



SAARC

SAARC Development Fund

ANNUAL REPORT 2015



2015 ANNUAL REPORT SAARC Development Fund

Building Regional Integration
Through Project Funding



SAARC Development Fund

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Acronym

SAARC:	South Asian Association for Regional Cooperation
SDF:	SAARC Development Fund
SADF:	South Asian Development Fund
SABAH:	SAARC Business Association for Home Based Workers
SFRP:	SAARC Fund for Regional Projects
PFA:	Project Financing Agreement
PFD:	Project Fund Disbursement
PDF:	Project Development Facility
SW:	Social Window
E & I:	Economic and Infrastructure
SAIEVAC:	South Asia Initiative to End Violence Against Children
EVAC:	End Violence Against Children
TFCs:	Trade Facilitation Centers
CFCs:	Community Facilitation Centers
HBWs:	Home Based Workers
SCANUS:	Special Care New Born Units
ZECS:	Zero Energy Cold Storage
CCs:	Community Centers
VDCs:	Village Development Centers
ToT:	Training of Trainers
CRP:	Center for Rehabilitation of Paralyzed
ICT:	Information Communication technology
ITC:	Information and Telecom
MOs:	Medical Officers
BHPI:	Bangladesh Health Professions Institute
GO:	Government Organization
NGO:	Non-Government Organization
FY:	Financial Year
WASH:	Water, Sanitation and Hygiene
ODF:	Open Defecation Free
CBOs:	Community Based Organizations
IEC:	Information, Education and Communication
BCC:	Behavior Change Communication
FGD:	Focus Group Discussion
USD:	United States Dollars
MSc:	Master's Program in Rehabilitation Science



SAARC Development Fund

Building Regional Integration Through Project Funding

Economic Window

Trade and industrial development, agriculture, service sector, science and technology and other non-infrastructure areas.

Infrastructure Window

Energy, power, transportation, telecommunications, environment, tourism and other infrastructure areas.

Upcoming Programs

Social Enterprise Development program, Micro Small Medium Enterprises, Project Development Facility

Mobilization and generation of funds both within and outside SAARC Region

Authorized Capital currently of USD 1.5 billion

Social Window

Poverty alleviation, education; health; HR development; support to vulnerable segments of the society; micro-enterprises, and rural infrastructure development.

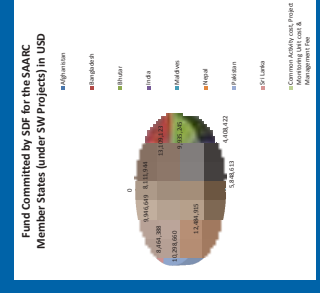
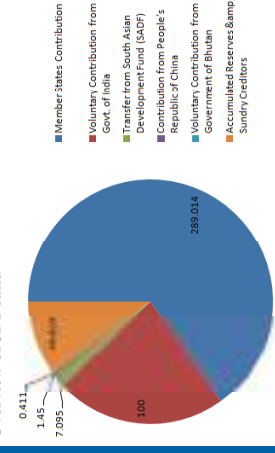
10 ongoing regional projects with 61 implementing agencies

Funds committed is USD 81.32 million out of which USD 35.28million has been disbursed

SDF is the umbrella financial institution for SAARC projects and finance



Overview of SDF fund



To the Governing Council

In accordance with Section 27 (2) (iii) of the SDF Bye-Laws, I submit to the Governing Council the Fund's Annual Report for the year 2015 as endorsed and approved by the Board of Directors. The Annual Report also contains the Fund's audited financial statements.

Mr. Baikuntha Aryal

*Chairman, SAARC Development Fund Board
Joint Secretary, Ministry of Finance
Kathmandu, Nepal*

Fast Facts

SAARC Development Fund

SAARC Member States	<ul style="list-style-type: none"> • Afghanistan • Bangladesh • Bhutan • India • Maldives • Nepal • Pakistan • Sri Lanka
Objectives	<ul style="list-style-type: none"> • 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
Funding Windows	<ul style="list-style-type: none"> • Social Window • Economic Window • Infrastructure Window
Current Activities	<ul style="list-style-type: none"> • Funding 10 ongoing regional projects with 61 implementing/lead implementing agencies under the Social Window • Funds committed for Social Window projects are USD 81.32 million out of which USD 35.28 million has been disbursed • Funding under the Economic and Infrastructure windows will be commenced soon • Authorized Capital of December 31, 2015: USD 1.5 billion
Modes of Funding:	<ul style="list-style-type: none"> • Grants • Concessional loans • Non-concessional loans • Grants + loans • Returnable grants • Co-funding
Ongoing projects	<ul style="list-style-type: none"> • 10 projects
Projects in pipeline	<ul style="list-style-type: none"> • 3 project
Total Commitment by SDF	<ul style="list-style-type: none"> • USD 81.32 million
Fund disbursed as of date	<ul style="list-style-type: none"> • USD 35.28 million

Message from the Chairman



I am honored to submit the Annual Report for the year 2015 to the Governing Council. This report reflects a momentous journey of the Fund in promoting the welfare of the people of SAARC Region, improving the quality of life, accelerating economic growth and social progress, and alleviation of poverty in the SAARC Region through financing and implementation of development projects.

With the stated mandates, the SAARC Development Fund Secretariat operates through the three financing windows: Social, Economic and Infrastructure. As of now, SDF is funding 10 ongoing regional projects with 61 implementing/lead implementing agencies under the Social Window with a project portfolio ranging among strengthening the livelihood of the home based workers, addressing the needs of small farmers, reaching connectivity and content of e-governance to rural folks, reducing the infant mortality, steps at ending violence against children and women, improving the sanitation in the SAARC region and many more.

Funding under the Economic and Infrastructure windows will also be commenced soon which will help SDF diversify its funding schemes for the overall benefit of SAARC member countries. Under the Economic and Infrastructure Windows, SDF will start funding on regional connectivity projects such as energy, power, transportation, tourism and other infrastructural areas. All the basic policies, systems, processes and people are already in place for the Economic and Infrastructure Windows to start business.

I want to acknowledge the Board of Directors, staff and other relevant stakeholders of the SAARC Development Fund who are working towards transforming SDF into a more dynamic, flexible, and innovative regional funding institution for SAARC Member States.

Mr. Baikuntha Aryal

Chairman, SAARC Development Fund Board

Joint Secretary, Ministry of Finance

Kathmandu, Nepal

Statement from the Chief Executive Officer



It is an honor to present the third Annual report on the development operations of the SAARC Development Fund for the year 2015.

The SAARC Development Fund has undertaken activities throughout the year with the primary objective of assisting the SAARC Member States with their endeavors to achieve their development goals and further improve the standard of living of their people and societies.

SDF currently is funding 10 ongoing regional projects with 61 implementing/lead implementing agencies under the Social Window with a total fund of USD 81.32 million out of which USD 35.28 million has been disbursed. Funding under the Economic and Infrastructure windows will also be commenced soon so as to benefit two or more countries of the SAARC region and meet the goals of regional integration and cooperation.

SDF plans to increase its engagements for cooperation and international collaboration with other financial institutions, multilateral organizations and Banks in an effort to make SDF a vibrant and more effective funding institution across the SAARC region. Some of its action plans for the future are

- Collaboration with Multilateral, Regional and National Institutions for fund mobilization and co-funding of projects
- Focusing on country priority projects
- MSME and Trade Facilitation
- Social Enterprise Development Program
- Project Development Facility and PPP Facilitation
- Developing other innovative solutions

SAARC region's diversity provides a huge opportunity for trade, investment, and economic growth as shown by the region's remarkable success in recent decades. Geographically, the SAARC region is very wide and heterogeneous, yet posing challenges for the SAARC Member States in maintaining regional competitiveness and complementarity. One of the solutions to such challenges is to strengthen regional connectivity and trade facilitation which would further support the regional economic integration. SDF remains committed to supporting the development of SAARC region as it tackles the evolving challenges.

Dr. Sunil Motiwal
Chief Executive Officer
SAARC Development Fund

This annual report highlights our contributions to an inclusive and sustainable growth in the SAARC countries for the year 2015, with a special emphasis on poverty alleviation, and regional cooperation and integration.

Governing Council of SAARC Development Fund



Islamic Republic of Afghanistan,
His Excellency Mr. Eklil Ahmad Hakimi,
Minister, Ministry of Finance



People's Republic of Bangladesh,
His Excellency Mr. Abul Maal Abdul Muhith,
Minister, Ministry of Finance



Royal Kingdom of Bhutan,
His Excellency Lyonpo Namgay Dorji,
Minister, Ministry of Finance



Republic of India,
His Excellency Shri Arun Jaitley,
Minister, Ministry of Finance



Republic of Maldives,
His Excellency Mr. Abdulla Jihad,
Minister, Ministry of Finance and Treasury



Federal Democratic Republic of Nepal,
His Excellency Mr. Krishna Bahadur Mahara,
Minister, Ministry of Finance



Islamic Republic of Pakistan,
His Excellency Mr. Mohammad Ishaq Dar,
Minister, Ministry of Finance



Democratic Socialist Republic of Sri Lanka,
His Excellency Mr. Ravi Karunanayake,
Minister, Ministry of Finance and Planning

Board of Directors of SAARC Development Fund

Islamic Republic of Afghanistan



Director
H.E. Dr. M. Mustafa Mastoor
Deputy Minister for Finance
Ministry of Finance



Alternate Director
Mr. Mustafa Aria
Aid Management Director
Ministry of Finance

People's Republic of Bangladesh



Director
Mr. A.R.M. Nazmus Sakib
Additional Secretary
Treasury and Debt Management Wing, Finance Division
Ministry of Finance



Alternate Director
Mr. Tapan Kumar Karmaker
Additional Secretary
Ministry of Finance

Royal Kingdom of Bhutan



Director
Mr. Lekzang Dorji
Director
Department of National Budget
Ministry of Finance



Alternate Director
Mr. Sonam Tenzin
Chief Planning Officer
Planning and Policy Division
Ministry of Finance

Republic of India



Director
Mr. Sameer Kumar Khare, IAS
Joint Secretary
Department of Economic Affairs
Ministry of Finance



Alternate Director
Ms. Petal Dhillon
Deputy Secretary (MR)
Department of Economic Affairs
Ministry of Finance

Republic of Maldives



Director
Ms. Fathimath Razeena
Financial Controller
Ministry of Finance & Treasury



Alternate Director
Ms. Aminath Nashia
Director
External Resources Management Division
Ministry of Finance & Treasury

Federal Democratic Republic of Nepal



Director
Mr. Baikuntha Aryal
Joint Secretary
Ministry of Finance



Alternate Director
Mr. Surya Pokharel
Under Secretary
International Economic Coopera-
tion Coordination Division
Ministry of Finance

Islamic Republic of Pakistan



Director
Mr. Amjad Mahmood
Joint Secretary (EF-P)
Finance Division, Ministry
Finance



Alternate Director
Mr. Syed Ahmad Raza Asif
Deputy Secretary (EF-P-I)
Finance Division
Ministry of Finance

Democratic Socialist Republic of Sri Lanka



Director
Mr. S.R. Attygalle
Deputy Secretary to the
Treasury
General Treasury
Ministry of Finance & Planning



Alternate Director
Mr. K.D.N. Ranjith Asoka
Director General
Department of Trade and
Investment Policy
Ministry of Finance & Planning

SAARC Secretariat



Director
H.E Mr. Arjun Bahadur
Thapa
Secretary General
SAARC Secretariat
Kathmandu, Nepal



**Representative of Secre-
tary General of SAARC**
Mr. M.J.H. Javed
Director, ARD
SAARC Secretariat
Kathmandu, Nepal

SAARC Development Fund (SDF) Secretariat



Dr. Sunil Motiwal
Chief Executive Officer
SAARC Development Fund Secretariat
Thimphu, Bhutan

Counterpart Agencies of SAARC Development Fund

Afghanistan

Counterpart Agency:
Ministry of Finance

Mr. Mustafa Aria
Aid Management Director



Bangladesh

Counterpart Agency:
Finance Division, Ministry of Finance

Mr. Mohd. Rashedul Amin
Deputy Secretary



Bhutan

Counterpart Agency:
Planning and Policy Division,
Ministry of Finance

Mr. Chenchu Tshering
Deputy Chief Planning
Officer



India

Counterpart Agency:
MR Division, Department
of the Economic Affairs,
Ministry of Finance

Mr. Joydeep Kumar Choudhury
Under Secretary (MR),
Department of Economic Affairs, Ministry of Finance



Maldives

Counterpart Agency:
External Resource
Management Division,
Ministry of Finance and
Treasury

Ms. Aminath Nashia
External Resource Management Division
Ministry of Finance and Treasury



Nepal

Counterpart Agency:
International Economic
Cooperation Coordination
Division, Ministry of Finance

Mr. Surya Pokharel
Under Secretary
International Economic Cooperation
Coordination Division
Ministry of Finance



Pakistan

Counterpart Agency:
Finance Division (External
Finance Policy Wing),
Government of Pakistan

Mr. Khursheed Ahmed
Section Officer (EFP-II)
Finance Division, Government of Pakistan



Sri Lanka

Counterpart Agency:
Department of Trade, Tariff
and Investment Policy,
Ministry of Finance and
Planning

Deepthika Gunarathna
Director (Investment)
Department of Trade & Investment Policy



Staff of SAARC Development Fund Secretariat

Designation	Name
Chief Executive Officer	Dr. Sunil Motiwal
Director, Economic & Infrastructure Windows	Mr. Mukesh Gupta
Director, Social Window Projects, Administration and Finance	Mr. Aditya Gaiha
Assistant Director, Social Window	Mr. Philip Baidya
Assistant Director, Economic & Infrastructure Windows	Mr. Ganapathi Kamath
Assistant Director, Administration & Finance	Mr. Deepak K. Agrawal
Assistant Director, Internal Audit	Mr. Kamal Suresh Ahuja
Assistant Director, Monitoring & Evaluation	Vacant
Assistant Director, Legal	Vacant
Assistant Director, Social Enterprise Development Program	Vacant
Assistant Director, Credit/ Risk Management	Vacant
Accounts Manager	Mr. Ajay Kumar Shrestha
IT Manager	Mr. Harris Farman
Communications and Knowledge Management Manager	Ms. Sania Akhtar
Executive Assistant to CEO	Vacant
I.T/Program Officer	Ms. Ishori Rai
Program Officer	Ms. Yangchen Dekar
P.A/Program Officer	Ms. Lhaki
Assistant Admin. & HR Officer	Ms. Pema Wangmo
Assistant Admin. & HR Officer	Ms. Chador Tshomo
Office Assistant	Ms. Phuntsho Wangmo
Receptionist	Ms. Sushma Hingmang
Driver	Mr. Sherab Dorji
Driver to the CEO	Mr. Jamyang Chodea
Driver	Mr. Jangchuk Dorji



About SAARC

Founded in the year 1985, South Asian Association for Regional Cooperation (SAARC), is dedicated to improve the welfare of the people of South Asia through economic growth, social progress and cultural development in the SAARC region. SAARC's founding members are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Afghanistan joined the organization in 2007. China, European Union, Iran, Japan, Mauritius, Myanmar, the Republic of Korea and United States are observers to SAARC. SAARC is headquartered in Kathmandu, Nepal.

