



SAARC

SAARC Development Fund



SAARC Development Fund

Year-End Newsletter, December 2024



✨ ✨ ✨ *The SDF team would like to wish you a happy new year, 2025!*

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Greetings from the SAARC Development Fund! As we reflect on 2024, we are proud of the progress we have made in advancing the well-being of the people across the SAARC region. This would not have been possible without your unwavering support and collaboration.

This Year-End Newsletter, December 2024, highlights SDF's commitment and shares stories of impact and updates from the field. It reflects the journey of the Fund and its Secretariat, established over 13 years ago by the esteemed Heads of the SAARC Member States. Guided by a mission to accelerate economic growth and social progress, and to alleviate poverty, SDF continues to drive regional development through project funding and implementation. While we take pride in the milestones achieved, our work is far from over. The road ahead is filled with opportunities to strengthen regional integration through project-driven collaboration.

Operating through three financing windows—Social, Economic, and Infrastructure—SDF Board has so far approved over 90 transformative projects across the SAARC Member States. These initiatives are the embodiment of our vision, made possible by the trust and invaluable contributions of our partners.

To our partners, we extend our deepest gratitude for your continuous support to achieve sustainable outcomes and positive change in the region.

On behalf of the SDF team, we wish you a joyful, healthy, and prosperous New Year!



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SDF Celebrates 40th SAARC Charter Day with Launch of Three Regional Projects



Thimphu, Bhutan, 9 December 2024 – The SAARC Development Fund (SDF) celebrated the 40th SAARC Charter Day, commemorating the historic adoption of the SAARC Charter on December 8, 1985. The event, held in Thimphu, brought together dignitaries, ambassadors, senior government officials, and stakeholders to honour the vision of regional cooperation and unity in South Asia.

As the only SAARC institution headquartered in Thimphu, Bhutan, SDF highlighted its role in advancing the region's development agenda since its establishment in 2010.

Bhutan's Finance Minister and SDF Governing Council Member, Lyonpo Lekey Dorji, emphasized the importance of regional collaboration, urging member states to harness their collective potential for progress.

SDF Officer-in-Charge, Jamal Uddin Ahmed, shared insights into SDF's impact, noting over 90 projects across 15 areas focused on social progress, economic growth, and poverty alleviation. "On this 40th SAARC Charter Day, we honour our founding leaders' vision and look forward to unlocking the region's immense potential through resilience, connectivity, and collaboration," he said.

SDF also launched three new projects under its Social

Window, totaling over USD 9.7 million, aimed at improving livelihoods, advancing inclusive education, and promoting sustainable energy.

The first project, "Livelihood Enhancement of Small-scale Fish Farmers and Nutrition Security of Rural Populations in the SAARC Region through Aquaculture Development" with a budget of USD 3.97 million, targets aquaculture development in six SAARC countries. The project will enhance fish farming practices, boost nutrition security, and support women and small-scale farmers. The three-year initiative is led by the ICAR-Central Institute of Freshwater Aquaculture, India. The implementation is supported by leading government agencies from each participating country.

The second project, "Partnership for Quality Inclusive Early Childhood Development & Basic Education," aims to improve access to quality, inclusive education for children, including those with disabilities, in Bhutan and Nepal. With a total budget of USD 4.79 million, the project focuses on capacity-building for teachers and caregivers, promoting children's development and well-being. The three-year initiative is led by Save the Children in collaboration with the Department of School Education and Ability Bhutan Society in Bhutan.

The third project, "Production of Commercial Biogas from Household Waste," addresses Bhutan's energy needs by promoting a shift from LPG to biogas for urban cooking. With a budget of USD 948,616, the project will establish a biogas plant to process waste into biogas and biofertilizers,

supporting Bhutan's energy transition and environmental goals. This is spearheaded by the Bhutan Ecological Society in collaboration with the Department of Environment and Climate Change and the Thimphu Municipality Office.

