



Visit of SAARC Development Fund (SDF) Delegation

13th and 15th December 2017, PHD House, New Delhi

All Members,

Economic Affairs Committee and Trade and Investment Facilitation Services (TIFS) of PHD Chamber of Commerce and Industry welcomed a high-powered delegation from SAARC Development Fund (SDF) on 13th and 15th December 2017 at PHD House, New Delhi. The eminent delegates were **Shri Tarun Mittal**, Assistant Director, Credit/ Risk and Investment, SAARC Development Fund, **Shri Nashid Reza**, Assistant Director- Legal, SAARC Development Fund, **Shri Zeeshan Ali**, Assistant Director, Economic and Infrastructure Windows, SAARC Development Fund, **Shri Dorji Wangdi**, Assistant Director, Social Enterprise Development Program, SAARC Development Fund, **Shri Suman Bohara**, Assistant Director, Finance and Administration, SAARC Development Fund and **Shri Ajay Shrestha**, Senior Manager- Accounts, SAARC Development Fund. The other speakers from PHD Chamber in the session were **Shri Anil Khaitan**, President, PHD Chamber, **Shri Vijay Mehta**, Chairman, Economic Affairs Committee, PHD Chamber, **Shri Saurabh Sanyal**, Secretary General, PHD Chamber and **Dr. S P Sharma**, Chief Economist, PHD Chamber . The visit of SDF delegation focused on soliciting Cross-Border Project Co-Financing under the Economic and Infrastructure Windows of SDF, highlighting Social Enterprise Development Program (SEDP) program and exploring Fund mobilization and Investment opportunities in the SAARC Member States.

Glimpse of the Visit of SAARC Development Fund (SDF) Delegation



Photo caption from left to right: Shri Anil Khaitan, President, PHD Chamber, Shri Saurabh Sanyal, Secretary General, PHD Chamber, Shri Suman Bohara, Assistant Director, Finance and Administration, SAARC Development Fund, Shri Zeeshan Ali, Assistant Director, Economic and Infrastructure Windows, SAARC Development Fund, Shri Tarun Mittal, Assistant Director, Credit/Risk and Investment, SAARC Development Fund, Shri Nashid Reza, Assistant Director-Legal, SAARC Development Fund, Shri Dorji Wangdi, Assistant Director, Social Enterprise Development Program, SAARC Development Fund and Shri Ajay Shrestha, Senior Manager- Accounts, SAARC Development Fund.

While presenting the welcome remarks, **Shri Anil Khaitan, President, PHD Chamber** stated that PHD Chamber is very keen to jointly work with SAARC Development Fund (SDF) in the areas of skill, education and health, as most of the SAARC countries required these areas to be worked upon and this cooperation which we will have with your fund and PHD Chamber coupled with the expertise which are there in Chamber in terms of our Managing Committee Members will be effectively utilized. He added that these funds will be effectively utilized for the cause, the purpose and the outcome for which the funds will be disbursed. He opined that it is a good opportunity as SAARC is a trading block like ASEAN, NAFTA, SAFTA because SAARC has not taken off the way it should have been taken off. Going ahead, we look forward to strengthening of the association between PHD Chamber and SAARC Development Fund (SDF).

Shri Vijay Mehta, Chairman, Economic Affairs Committee, PHD Chamber proposed concluding remarks and thanked all the delegates and participants in the session. He appreciated the delegation from SAARC Development Fund in addressing the queries of the participants and apprised them about the delegation led by the PHD Chamber in the recent past. He stated there are lot of projects which are coming into the range and can explore SDF in that regard. He also discussed about the connectivity bottlenecks to reach to SAARC Countries and suggested that it is important to utilize the best of the opportunities and open an office in New Delhi because today India is the fastest growing economy among the SAARC countries and the delegation from all the SAARC Countries visits India quite often. He also suggested SDF to partner with PHD Chamber to utilize the expertise in terms of large and diversified members base pertaining to the various sectors of the economy and in terms of infrastructure support.

Shri Tarun Mittal, Assistant Director, Credit/Risk and Investment, SAARC Development Fund in his remarks gave a detailed presentation on SAARC Development Fund (SDF). He stated that SDF was established in the year 2010 by the parliaments of the eight SAARC Member States and its Bye-Laws were approved by the Governing Council of SDF. He also added that SDF is governed by the Governing Council that comprises Finance Ministers of eight SAARC Member States. The Board of Directors of SDF comprises of representatives from 8 Member States along with Secretary General of

SAARC and CEO, SDF. He said that the focus of the SDF is “Regional Integration through Project Funding & Collaboration” along with the mandate of

SDF. The mandate of SDF 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 SAARC Region, and to strengthen regional integration and cooperation among the Member States through project collaboration. He also talked about the strategic partners and counterpart agencies. He added that the counterpart agencies are the focal point of SDF appointed by the Ministry of Finance of SAARC Member States. The strategic partners are World Bank, Asian Development Bank (ADB), United Nations Development Program (UNDP), UNCIEF, Small Industries Development Bank of India (SIDBI), etc. He discussed about the strategic advantages of SDF which includes Umbrella Financial Institution for SAARC projects and programs, Funding priority regional projects, Bring synergies of eight Member States, Sharing of regional best practices, Can identify and develop regional programs/projects, Board of Directors comprise the senior officials representing Finance Ministries of Member States etc.

