Greetings from SAARC Development Fund.

In 2020, we have achieved sustainable results to promote the well-being of the people of South Asia. This was due to the substantial support we have received from you. In this new year, let us aspire to work together and collaborate on new initiatives to improve the quality of life of the people in South Asia.

The SDF team would like to wish you a very happy, healthy, prosperous and a safe New Year!

This Newsletter also comes at a time when we continue to witness governments, institutions and the people around the world working hard to keep our communities safe and healthy against the COVID-19 Pandemic. We are overwhelmed and grateful for all the support received from the people and the governments of the eight SAARC Member States.

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.

The SDF team would like to wish you a very happy, healthy, prosperous and a safe New Year!
SDF Board approves 3 new Social Window projects

1. USD 7.7 million for COVID-19 project in the SAARC Member States

The SAARC Development Fund (SDF) during its 33rd SDF Board Meeting held on 28-29 July 2020 approved USD 7.7 million for COVID-19 projects in the SAARC Member States under its Social Window to support the countries in responding to the COVID-19 pandemic.

SDF received seven project proposals from seven of the eight Member States—Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka. The project originated from the respective Health Ministries of the Member States.

The emergency grant will be used to strengthen COVID-19 response in the Member States and, benefit COVID-19 suspected cases, confirmed cases, at-risk populations, medical and emergency personnel, and in fact the entire population in the SAARC Member States. Through this grant, the respective health ministries are proposing to enhance ICU and isolation facilities in regional health centres, to purchase PPE kits, ventilator machines, testing kits, and strengthen surveillance, promote health awareness and social mobilization especially targeted towards poor and the disadvantaged, and devising prevention and response strategies.
2. USD 8.59 million grant for ‘Scaling up fortified rice through social safety net programs across Bhutan, Nepal and Sri Lanka’ with the World Food Programme

The SDF Board during the 33rd Board Meeting also approved USD 8.59 million grant under SDF Social Window to improve nutrition through fortified rice in Bhutan, Nepal and Sri Lanka.

The documentation process and due diligence is ongoing.

The project “Scaling up rice through social safety net programmes in Bhutan, Nepal and Sri Lanka” was submitted by the World Food Programme (WFP) as a regional project for co-financing by SDF under SDF’s Social Window.

The project aims to work with the Governments of Bhutan, Nepal and Sri Lanka to address micronutrient deficiencies among the population, starting with vulnerable groups, by scaling up the distribution of fortified rice through national social safety net programs and school feeding programme. The total budget is USD 25.65 million of which, SDF will provide grant support of USD 8.58 million under its Social Window. Bhutan will receive USD 2.25 million – about Nu 168.5 million, Nepal will receive USD 2.75 million and Sri Lanka, USD 3.58 million respectively.

Fortifying rice has great potential to help fight hidden hunger – a form of malnutrition - on a large scale and improve the quality of life of the people in these three countries where rice is a staple food. According to reports, adding vitamins or minerals to commonly eaten foods, also known as food fortification, has already played a part in reducing micronutrient deficiencies over the past century, with micronutrients such as folate or iodine added to foods like flour and salt. But one staple has been largely neglected in fortification efforts: rice

3. USD 0.83 million for WaterAid project on strengthening hygiene and healthcare to fight COVID-19 Pandemic in South Asia.

The SDF Board recently approved the project titled Strengthening Hygiene and Healthcare to fight COVID-19 Pandemic in South Asia. The WaterAid had requested for USD 829,567 under the Social Window of SDF as match funding for a COVID-19 response project on Strengthening Hygiene and Healthcare to fight COVID-19 Pandemic in four SAARC countries - Bangladesh, India, Nepal and Pakistan.

The documentation process and due diligence is ongoing.

The proposed project will be implemented by WaterAid’s four Country Programmes in these countries. The project aims to improve knowledge and practice of key preventive measures to mitigate the spread of coronavirus amongst communities that are at high risk because of underlying vulnerabilities such as poverty and social marginalization.

When implemented, the proposed project aims to directly reach 3.9 million people with hygiene promotion activities and over 1 million people with access to improved and inclusive hygiene facilities, which would be a critical contribution to arrest the spread of COVID-19 in the region. WaterAid will co-finance fifty percent of the project’s total cost, i.e., USD 829,567, from multiple sources including SIDA, Unilever, as well as its own funding.
60 PROJECTS (IN 9 AREAS) Successfully Completed

The SAARC Development Fund’s Social Window has approved a total of 97 projects (16 areas) until date covering all the eight SAARC Member States with a total fund commitment of USD 92.41 million.