Bhutan observed the 40th SAARC Charter Day at Tara Lhaden Zhingkhams Lhakhang, Pangrizampa in Thimphu Bhutan with the lighting of a thousand butter lamps and offering special prayers to commemorate the event. Bhutan's Foreign Minister Lyonpo DN Dhungyel, members of the diplomatic community and senior officials of the Ministry of Foreign Affairs and External Trade and Officer-in-Charge of SDF participated in the event.

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Highlights from the 38th SDF Board Meeting

24-25 October 2024 - The 38th SAARC Development Fund (SDF) Board Meeting convened in Thimphu, Bhutan, on 24-25 October 2024, with preceding Board Committee meetings. This milestone event marked a pivotal step in planning the future of the Fund's projects and activities.

The discussions were focused on fostering regional integration and driving impactful development across the SAARC Member States. Key decisions were taken to strengthen the Fund's operations, streamline project implementation, and on pressing HR and administrative matters. These resolutions are expected to significantly enhance the SDF's ability to deliver meaningful and sustainable outcomes in social, economic, and infrastructure development.

The meeting also underscored the collective commitment of the SAARC Member States to work together toward improving the quality of life in South Asia, reinforcing the Fund's mission of promoting welfare and accelerating economic growth and regional progress.



Health Camp Transforming Lives of Migrant Workers

Himmafushi Island, Maldives - In November 2024, a significant event took place in the small but vibrant island community of Himmafushi in the Maldives.

In a collaborative effort between the Health Protection Agency of the Maldivian Ministry of Health and the SAARC Development Fund (SDF), the island's first-ever health camp for migrant workers was held, offering a range of essential health services to one of the country's most marginalized groups.

With a population of over 2,800 residents, Himmafushi is a bustling hub, home not only to local Maldivians but also to many migrant workers from neighboring South Asian countries. These workers, who contribute significantly to the nation's economy, often face barriers to accessing basic healthcare services.

The health camp, an initiative funded through SDF's COVID-19 Emergency Grant Project, aims to bridge these gaps. The Himmafushi health camp was designed to provide a holistic range of services. Medical professionals from the Health Protection Agency, along with doctors and nurses, offered essential screenings, testing for infectious diseases, vaccinations, and general medical consultations.

Migrant workers had access to free medication, vaccines and counseling services—critical for those who work in challenging conditions far from their families. Migrant workers who attended the camp expressed relief at having access to healthcare they could trust. Many had previously faced obstacles in seeking medical attention due to language barriers and financial constraints.

"I have never had a free health check-up before," said 36-year-old Chamith from Sri Lanka who has lived in the Maldives for over five years. "Today, I feel relieved that such services are available for us here."

At the heart of this initiative is the Health Protection Agency of Maldives' Ministry of Health. Dr. Abdul Hameed, the focal person from HPA explained the importance of this project for migrant workers, who often face challenges in accessing healthcare. "This project is a critical step in ensuring equitable access to healthcare for everyone," he



A glimpse of the Camp: Click

<https://www.youtube.com/watch?v=B9GqIGLq-Rk>

said. "Migrant workers are the backbone of many industries in the Maldives, yet they often remain invisible in terms of healthcare access. This camp is changing that."

Dr. Hameed further emphasized the crucial role of the SAARC Development Fund's partnership in making the health camp possible. "The funding provided by the SDF under the COVID-19 emergency grant has allowed us to reach out to the migrant communities, providing them with the care they deserve."

The health camp's impact resonated beyond migrant workers. Himmafushi's health center manager, Aminath Rashida, remarked on the broader community benefits: "As migrant workers received essential health services, the camp also raised public health awareness among local residents, fostering a healthier community for all."

Plans are already underway to replicate and expand the program to other parts of the Maldives, prioritizing regions with large migrant populations.

SDF's Livelihood Project in the Maldives: Making Progress After Delays

Maldives, November 2024 - SDF's Livelihood Project in the Maldives, aimed at enhancing agricultural productivity and income for local communities, is now beginning to gain momentum after a series of delays.

Originally launched in 2018 in partnership with the Ministry of Agriculture and Animal Welfare, the project - Livelihood enhancement of small farmers in SAARC region through small agro-business focusing on value chain development - faced setbacks due to the COVID-19 pandemic and budget reallocations, which affected construction timelines and the establishment of essential processing infrastructure in Maldives.

excited about the opportunities for value addition, which aligns with the government's priorities for agricultural development.