Areas of Cooperation

The 16 areas of cooperation are:

- Agriculture and Rural Development
- Biotechnology
- Culture
- Economic and Trade
- Education
- Energy
- Environment
- Finance
- Funding Mechanism
- Information and Communication Media
- People-to-People Contacts
- Poverty Alleviation
- Science and Technology
- Security Aspects
- Social Development
- Tourism

"The Power of 1.6 billion: A Blueprint for Prosperity"

Despite the initiatives taken by the South Asian nations to promote economic integration, intra-regional trade is very miniscule with a 5% of total trade. Hence, SAARC to have a high intra-regional trade should bring in concepts and implement ideas which allow free flow of goods, services, investment and people. SDF is fully committed to play its role in bringing economic and regional integration.



SAARC Development Fund

The SDF was established and inaugurated on 28th April, 2010 by the Heads of States/Governments during the Sixteenth SAARC Summit held in Thimphu. The Fund serves as the umbrella financial institution for SAARC projects and programs, which are in fulfilment of the objectives of the SAARC Charter. It is aimed to contribute to regional cooperation and integration through project collaboration. The primary objective of SDF is to promote the welfare of the people of SAARC region, improve their quality of life, and to accelerate economic growth, social progress and alleviate poverty in the region. To support these objectives, SDF has mandate to identify the projects, finance projects, mobilize funds, provide financing and technical assistance including managing of the Fund.

History

In 1996, a first funding mechanism was created in SAARC, 'South Asian Development Fund (SADF), merging the SAARC Fund for Regional Projects (SFRP) and the SAARC Regional Fund. SADF objectives were to support industrial development, poverty alleviation, protection of environment, institutional/human resource development and promotion of social and infrastructure development projects in the SAARC region. SADF started with a resource base of US\$5 million (contributed on pro-rata basis by SAARC Member States), and till its closure in June 2008, had funds amounting to approx. US\$ 7.0 million. Till its closure, SADF completed techno-economic feasibility studies for sixteen project studies.

A primary reason for establishing SDF was that the existing South Asian Development Fund (SADF) was found to be inadequate i.e. in terms of required quantum of funds and its limited scope of work. In order to avoid proliferation of funds, the SAARC Financial Experts (September 2005) looked at the entire gamut of issues relating to funding of SAARC projects and programs; and, amongst others, agreed that in lieu of proliferating sectorial financing mechanisms, the SADF be reconstituted into the SAARC Development Fund (SDF). The Thirteenth SAARC Summit (Dhaka, 12-13 November 2005) finally decided to reconstitute the SADF into SDF to serve as the "umbrella financial mechanism" for all SAARC projects and programs.

SDF has three funding windows: namely, Social Window, Economic Window and Infrastructure Window. The Social Window is presently activated and primarily 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. Efforts are being made to activate the Economic and Infrastructure Windows. The Economic Window will extend funding to non-infrastructure projects related to trade and industrial development, agriculture, service sector, science and technology and other non-infrastructure areas. The Infrastructure Window will primarily be utilized to fund projects in areas such as energy, power, transportation, telecommunications, environment, tourism and other infrastructure areas.

SDF is now on the verge to start with two more financing programs; Social Enterprise Development Program and Micro, Small and Medium Enterprise. All the basic policies, systems, processes legal framework and legal documents are being finalized.



The government and private sectors go hand in hand for a successful economic integration. Hence, SDF is ready to adopt an environment in the SAARC region wherein the growth of private sectors - inclusive of Small and Medium-sizes Enterprises increases, leading to an increased trade and investment in the region.

Organizational Overview



Organizational Overview

SAARC Development Fund's main objectives are;

- To promote the welfare of the people of SAARC Region,
- To improve the quality of life, and
- To accelerate economic growth, social progress and poverty alleviation in the SAARC Region.

Activities/Windows

The three main financing windows are:

Social Window

The Social Window primarily funds projects, inter alia, on poverty alleviation, social development focusing on education; health; human resources development; support to venerable/disadvantaged segments of the society; funding needs of communities, micro enterprises, rural infrastructure development. The projects are in line with regional consensus as reflected in the SAARC Social Charter, SAARC Development Goals, SAARC Plan of Action on Poverty Alleviation and other SAARC agreed and endorsed plans, programs and instruments.

Economic Window

The Economic Window primarily extends funding to non-infrastructure projects related to trade and industrial development, agriculture, service sector, science and technology and other non-infrastructure areas. It can also be utilized for identifying, studying, developing and /or sponsoring commercially viable programs/projects of regional priority including their pre-feasibility and feasibility studies.

The Economic Window is utilized for supporting any other projects which are not covered explicitly under the Social and Infrastructure Window.

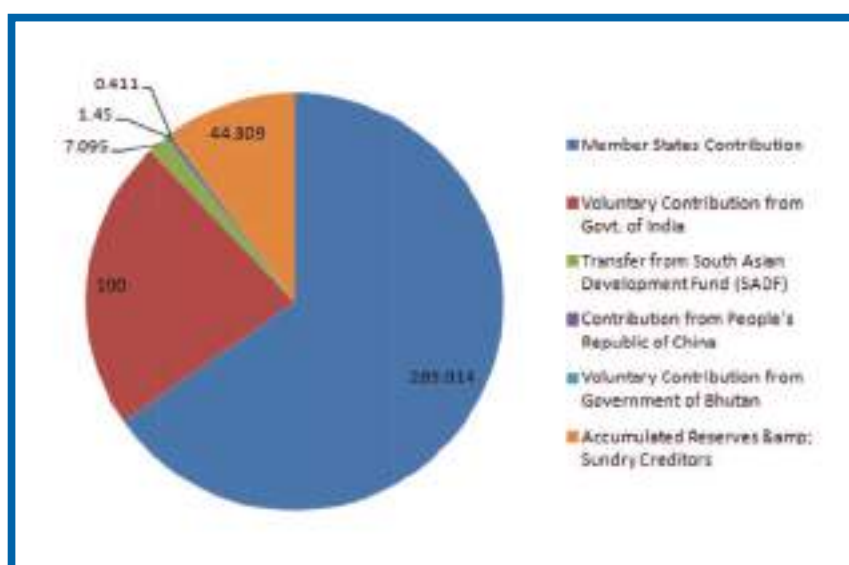
Infrastructure Window

The Infrastructure Windows primarily funds projects in areas such as energy, power, transportation, telecommunications, environment, tourism and other infrastructure areas.

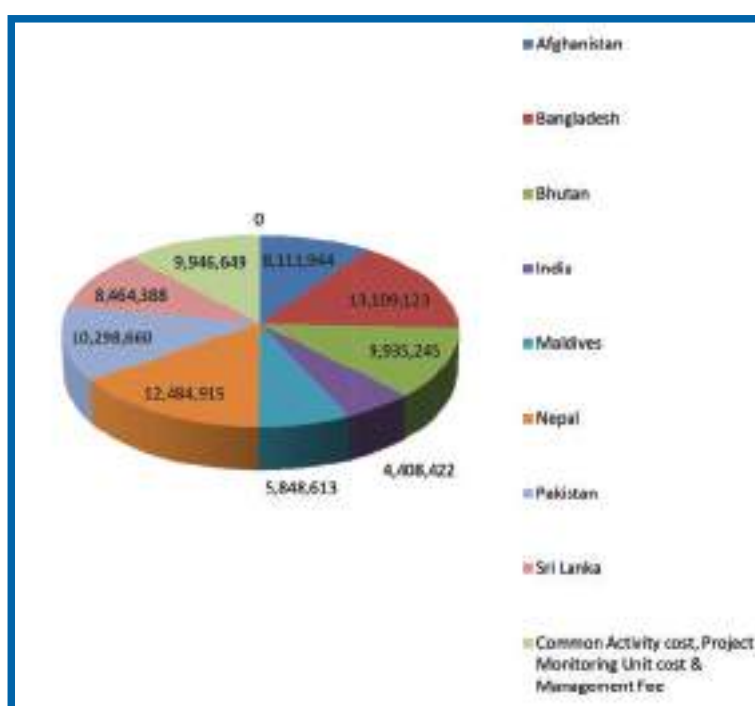
Overview of Funds

Sources of Fund (as on December 31st 2015)

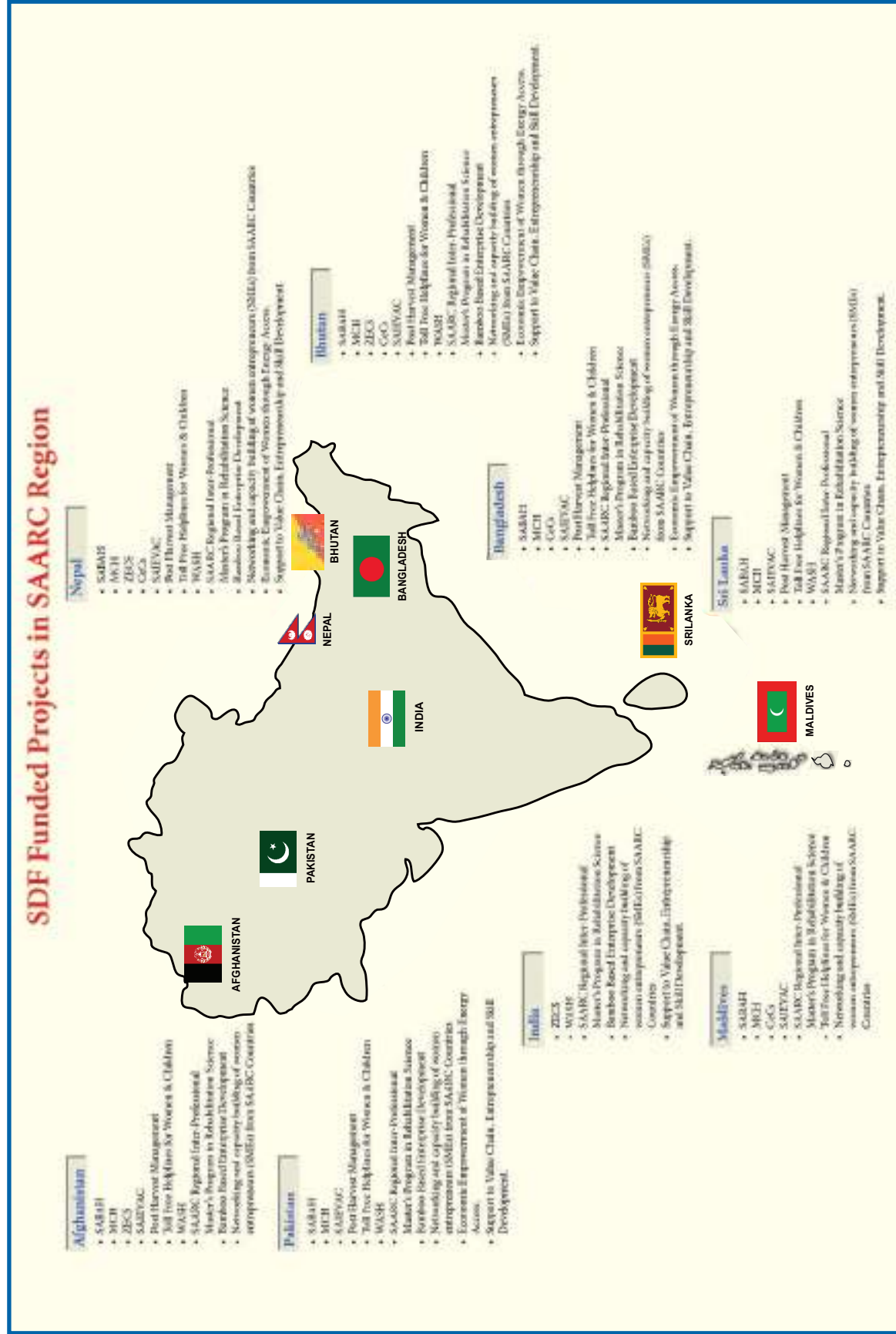
1. Member States Contribution of USD 289.014 million
2. Voluntary Contribution from Govt. of India of USD 100.00 million
3. Transfer from South Asian Development Fund (SADF) of USD 7.095 million
4. Contribution from People's Republic of China of USD 1.450 million
5. Voluntary Contribution from Government of Bhutan to setup SDF Secretariat of USD 0.411 million in kinds
6. Accumulated Reserves & Sundry Creditors USD 44.809 million



Fund Committed by SDF for the SAARC Member States (under SW Project)



SDF Funded Projects in SAARC Region



SAARC Development Fund

Master Project Budget (On-Going & Pipeline)

SAARC Member States

Social Window

in million

SL. No.	Name of Project	Afghanistan US \$	Bangladesh US \$	Bhutan US \$	India US \$	Maldives US \$	Nepal US \$	Pakistan US \$	Sri Lanka US \$	Others	Total US \$
On-Going Projects:											
1	SABAH	2.19	2.20	1.77	-	2.23	2.34	2.22	2.34	5.48	20.78
2	MCH	2.07	3.32	1.17	-	1.14	2.07	2.07	2.43	0.76	15.04
3	ZECS	0.74	-	0.52	0.56	-	0.68	-	-	0.88	3.38
4	CeCs	-	1.35	2.53	-	1.89	1.93	-	-	0.23	7.94
5	SAIEVAC	0.24	0.35	0.20	-	0.19	0.29	0.34	0.29	0.70	2.60
6	Post-Harvest Management	0.73	0.87	0.58	-	-	0.73	0.87	0.73	0.47	4.98
7	MSc in Rehabilitation Science	-	1.50	-	-	-	-	-	-	-	1.50
8	Toll Free Helplines for Women and Children	0.44	0.55	0.33	-	0.33	0.44	0.55	0.44	0.93	4.00
9	Water, Sanitation and Hygiene (WASH)	0.96	-	0.57	1.50	-	1.12	0.98	0.94	0.24	6.30
10	Bamboo Based Enterprise Development	0.75	0.70	-	0.79	-	0.64	0.67	-	0.21	3.76
Sub-Total		8.11	10.82	7.67	2.85	5.79	10.24	7.70	7.17	9.91	70.27
Pipeline Projects:											
11	Energy Access in Mountain Countries	-	-	-	-	-	-	-	-	-	3.72
12	Networking and capacity building of women entrepreneurs	-	-	-	-	-	-	-	-	-	0.33
13	Value Chain, entrepreneurship & skill Development	-	-	-	-	-	-	-	-	-	7.00
Sub-Total		-	-	-	-	-	-	-	-	-	11.05
Grand-Total		8.11	10.82	7.67	2.85	5.79	10.24	7.70	7.17	9.91	81.32

