



SAARC

SAARC Development Fund

Towards Regional Integration and Economic Cooperation
Through Project Funding





Message from CEO

SAARC Development Fund has undertaken a number of initiatives for strategic growth of South Asia region, such as forging relationships with strategic partners for taking up joint initiatives and also co-funding of projects. SDF is also working towards strengthening and positioning itself as a catalyst funding organization for the strategic growth of the SAARC Region.

We are committed 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.

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 activated the Economic Window by way of disbursing USD 13 million to Drukair Corporation, Bhutan for purchasing ATR 42-600 aircraft.

Partnership is key for the South Asia region to realize its full economic potential. Hence, SDF has also developed a strong 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. We are therefore looking forward to co-financing Economic and Infrastructure projects and mobilizing funds with these partners for project funding.

The increase in our presence in South Asia reflects our strong commitment. SDF is in the process of strengthening its credit portfolio and its lending business.

Dr. Sunil Motiwal
CEO of SAARC Development Fund

SDF at a glance



92 Projects

87 (in 13 areas) - Social Window 5 - E&I Windows

48 projects (7 areas)

Successfully completed to benefit thousands of people in SAARC Member States



Total SDF Authorised Capital

USD 1.5 billion



Total Fund Committed and Allocated

USD 198.23 million under Social Window, and Economic and Infrastructure Windows including USD 50 million allocated for MSME



USD 61.23m disbursed

USD 48.23 million - Social Window USD 13 million – E&I Window

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Towards Regional Integration and Economic Cooperation through project funding

SAARC Development Fund (SDF) was established in April 2010 by the Heads of States/Governments of SAARC Member States – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka during the Sixteenth SAARC Summit held in Thimphu, Bhutan.

The Fund serves as the umbrella financial institution for SAARC projects and programs which are in fulfillment of the objectives of the SAARC Charter. It is aimed to contribute to regional cooperation and integration through project collaboration.



Vision: “Aim to be a vibrant Regional Development Bank with market orientation and a development focus in promoting and financing Social, Economic & Infrastructure projects with distinct regional and sub-regional flavor.”

Mission: The vision will be realized through a dedicated mission that encompasses the following:

- a** SDF to become an important Umbrella Funding Mechanism of SAARC
- b** To mobilize fund in the form of availing Line of Credit, Venture Capital for Project financing
- c** Facilitate poverty alleviation with sustainable development

Objectives



To promote the welfare of the people of SAARC region



To improve their quality of life, and



To accelerate economic growth, social progress and poverty alleviation in the region