The project aims to strengthen local livelihoods through agriculture by supporting value-added products and sustainable farming practices, focusing on sweet potatoes, cassava, and breadfruit as key crops for cultivation and value addition. It involves 100 farmers across two islands, with a strong emphasis on empowering women farmers, and is currently constructing essential processing sheds and procuring machinery to facilitate the processing of the identified crops.

As the project moves forward, Guidhoo and Milandhoo are poised to become hubs for agricultural innovation in the region.

Despite these challenges, the project is making headways, particularly on the islands of SH. Guidhoo and SH. Milandhoo, which have become key focus areas for this initiative, according to Ismail Rasheed, the Director General, Agriculture Department at Maldives' Ministry of Agriculture and Animal Welfare and SDF's focal person.

Supported by SDF funds, he said that the Guidhoo Island Council is particularly



Empowering Women, Empowering Communities: The Impact of SDF's SABAH Project

In Nepal, the SABAH project has led a quiet revolution, one that is measured in the smiles of women who once had little hope of ever achieving financial independence and transforming their communities.

Home-based workers in South Asia have long been marginalized, working tirelessly from their homes to produce textiles, handicrafts, and food products, yet earning little recognition or income.

Funded by the SAARC Development Fund, SABAH changes

this reality by equipping women with skills in quality control, product development, and marketing, while connecting them to domestic and international markets.

Gita, 39-years-old from the hills of Nepal, had spent years knitting intricate patterns. She produced beautiful knitwear, but it rarely reached beyond her community. She had heard about the SABAH project through her friends, and after attending an orientation, she decided to join. The program provided her with training on quality control, product development, and how to effectively



market her products. SABAH's collaborative approach allowed Gita to connect with other women artisans, and within a year, Gita's income tripled. She was no longer just a home-based worker; she was a businesswoman who was helping her family financially and sending her children to good schools.

The impact of SABAH goes far beyond individual success and economic gains. "By improving their economic status of the women workers, SABAH is indirectly improving the lives of entire families. Children can attend school, healthcare becomes more accessible, and families are better equipped to handle finances," said Apsara Maharajan, President of SABAH Nepal and a former home-based worker herself.

SDF, in collaboration with Home Net South Asia (HNSA) and the Self-Employed Women's Association (SEWA), launched the SABAH project. Spanning across Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, and Sri Lanka, SABAH project aims to uplift home-based workers by providing them with the tools, training, and networks they need to achieve financial independence. Through the project, women are given access to domestic and international markets, along with training in quality control, product development, and business management.

With funding from SDF, SABAH has established offices, outlets, and Trade Facilitation Centers across member states, ensuring sustainable growth for women artisans. In the case of SABAH Nepal, now fully owned and managed by its women members, it operates outlets, including a flagship store and The Village Café in Lalitpur,

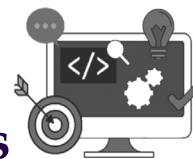
which showcases traditional dishes and artisan products. From handwoven bamboo shawls to Dhaka scarves and sustainably sourced food items, SABAH's offerings embody the creativity and resilience of its women artisans.

Binita, who oversees the SABAH office and outlet in Kathmandu, said that through SABAH, women receive not just access to markets, but also the necessary training, mentorship, and community support. "The project has brought together grassroots organizations that work directly with these women, helping them form networks that give them collective bargaining power," she said. "SABAH also works to ensure that the products these women make are of high quality and have a marketable appeal, thus opening doors to domestic and international markets that they would otherwise be unable to access."

The SABAH project stands as a powerful testament to the belief that empowering women is the key to breaking the cycle of poverty in South Asia. And in this quiet revolution, it's the women who are leading the charge.



SDF's "Reaching the Unreached" Project: The Legacy and Evolution of Community e-Centers



Nepal, November 2024 - In the early 2010s, the "Empowering Rural Communities: Reaching the Unreached (Community e-Centers)" project, funded by the SAARC Development Fund (SDF), emerged as a transformative initiative across SAARC Member States, including Nepal.

