - 12 Zero Energy Cold Storage were set up in all the four SAARC Member States benefiting about 12,150 Farmers and 50,000 community people from the cold storage technology.
4. Empowering Rural Communities, "Reaching the Unreached" - 115 Community e-Centers (CeCs)





established. 200 community people of the Unions in Bangladesh, 60 gewogs in 18 districts of Bhutan, 20 atolls in Maldives and 81 Village Development Centers in Nepal and there are 638 CeC Operators/entrepreneurs.

5. South Asia Initiative to End Violence Against Children (SAIEVAC) - More than 251,700 outreach/awareness materials on Child Protection printed and distributed; Developed 2005 IEC materials on Child Projection; More than 5,243 people (media, parents, students and parliamentarian) were sensitized on Violence against Children (VAC).

6. Post Harvest Management and Value Addition of Fruits in Production Catchments in SAARC Countries - Established 12 pack houses, 6 processing centers, 6 cold stores, 2 fruit ripening chambers and 3 banana value addition facilities to benefit hundreds of farmers in the SAARC Member States.

7. Strengthening of Water, Sanitation and Hygiene (WASH) services in selected areas of SAARC Countries - More than 30,000 women/household workers/ farmers provided with safe drinking water and adequate water for small scale livelihoods, such as home garden cultivation, floriculture, animal husbandry, and food processing etc.



**Two projects** - Consortium for scaling up climate smart agriculture in South Asia and Second phase of Inter-professional Master's Programme in Rehabilitation Science – were approved.

The Project - Consortium for scaling up climate smart agriculture in South Asia – with International Fund for Agriculture Development (IFAD) and through SDF's funding will promote sustainable and resilient agricultural intensification in Afghanistan, Bangladesh, Bhutan, Nepal, India, Pakistan and Sri Lanka through enhanced Climate Smart Agriculture (CSA) capacity and technologies.

This project will directly benefit over 7,500 smallholder farmers as well as researchers, extension workers, and policy makers. Smallholders will participate in validation of CSA technologies and will benefit from training,

## SDF Board Directors at the 31st Board Meeting



### **SAARC Development Fund Board approves two projects in Member States**

**Colombo, Sri Lanka 23-24 August 2019** – SAARC Development Fund held its 31st Board Meeting in Colombo, Sri Lanka on August 23 and 24 taking decisions on key issues to further promote regional integration and economic cooperation among its eight Member States.

exposure visits and knowledge events. Hence overall, more than 100,000 smallholders will benefit indirectly from development of strategies for scaling up CSA technologies. This is in addition to IFAD's approved regional grant to support the launch of C-SUCSeS in Bangladesh, India and Nepal.

The second project approved by the Board - Second phase of Inter-professional Master's Programme in Rehabilitation Science for USD 1.5 million- will develop highly qualified professionals in the area of Rehabilitation Science to enable the provision of quality rehabilitation policies and services to people with disability in all the eight SAARC Member States. The Masters Programme is offered at the Bangladesh Health Professions Institute (BHPI), Centre for the Rehabilitation of the Paralysed (CRP).

Through this project, there will be 150 Direct Beneficiaries, 660 graduate and under graduate students as secondary beneficiaries annually, and 234,432 patients or the disabled or people with chronic health conditions per year as ultimate beneficiaries. The fifth SDF Board Project Appraisal Committee Meeting, 10th Finance and Accounts Committee Meeting and 3rd Board Human Resource Committee Meeting were also held prior to the Board Meeting.

## **The SDF Board Directors and CEO welcome the new Chairperson of SDF Board and thank outgoing Chairperson from Pakistan.**



CEO and Staff of SDF would like to welcome the new Chairperson of SDF Board, Board Director from Sri Lanka, Mr K.A Vimalenthirarajah as Chair for the next two years.

## **Prime Minister visits SAARC Development Fund to discuss strengthening of collaboration and explore investment opportunities.**

**Thimphu Bhutan, 30 July 2019** – His Excellency the Prime Minister of Bhutan, Lyonchhen Dr Lotay Tshering, visited the SAARC Development Fund (SDF) Secretariat to discuss strengthening of collaboration with SDF by exploring more investment opportunities.



