



SAARC  
SAARC Development Fund



## SAARC Development Fund

# Newsletter

January - June 2021

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## Greetings from SAARC Development Fund.

SAARC Development Fund (SDF) was established in April 2010 as a regional financial institution for SAARC projects and programmes. SDF's Mandate is to promote regional integration and economic cooperation. In the last eleven years, SDF has embarked on new projects, forged new partnerships and initiated numerous interventions to enable SDF to become a more dynamic and robust umbrella-funding institution, amply capable of delivering the benefits of regional engagement to the millions in the region through project-based collaboration.

SDF operates through the three financing windows: Social, Economic and Infrastructure. SDF has about 100 projects approved by the SDF Board under the three funding windows with a fund commitment/allocation of over USD 165 million.

The regional projects are successfully implemented through the implementing agencies/coordinating agencies, especially for the Social Window projects. With the activation of our Economic and Infrastructure Windows, SDF also aims to foster synergies across the region to fund projects related to energy, power, transportation, tourism and other infrastructural areas.

This Year's Biannual "Newsletter June 2021" provides an insight to 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 the Member States.

Regional cooperation and integration through project funding, the process by which SAARC Member States become more interconnected regionally, is critical to promoting the wellbeing of the people of South Asia. Hence, we wish to acknowledge the enormous contribution of the SDF Board of Directors, Counterpart Agency focal points, Implementing Agencies, and esteemed partners towards SDF. Thank you.



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# SDF Achieves New Milestone

## Social Window Project Grant Disbursement Crosses USD 50 million

**March 2021** – The SAARC Development Fund in March achieved a new milestone with total grants disbursement crossing USD 50 million for projects in the eight SAARC Member States under SDF Social Window.

In this current fiscal year alone, close to USD 3 million has already been disbursed for Social Window projects being implemented in all the SAARC Member States. With the COVID-19 projects under final documentation, the SDF Secretariat will also be speeding up disbursements in the coming months further enhancing its total grant disbursement figures.

“The increase in our project disbursement figures reflect our strong commitment to improving the lives of the region’s people. Going beyond these numbers, we increasingly understand how critical these regional projects are and genuinely hope to

see continued results on the ground,” said Officer-In-Charge of SDF and Director- Social Window Mr. Anuj Goel.

Currently, SDF has 97 projects (in 16 thematic areas) approved under the Social Window with a total fund commitment of over USD 92 million. About 86 of these projects have been operationalized and some have even completed.

“Over the years, we are honoured to continue our fruitful collaboration with the project implementing agencies in the eight SAARC Member States,” Mr. Goel said. He added that SDF considers its partnership with the governments and the people of the eight SAARC Member States and the support of all our partners an immense privilege in traversing this journey of promoting the welfare of the people of SAARC region and promoting regional integration through project collaboration.

## SDF Board of Directors meet virtually for the 34th SDF Board Meeting and related meetings



**9-10 June 2021:** The SAARC Development Fund held its 34th SDF Board Meeting virtually on 9-10 June 2021 taking decisions on important matters for the wellbeing of the people of the SAARC Member States. The Meeting was Chaired by Sri Lanka.

SDF's governance structure includes its Governing Council comprising of the Finance Ministers of the eight SAARC Member States, and its Board of Directors comprised of representatives from the Ministry of Finance of each Member State.

The 5th Board Human Resource Committee Meeting and 13th Finance and Audit Committee Meeting were also held prior to the Board Meeting.



## STORIES FROM THE FIELD



### **Congratulations** to the fifth batch of the Master's Program in Rehabilitation Science (MRS) students for successfully completing the programme!

SDF's project – SAARC Regional Inter-Professional Master's Program in Rehabilitation Science at the Bangladesh Health Professions Institute - an Academic Institute of Center for the Rehabilitation of the Paralyzed (CRP) – is geared towards building a cadre of leaders capable of advancing education, research and practice in the field of disability and rehabilitation in the SAARC Member States.

Each year, we support about 30 Masters students (50% reserved for students from the SAARC Member States & 50% for Bangladeshi Students).

Disability is a significant issue in South Asia and we must have quality therapists who are trained and retained in the health profession to continue developing meaningful services for people with disabilities. A total of 117 Graduates have availed the scholarship so far.





### SDF's Livelihood Enhancement project



**Photos from our beneficiaries in Bangladesh** - Our livelihood enhancement project provides farmers in the SAARC region opportunities to improve their livelihoods and increase income through small scale agro-business focusing on value chain development! We thank our Implementing Agency in Bangladesh - the Rural Development Academy (RDA), Bogra, Bangladesh and the Bangladesh Farmers Group (Bogura sub project area) who are producing Banana and Jackfruit Chips though Vacuum Frying Technology.