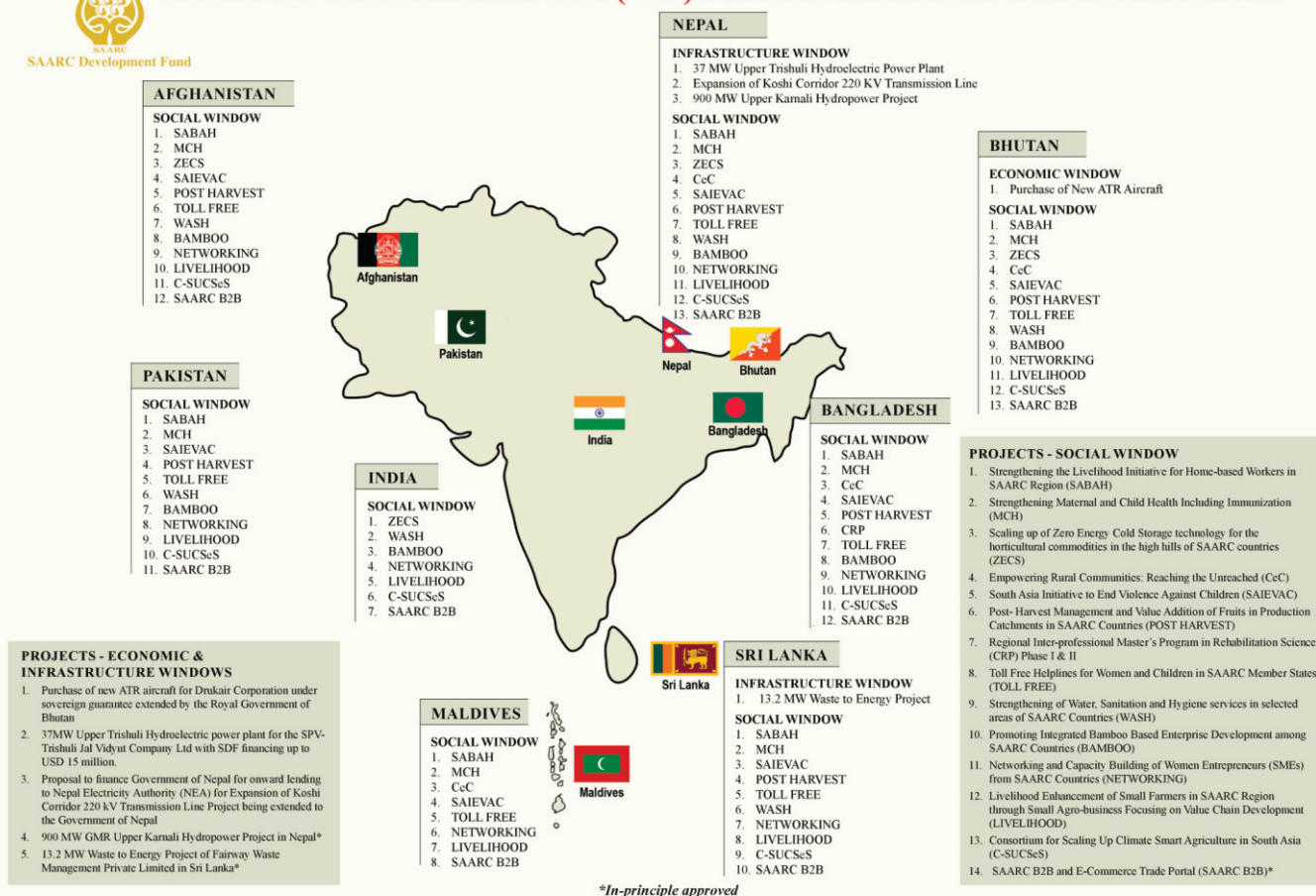
Governing Structure of SDF

SDF is governed by the Governing Council that comprises Finance Ministers of SAARC Member States.

The Board of Directors of SDF comprises the senior officials representing Finance Ministries of Member States, Secretary General of SAARC Secretariat and Chief Executive Officer, SDF.



SAARC DEVELOPMENT FUND (SDF) FUNDED PROJECTS IN SAARC REGION



Funding Windows of SDF

SDF has three funding windows:

1. Social Window

Funds projects, 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.





2. Economic Window

Funds non-infrastructure projects related to trade and industrial development, agriculture, service sector, science and technology and other non-infrastructure areas.

Micro Small and Medium Enterprise (MSME) program

SDF proposes to fund MSME program in SAARC Member States. MSME funding scheme within the Economic Window of SDF.



3. Infrastructure Window

Funds projects in areas such as energy, power, transportation, telecommunications, environment, tourism and other infrastructure areas as approved by the SDF Board.

Current Status of SDF

Currently, SDF is implementing 92 projects in all SAARC Member States. There are 87 projects (under 13 areas) across all SAARC Member States under the Social Window with fund commitment of USD 75.23 million. USD 48.21 million have been disbursed. There are five 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 disbursed USD 13 million under Economic Window for financing of ATR aircraft for Drukair Corporation, Bhutan

The cumulative fund commitment under the three funding windows including MSME Program stands allocation is at USD 198.23 million. Further, more than 10 bankable projects are also under active consideration of SDF to co-finance in SAARC Member States.





Achievements

on the ground under Social
Window of SDF in
the SAARC Region
Creating Economic and
Developmental Impact



Empowering Rural Communities 'Reaching the Unreached' by established 115 Community e-Centers providing essential services through ICT-enabled centres



Supported 52 Special Newborn Care Units to increase child and maternal survival in the SAARC Member States



Under the Project: SAARC Business Association of Home Based Workers (SABAH) - Trained over 16,000 Home-based workers, and empowered them through crafts-making and marketing to strengthen their livelihoods. Today, their total sale proceeds exceed USD 2 million.



