



SAARC Development Fund



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SDF Newsletter, First Quarter of 2023



Greetings from SAARC Development Fund! Welcome to SDF's newsletter for the first quarter of 2023. 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.

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..

This first quarter newsletter, 2023 covers a number of updates and stories from the field about people we empower. 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 twelve 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.

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Strengthening partnership



# SDF Board of Directors meet in Colombo, Sri Lanka for the 35th SDF Board and related meetings



3-4 April, 2023 – SAARC Development Fund held its 35th Board Meeting in Colombo, Sri Lanka with the Board taking decisions on key issues to further promote regional integration and economic cooperation among the Member States. The meeting was Chaired by Bangladesh.



The 9th Board Project Appraisal Committee Meeting was also held prior to the Board Meeting.

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

## 8th Meeting of the SDF Counterpart Agencies

5-6 April 2023 – Representatives of the SDF Counterpart Agencies from the SAARC Member States met in Colombo, Sri Lanka for the Eighth Counterpart Agencies Meeting of the SAARC Development Fund (SDF).

The meeting was held to review the status and achievements of ongoing SDF-funded projects in the SAARC Member States, and discuss challenges faced in implementation of these projects and as well as, the important role of the Counterpart Agencies of SDF. SDF Counterpart Agencies are the focal points nominated by the Finance Ministry of the respective Member States in order to facilitate and strengthen coordination.





## SDF-funded post-harvest facilities benefit farmers

Phuentsholing Bhutan, February 2023 - Farmers in Bhutan grow almost all types of fruits and vegetables. Unquestionably, the overall quality of these fruits and vegetables gets deteriorated by the time it reaches the market or a processing industry because of poor handling practices, limited post-harvest management or infrastructure, and market access barrier.

The post-harvest losses are much larger for nutrient dense foods such as fruits, vegetables and dairy, due to their perishable nature and lack of appropriate cold chains and storage. Therefore, post-harvest practices and post-harvest infrastructure at strategic locations are critical.

The SAARC Development Fund has partnered with the post-harvest center to support the 300-Metric Ton cold storage facility at the Food Corporation of Bhutan Ltd. (FCBL) in Phuentsholing to benefit farmers and their families in all the nearby districts. This was part of the Nu 30 million grant to Bhutan's Agriculture Ministry for the project – "Post Harvest Management and value addition of fruits in production catchments in SAARC Countries". The project, also implemented in the other Member States, was aimed at reducing postharvest losses of the fresh produce by at least 25 percent, to improve and maintain the quality of the fruits, preserve nutrient content and ensure better prices for the farmers.



Besides the post-harvest and storage infrastructure, the project has also supported the introduction of basic postharvest practices and technology, and how to utilize such cold storage facilities. FCBL officials told SDF Team during a recent field mission that with these services, farmers are able to attain higher revenues from their harvest. Especially with the COVID-19 pandemic disrupting all sale and exports, officials said that the cold storage proved very useful with farmers and suppliers using the cold stores to store and supply their fruits and vegetables, and minimizing damages to their yield which could have resulted to a huge loss.

## Value-addition to ginger in Chakthagang, Samtse



Almost every household in Chakthagang village in Samtse - a southern district in Bhutan, have been growing ginger for decades. In fact, it has become one of the main cash crops for the villagers here.

Jan Singh Rai, 61, says that a kilo of ginger would fetch them Nu 15 but he sees much more opportunity in using ginger to make pickles, powder and tea to be sold across the country and outside Bhutan. Rai is one of the many members of the farmers' group in this village, who have availed a training on value-addition and agri-enterprise development to learn how they can increase their income by adding value to their fruits and vegetables through processing and packaging them into pickles, tea and etc and promoting them at the nearest markets.

The project will be supporting farmers like Rai through construction of a processing shed. Production and value addition equipment, bought with SDF support, will also be installed inside the processing shed to enhance production. Rai has already started prepping for his ginger pickles and ginger powder, and looks forward to marketing and selling them.