# SDF implements the COVID-19 Emergency Grant project



**Thimphu Bhutan, 16 June 2021** – The SAARC Development Fund (SDF) handed over the COVID-19 emergency grant amount to the Ministry of Health, Royal Government of Bhutan as marking the implementation of the SDF’s “COVID-19 emergency grant” project.

Officer-in-Charge of SDF, Mr. Anuj Goel, presented a cheque of USD 0.5 million (Nu 36.66 million), the first tranche/50 percent of the grant amount USD 1 million (Nu 73.31 million), to the Health Secretary Dr. Pandup Tshering.

This USD 1 million COVID-19 grant to Bhutan is part of the USD 7.75 million, which the SDF Board had approved last year as COVID-19 Emergency Grant to the SAARC Member States to support the countries in responding to the COVID-19 pandemic. The project is funded under SDF’s Social Window – under health thematic area.

SDF received project proposals from seven of the eight Member States – Afghanistan, Bangladesh,

Bhutan, Maldives, Nepal, Pakistan and Sri Lanka in 2020 for the COVID-19 grant. The project originated from the respective Health Ministries of the Member States.

“SDF’s COVID-19 funding will provide Member States with emergency support to enhance the capacity of the frontline workers and health personnel, and help procure important medical goods and supplies,” Mr. Goel said. “We are happy that SDF is able to provide our support to the member countries during these difficult times.”

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.



# Economic and Infrastructure Windows



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

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.

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## Partnership/Strategic Alliances

Partnership is key for the region to realize its full economic potential. Hence, SDF has continues to strengthen its relationship with various partners to co-finance the cross-border regional projects. SDF has developed good working relationship with various developmental organizations, bilateral and multilateral institutions, SAARC entities, regional and international partners, Banks, International Financial Institutions, Chamber of Commerce and Industries, Trade and Investment Promotion Agencies.

To Co-Finance the cross-border projects and leverage resources in the SAARC Member States, SDF has signed Memorandum of Understanding with many of the leading institutions.

## PARTNERSHIP AND EVENTS:

### Meeting with the State-owned Enterprises, Bhutan



A meeting with the representatives of the State-Owned Enterprises (SOEs), Bhutan was held at the SDF Secretariat on 19 February 2021. The meeting was facilitated by the Ministry of Finance, Royal Government of Bhutan to explore areas of possible collaboration between these SOEs and the SAARC Development Fund.

SDF team made a presentation on the Economic & Infrastructure Windows, especially on the funding guidelines, criteria and

its ongoing activities. Participants from the SOEs (most represented by the CEOs) inquired about SDF's existing pricing, lending terms, rules and regulations under the E&I windows and how SOEs in Bhutan could access the fund through projects. The platform was mainly used to provide a snapshot of the funding windows, and present SDF's work in the last few years specifically under the E&I Windows. The interested SOEs decided to take the discussion forward bilaterally with SDF.

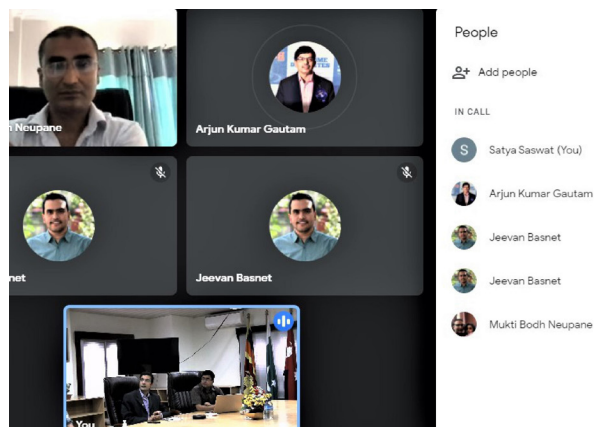


### Meeting with Counterpart Agencies and Partners

The **Social Window** team continued to hold numerous Counterpart Agency focal meetings together with the Implementing Agencies this year 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.

SDF's **Economic and Infrastructure** team also held meetings together with the partners to discuss project-related issues.

A meeting was held with the Hydroelectricity Investment and Development Company Ltd., Nepal in June this year to understand the status of the approved Project and to explore new opportunities where both SDF and HIDCL can jointly invest in projects.



# Who we are?



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](http://www.sdfsec.org)



Towards Regional Integration and Economic Cooperation Through Project Funding

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