Shri Nashid Reza, Assistant Director-Legal, SAARC Development Fund discussed about the legal aspects of SDF lending and grants. SAARC Development Fund (SDF) has been created under a Charter ratified by the Parliament of eight Member States. As an “Umbrella Financial Mechanism” for all SAARC projects and programmes; SDF has the Legal Authority to lend under Economic and Infrastructure Window and provide grants under Social Window. He stated that as per SDF Bye-laws {Section 10(1)(vi)}, the Infrastructure Window should, as far as possible finance projects in collaboration with national, regional and international agencies to maximize development impact. As per Article 7 (2) of SDF Charter, the fund may mobilize and generate funds both within and outside the SAARC region. It may obtain technical and/or financial support from UN agencies, multilateral/regional funds and other non-regional partners as approved by the Governing Council.

Shri Zeeshan Ali, Assistant Director, Economic and Infrastructure (E&I) Windows, SAARC Development Fund stated that SDF has three funding windows viz. Social Window, Economic Window and Infrastructure Window. Under Economic & Infrastructure Windows, SDF focuses on financing projects pertaining to following sectors – Economic Window: (a) Trade, (b) Agriculture and allied value additions, (c) Industry / Manufacturing, (d) Micro Irrigation, (e) Any other sectors. Infrastructure Window: Renewable energy, (b) Water harvesting, (c) Forestry, (d) Tourism, (e) Climate change, and (f) ICT, (g) Any other sectors. He stated that SDF shall Co-finance projects under the E&I Windows with various agencies like commercial banks, regional financial institutions, or the other similar type of organization. The Infrastructure Window shall finance projects in collaboration with national, regional and international agencies to maximize development impact. He stated that SDF shall conduct the project appraisal under its robust internal appraisal process - however SDF shall also rely on due diligence of the lead banker/local/ regional financial institutions and their market reports.

Shri Dorji Wangdi, Assistant Director, Social Enterprise Development Program (SEDP), SAARC Development Fund added that the aim of SEDP is to promote sustainable Social Enterprise business models that will have positive impact on the vulnerable people at the base of the pyramid, contributing towards eradication of poverty and empowerment of communities for a better future in the regions. In his remarks he stated that in social window; grant is under 50:50 partnership with the Implementing Agencies. He added that the focus areas under social window are poverty alleviation, education, health, human resource development, support to vulnerable / disadvantaged segments of society, funding needs of communities, micro enterprises, rural infrastructure development and projects in line with the regional consensus. He also discussed about eligibility criteria for funding of projects. He stated that in terms of Contribution- The proponent/ Implementing Agency should contribute/co-finance a 50% of

total budget in the form of cash or kind or combination of both. Further, for participation of SAARC Member States - at least have 3 or more SAARC Countries participating in the proposed project. Further, the proponent/ Implementing Agency should be registered in any of the SAARC Member States having experience of working continuously for minimum of 5 years in the relevant field with a commitment of co-financing (if NGO/private sectors/agencies).

Shri Suman Bohara, Assistant Director, Finance and Administration, SAARC Development Fund and Shri Ajay Shrestha, Senior Manager- Accounts, SAARC Development Fund discussed about the capital structure and fund status. The authorized capital of SDF is USD 1.50 billion which is supported by 8 SAARC Member States by way of capital and voluntary contributions. SDF has received a total fund of US\$ 488.172 million, consisting of US\$ 297.835 million as capital subscription. He added that the focus areas for fund Mobilization are Co-Financing with Development Banks, Financial Institutions, Banks, Infrastructure Companies or any other financial organization in the SAARC member States. Line of Credit from the various Banks/ FIs aiming towards lending to Social Development and MSME sectors in the SAARC Member States. Further, the focus is to mobilize the funds through Corporate Social Responsibility (CSR) and to approach the Capital Market and invest in the High Return structured products including treasury/sovereign bonds.

Shri Saurabh Sanyal, Secretary General, PHD Chamber shared the experience when the Senior members of PHD Chamber led a delegation to SDF, Bhutan and discussed about the deliberations made on aspects related to legal, social, infrastructure and economic development. He added that when PHD Chamber led a delegation to Bhutan and met Dr. Sunil Motiwal, Chief Executive Officer and Board Director of the SAARC Development Fund (SDF), it was decided that we will collaborate with SAARC Development Fund for our members who will get benefitted immensely by collaborating with SDF because they have huge funds for social and economic development in SAARC region. Shri Sanyal also urged the SDF to come to PHD Chamber and apprise our members regarding SDF through a detailed presentation.

Dr. S P Sharma, Chief Economist, PHD Chamber moderated the session on the Visit of SAARC Development Fund (SDF) Delegation. He stated that the objective of the session on Visit of SAARC Development Fund (SDF) Delegation is to spread awareness about the SAARC Development Fund and how SDF's fund can be utilized in various projects in India and across the countries. He informed the participants about the detailed presentations to be delivered by the SDF delegates on various aspects related to SDF-legal, economic and infrastructure, Social Enterprise Development Program, Finance and Administration, among others.

Glimpses of the Visit of SAARC Development Fund (SDF) Delegation



Shri Vijay Mehta, Chairman, Economic Affairs Committee, PHD Chamber presenting his remarks and vote of thanks.



Eminent dignitaries on the dais at the session on Visit of SAARC Development Fund (SDF) Delegation



Delegates from SAARC Development Fund sharing their remarks



Members raising query regarding SAARC Development Fund (SDF)



Audience at the at Visit of SAARC Development Fund (SDF) Delegation



SDF delegation along with Members of PHD Chamber, participants and Secretariat

Please contact for any query related to this mail to Ms. Neha Gupta, Research Associate at neha.gupta@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in and Ms. Surbhi Sharma, Senior Research Officer at surbhi@phdcci.in, PHD Chamber of Commerce & Industry.

Warm regards,

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