SAARC Development Fund
Regional Integration through Project Funding & Collaboration

Co-Financing of Projects
Under
Economic and Infrastructure Windows of SDF
SAARC Development Fund is a regional funding institution operational since 2010. SDF has been established (i) to promote the welfare of the people of SAARC region, (ii) to improve their quality of life and (iii) to accelerate economic growth, social progress and poverty alleviation in the region. The Fund is to serve as the umbrella financial institution for SAARC projects and programmes and is aimed to contribute to regional cooperation and integration through project collaboration.

The SDF shall focus on regional programmes and projects which fulfill the objectives of SDF and SAARC Charter.

Loans under the two windows can be extended to both public/ private sector and autonomous bodies in the SAARC Member States.

Focus areas and Eligible Projects

- Under the Economic Window, SDF shall fund projects in areas such as Trade, Agriculture and allied value additions, Industry/ Manufacturing, Micro Irrigation, any other sectors and under the Infrastructure Window, SDF shall fund projects in areas such as Renewable energy, Water harvesting, Forestry, Tourism, Climate change, ICT and any other sectors.

- Projects/ Programs involving any one or more than one SAARC Member State with the direct benefit going to more than one Member State.

- SDF will be co-lending with local financial institutions/banks in SAARC member states, other Regional Financial Institutions/Banks/or any other Funding organization.

Terms

- Currency of loans: Loans can be extended both in USD and local currencies of SAARC Member States
- DER : Maximum 3:1; Promoter’s contribution: min 25%
- Tenor : Maximum 7 years (including grace period of maximum 2 years)
- Rate of interest – Pricing of the SDF funding E&I windows will be near to the opportunity cost of the funding / weighted average rate of at least 3 member states.
- Charges: Appraisal fee/Up-front fee/Commitment Fee/Documentation fee apply as per Policy Guidelines for Economic and Infrastructure Windows of SDF.
  - Actual terms will depend upon project requirements based on appraisal and risk perception.
  - For infrastructure projects and those under Economic window co-funded with other banks/FIs, lending norms of the lead banker will be applied.

Process of submitting the Project Proposals:

Concept Note along with DPR can be submitted directly to CEO, SDF at the below mentioned address or through syndication mechanism. Detailed appraisal shall be carried out by SDF (together with other lenders).

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