The Social Window funds the projects, inter alia, on poverty alleviation, social development focusing on education; health; human resources development; support to vulnerable/disadvantaged segments of the society; funding needs of communities, micro-enterprises, and rural infrastructure development.

A total of 60 Social Window projects (9 out of 16 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 was 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 Protection; Media, parents, students and parliamentarian) were sensitized on Violence against Children.

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.

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.

8. Masters in Rehabilitation of the Paralyzed
implemented by the Center for the Rehabilitation of the Paralyzed (CRP), Bangladesh Health Professions Institute (BHPI) – The program caters to all the SAARC Member States. It has provided direct benefit to 150 students from SAARC Member States and 660 graduate and under graduate students as secondary beneficiaries annually, and over 2,34,432 patients or people with disabilities or people with chronic health conditions per year as ultimate beneficiaries.

9. Networking of Women Entrepreneurs (SMEs) from SAARC Countries - Through this project, a Web Portal (www.saarcweportal.com) was developed for networking of women SMEs in the SAARC region to promote women entrepreneurial networks for advancement of their businesses at a regional level, enhance co-operation and partnerships for promotion of their products and facilitated Women entrepreneurial activities for the betterment of their economies.

IN BRIEF:
Social Window Achievements

Projects Approved
Funds disbursed

97 projects (in 16 areas) under the Social window with fund commitment of USD 92.41 million
Disbursed USD 49.39 million for Social Window projects in all the SAARC Member States

The regional Social Window projects include strengthening the livelihood of home-based workers (SABAH), reducing the mother and child mortality, addressing the needs of farmers, providing Zero-Energy Cold storage facilities for agricultural products, delivering connectivity and content of e-governance to rural folks through ICT, ending violence against children and women, supporting inter-professional Masters Programme in rehabilitation science, improving access to water, sanitation and hygiene in the SAARC region and setting up a consortium of climate smart agriculture in South Asia.
The Royal Society for Protection of Nature (RSPN) Bhutan has implemented the SDF-funded project “Strengthening of Water, Sanitation and Hygiene (WASH)” in Bhutan’s southern district of Samtse.

In August 2020, RSPN received the national Energy Globe Award 2020. The award was presented for the successful implementation of the SD-funded project. The project supported over a thousand rural households with water, sanitation and hygiene facilities to improve their quality of life. Furthermore, the project capacitated community-based organisations in the management of water and sanitation facilities and the promotion of hygiene.

With more than 180 participating countries, the ENERGY GLOBE Award is today’s most prestigious environmental award. It is awarded annually to projects saving our environment by personal action, sustainable projects, or campaigns for raising awareness in sustainability.

Source: RSPN, Bhutan

Implementing partners in Bangladesh recently shared their products in 2020. The products - now available in the market - provides livelihood enhancement opportunities and support to the local farmers. The SDF funded project - Livelihood enhancement of farmers in SAARC region through small agro-business focusing on value chain development - is implemented in all the SAARC Member States.

From the field
The Economic & Infrastructure (E&I) Windows of the fund provides loans for financing both sovereign and non-sovereign projects in the SAARC Member States. The mandate of the E&I windows is to finance economic and infrastructure projects in the eight member states with direct benefit going to at least 2 member states.

The lending is guided by the SDF Board-approved Credit policy and E&I policy guidelines. The priority areas of financing economic and infrastructure projects are tabulated below:

**Economic Window**  |  **Infrastructure Window**
---|---
a) Trade and Industrial Development | a) Energy,
b) Agriculture and allied sectors | b) Power
c) Services Sector | c) Transportation
d) Science and Technology | d) Tele Communications
e) Other Non-Infrastructure areas | e) Environment
f) Any other sectors as approved by the Board | f) Tourism
g) Other Infrastructure Areas | h) Any other sectors as approved by the Board

Until **December 2020**, the fund has approved 5 projects (including 2 in-principle approved projects) under the E&I Windows with a cumulative loan amount of USD 73 Million in various SAARC Member States.

The E&I Team continue to strategize in order to garner sound bankable projects and have initiated preliminary "show interest calls" with several relevant organizations and partners.