SDF officials led by the Chief Executive Officer Dr Sunil Motiwal briefed His Excellency the Prime Minister on the current activities, achievements and future action plans of SDF. The Prime Minister was presented on the ongoing projects of SDF in Bhutan under its Social, Economic and Infrastructure Windows. An overview of the upcoming pipelines projects was also presented along with SDF's Micro, Small and Medium Enterprises (MSME) funding scheme in all SAARC Member States.

## **Ministry of Finance, SAARC Development Fund and Drukair sign a US\$13m loan agreement for purchase of Drukair ATR 42-600**

**Thimphu Bhutan, 13 August 2019** –The Ministry of Finance, Royal Government of Bhutan (RGoB), SAARC Development Fund (SDF) and Drukair Corporation Limited signed a **US\$13 million (around Nu 918 million)** loan agreement to finance the purchase of Drukair ATR aircraft.

The signing ceremony was held at the Ministry of Finance, Tashichho Dzong, Thimphu. Documents were signed by the Hon'ble Finance Minister of Bhutan, Lyonpo Namgay Tshering, CEO of SAARC Development Fund Dr Sunil Motiwal and CEO of Drukair Corporation Limited Mr. Tandi Wangchuk.

Ministry of Finance - "The financing of ATR 42-600 with US \$ 13m is the first loan under the economic and Infrastructure windows of SDF. The financing will open up opportunities for Drukair with additional fleets to explore



additional routes within the region and enhance regional integration and connectivity,” said Finance Minister, Lyonpo Namgay Tshering.



Hon'ble Finance Minister of Bhutan, Lyonpo Namgay Tshering, CEO of SAARC Development Fund Dr Sunil Motiwal and CEO of Drukair Corporation Limited Mr. Tandi Wangchuk.

Lyonpo said that “this is the first of its kind for Royal Government of Bhutan and SDF to have a loan sanctioned under SDF’s Economic Window.” He thanked SDF for the generous support, which includes over US\$32 million for ongoing and future projects in Bhutan.

**SDF-** “SDF financing would help Drukair Corporation Limited extend aviation connectivity with Bangladesh, India and Nepal and thus, providing economic connectivity and regional integration,” said CEO of SAARC Development Fund, Dr Sunil Motiwal. He said that the project comes under the trade and economic sector of the Economic Window of SDF. SDF has three funding windows: Social, Economic and Infrastructure.

**Drukair Corporation Ltd** - “Drukair is grateful to RGoB, Royal Monetary Authority and SDF for financing the replacement of the existing ATR 42-500 with state of art ATR 42-600, which will enhance safety and reliability of operations both in the domestic and regional sectors. This complements our plans and efforts in expanding and enhancing the fleet. The new ATR with enhanced features will join our fleet within this September and the new additional Airbus A 320 Neo will join in first quarter of 2020,” said Drukair CEO Tandi Wangchuk.

Governor of Royal Monetary Authority, Dasho Penjore, who was also present at the signing ceremony, said that today was a historic moment for the Royal Government of Bhutan, SDF and Drukair towards promoting regional integration.

## SAARC Development Fund disbursed US\$13m (around Nu 918 million) loan for purchase of Drukair ATR 42-600

**Thimphu Bhutan, 20 September 2019** –The SAARC Development Fund (SDF) disbursed loan amount US\$13 million (around Nu 918 million) to Drukair Corporation Limited for the purchase of Drukair ATR aircraft on 20 September 2019.

This is following the agreement signed between the Ministry of Finance, Royal Government of Bhutan, SDF and Drukair on 13 August 2019. Documents were signed by the Hon'ble Finance Minister of Bhutan, Lyonpo Namgay Tshering, CEO of SAARC Development Fund Dr Sunil Motiwal and CEO of Drukair Corporation Limited Mr. Tandi Wangchuk.

## Sixth SDF Governing Council Meeting



**5 May 2019** - The SAARC Development Fund (SDF) conducted its sixth Governing Council Meeting in Nadi, Fiji on the sidelines of the SAARC Informal Meeting of Finance Ministers and Annual Meeting of the Asian Development Bank (ADB). SDF's Governing Council Members comprises of Finance Ministers of the eight SAARC Member States. The Governing Council approved several critical issues pertaining to the future strategies and action plan of the SAARC Development Fund.