Milestones Accomplished by SDF Funded Projects in 2015

- Under Social Window, ten projects were initiated with budget of approximately USD 70.29 million. Cumulative disbursement of project fund was USD 36.55 million.
- Established eight Trade Facilitation Centers (TFCs) and fifteen Community Facilitation Centers (CFCs) in Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka. 9,399 Home Based Workers (HBWs) were registered as primary members (Shareholder) of eight TFCs. 9,507 HBWs were trained in technical, managerial and leadership skills and in food processing, embroidery and garmenting. 3,058 HBWs were provided regular work from 8 TFCs and 15 CFCs. Total sales turnover from eight TFCs was US \$ 2.26 million. Sixteen sales outlets were opened for selling of products made by HBWs.
- Completed civil work (construction) and equipped Special Care New Born Units (SCANUs) in 27 District Hospitals and 962 Primary Health Centers/Community Health in Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka. 530 Doctors, Nurses and Bio-Medics were trained by master trainers (specialist doctors on maternal and child health).
- Constructed 9 new Zero Energy Cold Storage (ZECS) and renovated 2 ZECS in Bhutan and Nepal. 11 ZECS were handed over to communities for storage of fruits and vegetables. 9,742 farmers were trained on Quality Production using beneficial microbes (Jeevatu) and distributed 120,000 Liter of beneficial microbes (Jeevatu-plant nutrients) to community farmers in Afghanistan, Bhutan, India and Nepal.
- Completed construction of 70 Community Centers (CCs) in Bhutan, 50 CeCs in Maldives and 5 Village Development Centers (VDCs) in Nepal. Procurement and installation of equipment completed in 200 UISCs in Bangladesh, 70 CCs in Bhutan, 50 CeCs in Maldives and 81 VDCs in Nepal. Completed trainings of 400 UISCs operator in Bangladesh, 195 operators, dzongkhag ICT officers and line agencies ITC officers in Bhutan, officials of various ministry in Maldives and 81 Training of Trainers (ToT) in Nepal. Internet connected in 69 CCs in Bhutan and 50 CeCs in Maldives.
- 4 consultation meetings were held in different SAARC countries on “End Violence Against Children”. 300 parents in Maldives attended a workshop on “preventing child sexual abuse”. Printed and distributed 232,500 brochures on Child Protection. 904 participants were provided trainings on “Child Rights and Child Protection”. 2,300 officials of SAARC Governments and Civil Society Organizations took part in “Child Rights and End Violence against Children” events. 4,500 Schools in Sri Lanka adopted “School Child Protection Guideline”. 360 children were supported to access education through seed funding and school feeding program in Bhutan.
- 5 Pack House was constructed in Bangladesh, Bhutan and Sri Lanka. Construction of functional building (2nd Floor) completed by Bangladesh. Completed procurement of post-harvest management equipment in Bangladesh. Twenty user groups were formed with 600 farmers to get benefits on Post Harvest management of fruits in Bangladesh. Seventy five farmers were trained on Post Harvest Technology and Fruit Processing during catchment.
- MSc Program in Rehabilitation Science (under University of Dhaka Curriculum) was started at the Center for Rehabilitation of Paralyzed (CRP), Savar, Bangladesh with 32 students from SAARC countries. 41 SAARC students got scholarship for Academic Year 2014 and 2016. Ten Decimal land was purchased for construction of a five storey Hostel for SAARC Students. Construction of International Student Hostel is in progress. Constructed and equipped Computer Laboratory and E-Library. Procured classroom equipment and furniture for MSc program. Developed architectural design for construction of SAARC Students’ Hostel.

ON-GOING PROJECTS



Consolidated Summary of on-going SDF Funded Projects Under Social Window

Project Title: Strengthening the livelihood initiative for home based workers in SAARC Region (Phase I & II)

Phase I:	Start Date: 1-Aug-2008	End Date: 30-June-2015
Phase II (Nepal):	Start Date: 1-Jan- 2012	End Date: 31-Dec-2015
Phase II (Pakistan):	Start Date: 1-Jan- 2012	End Date: 31-Dec-2016
Phase II (Bhutan):	Start Date: 1-Jan-2014	End Date: 31-Dec-2016
Phase II (Afghanistan, Bangladesh, Maldives & Sri Lanka)		End Date: 31-Dec-2017

Project Budget	:	US \$ 20,775,821.00
Total Disbursement	:	US \$ 14,833,547.00

Participating Countries

Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka

Beneficiary

Poor/marginal home-based women workers from informal sectors in the SAARC Members States, except India.

Project Objectives

1. To build a strong supply chain and to generate employment,
2. Build a social business organization i.e. SAARC Business Association for Home-based Workers (SABAH) in each Member State and strengthen marketing power;
3. Promote development and inclusive growth through sharing experiences,
4. Build a model of empowerment of women through crafts making and marketing and
5. Deepen relationship among the SAARC Member States based on learning and sharing.

Detail Activities

1. Visit by SEWA- HNSA Team to member countries
The visit would aim at familiarization, validation and finalization of action plan for project implementation.
2. Quick Action Research
 - a. SEWA & STFC will design the Action Research.
 - b. Concerned Member State's Home-Net will carry out actual research.
 - c. Will focus on the Clusters of Home-based Workers (HBW), their skill and employment status. If any organization existed, their product range and production capacity, their current marketing, what are their current constraints etc.
 - d. Will also include: identifying feasible locations, availability of infrastructure, and define partnership with respective governments in consultation with SAARC Secretariat, HNSA and national governments.
 - e. Comparability with existing policies of the respective government.
3. Exposure Visits by Target Groups
Groups consisting of beneficiaries, their grass-root organizations and policy makers would

visit SEWA with a view to familiarize and understand the integrated approach to poverty reduction and women empowerment. Specific visits will be organized for the workers and SEWA units engaged in work related to garment and textile stitching / embroidery manufacturing and marketing.

4. Establishment of Trade Facilitation Centers (TFCs)
TFCs will be equipped with knowledge, skill and equipment in fabric selection, designing, printing, garment stitching, embroidering, finishing and packing. All TFCs will be equipped with infrastructure like production facilities, design studios, quality assurance laboratories, demonstration facilities and resource center. TFCs aim to impart skills in embroidery, fabric printing, stitching and finishing.
5. Technical and Hand holding Support
 - a. Market development;
 - b. Identification and linking of local / regional resource institutions for marketing facilitation. SMS will provide technical support in developing high-level technical trainings in understanding markets and developing markets.
6. Collaborative Events
7. Collective Marketing
8. Value Chain Management
9. Integrated system (IT) for operational management of TFC activities.

Recent Updates:

1. Trade Facilitation Centers (TFCs) established in Afghanistan, Bangladesh, Bhutan, Nepal Pakistan and Sri Lanka;
2. SABAH registered in all the implementing countries i.e. Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka;
3. 9,399 HBWs have been registered in Seven Member States;
4. 9,507 HBWs trained in technical, managerial and leadership skills in food processing, embroidery and garmenting;
5. 3,058 HBWs were provided with work from the TFCs;
6. Total sales proceeds of HBWs is USD 2,258,893; and
7. Total sixteen (16) sales outlets are operative in all implementing countries from respective SABAH in countries.

Project Title: Strengthening Maternal and Child Health Including Immunization

Start Date: 19-Jun-2009 (Afghanistan, Nepal & Sri Lanka)

End Date: 31-Dec-2016

Start Date: 19-Jun-2009 (Bangladesh)

End Date: 30-June-2017

Start Date: 19-Jun-2009 (Bhutan & Maldives)

End Date: 31-Dec-2015

Start Date: 19-Jun-2009 (Pakistan- Yet to start)

Project Budget: US \$ 15,039,229.00

Total Disbursement: US \$ 8,279,457.00

Participating Countries

Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka

Beneficiary:

Mothers and Newborns in 7 countries, doctors and nurses and Infrastructure Development/ up-gradation of Maternal and Newborn Care Facilities for 7 countries in 52 District Hospitals, 242 Sub-district Hospitals or FRUs and 1,180 Health Post Centers / Community Health Centers

Project Objectives

1. Improve skills of doctors and nurses
2. Reduction in child and maternal mortality
3. Provide access to integrated comprehensive primary MCH health care
4. Improve availability and adequacy of infrastructure and equipment at district and sub-district levels.

Project Activities

1. Infrastructure Development / up-gradation of Maternal and Newborn Care Facilities for 7 countries in:
 - a. 52 District Hospitals
 - b. 242 Sub-district Hospitals or FRUs
 - c. 1,110 Health Post Centers / Community Health Centers
2. Reinforce Maternal Health Interventions and Care at Birth
3. Expand Community based Care for Newborn through Community Health Workers
4. Strengthen care of newborn at health facilities
5. Multi-skilling of Medical Officers (MOs)
6. Training of all the staff.

Recent updates

1. Afghanistan, Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka received medical equipment;
2. Afghanistan, Bhutan, Maldives, Nepal and Sri Lanka received medical consumables;
3. Completed Civil work of 836 Primary Health Centers/Newborn Care Units in Afghanistan, Bangladesh, Bhutan, Maldives and Sri Lanka;
4. Completed Civil work of 126 Community Health in Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka;
5. Completed Civil work of 28 Districts Hospitals in Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka;
6. 20 batches of trainings conducted for master trainers (ToT) by the Lead Implementing Agency for Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka.
7. Master trainers conducted 20 batches of trainings in Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka where 530 doctors and nurses participated.

Project Title: Scaling up of Zero Energy Cold Storage (ZECS) technology for the horticultural commodities in the high hills of SAARC countries

Start Date: 1-Dec-2010

End Date: 31-Mar-2016

Project Budget: US \$ 3,380,931.00

Total Disbursement to date: US \$ 2,065,820.00

Implementing Countries:

Afghanistan, Bhutan, India and Nepal

Beneficiary

- 12,150 Farmers
- 50,000 people

Project Objectives

1. To enhance the shelf life of fruits and vegetables by disseminating ZECS technology in the hills of SAARC countries.
2. To increase the farm income by reducing stress sale and post-harvest glut situation of fruits and vegetables.
3. To increase the availability of the fruits and vegetables during off-season by training the farmers for the adoption of ZECS technology.

Project Activities

1. Base-line Survey on recent status of storage system at working sites;
2. Orientation of the potential zero energy cold storage technology in Nepal;
3. Farmers' training in the construction on ZECS at working sites;
4. 12,150 farmers of implementing countries will receive Grower's Training on
 - a. Quality production
 - b. Pre-harvest treatment
 - c. Grading
 - d. Fruit selection
 - e. Fruit treatment
 - f. Pre-cooling
 - g. Storage technique.
5. Construction of sixteen (16) Zero Energy Cold Stores of 24-ton capacity in Afghanistan, Bhutan, India and Nepal;
6. Modification and expansion of existing two (2) ZEC stores in Nepal;
7. Report by participating farmers for quality of products in ZECS;
8. Publication of posters, booklets and preparation of audiovisual materials for technology dissemination; and
9. Seminar to disseminate the outputs of ZECS technology.

Recent updates

1. Selection of Zero Energy Cold Storage (ZECS) sites completed for all countries;
2. 9,742 farmers trained on Quality Production using beneficial microbes (Jeevatu);

3. Construction of ZECS is complete in 6 sites of Nepal, 4 sites of Bhutan and 1 site in India. Storing of fruits and vegetables has started;
4. Ten ZECS are handed over to community;
5. First tranche of procurement and distribution of beneficial microbes of 80,000 Liter completed. As part of 2nd tranche, procurement and distribution of beneficial microbes of 20,000 Liter completed for Nepal and Bhutan.
6. Project implementation in India and Afghanistan is in progress.
7. Project closure procedure started.

Project Title: Empowering Rural Communities “Reaching the Unreached”

Start Date: 1-Apr-2011

End Date: 31-Dec-2015

Project Budget:

US \$ 7,938,335.00

Total Disbursement to date:

US \$ 7,287,819.00

Implementing Countries

Bangladesh, Bhutan, Maldives and Nepal

Beneficiaries

- Rural people of 200 Unions in Bangladesh
- Rural people of 60 Gewogs of Bhutan
- Rural people of 50 Atolls in Maldives
- Rural people of 81 Villages in Nepal

Project Objectives

1. Employment generation and creation of new economic activities using ICT, ensure Government services in rural areas
2. Reduce turnaround time and fully functional Union Information and Service Centers, Community Centers, Community eCenters and Village Development Committees.

Project Activities

1. Equip 200 Union Information and Services Centers in Bangladesh
2. Establish and equip 60 Community Centers in Bhutan
3. Establish and equip 50 Community e-Centers in Maldives
4. Establish 5 Village Development Centers (VDCs) and equip 81 VDCs in Nepal
5. Provide internet connection
6. Train operators
7. Provide G2C, B2B online services and offline services

Recent updates

1. Project management unit set up in all four countries.
2. Site selection for 200 UISCs completed by Bangladesh.
3. Completed construction of 70 Community Centers (CCs) in Bhutan, 50 CeCs in Maldives and 5 Village Development Centers (VDCs) in Nepal.
4. Procurement and installation of equipment completed in 200 UISCs in Bangladesh, 70 CCs in Bhutan, 50 CeCs in Maldives and 81 VDCs in Nepal.
5. Procurement of furniture completed by Bangladesh and Bhutan.

6. Completed trainings of 400 UISCs operator in Bangladesh, 195 operators, dzongkhag ICT officers and line agencies ITC officers in Bhutan, officials of various ministry in Maldives and 81 Training of Trainers (ToT) in Nepal.
7. Public/community awareness campaigns, seminars etc. conducted by Bangladesh, Bhutan and Nepal.
8. Suitable business model identified by Bhutan .
9. Internet connected in 69 CCs in Bhutan and 50 CeCs in Maldives.
10. CeC portal developed in Maldives.
11. Site and operator selection for 81 VDCs completed in Nepal.

Project Title: South Asia Initiative to End Violence Against Children (SAIEVAC)

Start Date: 1-Jan-2012

End Date: 31-Dec-2016

Project budget: US \$ 2,600,000

Total Disbursement: US \$ 1,964,663.00

Participating Countries:

Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka

Objectives

1. Children are better protected through a comprehensive child protection systems set up at regional and national levels that prevent, mitigate and respond to violence against children; and
2. Governments, Civil Society, NGOs, UN and children formalize linkages to better cooperate, share experiences and learning for increased impact on actions to end violence against children.

Project Activities

1. Mapping of national and local information on SAIEVAC five thematic areas.
2. Development and dissemination of child friendly materials.
3. Promoting child rights through community sensitization and awareness program.
4. Seminar and workshops to identify gaps to reform the legal system of Violence Against Children (VAC).
5. Consultative Meeting to develop M&E Guidelines, tools and follow up meetings.
6. Regional HR development workshop on Child Protection.
7. Mapping and Documentation of Good Practices.
8. Regional Children Consultation.
9. Thematic Technical Consultation Meetings /Workshops.

Recent Update

1. Strategic Planning Workshop held in Thimphu, Bhutan on 19th – 21st March, 2012. Representatives of 7 SAARC countries participated.
2. Regional SRS Management Information System (SMIS) training completed.
3. Regional SAIEAVC Technical consultation completed.
4. Regional HR Development workshop completed.
5. Regional child consultation completed.
6. Child marriage campaign launched by Afghanistan.