In rural areas, where access to information and technology was limited, these e-centers provided a lifeline—offering internet connections, computers, and essential digital equipment to communities who had never before experienced the digital world.

The centers were designed to bridge the digital divide, empowering people with the tools and knowledge needed to access vital resources, such as government services, educational materials, job opportunities, and global markets. For many, these e-centers were the first point of contact with the internet, helping to uplift rural communities and expand their horizons.

A total of 60 community e-centers were established in Nepal under this initiative. In remote villages, these centers evolved into vibrant hubs of learning and innovation. Villagers, farmers, students, and small entrepreneurs could access online education, apply for jobs, and connect with others beyond their villages. The project provided training, allowing people to improve their digital literacy.

However, over time, the landscape began to change. The rapid proliferation of smartphones, which are now in the hands of millions, rendered the e-centers less essential. The accessibility of affordable smartphones, coupled with better mobile internet coverage, allowed people in even

the most remote areas to access the same resources and services that were once only available at the e-centers. The

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Though the e-centers may no longer play the critical role they once did, their impact is undeniable,” said Dr. Shaligram Parajuli, an IT expert and SDF’s focal person and Adviser at Nepal’s Ministry of Communication and Information Technology. “This project laid the groundwork for the digital transformation, providing the first touchpoint for digital inclusion. What began as a lifeline for rural communities has now evolved into a foundation upon which the country’s technological changes have been built.”

Reaching the Unreached/CEC project, supported by SDF, was not just about technology—it was about opportunity. While the e-centers may have become redundant in the face of mobile technology, their legacy lives on in the minds of those who were once introduced to the digital world, according to the officials..

Through SDF's CEC project, about 100 Union Information and Services Centers were established in Bangladesh, over 50 Community Centers were set up in Bhutan, 50 Community e-Centers were launched in the Maldives, and 60 Community e-Centers were established in Nepal. In some communities, the e-centers remain crucial.

They continue to serve as access points for government-to-citizen (G2C) services, providing rural populations with vital resources such as online applications, document submissions, and access to public welfare programs.

High-Level Policy Forum of SAARC Agriculture Sector

Towards Scaling Climate-Smart Agriculture for Sustainable Growth in South Asia

Maldives, November 15, 2024 – A two-day High-Level Policy Forum on “South Asia’s Agricultural Future: Scaling Up Climate-Smart Agriculture Practices for Sustainable Growth” concluded on November 15 in the Maldives.

Organized by the Consortium for Scaling-up Climate-Smart Agriculture in South Asia (C-SUCSeS), the event brought together policymakers, researchers, technical experts, and farmers from SAARC Member States to advance sustainable agricultural practices and food security in the region.

The event was organized by the Consortium for Scaling-up Climate-Smart Agriculture in South Asia (C-SUCSeS), a joint initiative between the SAARC Agriculture Centre (SAC), International Food Policy Research Institute (IFPRI), the International Fund for Agricultural Development (IFAD) and SAARC Development Fund (SDF), in partnership with the Ministry of Agriculture and Animal Welfare, Republic of Maldives.

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The forum launched comprehensive training modules and resources on Climate-Smart Agriculture (CSA) technologies, developed with input from regional experts. These tools aim to empower farmers, particularly smallholders and women, to adopt resilient farming practices.

Dr. Aishath Rameela, Maldives’ Minister of Agriculture and Animal Welfare, emphasized the importance of regional collaboration to tackle climate impacts: “This forum aligns our strategies to build a resilient agricultural sector that adapts to climate change, ensures food security, and creates economic opportunities,” she said.

Key discussions focused on scaling CSA through policy alignment, technology adoption, and empowering vulnerable farmers. Delegates underscored the need for cross-sectoral collaboration to build a sustainable agricultural ecosystem across South Asia.