The SAARC Charter establishing South Asian Association for Regional Cooperation (SAARC) was adopted on 8 December 1985 by the SAARC Heads of State/Government during their first-ever Summit in Dhaka, Bangladesh. The SAARC Charter recognizes the region’s shared history and the determination of the SAARC Member States - Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka - to foster mutual understanding, friendship and cooperation for peace and prosperity.

The SAARC Charter Day celebration in 2020 brought together Hon’ble Ministers, high-ranking government officials, resident Ambassadors, heads of international organizations, civil society representatives and implementing agencies of SDF funded projects for an evening of music and food from the eight SAARC Member States, and an advocacy event around 10 years of SDF.

Hon’ble Finance Minister of Bhutan Lyonpo Namgay Tshering, who is also a SDF Governing Council Member, was the Chief Guest. The Foreign and Agriculture Ministers of Bhutan were also present at the event.

Hon’ble Finance Minister Lyonpo Namgay Tshering, who is also SDF Governing Council Member, said: “Bhutan, as a founding member of SAARC and a country that deeply values its membership to the Association, we have always strived to participate and contribute to the SAARC process to the best of our abilities.” The vision of SAARC is to foster cooperation among the countries and to work...
towards prosperity and wellbeing of the people, and all the eight SAARC countries have been working hard towards this vision, Lyonpo said.

Officer-In-Charge of SDF, Mr Anuj Goel, said that the SDF as an umbrella financial institution for SAARC projects and programs is fully committed to promote “Regional Integration and Economic Cooperation among the SAARC Member States through project funding and collaboration.” He added that COVID-19 and its continuing challenges has seen an unprecedented coming together of the governments and other actors in the region to address all the unimagined situations that the pandemic threw at us. The SDF Board has also recently approved funding of USD 7.75 million to support COVID-19 projects of the SAARC Member State Governments through their ministries of health.

58th Session of the Programming Committee of SAARC

15 December 2020: The 58th Session of the Programming Committee of SAARC commenced through virtual mode on 15 December to review the progress of SAARC activities and to deliberate on budget as well as programmes for the year 2021.

At the meeting organized by the SAARC Secretariat in Kathmandu, Nepal, the SAARC Development Fund (SDF) shared the current status, achievements and future action plan of SDF by updating the members on the Decisions of the 32nd and 33rd SDF Board of Directors Meetings.
IN BRIEF:

Counterpart Agency focal meetings

The Social Window team continued to hold numerous Counterpart Agency focal meetings in 2020 to address respective issues related to the projects funded under SDF’s Social Window. The meetings are crucial to assess the project’s progress and to identify challenges in order to improve the implementation of the projects.

Partnership/Strategic Alliances

SDF has developed good working relationship with various Multinational Development Banks, International Financial Institutions, Regional banks, MSME Banks, SME Banks, Chamber of Commerce and Industries, Trade and Investment Promotion Agencies.

New Initiatives:

Japan International Cooperation Agency’s (JICA) has expressed their interest in collaborating with SDF for Social Window projects. Series of meetings have been held to discuss possible collaboration. We have also initiated discussions with the International Trade Centre (ITC)- European Union and International Finance Corporation (IFC) offices in Bhutan for exploring possible collaboration.
The Tourism Council of Bhutan (TCB) in October launched a Bi-monthly program to provide platform for multisectoral stakeholder discussion named as Bhutan Tourism Dialogue.

The Tourism Council of Bhutan invited Officer-In-Charge of SDF as one of the panelists to discuss on the time-tested golden mantra of ‘High value, Low volume’ tourism during the 3rd Tourism Bhutan Dialogue Series on 27 November 2020. The dialogue was to highlight on the threats posed by growing mass tourism and now with COVID-19, it has given an opportunity for governments to re-evaluate, rebuild and redesign the tourism policies. The panel discussion can be viewed on https://bit.ly/3o3DmGV

2020 SDF Office Retreat

The SDF Office Retreat was held in Paro, Bhutan on December 11-12, 2020. This provided an opportunity to the SDF Secretariat Staff to reflect and discuss their work this year and plan their activities and programs for 2021 based on the need of each Department/Unit. Each year, the SDF office retreat provides an excellent platform for team-building exercises.
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. For details, Visit Website: www.sdfsec.org