



SAARC

SAARC Development Fund

Regional Integration through Project Funding & Collaboration



Financing of Projects Under Economic and Infrastructure Window of SDF



About SAARC Development Fund (SDF)

The SAARC Development Fund is a regional funding institution that has been operational since 2010. It was established to:

- Promote the welfare of the people in the SAARC region.
- Improve the quality of life in the region.
- Accelerate economic growth, social progress, and poverty alleviation.

SDF serves as the umbrella financial institution for SAARC projects and programs, contributing to regional cooperation and integration through project collaboration.

Funding Focus

Economic Window:

Under Economic Window, SDF funds projects in the following areas:

- Trade
- Agriculture and allied value additions
- Industry/Manufacturing
- Micro Irrigation
- Other sectors
- Any other projects which are not covered under Infrastructure Window

Infrastructure Window:

Under the Infrastructure Window, SDF funds projects in areas such as:

- Renewable Energy
- Water Harvesting
- Forestry
- Tourism
- Climate Change
- ICT
- Other sectors

Projects must involve one or more SAARC Member States and provide direct benefits to two Member States.

Loan Details

- **Loan Amount:** Up to USD 15 million per project/company.
- **Debt-to-Equity Ratio:** Maximum 3:1; Promoter's contribution: minimum 25%.
- **Tenor:** Maximum 10 years (including a 2-year grace period).
- **Interest Rate:** SOFR six months plus 2%.

- **Charges:** Appraisal fee, up-front fee, commitment fee, and documentation fee apply as per Policy Guidelines for Economic and Infrastructure Windows of SDF.
- **Terms:** Actual terms will depend on project requirements based on appraisal and risk perception.

Co-Financing

SDF participates in co-financing for infrastructure and economic development projects in any of the eight SAARC member states. These projects must provide direct economic benefits to more than one SAARC member state through equity investment, cross-border trade, or infrastructure development that facilitates significant trade between member states. Project procurement is typically done through open bidding among SAARC member states, but in certain cases, international competitive bidding (ICB) may be used with SDF Board approval and alignment with the lead funding institution's procurement guidelines.

Application Process

Submit your Concept Note and Detailed Project Report (DPR) directly to the CEO, SDF, at the address below. A detailed appraisal will be carried out by SDF together with other lenders if any.

Contact Information:

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