The forum reaffirmed the commitment to large-scale solutions through regional cooperation, ensuring South Asia's agricultural future remains resilient and inclusive. Consortium for Scaling Up Climate Smart Agriculture in South Asia (C-SUCSeS) Project



Approval of the Revised Social Window Guidelines

The SDF Board has approved the revised Social Window guidelines, marking a key milestone that will facilitate the submission of additional proposals under the Social Window initiative. This approval signifies a significant advancement for relevant partners to engage with SDF and contribute to its mission. The Guidelines can be accessed on www.sdfsec.org

Approval for No-Cost Time Extensions and Scope Changes in Social Window Projects

The SDF Board approved no-cost time extensions for two key Social Window projects:

- I. COVID-19 Emergency Grant Project: This extension applies to the Bangladesh, Bhutan, Maldives, and Sri Lanka components, accommodating adjustments to ensure the successful completion of project objectives.
- II. Livelihood Enhancement of Small-Scale Farmers in SAARC Countries: The extension covers project components in Bangladesh, Bhutan, India, Maldives, and Sri Lanka, supporting continued efforts to uplift small-scale farmers and enhance their livelihoods.

Approval of three new projects for Social Window:

- i. Livelihood Enhancement of Small-scale Fish Farmers & Nutrition Security of Rural Masses in SAARC Region through Aquaculture Development
- ii. Livelihood Partnership for Quality Inclusive Early Childhood Development & Basic Education
- iii. Production of Commercial Biogas from Household Waste



Conference on 'Just Transition to Net Zero – Role of Bamboo in the SAARC Region'

The Foundation for MSME Clusters (FMC) hosted the international conference "Just Transition to Net Zero – Role of Bamboo in the SAARC Region" on December 17, 2024 in New Delhi, India.

The event is part of the "Promoting Integrated Bamboo-Based Enterprise Development among SAARC Countries" project, which has been running since 2017 with support from the SAARC Development Fund. The initiative spans Afghanistan, Bangladesh, Bhutan, India, and Nepal, and is led by partners including WEERDP (Afghanistan), BRIF (Bangladesh), Tarayana (Bhutan), FMC (India), and ABARI (Nepal), with FMC also serving as the technical advisor.



The conference aimed to share knowledge and experiences from ongoing projects and explore new opportunities to support a just transition towards net-zero emissions in the region. It provided a platform for partners from the SAARC Member States to exchange insights, while also featuring expert contributions on promoting sustainable practices and the role of bamboo in meeting sustainable development goals.

Additionally, the event offered valuable networking opportunities, connecting stakeholders across value chains and borders to strengthen market presence and

business capabilities for project beneficiaries, businesses, and experts alike.

The inaugural session was graced by Shri Pasha Patel, Chairman, Price Commission, Maharashtra, as the Chief Guest.

Assistant Director of Social Window at SDF, Rinzi Pem, highlighted the importance of fostering collaboration across SAARC countries to leverage bamboo as a key solution in achieving net-zero targets during the conference's inaugural session.



Field Visit for the project - Promoting Integrated Bamboo-Based Enterprise Development among SAARC Countries' in India

The team visited and engaged with SDF's Implementing Agency for the bamboo project and conducted field visits to Umden and Umkon villages in Nongpoh administrative centre of Ribhoi district in Meghalaya, India.

During the visit, the team interacted with project beneficiaries to gain insights into their experiences and challenges.

The team also held a meeting in Nongpoh with key stakeholders, including representatives from the National Bank for Agriculture and Rural Development (NABARD), the District Commerce Industries Centre (DCIC), and the Rural Regional Training Centre (RRTC), who have been providing technical support for this initiative. The team also visited the Common Facility Centre (CFC) in Nongrim Nongladew to assess its operations and contributions to the project.



ECONOMIC & INFRASTRUCTURE WINDOW

The Economic & Infrastructure (E&I) Windows of the fund provides loans for financing both sovereign and non-sovereign projects in the SAARC Member States. The mandate of the E&I windows is to finance economic and infrastructure projects in the member states with direct benefit going to at least 2 member states. The lending is guided by the SDF Board-approved Credit policy and E&I policy guidelines.