7. Secondary data collection from child care organization in process by Afghanistan.
8. Database web page www.childprotection-af.org developed by Afghanistan.
9. Mapping of child care service providers completed by Afghanistan.
10. Baseline study for SAIEVAC thematic areas completed by Bangladesh.
11. Various IEC materials, meetings, trainings and awareness programs to End Violence Against Children (EVAC) developed/conducted by Afghanistan, Bangladesh, Bhutan, +Maldives, Nepal, Pakistan and Sri Lanka.
12. Training of Trainers for GO/ NGO's/ CSO's Divisional level completed by Bangladesh.
13. Orientation on End VAC at District & Upazila completed by Bangladesh.
14. National Plan of Action on End Violence Against Children published by Bangladesh.
15. Baseline survey/study on violence against children conducted by Bhutan.
16. 360 children of 4 dzongkhags have access to quality education through support with basic educational needs and school feeding program.
17. 3 Loden Early Learning Center strengthened and 233 students enrolled in these centers in Bhutan.
18. Baseline study on street children and the modality of their rehabilitation is completed in Nepal.
19. 60 mentally disabled children served in Nepal.
20. Distributed 2000 complain/respond boxes to 2000 schools island wide in Sri Lanka.
21. Mappings on disability completed by Sri Lanka.

Project Title: Post Harvest Management and Value Addition of Fruits in Production Catchments in SAARC Countries

Start Date: 1-Jan-2013

End Date: 30-June-2017

Project budget: US \$ 4,979,075.00

Disbursed Amount: USD 552,236.00

Participating Countries:

Phase I- Afghanistan, Bangladesh, Bhutan, Nepal, Pakistan and Sri Lanka (India and Maldives to join in phase II)

Objectives:

1. To identify and share the knowledge on post-harvest and fruit processing technologies across the SAARC countries.
2. To adapt, evaluate and disseminate post-harvest, processing and value addition technologies for fruits in SAARC countries.
3. To establish post-harvest infrastructure and value addition in production catchments of fruits in SAARC countries.
4. To develop effective marketing linkages of processed products in SAARC countries.
5. To assess the impact of adapted technological packages at project sites.
6. To ensure product quality and safety in the adoption of package of technologies.

Expected Outcome(s)/benefits

1. Reduction in post-harvest losses by 25 % of existing losses.
2. Improvement in quality of fruits.
3. Realization of better prices by the farmers.

4. Generation of employment and enhancement in income through introduction and adoption of appropriate post-harvest management and value addition technologies/infrastructure in production catchments in participating countries.

Project Activities

1. Baseline Survey/technology identification;
2. Construction of infrastructure (New/Renovation/Rent);
3. Install/ adapt drying technology and packaging plant;
4. Procurement of equipment;
5. Procurement of consumables (chemicals, carton for packaging/ labeling etc.)
6. Identify and establish market linkages;
7. Capacity building (training and demonstration/inception).
8. Hiring of Local Consultants.
9. Project visits for experience sharing and monitoring.

Recent Update

1. Inception workshop completed by Afghanistan, Bangladesh, Nepal, Pakistan and Sri Lanka.
2. Baseline survey completed by Bangladesh and Pakistan.
3. Preliminary market survey conducted by Afghanistan.
4. Construction of pack-house completed by Bangladesh and Bhutan.
5. Revamping of 100 MT Cold store completed by Bhutan.
6. Construction of functional building completed by Bangladesh.
7. Procurement of post-harvest management equipment completed by Bangladesh.
8. End user group formation completed by Bangladesh and Pakistan.
9. Mater trainers trained in post-harvest management by Nepal and Pakistan.
10. Construction of 3 banana value addition facilities in process in Pakistan.
11. Procurement of post-harvest management equipment in process in Pakistan.
12. 30 farmers trained on post-harvest technology and processing by Pakistan.
13. Construction of 3 pack-houses in process in Sri Lanka.

Project Title: SAARC Regional Inter-Professional Master's Program in Rehabilitation Science

Start Date: 1-Jun-2013 **End Date:** 31-May-2018

Project Period: 5 years

Total Budget: US \$ 1,500,000.00

Disbursed Amount: USD 423,655.55

Implementing Agency

Bangladesh Health Professions Institute (BHPI), an Academic Institute of Center for the Rehabilitation of the Paralyzed (CRP), Chapain, Savar, Dhaka-1343, Bangladesh.

Beneficiary Countries

Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

Beneficiary

Up to 25 Master's students will be enrolled annually, and 50% of places will be reserved for students from the SAARC region.

Project Objectives

1. To build the health and rehabilitation human resources for services, education, policy and research in the SAARC region through development of capacity of the BHPI, CRP to deliver regional, inter-professional, Master's in Rehabilitation Science program with support from Queen's University, Canada and York St. John University, UK.
2. To create effective, modern learning facilities providing infrastructure, renowned resource person, access for students and faculty members to electronic and library resources and current teaching and learning technologies.
3. To create a cadre of leaders capable of advancing education, research and practice in the field of disability and rehabilitation in Bangladesh and participating countries of the SAARC region.

Expected Outcome(s)/benefits

1. A sustainable MSc Program in Rehabilitation Science at BHPI-CRP, Bangladesh;
2. Learning networks will be established for translating graduate research into community client-centered and evidence-based practice, both in Bangladesh and participating SAARC countries; and
3. Upgraded learning and accommodation facilities for students of SAARC Member States, enhancing significantly the learning environment and quality of learning experience.

Project Activities

1. Construction of International Hostels for students from SAARC Member States;
2. Establishment of well equipped computer laboratory.
3. Establishment of on-site library.
4. Launching of Masters program (MSc) in Rehabilitation Science I.e. Physio Therapy;
5. Scholarship schemes for students for SAARC Member States;

Recent updates

1. Project Financing Agreement signed.
2. Started construction of International Student Hostel.
3. Enrolled 32 students from SAARC countries for MSc in Rehabilitation Science.
4. 41 SAARC students were awarded with scholarship in two academic years (2014 & 2015) .
5. Constructed computer laboratory and E-library.
6. Procured equipment and furniture for classrooms and International Students' Hostel.
7. Completed components of all learning facilities (Program Webpage, Books, library software etc).

Project Title: Toll Free Helplines for Women and Children in SAARC Member States

Project Period: 3 years

Approved Budget: US \$ 4,000,000.00

Disbursed Amount: Yet to disburse fund

Participating Countries

Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

Beneficiary

Children and women of SAARC Member Countries

Project Objectives

1. To provide emergency outreach services to women and children in need of care and protection through 24-hour emergency phone outreach service.
2. To guide the women and children and other stakeholders in the time of crisis where they are currently inaccessible, inadequate or non-existent.
3. To provide a platform of networking amongst organizations and to provide linkages to support systems which facilitate the rehabilitation of women and children in need of care and protection.
4. To link women and children in need of care and protection to long term services for rehabilitation.
5. To build capacity of individuals, institutions and systems to achieve promotion and protection of rights of vulnerable women and children.

Expected Outcome(s)/benefits

1. Toll Free Helpline setup/strengthen and fully functional.
2. Increased accessibility for women and children and other stakeholders to Helpline and referral services.
3. Referral and coordination mechanism set up to provide services to women and children in need.
4. Women and Children successfully rehabilitated and re-integrated into the society.
5. Strengthened capacity of relevant stakeholders to identify and respond to needs of women and children in difficult circumstances.
6. More follow up of the news and reports of violence against women and children and mass people aware the helpline number.
7. Reduce the incidences of violence against women and children in SAARC Member State.

Project Activities

1. Set up or strengthen existing Toll Free Helpline/s in SAARC Member States;
2. Build capacity of the relevant institutions;
3. Sharing of regional experiences;
4. Advocacy and raising public awareness; and
5. Setting up of Monitoring and Evaluation system.

Recent updates

1. SDF Board approved the project subject to respective Governments assurance towards:
2. Toll free number across all telecom operators; and
3. Project sustainability plan when the SDF funding ends.
4. SDF received assurance letters from Bangladesh, Bhutan and Sri Lanka.
5. Afghanistan, Nepal and Sri Lanka are to submit the revised project proposal incorporating SDF's feedback.
6. As baseline information was not available, Bhutan formally informed that they will take part in the 2nd phase of the project.
7. Maldives and Pakistan are to submit respective project proposal.
8. Yet to receive respective Governments assurance letters from the participating member states.

Project Title: Strengthening of Water, Sanitation and Hygiene (WASH) services in selected areas of SAARC Countries

Project Period: Start Date: 1-Sep-2013 End Date: 16-Dec-2017

Approved Budget: US \$ 6,298,408.00

Disbursed Amount: US \$ 365,339.00

Participating Countries

Afghanistan, Bhutan, India, Nepal, Pakistan and Sri Lanka

Beneficiary

30,000 women/ household workers/ farmers will be provided with water for drinking and small scale livelihoods such as home garden cultivation, floriculture, animal husbandry, and food processing etc.

Project Objectives

1. The objectives of project, inter alia, include:
2. Equitable access to safe drinking / household / livelihood water;
3. Ensure adequate quantity of good quality of water;
4. Identify appropriate/innovative technologies for treatment, restoration and development of sustainable water resource mechanisms (including financial and social models);
5. Open Defecation Free (ODF) declared in targeted areas;
6. Promote hygiene and sanitation practices in schools and targeted communities;
7. Capacitate Community Based Organizations (CBOs) in management of water and sanitation facilities and promotion of hygiene;
8. Promote water based livelihoods and build a cadre/ cohort of women led service providers and
9. Experience and knowledge sharing on good practices in SAARC countries.

Expected Outcome(s)/benefits

1. Equitable and adequate supply of water will be available at the household level;
2. Improved water use efficiency and improved quality of water;
3. Integrated local water resources management, with strengthened water infrastructure, based on the country's context and priority areas;
4. Expanded sanitation facilities like toilets in the targeted households or availability of water in the existing toilets;

5. Enhanced awareness and understanding amongst the communities, especially, women and girl students on need and practices for sanitation and safe hygiene.
6. Schools will become the 'models' of cleanliness for the project areas.
7. There will be more of women managed and owned social security, and services management (e.g. women based hand-pump maintenance, Village water supply and sanitation committees for after-care of constructed facilities) systems.
8. Feasible technology options adopted to improve the drinking water quality, waste-water disposal- management and safe sanitation and hygiene practices.
9. Declaration of ODF in project implementation sites.
10. Project implementation areas will be clean, the solid and liquid waste will be disposed properly by each family and community as well.
11. Exchange programs for experience and knowledge sharing on good practices in WASH, in the SAARC region.

Project Activities

1. Baseline Survey;
2. Situation analysis and mapping of resources through community participation;
3. Awareness creation and community mobilization;
4. SOPs for users; and
5. Documentation and dissemination of project.
6. Water
 - 6.1 Engineering Survey, design and estimates of the project;
 - 6.2 Procurement of materials for Water Infrastructure;
 - 6.3 Civil work for Water Infrastructure;
 - 6.4 Formation and Capacity building of Users Committee;
 - 6.5 Development and rehabilitation of water sources; and
 - 6.6 Identification and adaptation of appropriate technology.
7. Sanitation
 - 7.1 Training and awareness to CBOs, Schools and Communities;
 - 7.2 Training on appropriate approaches / models;
 - 7.3 Construction and modification of sanitation facilities and demonstration units;
 - 7.4 Linkage to government programs;
 - 7.5 Declaration of Open Defecation Free (ODF);
 - 7.6 Build up local level institutional capacity;
 - 7.7 Awareness creation on standards of sanitation; and
 - 7.8 Technology options for toilets.
8. Hygiene
 - 8.1 Study on socio cultural practices of targeted communities specially women and schools;
 - 8.2 Develop Information, Education and Communication (IEC) materials for Behavior Change Communication (BCC) and
 - 8.3 Adaptation and awareness of appropriate modules on hygiene practices / technology.
9. Common Activities at SDF level
 - 9.1 FGD;
 - 9.2 Review workshops; and
 - 9.3 Experience and knowledge sharing visits.

Recent updates

1. Project Financing Agreements signed for all six countries.
2. Afghanistan, India and Nepal components of the project started implementation of the project and are in different stages of implementation.

Project Title: Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries

Project Period: 3 years

Total Project Budget: USD 4,387,385.00 (SDF Funding- USD 3,756,215.00 and Co-funding from Implementing Partners in cash and kind- USD 631,170.00)

Participating Countries

Afghanistan, Bangladesh, India, Nepal and Pakistan.

Beneficiary

3,862 households of farmers/ artisans/ workers directly related to bamboo production, processing and furniture making.

Project Objectives

To promote bamboo based enterprises for income generation and employment opportunities.

Project Activities

1. Pre-Implementation Activity;
2. Establishment of Common Facilitation Center (CFC);
3. Bamboo production, Harvesting and Post-harvest processing;
4. Design, prototype and product development;
5. Skill based trainings for Master Trainers and farmers;
6. Marketing; and
7. Access to Finance.

The following trainings will be provided on Bamboo production, Harvesting and Post-harvest processing:

1. 1600 bamboo farmers trained on scientific way of bamboo plantation and management.
2. At least 1100 farmers will be trained on better harvesting practices.
3. At least 1100 entrepreneurs will be trained on bamboo shoot processing and packaging.
4. 1100 artisans trained on post harvesting processing.
5. 1000 farmers/artisans trained on bamboo seasoning, storage, grading and sorting.
6. 9 training modules in local language prepared and disseminated.

Recent updates

1. SDF organized a Focus Group Discussion on 8-9 April 2014 in Delhi, India where participants from 6 SAARC countries attended. The meeting discussed on objectives, detailed activities, community contribution, sustainability of the project, way forward with timeline etc.
2. Implementing Agencies of 6 SAARC countries were in the process of submitting revised project proposal of respective country to SDF.
3. Revised combined project proposal developed for the amount of USD 4.39 million with a co-funding from the Implementing Agencies of USD 0.63 million). The project was approved in the 23rd Board meeting held in Thimphu, Bhutan on 29-30 December 2015.

UP-COMING PROJECTS



SUMMARY OF PIPELINE (APPROVED IN-PRINCIPLE) PROJECTS UNDER SOCIAL WINDOW

Project Title: Economic Empowerment of Women through Energy Access in Mountain Countries of South Asia

Project Period: 3 years

Total Project Budget: USD 4.62 million (SDF Funding- USD 3,756,215.00 and Co-funding from UNDP in cash and kind- USD 0.9 million)

Participating Countries

Bangladesh, Bhutan and Nepal

Beneficiary

6,840 households

Project Objectives

The objective of this project is to empower women in the mountainous regions of South Asia (specifically in Nepal, Bangladesh and Bhutan) through access to sustainable energy services to contribute towards achieving the goals of economic empowerment of women while simultaneously targeting better health, and gender equality.