## From The Field: Joint Monitoring of SDF to Zhemgang and Mongar districts, Bhutan



SDF held a joint project monitoring field mission to Zhemgang and Mongar districts in Bhutan to assess the project – “Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries. The objective of the field mission was to present a report to SDF management regarding the quality and appropriateness of on-going activities with suggestion and recommendation to improve project implementation.

***“Traditionally, about 21 items were made from a single bamboo clam or root. But now more than 300 different products can be made from the bamboo,” said Choden Lhamo, one of the many farmers who have gained new employment through the SDF-funded project during the field monitoring visit.***

## Towards co-financing agriculture oriented projects in the SAARC Member States

A team from SAARC Development Fund joined participants from all eight Member States in this year’s SAARC multi-stakeholder’s dialogue on Agriculture to explore opportunities to promote agriculture oriented projects in the region.



Photo: SAARC Secretary General H.E Mr Amjad Hussain B Sial with SDF Secretariat officials and official from Bhutan's Agriculture Ministry.

SDF spoke on the different funding windows and how we have successfully funded agriculture projects, and the upcoming projects in this important sector.

The occasion was graced by the SAARC Secretary General H.E Mr Amjad Hussain B Sial and Secretary of Bhutan’s Agriculture Ministry Dasho Rinzin Dorji.



## Mid-Year Review

SDF’s Social Window team conducted their mid-year review this week of projects funded under Social Window of SAARC Development Fund with the implementing agencies. The review meetings are crucial to assess the project’s progress and to identify challenges in order to improve the implementation of the projects. There are currently 8 active social projects ranging from enhancing the livelihood of home-based workers, toll free helplines for women and children, water, sanitation and hygiene, maternal and child health, agriculture projects to livelihood enhancement of farmers.

## Impact Evaluation of SDF-Funded Projects in SAARC Member States:



- I. Strengthening Mother & Child Health (MCH) including Immunization in by a 24/7 Emergency Obstetric and New Born Care (EMONC) Services;
- II. Empowering Rural Communities Reaching the unreached

The evaluation has two principal purposes. The first is accountability, so as to ensure that development actions actually lead to development outcomes.



The second is learning, so as to offer an evidence base for selecting and designing development interventions that are likely to be effective in fostering outcomes of interest. The first draft report of the evaluation will be submitted to SDF in November, 2019.



## Case Study on SDF funded Project:

“Strengthening the livelihood initiative for home-based workers in SAARC Region’ was implemented through the SAARC Business Association of Home-Based Workers (SABAH)”



### The proposed case study is:

1. To assess how the project contributed to regional cooperation and integration.
2. To analyze the various challenges and implementation issues experienced by the SABAH project across both phases in all the countries of implementation and document key learnings from the same especially in relation to project design and monitoring.
3. To assess whether this project has achieved its broader goals of developing entrepreneurial capacity and skills, common infrastructure and facility, enabling regional connectivity, enabling collaboration among SAARC Member States, promoting exports and new product development, product branding, direct and indirect benefits and transfer of best practices to the underprivileged segments of society and how this impact could be strengthened and sustained.
4. To assess the SABAH model for attaining the above goals and for promoting social sector development in order to draw broader lessons for

future design, implementation and coordination of social projects in the SAARC region and in individual member countries.

This case study will also help highlight the SDF’s initiatives in the social sector for Regional Integration and Economic connectivity in the SAARC region.



**SAARC-Tripartite Rabies Workshop on “Enhancing Progress towards Rabies Elimination ‘Zero by 30’ - CEO Dr Sunil Motiwal during the inaugural session called for a blend of theory and practice, and urged participants to generate a regional proposal for co-funding at the Workshop on Enhancing Progress Towards Rabies Elimination ‘Zero by 30’ in the SAARC Region.**

The inaugural ceremony was attended by Hon’ble Minister of Health and Population of Nepal Mr Surendra Yadav, Secretary of Livestock and Agriculture Ministry, Representatives from UN FAO, WHO, World Organization for Animal Health and SAARC Secretariat. The team led by the SDF CEO held fruitful discussions with the Hon’ble Minister of Health and Population of Nepal Mr Surendra Yadav, and other key members participating in the workshop.

