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SDF disburse USD 13 million loan to Drukair

Staff reporter

The SAARC Development Fund (SDF) disbursed a loan of USD 13 million (around Nu 918 million) to Drukair Corporation Limited for the purchase of ATR aircraft in Thimphu, yesterday.

“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, Sunil Motiwal (PhD).

The disbursement was followed after an agreement was signed among Ministry of

Finance, the government, SDF, and Drukair in August.

The economic and infrastructure windows of SDF focus on trade, economics, transportation, tourism. The current project fulfills SDF’s mandate of regional integration and collaboration through project financing.

The ATR financing will help in further increasing the number of regional and international tourists, a press release from the SDF stated. In a year, Bhutan attracts more than 254,704 regional and international tourists.

“The project would not only help Bhutan promote its tourism sector but also ensure

greater connectivity to achieve economic development in the region. Thereby, promoting the welfare and prosperity of the people in SAARC region,” said Sunil Motiwal.

Since its inception in April 2010 by the heads of the eight SAARC member States, SDF is mandated to build regional integration and economic cooperation through project funding in all the eight SAARC member states – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The Secretariat is based in Thimphu Bhutan.

Currently, under SDF, there are 87 projects (13 areas) under the social window with

fund commitment of USD 74.49 million and two more projects are approved in principle in social sector.

Five projects are under the economic and infrastructure windows (including 2 in-principle approved projects) with a fund commitment of USD 73 million and Micro Small and Medium Enterprises (MSME) programme with fund allocation of USD 50 million in SAARC member States.

The cumulative fund commitment under the three funding windows including MSME programme stands at USD 197.4 million. More than 10 bankable projects are also under active consideration of

SDF to co-finance in SAARC member States.

SDF has committed a total of USD 31.48 million for ongoing and future projects in Bhutan. Of the total, SDF has funded over 10 projects in Bhutan worth USD 8.48 million under its social window as grants, USD 13 million under the economic window for purchase of Druk Air ATR aircraft and allocated USD 10 million under MSME funding scheme of SDF.

The SAARC Development Fund’s social window has supported a total of 10 projects in Bhutan worth USD 8.48 million. Seven out the 10 projects were successfully completed.