12 Zero Energy Cold Storage (ZECS) technology established to increase shelf life of horticulture commodities



South Asia Initiative to End Violence Against Children (SAIEVAC) - 251,700 outreach/awareness material on Child Protection printed and distributed. More than 5,000 sensitized on violence against children.



Post-Harvest Management and Value Addition of Fruits through setting up of pack houses, processing centers, cold stores, fruit ripening chambers and value-addition facilities.



Regional Inter-Professional Master's Program in Rehabilitation Science



Toll-free Help-lines for Women and Children set up in a collective regional effort to enhance protection of women and child right.



Strengthening of Water, Sanitation and Hygiene (WASH) to provide safe drinking water, and proper sanitation and hygiene facilities.



Promoting Integrated Bamboo Based Enterprise Development for income generation and employment among SAARC Countries

Economic and Infrastructure Windows:

There are 5 approved projects under SDF's E&I window
These include:

- 1 Purchase of the ATR 42-600 for Druk Air Corporation under the sovereign guarantee extended by the Royal Government of Bhutan.
- 2 Electricity transmission line project in Nepal
- 3 Development of hydro power project in Nepal
- 4 Development of a 990 MW Hydroelectric project in Nepal.
- 5 A Waste to Energy project in Sri Lanka



USD 13 million sovereign loan against sovereign guarantee has been disbursed for the purchase of ATR 42-600 for Druk Air Corporation.

SDF is currently considering some bankable cross border regional connectivity projects in trade and economics, renewable energy, transport, telecom and information technology & communication (ICT) under the Economic and Infrastructure Windows of SDF.



CEO, SDF Dr Sunil Motiwal with the Presidents of New Development Bank, Asian Development Bank, Asian Infrastructure and Investment Bank and with Hon'ble Prime Minister of Bhutan.

Partnership – Building Strategic Alliances

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 through the Memorandum of Understanding. SDF has developed a 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.

Strategic Advantages of SDF

Fully geared up to play a catalytic role in the region in collaboration with multilateral and international institutions.

- An umbrella financial institution for SAARC projects and programs
- Bringing synergies across eight Member States
- Sharing of regional best practices
- Identification and development of regional projects/programs
- Can mobilize and generate funds both within and outside SAARC region
- Governing Council consists of Finance Ministers of SAARC Member States
- Board of Directors comprise senior officials from Finance Ministries of Member States
- Fully geared up to play a catalytic role in the region in collaboration with multilateral and international institutions
- Supported by 8 SAARC Member States by way of capital contributions; Also voluntary contributions by some member and non-member states

Strategic Action for the future

SDF has built its capacity to meet all the necessary requirements as a Regional Financial Institution for financing the various cross-border projects through the three windows in the SAARC Member States in the most professional and prudent manner.



Future Action Plans:

- ✓ Building up a strong and quality credit portfolio at SDF.
- ✓ Building up a strong pipeline of the cross-border projects to be co-financed with various Multilateral Development Banks/ Regional Financial Institutions/ Commercial Banks etc.
- ✓ Tie up with various Multilateral Development Banks/ Regional Financial Institutions/ Commercial Banks etc for Fund Mobilization and co-financing the cross-border projects in the SAARC Member States.
- ✓ Enter into the Call Money market to avail competitive borrowings from the secondary market to utilize the borrowings for financing the projects under the E&I Windows.
- ✓ To issue the rated Green Bonds/ Financial Bonds to avail competitive borrowings from the secondary market to utilize the borrowings for financing the projects under the E&I Windows

Strengthening human capital of SDF

Various support departments viz Credit/Risk & Investment, Legal, Monitoring & Evaluation, Finance and Accounts, Internal Audit, Information Technology, Communications and etc. have been set-up for the in-depth analysis of the various project proposals from Credit/Risk, Legal and other technical point of views.



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