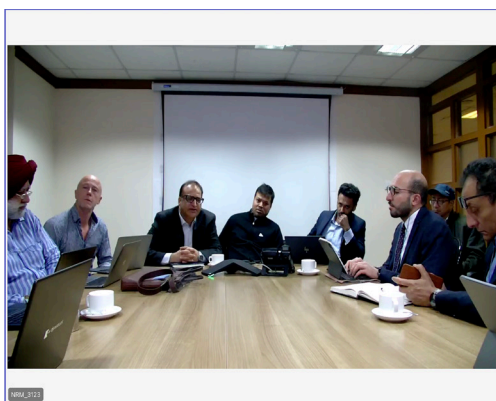
E&I Team's Visit to JAT Holdings, Sri Lanka

The E&I team visited JAT Holdings in Sri Lanka to assess their USD 3.3 million funding proposal. The visit confirmed on-schedule project implementation, verified asset valuations, and refined financial models to meet SDF standards.

Key observations included securing necessary environmental clearances (with some documents needing updates) and the need to revise asset valuation reports. JAT Holdings demonstrated strong commitment to addressing feedback, confirming their readiness for partnership with SDF.



E&I Team Engages with NEA on Power Transmission Project



Paul White (unverified)



Stefan, Jan Erik (unverified)



The E&I team met with the Nepal Electricity Authority (NEA) to discuss their funding proposal for the Power Transmission and Distribution Strengthening Project in Nepal, co-financed by ADB and international partners.

The total project cost is USD 662 million, with contributions from ADB, Climate Investment Funds, the EU, the Government of Norway, OPEC Fund, and SDF. The proposal aligns with SDF's goals of promoting regional cooperation and sustainable energy development. SDF has formally expressed its interest in funding the project.

E&I Team Engages with Drukair on Aircraft Replacement Proposal

The E&I team also engaged in discussions with Drukair, Bhutan's national airline, regarding a funding proposal to replace its aging A319 aircraft with a new, fuel-efficient Airbus A320 Neo. Drukair is seeking USD 15 million in financial assistance from SDF to cover part of the pre-delivery payment. This proposal aligns with SDF's Economic Window objectives, supporting regional cooperation, enhancing connectivity, and boosting trade and tourism throughout the SAARC region.



Renewal of MoU with the Asian Development Bank

SDF has renewed its Memorandum of Understanding (MoU) with the Asian Development Bank (ADB) to further enhance collaboration and explore co-financing opportunities within the SAARC region.

Originally signed on May 16, 2016, and expired in 2019, the MoU has now been extended. This renewed partnership aims to deepen cooperation between the

two institutions, enabling the funding of impactful development projects throughout the SAARC region.

This renewal represents a key milestone in advancing regional development and highlights SDF's ongoing commitment to forging strong partnerships for sustainable growth.



The SDF delegation, led by Officer-in-Charge Mr. Jamal Uddin Ahmed, met with H.E. Dr. Aishath Rameela, the Hon'ble Minister of Agriculture of the Maldives. The discussions focused on the progress of SDF-funded projects in the Maldives and explored new opportunities for collaboration between the Government of Maldives and SDF.

A delegation from the SAARC Arbitration Council, led by Director General Mr. Choining Dorji, met with the Officer-in-Charge of SDF during their visit to Bhutan. The meeting aimed to strengthen collaboration between the two specialized SAARC bodies.



SDF's Assistant Director, Legal participated in the Distinguished Speakers Forum 2024, with Hon'ble Dr. Justice DY Chandrachud, the Chief Justice of India. This event, organized by the Embassy of India in Bhutan and JSW School of Law, provided valuable insights into the legal landscape.



Access more news and updates at www.sdfsec.org



Who we are?



SAARC Development Fund Secretariat was established in April 2010 by the heads of the eight member countries of South Asian Association for Regional Cooperation (SAARC) – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

Our mandate is to promote the welfare of the people of SAARC region, to improve their quality of life, to accelerate economic growth, social progress and poverty alleviation in the region and to contribute to “Regional Cooperation and Integration through Project Collaboration”.

SDF manages projects in all the SAARC Member States under its three investment Windows: Social, Economic and Infrastructure Windows. For details, Visit Website: www.sdfsec.org







Towards Regional Integration and Economic
Cooperation Through Project Funding

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