**PRESS RELEASE**

**SIDBI signs MoU with SAARC Development Fund**

Small Industries Development Bank of India (SIDBI), the principal financial institution for the financing, promotion and development of the Micro, Small and Medium Enterprises (MSME) sector in India and SAARC Development Fund (SDF) an institution established by the Governments of the member states of South Asian Association for Regional Cooperation (SAARC) to promote the welfare of the people of SAARC region, entered into an MoU for mutual cooperation and collaboration.

The MoU was signed by Shri A K Kapur, Deputy Managing Director, SIDBI and Dr Sunil Motiwal, CEO, SDF in the presence of Dr Kshatrapati Shivaji, Chairman and Managing Director, SIDBI. The institutions recognized the need for collaboration to have synergy of their skills, strengths and competencies for the purpose of building and strengthening their collaborative links for the development of the MSMEs in the SAARC region.

The MoU envisages SDF and SIDBI to work together in co-funding of projects in Indian MSMEs on risk sharing basis in identified sectors, development of suitable financial products for SME financing for MSMEs of other SAARC States, SIDBI extending consultancy services on fee basis in SAARC States in creation of structured financial products for sustainable financing, framing of suitable guidelines to promote Energy Efficiency and combating climate change, cleaner production and environment protection, establishing a policy framework to promote responsible microfinance.

The MoU also calls for technology transfer and making available of software to MFIs regarding loan tracking systems in other SAARC States and capacity development of SDF/SIDBI and SME funding institutions in SAARC countries.

In view its long experience, SIDBI envisages transfer of its expertise and replicate models/programmes/tools, duly customized, in the above areas or other similar areas, that may be added through mutual consent, for the MSMEs in SAARC nation.

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