## STORIES FROM THE FIELD

### IN Brief: Water, Sanitation and Hygiene (WASH) project



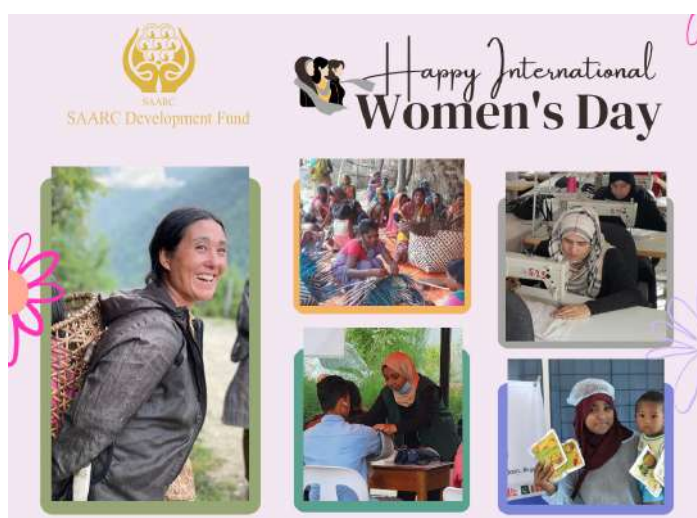
Over 300 households and their families in Yoeseltse, Samtse district in Southern Bhutan were provided with water for drinking, sanitation and hygiene, and agriculture initiatives through the SDF-funded project on “Strengthening of Water, Sanitation and Hygiene (#WASH) services”

With Nu 19.04 million SDF funding, the 200,000-litre reservoir and overhead tanks for the villages in Yoeseltse, the project strives to provide equitable access to safe drinking water; address water shortage; identify appropriate/innovative technologies for treatment, restoration and development of sustainable water resource mechanisms.

Similar WASH projects have been implemented in other Member States. SDF is committed to promoting hygiene and sanitation practices in communities in the SAARC Member States.

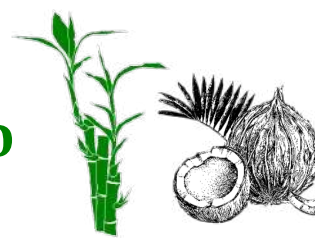
## Celebrating International Women's Day

8 March, 2023 - There are more than 100 million home-based workers (HBWs) in the world, of which around 50 percent are in SouthAsia alone where they form a fast-growing part of the workforce. Of these workers, an estimated 80 percent are women! SDF works with partners to provide livelihood opportunities for the home-based women workers and their families in the SAARC Member States through our SocialWindow project - ‘Strengthening the Livelihood Initiative of Home-based Workers in SAARC Region’ and through many of our other projects.





# Assessing the progress of bamboo and livelihood projects in India



India, March 2023 – SDF team undertook a field mission to assess the status of the SDF-funded projects in India, in particular, the bamboo and livelihood projects.

In Kuttanad, Kerala - a southwestern coastal state of India, the team reviewed the activities of the project - Livelihood Enhancement of the small farmer in SAARC region through small scale agro-business focusing on value chain development - and observed the installed machine in the processing unit. Beneficiaries demonstrated the processing of virgin coconut oil.

The team interacted with farmers about the processes involved in the production of value-added products like cooking oil, coconut cake and powder, and building a sustainable production, marketing and management systems of the unit. The farmers' group explained the procurement, processing and marketing framework planned by them. The team provided inputs to the farmers' group on developing a detailed business plan with the costs, and as well as marketing strategies.

The SDF team also inaugurated the Moringa Processing Unit in Dindigul, Tamil Nadu. The unit, integrated with Reddiarchatram Sustainable Agriculture Producer Company Limited, also released the training manual.