Project Activities

Major activities for Nepal:

1. Identification and implementation of “Sustainable” and “Socially Inclusive” Business Models/innovative projects connecting local service providers and private investors targeting biogas energy systems:
 - 1.1. Promotion of 500 domestic biogas;
 - 1.2. Promotion of 10 community biogas benefitting 100 households;
 - 1.3. Promotion of 10 institutional/commercial biogas integrating waste to energy (including 5 kW electricity generation);
2. Identification and implementation of “Sustainable” and “Socially Inclusive” Business Models/innovative projects connecting local service providers and private investors targeting biomass energy systems:
 - 2.1. Promotion of 1000 ICS;
 - 2.2. Promotion of 4 biomass gasification plants for rural electrification benefitting 200 HH;
 - 2.3. Promotion of 1 biomass gasification plant for water pumping benefitting 20 HH;
 - 2.4. Promotion of 1 biomass gasification plant for thermal application benefitting 20 HH;
3. Develop women friendly business plan and value addition for various end-use applications to see viability of the proposed end-use projects;
4. Bridge the gap between women and their access to financial services in promoting energy based enterprises;
5. Provide technical and management skills of women as energy supplier and energy user
6. Leadership trainings and gender analysis and local level planning;

7. Support vocational school to train women on different aspects of energy technologies, and engaged in supply of energy systems through micro-entrepreneurs;
8. Prepare national gender disaggregated database on energy programs, reports, publications through UNDP, governments, donors and private sector on energy access and productive utilization;
9. Develop National Network for women energy suppliers and entrepreneurs on knowledge sharing, lesson learnt and best practices demonstration.

Major activities for Bhutan

1. Conduct strategic workshops among stakeholders to define and formulate the action plans for implementation;
2. Identification of agencies and institutions working on biomass energy promotion and development and establishment of appropriate mechanisms for coordination;
3. Production, installation and dissemination of 5,000 furnaces/stoves to end-users;
4. Identification, mapping out and assessment of suitable areas (Community Forestry Management Groups in the rural areas, with a focus on those locations with the greatest potential for gender benefits) for sustainable fuel wood plantation and watershed protection;
5. Implementation and management of fuel wood plantations near targeted communities/ areas;
6. Fuel wood plantation over 80 hectares of land;
7. Creation, establishment and operation of Knowledge and Learning Platform;
8. Conduct of trainings on community forests and sustainable forest wood energy, ensuring equal gender representation among trainees;
9. Facilitate access of female trainees to opportunities and information on access to credit and business advisory support, including through appropriate NGOs/CBOs;
10. Consultation workshop and identification of self-help group;
11. Construction of shed for production;
12. Procurement of press for making mud bricks.

Major outcome for Bangladesh

1. Women and girls in Bangladesh have modern energy services for cooking that has environment, health, social and economic benefits; and
2. Policy makers, financiers, suppliers and end-users have improved knowledge, awareness and capacities on benefits and women friendly market opportunities for modern energy technologies;

Recent updates

1. The project was approved In-Principle by SDF Board in the 23rd Board meeting held in Thimphu, Bhutan on 29-30 December 2015 with option to include other SAARC member countries.

Project Title: Networking and capacity building of women entrepreneurs (SMEs)

Project Period: 2 years

Total Project Budget: USD 330,000.00

Participating Countries

Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka

Beneficiary

1,200 women entrepreneurs

Objectives of the project:

1. Capacity building of women entrepreneurs on contemporary ICT information handling entrepreneurial skills, knowledge and techniques.
2. A Web Portal of SAARC Women Entrepreneurs (SMEs) on PASTIC website uploaded with:
 - 2.1 Consortium of Women Entrepreneurs (SMEs) from SAARC region.
 - 2.2 Business Information of Women SMEs (company name, date of establishment, address, phone, website, annual turnover, product/services range) in different industrial sectors.
 - 2.3 Success Stories of Women SMEs.
 - 2.4 Promotion of innovative technologies for women SMEs of SAARC region.
 - 2.5 Promotion of Product/Services and Technology of SAARC Women SMEs.
 - 2.6 Quarterly News Bulletin promoting SAARC women SMEs products, services and entrepreneurial activities (seminars/exhibitions).

Project Activities

1. Workshops for Capacity Building of Women SMEs on ICTs, Entrepreneurial and Management skills:
 - 1.1 One three days International Workshop (50 participants) will be organized in Pakistan. The participants would be invited from all the seven SAARC countries.
 - 1.2 Two 3-days National Training Workshops (50 participants each) will be organized in Pakistan (Islamabad, Karachi & Peshawar).
 - 1.3 One three days National Training Workshops (50 participants each) will be organized in Nepal and India (each country).
 - 1.4 (The participants of all these workshops would be the members of Women Chambers of Commerce, NGOs and other organizations).
2. Data Collection of Women Entrepreneurs by Project Collaborative Partner
 - 2.1 For data collection of women entrepreneurs' collaborative partner from all the three participating countries will establish a desk at their offices and hire a person to collect the data of 100 women entrepreneurs from each participating country.
3. Development of Web Portal for Networking of Women SMEs from SAARC Region
 - 3.1 A Website/Web portal will be developed.
 - 3.2 Collection and uploading of data of 300 women SMEs (100 companies by each Member State) from Pakistan, India & Nepal. Their business information (including company name, date of establishment, address, phone, website (if any), product/services range) working in different industrial sectors.

- 3.3 Data uploading for development consortium of SAARC Women SMEs.
- 3.4 Collection preparation and uploading of quarterly news bulletin promoting innovative products, services and technologies of SAARC women entrepreneurs, their activities (Seminars/Exhibitions) and success stories.

Recent updates

- 1. The project was approved In-Principle by SDF Board in the 23rd Board meeting held in Thimphu, Bhutan on 29-30 December 2015 with option to include other SAARC member countries.

Project Title: Support to Value Chain development, Entrepreneurship and Skill Development and Improved Connectivity in Bhutan, Bangladesh and North East India for Greater Intra Regional Trade

Project Period: 2 years

Total Project Budget: USD 7.00 million

Participating Countries

Bangladesh, Bhutan and India

Beneficiary

171,700 individuals under different components of the project. (Social component: 101,000 and Economic Component: 70,700).

Objectives of the project:

- 1. Enhancing cross border trade through value chain development, entrepreneurship and skill building and improved connectivity in Bhutan, Bangladesh and North East India by:
 - 1.1 Capacity building and social mobilization of excluded communities in the region to enable them to benefit from increased trade and economic activities;
 - 1.2 Development of Value Chains for products, goods and services between Bhutan, Bangladesh and India specifically the North Eastern States in India;
 - 1.3 Providing customized training on entrepreneurship, skill development to MSME in the region;
 - 1.4 Provide handholding support to entrepreneurs in areas like access to finance, innovation, sourcing of raw materials, technology upgradation, and product and market diversification.
 - 1.5 Facilitating increased utilization of intra region infrastructure (road, rail, inland waterway) and ICT infrastructure to build seamless connectivity for greater trade flows;
 - 1.6 Supporting reduction of tariff and non-tariff barriers to trade through adoption of consistent policies and procedures;

Project Activities

- 1. Social Window:
 - 1.1 The project will conduct a comprehensive review of the status of marginalized social

groups especially in the border regions in the three countries and based on the reviews, build capacities of these social groups. More specifically, women, persons with disabilities, socially and economically backward groups and regions will be the focus of intervention to bring them into the economic mainstream. Financial inclusion, access to national and state level social protection measures will be strengthened by the project.

2. Economic Window:

- 2.1 The project will review the entire sequence of all functional activities beginning from research and development, product design, sourcing of primary products, final assembly of products, packaging, branding, and marketing. The project will supplement national efforts to augment participation by the producers in the regional value chain.
- 2.2 The project will develop and implement customized training on entrepreneurship in the region to enable the local communities to take advantage of expanding trade and economic opportunities in the region. The project will address the lack of skilled manpower in the region by creating a cadre of trained youth in the emerging occupations which are in high demand.
- 2.3 The project will conduct mapping of existing financial products and services for small and medium enterprises and identify entry points to address the needs and concerns of the entrepreneurs for each country. Based on the findings, the project will design and deliver innovative products (credit guarantee mechanism, export finance, hybrid instruments, project based lending) for fulfilling the aspirations of the youth entering the manufacturing and services sector.
- 2.4 The project will support the creation and regular update of the knowledge management portal for free exchange of information on technology, product diversification, marketing to enable entrepreneurs to access these valuable resources to improve their competitiveness.

3. Infrastructure and Trade Facilitation (Infrastructure Window):

- 3.1 The project will evaluate critical gaps in the availability and utilization of intra-region infrastructure which act as a barrier to free flow of goods and service export in the region. Based on the findings the project will expedite the identification, funding syndication and timely completion of infrastructure bottlenecks in the region critical to the long term growth of cross border trade through seamless connectivity.
- 3.2 The project will review the regulatory, institutional and operational costs incurred by the exporting firms in the region and design appropriate responses to improve the regulatory, institutional, infrastructural apparatus of trade facilitation.
- 3.3 The region has yet to take full advantage of the potential gains associated with electronic exchange of data and documents between stakeholders along the regional supply chain. The project will develop guidance for the region for implementing more advanced measures, including paperless trade and cross-border paperless trade measures. The activities will include but not be limited to customs facilitation or simplification, or exchange of documents, identifying and addressing procedural bottlenecks along the entire supply chain, including through improvements in transport, logistics, payment and other trade-related infrastructure and services.

Recent updates

1. The project was approved In-Principle by SDF Board in the 23rd Board meeting held in Thimphu, Bhutan on 29-30 December 2015 with option to include other SAARC member countries.

Economic & Infrastructure Windows

The SDF primarily finances longer term priority regional programmes and projects.

The Infrastructure Window funds projects in areas such as energy, power, transportation, tele-communications, ICT, environment, tourism and other infrastructure areas.

The Economic Window extends funding to non-infrastructure projects related to trade and industrial development, agriculture, service sectors, science and technology, and in other non-infrastructure areas. It can also be utilized for identifying, studying, developing and/or sponsoring commercially viable programmes/projects of regional priority including their pre-feasibility and feasibility studies.

Current Scenario of Economic and Infrastructure Windows

The SAARC Development Fund is now fully geared-up to activate its Economic and Infrastructure windows. All the basic policies, systems, processes and people are already in place for the Economic and Infrastructure windows to start lending. The legal framework and legal documents required for lending operations are being finalized. The Secretariat has been soliciting projects from the Member States for co-financing or parallel lending with other lenders in the region. A number of bankable projects are under consideration by SDF's E & I Windows.

Focus Areas of Funding

- As per SDF Charter, the focus areas of the two windows are as follows:
- The Infrastructure Window shall primarily be utilized to fund projects in areas such as energy, power, transportation, telecommunications, environment, tourism and other infrastructure areas.
- The Economic Window shall primarily extend funding to non-infrastructure projects related to trade and industrial development, agriculture, service sector, science and technology and other non-infrastructure areas. It shall also be utilized for identifying, studying, developing and/or sponsoring commercially viable programs/projects of regional priority including their pre-feasibility studies.
- Loans under the two windows can be extended to government bodies, municipal corporations, SPVs, SEOs and private sector corporate bodies. The SDF shall finance both public sector as well as private sector entities.

Focus Area and Eligible Projects

- Presently, the Fund is focusing on regional connectivity projects, and other high impact priority projects in other sectors that satisfy SDF norms.
- Projects/programs involving any one or more than one SAARC Member State with the direct benefit going to more than one Member State.
- The SDF may mobilize and generate fund both within and outside the SAARC region; may obtain technical and/or financial support from UN agencies, multilateral/regional funds and other non-regional partners.

"Powering South Asia: Connecting Grids"

The SAARC nations have a huge potential in the fields of hydropower and solar energy due to its rich energy resources. However, contrasting to its rich biodiversity, countries in the SAARC region often face power shortages which hampers the economic growth. SDF is fully committed to work towards making the region self-sufficient in the field of energy with cross-border connectivity projects in the SAARC Member States.

Upcoming Programs

Social Enterprise Development Program (SEDP)

The main objective of SEDP is to build and scale social enterprises by using a mix of grants and concessional returnable capital. The grant will be used primarily for capacity building of the enterprises and the communities they impact.

SEDP aims to surface several such successful Social Enterprises in all the SAARC countries which, along with the efforts of other prominent supporters of social enterprises and inclusive businesses, will raise the awareness of governments, donors, business community and international development organizations about the largely untapped potential of Social Enterprises to provide effective and efficient services to the BoP.

SEDP also aims to enable the Social enterprises operating in more than one SAARC country and/or looking to replicate business models (from SAARC country to another); and /or engaged in intra-religion trade activities.

Who can apply?

- All registered non-profits, for-profits and hybrid organizations with innovative models, which are on the path of financial sustainability and provide products, solutions or increase livelihood opportunities for under-served and poor communities.
- Only social enterprises registered and operating in the SAARC countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka).
- Organizations led by women and working for the women empowerment are encouraged to apply.



Eligibility Criteria:

- Only social enterprises registered and operating in the SAARC countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka).
- All registered non-profit, for-profits and hybrid organizations with innovative models which are on the path of financial sustainability and provide products, solutions or increase livelihood opportunities for underserved and poor communities.
- Social enterprises operating in the areas of healthcare, renewable energy and agribusiness.
- Social enterprises must have been operational for at least two years with demonstrable track record in the area the social enterprise is applying for funding.
- Those entities which are in adverse notice or comments of any regulator or any other funding agency would not be eligible for the SDF funding

Evaluation and selection process:

- Proposals will be evaluated by a panel of experts, investors, donors, and people from the development and social enterprise community based on the following criteria*:
- Impact on the poor: Social enterprises must have a clear and measurable social impact on the population they aim to assist.
- Demonstrated results: Social enterprises must be able to demonstrate at least proof of concept of their model with measurable results.
- Operational readiness: Social enterprises must demonstrate an ability to implement their proposed project supported by a realistic financial and implementation plan.
- Potential for growth: Social enterprises must show the potential to scale up its operations and impact a larger population.
- Sustainability: SEDP grant money will act as a pathway to financial self-sufficiency, and therefore projects must demonstrate the ability to operate beyond SEDP funding period (business plan and scalable business model).



Funding of Micro Small and Medium Enterprises Sector Under the MSME Funding Program

A number of initiatives are regularly being launched to strengthen the vital sector of MSMEs in the SAARC economies.

The SDF has been looking for co-funding opportunities in SAARC Member States under its MSME Funding Program.

The Program seeks to bolster the efforts of the Member States in supporting their MSMEs. It will be covered under Economic and Infrastructure Windows of the SDF.

The Board of Directors has recently cleared the concept of MSME funding Program of the SDF;

SDF's parameters of the Program are:

- Objectives: To encourage and boost trade among SAARC Member States by providing resource support by way of Line of Credit to Financial Intermediaries (FIs) in SAARC Member States to lend to MSME units in their respective countries, exporting to other SAARC Member States, at a concessional rate of interest.
- Type of FIs to be covered: FIs in SAARC Member States predominantly engaged in funding MSMEs or any other specialized FI/Bank. The institution shall be recommended by the Member State meeting minimum eligibility criteria indicated in the Scheme.
- Currency of the Line of Credit: in US Dollar.
- The extension of resource support through line of credit by Multilateral and Bilateral financial institutions to domestic financial institutions in recipient countries is an established practice. Individual product lines are designed need-based depending on country requirements and priority areas to be targeted.