**Launching of MSME Funding Scheme of SDF** Launching of Micro, Small and Medium Enterprises (MSME) funding scheme under the Economic and Infrastructure Windows of SDF is ongoing. SDF is coordinating with all SAARC Member States for nomination of a bank/ institution for MSME Funding Scheme of SDF

## Partnership and Events

**Partnership is key for the South Asia region to realize its full economic potential. Hence, SDF has established and strengthened relationship with various partners to co-finance the cross border projects.**



**52nd Annual Meeting of the Asian Development Bank, Fiji, 1-5 may 2019** - CEO Dr Sunil Motiwal with Mr Takehiko Nakao, President of Asian Development Bank (ADB) at the 52 Annual Meeting of the Asian Development Bank. SAARC Development Fund has been partnering with ADB for many years to mobilize new funds to jointly finance projects in the SAARC Member States.



**Visit of Hon'ble Agriculture Minister of Bhutan H.E Lyonpo Yeshey Penjor and Dr Uma S Singh**, Regional Head of International Potato Centre to the SDF Secretariat. Discussions were on agriculture-oriented cross border projects, and setting up a potato seed production centre in Bhutan for processing, value addition and export to surrounding markets in South Asia.



**CEO of SAARC Development Fund Dr Sunil Motiwal called on the Hon'ble Deputy Prime Minister of Nepal and Minister of Health Mr Upendra Yadav** in his office on June 27. They spoke about possible collaboration in the areas of health and opportunities for cofinancing of regional cross border health care projects, including the setting up of new hospitals and up gradation of existing infrastructure and launching of the new health care programmes involving other SAARC Member States.



**CEO Dr Motiwal called on H.E Mr. Raj Kumar Singh**, Hon'ble Minister of State for Power, New & Renewable Energy (MNRE), Government of India in July 2019. SAARC Development Fund looks forward to working closely with MNRE on projects for cofinancing.



**With Hon'ble Finance Minister of Sri Lanka H.E Mr Mangala Samaraweera** in his office in August 2019. As SDF Governing Council member, the Minister expressed his continued support to SDF's role in enhancing regional connectivity and economic cooperation





**Annual Meeting of the Asian Infrastructure and Investment Bank (AIIB) in Luxembourg from 11-13 July 2019** The theme of the 2019 Annual Meeting was “Cooperation and Connectivity” in recognition of the economic and social benefits to be realized through better connectivity within and between countries and regions, including Europe and Asia.



**At the European Investment Bank (EIB) headquarter In Luxembourg** with Ms Angela Marcarino Paris, EIB Head of Asia and Pacific Public Sector Operations. SDF looks forward to working closely with EIB on regional projects in the near future.



**Meeting at the European Commission in Brussels with Mr Xavier Coget**, Member of Cabinet of EU Vice President Mr Katainen and Ms Libuse Soukupova, Director General of International Aid/cooperation for Middle East, Central and South. EU has confirmed their interest to work with SDF in the areas of Climate Change and Renewable Energy for SAARC Member States.



**27 September 2019:** SDF welcomed the delegation of Supreme Court advocates from Bangladesh. SDF led by CEO Dr Sunil Motiwal presented SDF's current status, achievements and future action plan in all SAARC Member States including Bangladesh. New projects for collaboration and cofinancing were also discussed.





# Who we are

SAARC Development Fund was established in April 2010 by the heads of the eight member countries of South Asian Association for Regional Cooperation (SAARC) – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

Our mandate is to promote the welfare of the people of SAARC region, to improve their quality of life, to accelerate economic growth, social progress and poverty alleviation in the region and to contribute to **“Regional Cooperation and Integration through Project Collaboration”**.

SDF manages projects in all the SAARC Member States under its three investment Windows: Social, Economic and Infrastructure Windows.



Towards Regional Integration and Economic Cooperation Through Project Funding

## SAARC Development Fund

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