About 50 moringa farmers comprising of both men and women farmer were trained through this livelihood project. The participants shared their experiences and plans, and organized a photo exhibition showcasing all the activities including capacity building, exposure visits, and good agricultural production practices which were completed. Beneficiaries produce four different products from Moringa leaf - leaf powder, soup powder, tablet and capsule.

The livelihood project is implemented by SDF's partner – the M S Swaminathan Research Foundation (MSSRF).

Similarly, SDF's project - Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries



(Bamboo)- is implemented in India by the Foundation for MSME Clusters.

SDF team visited the numerous sites of the bamboo project to discuss and witness some the progress and benefits of the project in the communities. The team visited the Common Facility centers (CFC) in Dumka cluster in Jharkhand, which is located in Eastern India. Dumka is among the largest bamboo cluster in Jharkhand specialising in utility products such as mats, baskets and winnowing trays.

The CFCs are equipped with high-end machineries and have started offering value added services like supply

of raw materials, treatment, coloring sorting, grading, packaging and sales, and services are being availed by over 350 artisans of Dumka.

The team also saw that the project has contributed to a 30 percent better price realization through enhanced quality and durability of the products. About 33 people were trained as master artisans in housing and construction, lifestyle product development on housing and construction and in return, they have trained 762 artisans at cluster level. In addition, the 80 percent of the trained master artisans have started producing value-added products and also collaborated with TRIFED and DC Handicrafts to impart more trainings at cluster level in nearby districts.



## Bamboo Artisans of Dumka

Here are some bamboo products made by the women artisans of Dumka as part of SDF's project - Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries. These products such as the bamboo lampshades have been sold in bulk to IKEA. One of the artisans, Sabita said that they mass-produce these lamp shades, which have been ordered by IKEA and are looking for similar kind of support in the future to access bigger markets for their other bamboo projects such as mats, baskets, lanterns and bins.



## ECONOMIC & INFRASTRUCTURE WINDOW HIGHLIGHTS

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 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.

### Exploring new Economic & Infrastructure Projects

SDF's E&I team continues to strategize in order to garner sound bankable projects and have initiated meetings and field missions to build and strengthen partnership with several relevant organizations and partners. The team continued with their discussions with various partners, particularly in India, during the first quarter of this year:



SDF's Economic and Infrastructure team continued its discussions with the Asian Development Bank office in Bhutan to strengthen its ongoing collaboration and explore new areas of partnership.



In February this year, the team met with the Chief Executive Officer of the Punjab National Bank, Mr Atul Kumar Goel along with the Bank's General Managers in New Delhi, India. SDF team introduced the organization and highlighted the funding terms and current status of investments, and co-financing options for upcoming projects.



SDF's E&I team also met with the Senior Vice President and the Vice President of SBI Capital Market Limited in Mumbai, India. The team discussed details such as the repayment terms, interest rates, and other relevant factors related to SDF's funding.



Discussions were also held with the National Banking for Financing Infrastructure and Development (NaBFID). SDF team met with NaBFID's senior Vice President, Mr Rajeev Arora, the vice president and their head of lending and project finance.



The SDF team visited the Headquarters of Hindustan Lifecare Limited, India to discuss the business collaboration in the field of health and to explore opportunities in areas where SDF and HLL can collaborate to benefit the SAARC member states as HLL has been actively involved in the region for the benefit of the people. The team held discussions with the Vice President of HLL, Dr S.M.Unnikrishnan.



Discussions were also held with the Cochin Shipyard Limited's Director, Finance on 1 March 2023 to discuss financing options for the upcoming projects. SDF team introduced the organization and specifically highlighted the funding terms and conditions of SDF's economic and infrastructure window.

## MEETING AND EVENTS




15 March 2023 - The Officer-in-Charge of SDF, Satya Shiva Saswat, took part in the regional conference - Rivers as lifeline for South Asia in Kathmandu Nepal. Organized by the Friedrich Naumann Foundation and its partners, the OIC spoke on River and Economy: Agriculture, Energy and Trade.



# Who we are?



SAARC Development Fund Secretariat 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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