Project Development Facility (PDF)

The SDF is in the process of setting up of Project Development Cell in SDF Secretariat. The PDF help in developing regional and national projects that could be either funded by the SDF or offered to a range of investors including governments and private developers. This will be done through the Project Development Facility (PDF). This facility has already started looking for project ideas to be developed into bankable project proposals.



PHOTO GALLERY FOR SOCIAL WINDOW PROJECTS



Hand Embroidery training, SAARC Business Association for Homebased Workers (SABAH), Bangladesh



Water, Sanitation and Hygiene (WASH) training in Bhutan



Water, Sanitation and Hygiene (WASH) project, Afghanistan



*Community e Centre in Maldives under the project
Empowering Rural Communities - Reaching the
Unreached*



*SAARC Regional Inter-Professional Master's Program in
Rehabilitation Science international student hostel under
construction*



Maternal and Child Health including Immunization (MCH) facility in Sri Lanka



Post Harvest Management and Value Addition of Fruits in Production Catchments project



Launch of SAARC Business Association for Home-based Workers (SABAH) Kailash, Nepal



Inauguration of Malalai Maternity Hospital under the Maternal and Child Health including Immunization (MCH) project, Afghanistan



Qazan pipe scheme covered with plastic room under Water, Sanitation and Hygiene (WASH) project, Afghanistan



Post Harvest Management and Value Addition of Fruits in Production Catchments project in Pakistan



SAARC Business Association for Homebased Workers (SABAH) Afghanistan tailoring training



Products of SAARC Business Association for Homebased Workers (SABAH) India



Masonry Training to communities of project areas in Samtse



Products of SAARC Business Association for Homebased Workers (SABAH) Bhutan



SAARC Business Association for Homebased Workers (SABAH) Bangladesh, Trade Facilitation Center



Demonstration on designing localized sanitary pad under Water, Sanitation and Hygiene (WASH) project, Bhutan

FINANCIALS (2015)



AUDIT REPORT- SDF (2015)

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To

The Members of the Governing Council
The SAARC Development Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the SAARC Development Fund ("the Fund"), which comprises the statement of financial position as at December 31, 2015, and the statements of profit or loss and other comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SAARC Development Fund as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Deloitte Haskins & Sells

Deloitte Haskins & Sells

Kolkata, India
July 1, 2016

SAARC Development Fund (SDF)
Statement of Financial Position as at 31 December 2015
(All amounts in SDR unless otherwise stated)

	Note	As at 31 December 2015	As at 31 December 2014
Assets			
Non-current assets			
Property, plant and equipment	7	78,965	110,043
Intangible Assets	8	15,330	21,498
Total non-current assets		94,295	131,541
Current assets			
Other financial assets	9	152,098,729	162,994,704
Cash and cash equivalents	10	150,563,929	121,601,440
Total current assets		302,662,658	284,596,144
Total assets		302,756,953	284,727,685
Net assets and liabilities			
Non-current liabilities			
Provision	11	11,381	9,193
Total non-current liabilities		11,381	9,193
Current liabilities			
Financial liabilities	12	21,198	28,976
Total current liabilities		21,198	28,976
Deferred unrestricted contributions	13	51,990,371	55,250,375
Deferred restricted contributions	13	55,570	19,883
Deferred contributions - Capital Assets	13	10,194	22,946
		52,056,135	55,293,204
Net Assets			
Unrestricted net assets	14	250,668,239	229,396,312
Total net assets		250,668,239	229,396,312
Total Net assets and liabilities		302,756,953	284,727,685

The accompanying notes are an integral part of these financial statements.

SAARC Development Fund (SDF)
Statement of profit or loss and other comprehensive Income for
the year ended 31 December 2015
(All amounts in SDR unless otherwise stated)

	Notes	For the year ended 31 December 2015	For the year ended 31 December 2014
Investment income	15	9,238,196	5,439,099
Other gain and losses	16	(1,010,200)	(55,258)
Employee benefit expenses	17	(382,024)	(346,317)
General expenditure	18	(242,366)	(336,449)
Less: Fund received on technical assistance from World Bank		14,608	91,483
Less: Contribution in kind from Royal Government of Bhutan - Rent		26,793	25,976
Depreciation and amortization	7 & 8	(45,633)	(41,114)
Less: Transferred from restrictive reserve against property, plant and equipment (See note 13)		13,691	12,620
Funds disbursed under social window		5,731,073	3,989,713
Less: allocated from voluntary contribution		(5,731,073)	(3,989,713)
Net income for the year		7,613,065	4,790,040
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on long term employee benefits		1,237	(2,241)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation reserves		13,508,375	10,843,612
Other comprehensive income for the year		13,509,612	10,841,371
Total comprehensive income for the year		21,122,677	15,631,411

The accompanying notes are an integral part of these financial statements.

SAARC Development Fund (SDF)
Statement of changes in net assets for the year ended 31 December
2015
(All amounts in SDR, unless otherwise stated)

Note	Capital con- tributions	Retained earnings	Foreign curren- cy translation reserves	Total unre- stricted net assets
Opening balance as at 1 January 2014	171,480,667	17,410,318	(3,645,417)	185,245,568
Income for the year	-	4,790,040	-	4,790,040
Other comprehensive income for the year	-	(2,241)	10,843,612	10,841,371
Total comprehensive income	171,480,667	22,198,117	7,198,195	200,876,979
Movement in contribution due, paid and paid in advance	28,519,333	-	-	28,519,333
Balance as at 31 December 2014	200,000,000	22,198,117	7,198,195	229,396,312

Note	Capital con- tributions	Retained earnings	Foreign curren- cy translation reserves	Total unre- stricted net assets
Opening balance as at 1 January 2015	200,000,000	22,198,117	7,198,195	229,396,312
Income for the year	-	7,613,065	-	7,613,065
Other comprehensive income	-	1,237	13,508,375	13,509,612
Total comprehensive income	200,000,000	29,812,419	20,706,570	250,518,989
Movement in contribution due, paid and paid in advance	149,250	-	-	149,250
As at 31 December 2015	200,149,250	29,812,419	20,706,570	250,668,239

SAARC Development Fund

Statement of Cash Flows for the year ended 31 December 2015

(All amounts in SDR, unless otherwise stated)

For the year ended For the year ended
31 December 2015 31 December 2014

Cash flow from operating activities		
Net income for the year	7,613,065	4,790,040
Adjustments:		
Investment income	(9,238,196)	(5,439,099)
Contribution in kind received from Kingdom of Bhutan	(13,691)	(12,620)
Depreciation and amortization	45,633	41,114
Expenses from contribution in kind	(26,793)	(25,976)
Voluntary contribution received from Kingdom of Bhutan	26,793	25,976
Fund received on technical assistance from World Bank	14,608	91,483
Expenses incurred out of technical assistance received from World Bank	(14,608)	(91,483)
Actuarial loss on long term employee benefits	1,237	(2,241)
Operating profit before working capital changes	(1,591,952)	(622,806)
Adjustments for :		
Decrease/(increase) in other financial assets	(12,156)	133
Increase/(decrease) in other payables	1,756	2,512
Increase /(Decrease) in provisions	(9,028)	4,928
Net Cash used in operating activities	(1,611,380)	(615,233)
Cash flow from investing activities:		
Interest income received	5,829,571	8,827,692
Investment made in fixed deposits	(134,297,703)	(120,734,277)
Investment withdrawn from fixed deposits	131,435,887	148,671,048
Purchase of fixed assets	(2,726)	(4,344)
Net cash from investing activities	2,965,029	36,760,119
Cash flow from financing activities:		
Voluntary grant received	-	363,096
Funds disbursed under social window	(5,731,073)	(3,980,329)
Capital contribution	27,592,744	26,945,803
Technical Assistance from World Bank	49,127	52,444

Expenses under Technical Assistance from World Bank	(14,608)	(91,483)
Net cash from financing activities	21,896,190	23,289,531
Net (decrease)/increase in cash and cash equivalents	23,249,839	59,434,417
Effect of foreign currency translation reserves	5,712,650	6,226,472
Cash and cash equivalents as at the beginning of the period (refer note 10)	121,601,440	55,940,551
Cash and cash equivalents as at the end of the period (refer note 10)	150,563,929	121,601,440

The accompanying notes are an integral part of these financial statements.

SAARC Development Fund (SDF)

Notes to the financial statements for the year ended 31 December 2015

1 Reporting entity

SAARC Development Fund ('the Fund') is established by eight member countries i.e. Islamic Republic of Afghanistan, People's Republic of Bangladesh, Kingdom of Bhutan, Republic of India, Republic of Maldives, Federal Democratic Republic of Nepal, Islamic Republic of Pakistan and Democratic Socialist Republic of Sri Lanka ('Member States') and is governed by its Charter duly signed on 3 August 2008.

The Fund, as per the Charter, has a Governing Council, comprising of the SAARC Ministers of Finance, a Board of Directors, consisting of one member nominated by each member state, Secretary General of the SAARC Secretariat or his/her representative and the Chief Executive Officer of the Fund and it also has such officers and staff, as approved by the Governing Council.

The Fund has international character, possesses, full juridical personality and operates under the Rules, Regulations and Bye Laws made for the purpose of the Charter by the Governing Council. As per the Bye Laws, the Fund, its property, other assets, income and its operations and transactions shall be exempt from all taxation and duties.

The address of the Fund is SAARC Development Fund Secretariat, 3rd Floor, BDFC Building, Norzin Lam, Post Box 928, Thimphu 11001, Bhutan.

The Fund is established to promote the welfare of the people of its member countries, to improve their quality of life and to accelerate economic growth, social progress and poverty alleviation in the region. The Fund will serve as a financial institution for projects and programs, which are in fulfillment of the objective of the SAARC Charter. It is aimed to contribute to regional cooperation and integration through project collaboration.

The utilisation of fund monies shall be for the projects emanating from the following three windows:

- The 'Social Window' shall primarily fund projects on poverty alleviation, social development focusing on education, health, human resource development, rural infrastructure development etc.
- The 'Infrastructure Window' shall primarily be utilised to fund projects in areas such as energy, power, transportation, telecommunication, environment, tourism and other infrastructure areas.
- The 'Economic Window' shall primarily extend funding to non-infrastructure projects related to trade and industrial development, agriculture, service sectors, science and technology and other non-infrastructure areas and also for projects which are not covered under Social and Infrastructure Windows.

The Fund has currently activated the Social Window and disbursing fund for projects approved by the Governing Council under social window. The Fund is also under process to operationalise its other two windows viz. Economic & Infrastructure Windows

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the fund has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

2.1.1 Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The Fund has applied the amendments for the first time in the current year. The amendments require the Fund to account for employee contributions as follows:

- Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans.
- Employee contributions specified in the defined benefit plans are accounted for as reduction of the service cost, only if such contributions are linked to services.

These amendments have been applied retrospectively. As no such contribution is made by the employees of the Fund, the application of these amendments has had no impact on the disclosures or the amounts recognised in the Fund's financial statements.

2.1.2 Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle

The Fund has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle for the first time in the current year. The application of these amendments has had no impact on the disclosures or amounts recognised in the Fund's financial statements.

3 New and revised IFRSs in issue but not yet effective

The Fund has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 :	Financial Instruments*
IFRS 15 :	Revenue from contracts with customers*
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations**
Amendments to IAS 1	Disclosure Initiative**
Amendments to IAS 16 and IAS 38 :	Clarification of acceptable methods of Depreciation and Amortisation***
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle1**

* Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

** Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

The Fund is currently evaluating the requirements of the above IFRSs and has not yet determined the impact on the financial statement.

4 Basis of preparation

4.1 Statement of compliance

These financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) and are presented in accordance with the Fund's Charter and Bye-laws.

The financial statements for the year ended 31 December 2015 were authorized by the Board of Directors onApril 2016 for issuance to the Governing Council on2016 for their final approval.

4.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

4.3 Functional currency

The Fund's functional currency is U.S. dollar (USD). The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

4.4 Presentation currency

As required under Bye Laws of the Fund these financial statements are presented in Special Drawings Rights ('SDR'). All financial information presented in SDR has been rounded to the nearest SDR, except when otherwise indicated.

The value of the SDR is determined by the International Monetary Fund ('IMF') each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years.

The current composition of the SDR valuation basket became effective on 1 January 2011.

The currencies in the basket at 31 December 2015 and 31 December 2014 and their amounts were as follows:

Currency	2015	2014
Euro	0.423	0.423
Japanese yen	12.100	12.100
Pound sterling	0.111	0.111
U.S. dollar	0.660	0.660

At 31 December 2015, one SDR was equal to US\$1.385730 (one SDR was equal to US\$1.44881 as at 31 December 2014), which is as determined and reported by International Monetary Fund (IMF).

4.5 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation/uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Refer note 5.7 Property, plant and equipment (refer note 7 for carrying amount)
- Refer note 5.8 Intangible assets (refer note 8 for carrying amount)
- Refer note 5.10 Employee benefit (refer note 11 for carrying amount)

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Foreign currency translation

Transactions in foreign currencies are translated to the functional currency of the Fund at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on translation are recognized in statement of profit or loss.

Translation from functional currency to presentation currency:

As mentioned above, these financial statements are presented in Special Drawings Rights ('SDR').

- The assets and liabilities are translated to SDR at exchange rate at the date of the balance sheet.
- The income and expenses are translated to SDR at exchange rates at an average rate of the financial year.

- Initial contribution received from member countries are converted at the rate as on the date of receipt (followed from the financial year 2015, corresponding impact relating to earlier years has been adjusted through Foreign currency translation reserves).

All resulting exchange differences are recognized in other comprehensive income and are presented in the translation reserve within 'Statement of Changes in Reserves'

5.2 Financial instruments

a. Non- derivative financial assets:

The classification of financial instruments depends on the substance of the contractual arrangement. The Fund's non-derivative financial assets comprise of Loans and receivables.

The Fund initially recognizes loans and receivables on the date that they are originated.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured initially at cost plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss. Loans and receivables comprise investment in fixed deposits with original maturities more than 3 months and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in their fair value. For these short term deposits, the carrying value approximates the fair value due to the short maturity of these instruments.

Fixed deposits with banks

Fixed deposits with banks comprise of fixed deposits with original maturities of more than three months.

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

Other receivables

Other receivables mainly comprise of advances paid to vendors.

b. Non derivative financial liabilities :

The Fund recognizes financial liabilities initially on the trade date at which the Fund becomes a party to the contractual provisions of the instrument.

The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Fund classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value

plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise 'Trade and other payable'.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

5.3 Retained earnings

These reserves represent accumulation of excess of income over expenditure in Statement of profit or loss. Such excess Funds carry no specific reservation or restriction and can be applied as per the Fund Charter.

5.4 Unrestricted and restricted contribution

- **Capital contribution**

This represents the contribution given by the Member States. These are not subject to any legal or third-party restriction and can be applied as per the Fund Charter.

- **Voluntary contributions and contributions in kind**

Voluntary contributions from member states (unrestricted reserves) or other governments/institutions are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Such income is presented on a systematic basis as a deduction in reporting the related expense in the periods in which the expenses are recognised.

Contribution in kind for assets are recognised initially as restricted reserves (deferred income) at fair value when there is reasonable assurance that they will be received and the Fund will comply with the conditions associated with the grant, and are then recognised in Statement of profit or loss as income on a systematic basis over the useful life of the asset.

The value of contributions in kind is determined by the donor's indication of the value of the goods, including the cost of transport to the final destination.

Contribution in services such as in the form of rent or other expenses is recognized in the Statement of profit or loss when such services are received and are presented in statement of profit or loss as a deduction from the related expense.

- **Funds received on cessation of South Asian Development Fund ('SADF')**

This represents the balance transferred on the closure of the earlier SADF to the Fund. These are not subject to any legal or third-party restriction and can be applied as per the Fund Charter in the "Economic window" as decided by the Management.

5.5 Payments to and on behalf of beneficiaries

Payments to and on behalf of beneficiaries under social window are recognized as expense in the Statement of profit or loss when the specified conditions in the respective agreements are achieved and amount disbursed to the Implementing Agencies and/or Lead Implementing Agencies. Equivalent amount is transferred from the voluntary contribution to the Statement of profit or loss.

Expenses incurred for projects in pipeline are initially charged off to the Statement of

profit or loss. On subsequent approval of the project, equivalent amount is transferred to the Statement of profit or loss.

5.6 Investment income

Finance income comprises interest income on Funds invested and idle funds lying with projects detailed in note 15 below. Interest income is recognized as it accrues in statement of profit or loss, using the effective interest method. Interest earned on idle funds lying with projects has been recognised based on information received from the Implementing agencies and Lead implementing agencies.

Foreign currency gains and losses are reported on a net basis

5.7 Property, plant and equipment

a. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item, and are recognized net under the head 'Other gain or losses (as the case may be)' in statement of profit or loss.

b. Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be reliably determined. The costs of the day-to-day servicing of property, plant and equipment are recognized in Statement of profit or loss as incurred.

c. Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognized in Statement of profit or loss unless the amount is included in the carrying amount of another asset.

The estimated useful lives are as follows:

- | | |
|-------------------------------|------------------------------------|
| • Vehicles: | 6 years |
| • Furniture : | 10 years |
| • Office equipment : | 6 years |
| • Computers and peripherals : | 6 years |
| • Leasehold improvements : | Useful life of asset or lease term |
| whichever is shorter | |

- Servers and networking equipments : 6 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

5.8 Intangible assets

a. Acquired intangibles.

Acquired rights and licenses are measured at cost less accumulated amortization and any accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the intangible assets.

b. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognized in profit or loss as incurred.

c. Amortization

Amortization is recognized in the Statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

- Software : 6 years or licensing period or over the period for which the right is obtained

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate.

5.9 Impairment

a. Financial assets

The carrying amount of Fund's assets is assessed at each reporting date to determine whether there is objective evidence that it is impaired. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The Fund considers evidence of impairment for receivables for each specific asset. All individually significant receivables are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in Statement of profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of profit

or loss.

b. Non-Financial Assets

The carrying amounts of the Fund's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.10 Employee benefit plans

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of profit or loss in the periods during which related services are rendered by employees.

b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. In accordance with the SAARC Development Fund's Financial and Administration Provisions, SDF provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) to its eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Fund's net obligation in respect of defined benefit plans is calculated for the gratuity plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is based on the Government securities yield that have maturity dates approximating the terms

of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other comprehensive income in the period in which they arise.

5.11 Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Fund. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

5.12 Leasing arrangements as a lessee

Accounting for Operating Leases

Assets held under other leases are classified as operating leases and are not recognised in the Fund's statement of financial position. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

6 Financial risk management

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's

management of capital. Further quantitative disclosures are included throughout these financial statements.

6.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Fund's risk management framework. Risk management is carried out by the top management under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities. The Fund, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Fund's overall risk management program focuses on unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to The Board of Directors.

6.1.1 a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund's treasury policy focuses on security of cash and cash equivalents including term deposits. Investments are allowed only in liquid securities and only with counterparties that have a high credit rating. The Fund's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Fund held cash and cash equivalents and investments in fixed deposits along with accrued interest thereon of SDR 292,779,455 (2014: SDR 251,582,207), which represents its maximum credit exposure on these assets. These are held in government authorised banks and there is no significant exposure. Details of investments in different countries:

Name of country	As at 31-Dec-15 (SDR)	As at 31-Dec-14 (SDR)
Nepal	16,939,085	90,825,122
India	265,426	411,299
Bhutan	86,346	123,328
Pakistan	72,329,789	153,641,096
Sri Lanka	203,125,170	6,510,037
Bangladesh	33,638	71,325
	292,779,454	251,582,207

6.1.2 b. Liquidity risk

The Fund's objective is to strike a balance between funding continuity and flexibility by maintaining sufficient funds as cash in hand or as on-demand or short-term deposits with maturities of three months or less to meet short-term liabilities. All the non-derivative financial liabilities as on the date of the balance sheet have a maturity period of less than one year. The Fund's approach to managing liquidity is to ensure, as far as possible, that it

will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund uses activity-based costing, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Fund ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Fund regularly monitors its liquidity to keep it at adequate levels, with periodic reports to the chief operating decision maker.

The following are the contractual maturities of non derivative financial liabilities as of the reporting dates:

As at 31 December 2015	Carrying amount	Less than 1 year	Total
Current			
Accounts payable and others	21,198	21,198	21,198

As at 31 December 2014	Carrying amount	Less than 1 year	Total
Current			
Accounts payable and others	28,976	28,976	28,976

6.1.3 C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Exposure to fluctuations in foreign currency exchange rates arises from transactions denominated in currencies other than the Fund's functional currency, which is the USD.

The carrying amount of the Fund's financial assets and liabilities in different currencies are as follows:

Currency (as at 31.12.2015)	Financial assets	Financial liabilities
PKR	2,349,883,335	-
NPR	1,000,127,494	-
Nu	2,440,673	353,461
TK	3,731,923	-

Currency (as at 31.12.2014)	Financial assets	Financial liabilities
PKR	1,999,904,788	-
NPR	772,800,792	-
Nu	479,186	1,196,070
Tk	8,221,474	-

Sensitivity analysis for foreign currency risk

The following table demonstrate the sensitivity of the Company's profit or (loss) to a reasonably possible 10% change in exchange rate of the other currencies against USD:

Currency	Effect of 10% strengthening	Effect of 10% weakening
PKR	(234,988,333)	234,988,333
NPR	(100,012,749)	100,012,749
Nu	(208,721)	208,721
TK	(373,192)	373,192

(ii) Interest Rate Risk

The investment portfolio is exposed to market risk due to interest rate movements. The interest rate risk is reduced by limiting the duration of the portfolio to a weighted average of 0-12 months and investment in fixed rate instruments.

At the reporting date the interest rate profile of the Fund's interest-bearing financial instruments was as follows:

Fixed rate instruments	As at	As at
	31-Dec-15	31-Dec-14
Financial assets		
Cash and cash equivalents		
149,733,851		
121,387,115		
Fixed deposits (current)	135,323,890	126,674,303
Fixed deposits (non-current)	-	-
Total	285,057,741	248,061,418

Fair value sensitivity analysis for fixed rate instruments

The Fund does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

SAARC Development Fund (SDF)
Notes to financial statements for the year ended 31 December 2015
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7. Property, plant and equipment *

7.1		As at 31.12.2015	As at 31.12.2014
Carrying amount of			
Vehicles		13,864	24,169
Furnitures		23,498	26,424
Office equipments		3,258	5,527
Computers and peripherals		14,030	17,103
Leasehold improvements		4,457	7,371
Servers and networking equipments		19,858	29,449
		78,965	110,043

7.2		Vehicles	Furnitures	Office equip-ments	Computers and peripherals	Leasehold im-provements	Servers and networking equipments	Total
Historical cost								
1 January 2015		65,439	39,503	16,622	30,481	18,635	65,525	236,205
Additions during the year		-	-	464	1,522	-	740	2,726
Currency translation adjustments		2,978	1,799	760	1,400	847	2,989	10,773
31 December 2015		68,417	41,302	17,846	33,403	19,482	69,254	249,704
Accumulated depreciation								
1 January 2015		41,270	13,079	11,095	13,378	11,264	36,076	126,162
Depreciation charge for the year		11,319	4,099	2,965	5,345	3,223	11,589	38,540
Currency translation adjustments		1,964	626	528	650	538	1,731	6,037
31 December 2015		54,553	17,804	14,588	19,373	15,025	49,396	170,739
Carrying amounts								
1 January 2015		24,169	26,424	5,527	17,103	7,371	29,449	110,043
31 December 2015		13,864	23,498	3,258	14,030	4,457	19,858	78,965

7.3

	Vehicles	Furnitures	Office equip- ments	Computers and peripherals	Leasehold im- provements	Servers and networking equipments	Total
Historical cost							
1 January 2014	61,564	35,792	14,537	26,855	16,670	61,612	217,030
Additions during the year	-	1,395	1,119	1,851	875	33	5,273
Currency translation adjustments	3,875	2,316	966	1,775	1,090	3,880	13,902
31 December 2014	65,439	39,503	16,622	30,481	18,635	65,525	236,205
Accumulated depreciation							
1 January 2014	28,563	8,710	7,858	8,080	7,731	23,636	84,578
Depreciation charge for the year	10,434	3,655	2,623	4,581	2,916	10,475	34,684
Currency translation adjustments	2,273	714	614	717	617	1,965	6,900
31 December 2014	41,270	13,079	11,095	13,378	11,264	36,076	126,162
Carrying amounts							
1 January 2014	33,001	27,082	6,679	18,775	8,939	37,976	132,452
31 December 2014	24,169	26,424	5,527	17,103	7,371	29,449	110,043

* The Fund during the year ended 31 December 2009 and 31 December 2010 received certain fixed assets by way of contribution in kind from Royal Govern-ment of Bhutan, the details of which are as under:

	Vehicles	Furnitures	Office equip- ments	Computers and peripherals	Leasehold im- provements	Servers and networking equipments	Total
Historical cost							
1 January 2015	50,199	13,461	7,957	4,310	8,612	-	84,539
Additions during the year	-	-	-	-	-	-	-
Currency translation adjustments	2,284	612	363	197	392	-	3,848
31 December 2015	52,483	14,073	8,320	4,507	9,004	-	88,387
Accumulated depreciation							
1 January 2015	38,618	6,327	6,381	3,480	6,787	-	61,593
Depreciation charge for the year	8,683	1,397	1,376	746	1,490	-	13,691
Currency translation adjustments	1,823	299	300	165	321	-	2,909
31 December 2015	49,124	8,023	8,058	4,390	8,598	-	78,193

Carrying amounts

1 January 2015	11,581	7,134	1,576	830	1,825	-	22,946
31 December 2015	3,359	6,050	262	117	406	-	10,194

SAARC Development Fund (SDF)
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	Vehicles	Furnitures	Office equip- ments	Computers and peripherals	Leasehold im- provements	Servers and networking equipments	Total
Historical cost							
1 January 2014	47,226	12,664	7,486	4,055	8,102	-	79,533
Additions during the year	-	-	-	-	-	-	-
Currency translation adjustments	2,973	797	471	255	510	-	5,006
31 December 2014	50,199	13,461	7,957	4,310	8,612	-	84,539
Accumulated depreciation							
1 January 2014	28,458	4,686	4,755	2,598	5,033	-	45,530
Depreciation charge for the year	8,004	1,287	1,269	687	1,373	-	12,620
Currency translation adjustments	2,156	354	357	195	381	-	3,443
31 December 2014	38,618	6,327	6,381	3,480	6,787	-	61,593
Carrying amounts							
1 January 2014	18,768	7,977	2,732	1,457	3,069	-	34,003
31 December 2014	11,581	7,134	1,576	830	1,825	-	22,946

8. Intangible assets

8.1 Carrying amount of	As at 31.12.2015	As at 31.12.2014
Acquired software	15,330	21,498
	15,330	21,498

8.2

	Acquired software	Total
Historical cost		
1 January 2015	41,007	41,007
Additions during the year	-	-
Currency translation adjustments	1,866	1,866
31 December 2015	42,873	42,873
Accumulated depreciation		
1 January 2015	19,509	19,509
Amortisation for the year	7,093	7,093
Currency translation adjustments	941	941
31 December 2015	27,543	27,543
Carrying amounts		
1 January 2015	21,498	21,498
31 December 2015	15,330	15,330

8.3

	Acquired software	Total
Historical cost		
1 January 2014	37,831	37,831
Additions during the year	759	759
Currency translation adjustments	2,417	2,417
31 December 2014	41,007	41,007
Accumulated depreciation		
1 January 2014	12,029	12,029
Amortisation for the year	6,430	6,430
Currency translation adjustments	1,050	1,050
31 December 2014	19,509	19,509
Carrying amounts		
1 January 2014	25,802	25,802
31 December 2014	21,498	21,498

SAARC Development Fund (SDF)
Notes to the financial statements for the year ended 31 December 2014
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9. Other financial assets

	As at 31 December 2015	As at 31 December 2014
Loans and advances carried at amortised cost		
Capital contribution due and receivable (refer note 14.1.2)	9,866,658	33,009,829
Fixed deposits with banks (maturities more than 3 months)	135,323,890	126,674,303
Interest accrued on fixed deposits with banks	6,891,637	3,306,464
Other receivables	16,544	4,108
	152,098,729	162,994,704
Current	152,098,729	162,994,704
Non-current	-	-
	152,098,729	162,994,704

9.1 Fixed deposits with banks

(maturities more than 3 months)	As at 31 December 2015	As at 31 December 2014
Nepal SBI Bank Limited, Nepal	16,213,966	46,158,029
Habib Bank Limited, Pakistan	20,905,001	74,007,574
Peoples Bank, Sri Lanka	98,204,923	6,508,700
	135,323,890	126,674,303

9.2 Other receivables

	As at 31 December 2015	As at 31 December 2014
Advance to vendors	2,132	2,040
Staff advance	15,884	3,113
Other Advances	660	995
Less, Provision for doubtful advances	(2,132)	(2,040)
	16,544	4,108

10. Cash and cash equivalents

	As at 31 December 2015	As at 31 December 2014
Cash at bank		
Current account	828,988	213,878
Deposit account (maturities less than 3 months)	149,733,851	121,387,115
Cash in hand	1,090	447
	150,563,929	121,601,440

The above deposits maintained by the Fund with banks comprise of time deposits, which can be withdrawn by the Fund at any point without prior notice or penalty on the principal.

11. Provisions

	As at 31 December 2015	As at 31 December 2014
Employee benefits		
Provision for long term employee benefits	11,381	9,193
Closing balance	11,381	9,193

12. Financial liabilities

	As at 31 December 2015	As at 31 December 2014
Trade and other payable		
Creditors for fixed assets	1,950	1,950
Sundry creditors	18,199	24,778
Payable to staff	1,010	2,211
Statutory dues	39	37
	21,198	28,976

15. Investment income

	For the year ended 31 December 2015	For the year ended 31 December 2014
Interest income on fixed deposits	9,230,061	5,391,561
Interest income on idle funds with implementing agencies	8,135	47,538
	9,238,196	5,439,099

16. Other gain and losses

	For the year ended 31 December 2015	For the year ended 31 December 2014
Net foreign exchange gain/(losses)	(1,010,200)	(55,258)
	(1,010,200)	(55,258)

17. Employee benefit expenses

	For the year ended 31 December 2015	For the year ended 31 December 2014
Post employment benefits		
Defined contribution plan (See note- 18)	(5,324)	(4,125)
Defined benefit plan (See note -18)	(3,006)	(2,911)
Other employee benefits		
Salaries and other benefits	(368,023)	(336,964)
Staff-welfare expenses	(5,671)	(2,317)
	(382,024)	(346,317)

18. General expenditure

	For the year ended 31 December 2015	For the year ended 31 December 2014
Staff recruitment expenses	(30,702)	(31,872)
Rent *	(26,793)	(25,976)
Travelling and conveyance***	(25,811)	(53,793)
Advertisement expenses	(20,680)	(7,337)
Meeting expenses***	(10,526)	(67,614)
Printing and stationary	(9,732)	(8,791)
Communication expenses	(13,166)	(8,714)

Vehicle running and maintenance expenses	(6,428)	(6,174)
Electricity charges	(1,859)	(1,969)
Repair and maintenance expenses	(4,778)	(1,804)
Books and periodicals	(901)	(367)
Security expenses	(1,933)	(1,762)
Audit Fees	(13,249)	(11,223)
Legal and professional expenses**	(10,135)	(39,428)
Training expenses**	(16,115)	(18,181)
Computer Hardware and software Maintenance	(15,700)	(1,124)
Provision for bad and doubtful advances	-	(2,040)
Expenses for project in pipeline	-	(31,266)
Miscellaneous expenses	(33,858)	(17,014)
	(242,366)	(336,449)

Royal Government of Bhutan has given office premises to SDF without any charge and the same is considered as contribution in kind from the Royal Government of Bhutan

	For the year ended 31 December 2015	For the year ended 31 December 2014
Rent	(26,793)	(25,976)
	(26,793)	(25,976)

The World Bank has sanctioned Technical Assistance of USD 349,595 (SDR 227,010) (previous year SDR - 227,010) out of which the following have been expensed during the year :

	For the year ended 31 December 2015	For the year ended 31 December 2014
Legal and professional expenses	(9,863)	(35,385)
Training expenses	(4,745)	(11,615)
	(14,608)	(47,000)

The World Bank has sanctioned fund of Nil (previous year - SDR 44,482) for brainstorming workshop and market study visit :

	For the year ended 31 December 2015	For the year ended 31 December 2014
Travelling and conveyance	-	(14,064)
Meeting expenses	-	(30,419)
	-	(44,483)

SAARC Development Fund (SDF)
Notes to the financial statements for the year ended 31 December 2015
(All amounts in SDR, unless otherwise stated)

13. Deferred unrestricted and restricted contributions

13.1	Carrying amount	Deferred restricted contribution			Deferred contributions - Capital Assets	
		As at 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014	As at 31.12.2015
	Voluntary contribution received from various countries	46,870,326	50,353,235	-	-	-
	Fund received on cessation of South Asian Development fund	5,120,045	4,897,140	-	-	-
	Contribution received in kind from Kingdom of Bhutan	-	-	-	10,194	22,946
	Technical assistance received from World Bank	-	-	55,570	19,883	-
	Total deferred unrestricted and restricted reserves	51,990,371	55,250,375	55,570	19,883	22,946

13.2		Deferred unrestricted contribution		Deferred restricted contribution - World Bank TA **	Deferred Contributions - Capital Assets from Royal Govt. of Bhutan	Total deferred contribution
		Voluntary contribution received from various countries	Funds received on cessation of South Asian Development Fund ("SADF") *			
	Opening balance as at 01 January 2015	50,353,235	4,897,140	19,883	22,946	55,293,204
	Received during the year	-	-	49,127	-	49,127
	Less: Allocated to the other expenditure to the extent of related grant disbursed	(5,731,073)	-	(14,608)	-	(5,745,681)
	Add/(less): Expenses for project in pipeline	-	-	-	-	-
	Less: Depreciation on such assets charged to statement of comprehensive income	-	-	-	(13,691)	(13,691)

	Add: Currency translation adjustments	2,248,164	222,905	1,168	939	2,473,177
	Closing Balance as at 31 December 2015	46,870,326	5,120,045	55,570	10,194	52,056,136

13.3		Deferred unrestricted contribution		Deferred restricted contribution - World Bank TA **	Deferred Contributions - Capital Assets from Royal Govt. of Bhutan	Total deferred contribution
		Voluntary contribution received from various countries	Funds received on cessation of South Asian Development Fund ("SADF") *			
	Opening balance as at 01 January 2014	50,929,369	4,607,144	57,104	34,001	55,627,618
	Addition made during the year	363,096	-	52,444	-	415,540
	Less: Allocated to the other expenditure to the extent of related grant disbursed	(3,989,713)	-	(91,483)	-	(4,081,196)
	Add/less: Expenses for project in pipeline	9,384				9,384
	Less: Depreciation on such assets charged to statement of comprehensive income	-	-		(12,620)	(12,620)
	Add: Currency translation adjustments	3,041,099	289,996	1,818	1,565	3,334,478
	Closing Balance as at 31 December 2014	50,353,235	4,897,140	19,883	22,946	55,293,204

* As informed by the management and adopted by the Board of Directors in their meeting held on 30 November 2010 and 1 December 2010, funds received on cessation of SADF has to be used for the "Economic window" as defined in the Fund charter.

** World Bank sanctioned Technical Assistance of SDR 227,010 for Consultancy services, capacity building and for acquiring software during the year 2013.

Democratic Socialist Republic of Srilanka	16,009,333	5,755,619	(324,952)	21,440,000	12,409,333	3,600,000	-	16,009,333
Total	166,990,171	27,412,454	(4,269,283)	190,133,342	128,298,083	38,692,088	-	166,990,171

14.1.2 Capital contribution due and receivable

	As at 31 December 2015			As at 31 December 2014				
	Opening	Net off Due/(Received)	Currency translation adjustments	Closing	Opening	Net off Due/(Received)	Currency translation adjustments	Closing
Islamic Republic of Afghanistan	2,000,000	-	237,468	2,237,468	-	2,000,000	-	2,000,000
People's Republic of Bangladesh	1,058,232	(1,131,606)	167,542	94,168	4,834,955	(3,776,723)	-	1,058,232
Kingdom of Bhutan	-	-	158,041	158,041	-	-	-	-
Republic of India	647,333	-	2,689,664	3,336,997	-	647,333	-	647,333
Republic of Maldives	5,933,233	(2,156,489)	106,520	3,883,264	3,933,233	2,000,000	-	5,933,233
Federal Democratic Republic of Nepal	4,288,000	(4,578,751)	447,471	156,720	-	4,288,000	-	4,288,000
Islamic Republic of Pakistan	13,652,364	(13,789,989)	137,625	-	18,191,062	(4,538,698)	-	13,652,364
Democratic Socialist Republic of Srilanka	5,430,667	(5,755,619)	324,952	-	4,742,667	688,000	-	5,430,667
Total	33,009,829	(27,412,454)	4,269,283	9,866,658	31,701,917	1,307,912	-	33,009,829

14.1.3 Capital contribution received in advance

Republic of India	As at 31 December 2015		As at 31 December 2014
Islamic Republic of Pakistan	85,764		-
Democratic Socialist Republic of Srilanka	63,486		-
Less, Transfer to Capital contribution due and paid	-		(11,480,667)
Currency translation adjustments	-		-
Total	149,250		-

14.1.4 The initial authorized capital of the Fund shall be SDR One Thousand Million, to be divided into callable capital and paid-up capital.

14.1.5 Initial paid up capital contribution

The initial paid-up capital of the Fund shall be SDR Two Hundred Million. The initial paid-up capital will be subscribed by the Member States in accordance with the proportion of the assessed contribution to the SAARC Secretariat budget and as set forth in the Table below. Future contributions to the paid-up capital will be raised as per decision of the Governing Council.

Member state (s)	Amount in SDR
Islamic Republic of Afghanistan	10,000,000
People's Republic of Bangladesh	21,440,000
Kingdom of Bhutan	10,000,000
Republic of India	60,640,000
Republic of Maldives	10,000,000
Federal Democratic Republic of Nepal	21,440,000
Islamic Republic of Pakistan	45,040,000
Democratic Socialist Republic of Sri Lanka	21,440,000
Total	200,000,000

Subscriptions by each member state to the initial paid up capital of the Fund shall be made in five (5) equal instalments. The first instalment shall be due within one month of entry into force of the SDF Charter i.e April 15, 2010.

The liability of the contributors shall be limited to the unpaid portion of their contributions. No contributor shall be liable for obligations of the Fund.

14.2

Retained earnings

Balance at the beginning of the year
Net income for the year as per statement of profit or loss
Other comprehensive income arising from actuarial gain/(loss) on long term employee benefits
Balance at the end of year

As at 31 December 2015	As at 31 December 2014
22,198,117	17,410,318
7,613,065	4,790,040
1,237	(2,241)
29,812,419	22,198,117

14.3

Foreign currency translation reserves

Balance at the beginning of the year
Exchange difference arising on translation from functional currency to presentation currency
Balance at the end of year

As at 31 December 2015	As at 31 December 2014
7,198,195	(3,645,417)
13,508,375	10,843,612
20,706,570	7,198,195

SAARC Development Fund (SDF)

Notes to the financial statements for the year ended 31 December 2015

19 Defined contribution plans

An amount of SDR 5,342 (Previous year SDR 4,125) for the year has been recognized as an expense in respect of the Fund's contributions towards Provident Fund, which is deposited with the government authorities and has been included under employee benefits expense in the Statement of Comprehensive Income.

Defined benefit plan

The Fund's gratuity scheme is a defined benefit plan. Gratuity is paid as a lump sum amount to employees at retirement or termination of employment at an amount based on the respective employee's eligible salaries and the years of employment with the Fund. The following table sets out the disclosure in respect of the defined benefit plan:

	As at 31 December	
	2015	2014
Present value of unfunded obligations	11,381	9,193
Total	11,381	9,193

Movement in the present value of the defined benefit obligation

	As at 31 December	
	2015	2014
Present value of obligation as at the beginning of the period	9,193	3,801
Interest cost	269	146
Current service cost	2,737	2,765
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(1,237)	2,241
Exchange rate movement on conversion to reporting currency	419	240
Total	11,381	9,193

Movement in the present value of the defined benefit obligation

	As at 31 December	
	2015	2014
Current service cost	2,737	2,765
Interest cost	269	146
Net actuarial (gain)/ loss recognized in the period	(1,237)	2,241
Total	1,769	5,152
Recognized in employee benefit expenses in the statements of profit or loss	3,006	2,911
Recognised in other comprehensive income	(1,237)	2,241

Actuarial assumptions

Principal actuarial assumptions are given below:

(a) Economic Assumptions

	As at 31 December	
	2015	2014
Discounting Rate	2.90	2.80
Interest cost	3.00	3.00

(b) Demographic Assumption

Retirement Age (Years)	60	60
	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

Assumptions regarding future mortality rates are based on IALM (2006-2008).

The actuarial valuation is carried out yearly by an independent actuary. The discount rate used for determining the present value of obligation under the defined benefit plan is determined by reference to market yields at the end of the reporting period on Government Bonds. The currency and the term of the government bonds is consistent with the currency and term of the defined benefit obligation.

The salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis

20 Related parties

For the purpose of financial statements, parties are considered to related to the Fund, if the Fund has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Fund and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(a) Name and relationship of related parties:

Related parties and nature of related party relationships:

Nature of relationship	Name of related parties	Relation-ship
Key management personnel	Mr. Karma (till 31 July, 2015)	CEO
Key management personnel	Dr. Sunil Motiwal (Since 12 August, 2015)	CEO

(b) Details of transactions during the year:

(i) Key managerial person

Particulars	For the year ended	
	31-Dec-15	31-Dec-14
Salaries and other benefits to Mr. Karma	50,890	59,311
Salaries and other benefits to Dr. Sunil Motiwal	31,238	-

(c) Balance outstanding at the end of the reporting period :

(i) Key managerial person

Particulars	For the year ended	
	31-Dec-15	31-Dec-14
Salaries and other benefits payable to Mr. Karma		360
Salaries and other benefits payable to Dr. Sunil Motiwal		-

21 Operating leases

The Fund incurred operating lease charges of 26,793 (previous year 25,976). There are no non-cancellable leases entered into by the Fund and accordingly no disclosure in respect of future lease rental payable has been made. The operating lease charges are in respect of the SDF Permanent Secretariat at Thimphu, Bhutan, as per the Head Quarter Agreement dated 8th September 2010 between the SDF Secretariat and Royal Government of Bhutan.

22 Contractual commitments

The Fund has approved the following projects as per its Charter as at 31 December 2015:

Project Name	Amount approved/ granted #	Amount disbursed/ expensed till 31st December, 2014	Currency fluctuation movement on conversion of USD to SDR	Amount disbursed/ expensed in the year ended 31st December, 2015	Balance committed amount*
Strengthening the livelihood initiative for home based workers in SAARC Region *(SABAH Project)	14,992,690	8,764,308	901,158	1,081,963	4,245,261
Maternal & Child Health Project (MCH) for strengthening Maternal and Child Health Including Immunization	10,852,929	3,233,308	387,969	2,357,656	4,873,996
Scaling up of Zero Energy Cold Storage (ZECS) technology for the horticultural commodities in the high hills of SAARC countries	2,439,830	1,297,693	185,884	9,613	946,640
Empowering Rural Communities "Reaching the Unreached" (CeCs)	5,728,630	3,744,004	395,639	1,119,271	469,716
South Asia Initiative to End Violence Against Children (SAIEVAC)	1,876,267	1,000,623	99,370	305,591	470,683

Post Harvest Management and Value Addition of fruits in Production Catchments in SAARC Countries	3,593,106	250,549	27,345	589,235	2,725,977
Regional Inter-professional Master's Program in Rehabilitation Science	1,082,462	190,377	18,455	95,523	778,107
Strengthening of Water, Sanitation and Hygiene (WASH) services in selected areas of SAARC Countries	4,545,191	82,378	9,0450	172,220	4,281,548
Uniform Toll Free Helpline for Children and Women	2,886,565	19,746	5,420	-	2,861,399
Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries	2,710,640	-	0	-	2,710,640
Total	50,708,310	18,582,986	2,030,285	5,731,073	24,363,967

#Amount approved/granted have been computed in SDR using the closing rate as at 31st December, 2015

*Amount remaining to be disbursed have been computed in SDR using the closing rate as at 31st December 2015.

23 As required under project financing agreement interest income of 8135 (previous year 47,538) on idle funds lying with projects is accounted in these financial statements on the basis of amount calculated and reported by the respective project Lead Implementing Agency/Implementing agency.

24 Subsequent events

There were no such events after the balance sheet date which represents unusual changes affecting the existence or substratum of the Fund at the balance sheet date.

25 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.



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