

4 Financial Matters :

4.1 The recovery of Country Contribution arrears was taken up as a priority. We were able to realize the following amounts till date.

Payment of arrears and Country Contributions by the Countries of SACEP

SACEP Country Contribution Status from 2001 to 10th April 2008

Country	Arrears upto 2004	Agreed CC 2005	Received CC 2005	Total arrears upto Dec 2005	Agreed CC for 2006	Received CC 2006	Arrears upto Dec 2006
	US \$	US \$	US \$	US \$	US \$	US \$	US \$
Bangladesh	84,263.00	21,300.00		105,563.00	21,300.00		126,863.00
Bhutan	3,555.00	3,555.00	7,110.00	0.00	3,555.00		3,555.00
India	68,971.00	31,850.00	40,000.00	60,821.00	31,850.00	55,550.00	37,121.00
Maldives	34,525.00	14,575.00		49,100.00	14,575.00	63,675.00	0.00
Nepal	40,250.00	8,050.00		48,300.00	8,050.00		56,350.00
Pakistan	131,150.00	31,850.00	148,807.32	14,192.68	31,850.00	31,850.00	14,192.68
Sri Lanka	-	16,220.00	Paid in 2004	0.00	16,220.00	1,298.02	692.70
						14,229.28	
TOTAL	362,714.00	127,400.00	195,917.32	277,976.68	127,400.00	166,602.30	238,774.38

Country	Arrears upto Dec 2006	Agreed CC for 2007	Received CC 2007	Arrears upto Dec 2007	Agreed CC for 2008	Received CC 2008	Arrears from 2001 - 10 Apr 08
	US \$	US \$	US \$	US \$	US \$	US \$	US \$
Bangladesh	126,863.00	21,300.00		148,163.00	21,300.00		169,463.00
Bhutan	3,555.00	3,555.00	7,110.00	0.00	3,555.00		3,555.00
India	37,121.00	31,850.00	31,850.00	37,121.00	31,850.00		68,971.00
Maldives	0.00	14,575.00		14,575.00	14,575.00		29,150.00
Nepal	56,350.00	8,050.00	48,300.00	16,100.00	8,050.00		24,150.00
Pakistan	14,192.68	31,850.00		46,042.68	31,850.00	31,925.79	45,966.89
Sri Lanka	692.70	16,220.00		16,912.70	16,220.00	16,912.70	16,220.00
TOTAL	238,774.38	127,400.00	87,260.00	278,914.38	127,400.00	48,838.49	357,475.89

Interest Earned	Year 2005	US \$	237.52
Fixed Deposit Interest Earned	Year 2006	US \$	3,051.68
Fixed Deposit Interest Earned	Year 2007	US \$	14,750.21
Fixed Deposit Interest Earned	Year 2008	US \$	1,703.03
Total Interest - SACEP CC		US \$	19,742.44

Fixed Deposit Interest Earned - HF	Year 2007	US \$	669.13
Fixed Deposit Interest Earned - HF	Year 2008	US \$	152.57
Total Interest - Host Facility		US \$	821.70

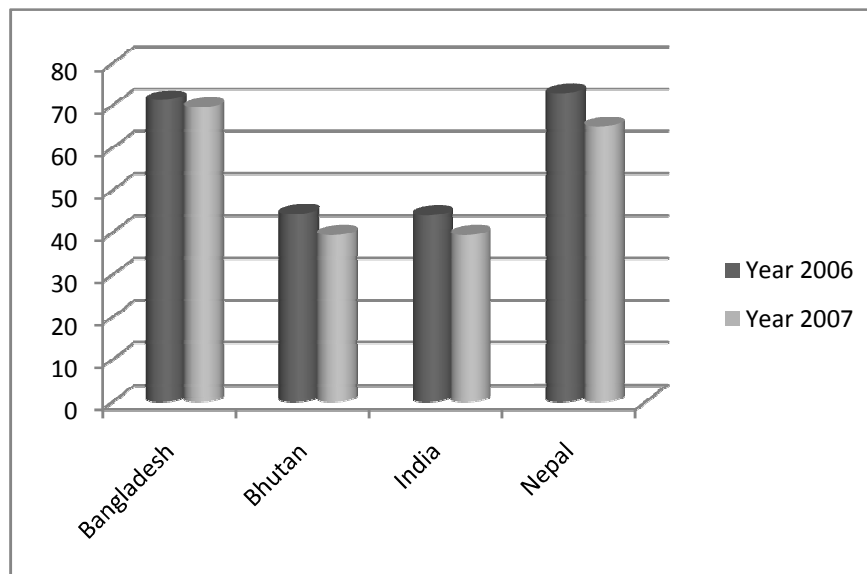
APPROVED COUNTRY CONTRIBUTION FORMULA

(As per the Decision of Seventh Meeting of the Governing Council of SACEP)

COUNTRY	PERCENTAGE	RECOMMENDED CONTRIBUTION	RECOMMENDED CONTRIBUTION (ROUNDED)	PERCENTAGE RECEIVED AS PER RECOMMENDED CONTRIBUTION from 2001 - 2007
		US \$	US \$	%
BANGLADESH	16.72	21,301	21,300	32.99
BHUTAN	2.79	3,554	3,555	100.00
INDIA	25	31,850	31,850	91.32
MALDIVES	11.44	14,575	14,575	90.31
NEPAL	6.32	8,052	8,050	80.89
PAKISTAN	25	31,850	31,850	87.90
SRI LANKA	12.73	16,218	16,220	90.67
T O T A L	100	127,400	127,400	81.19

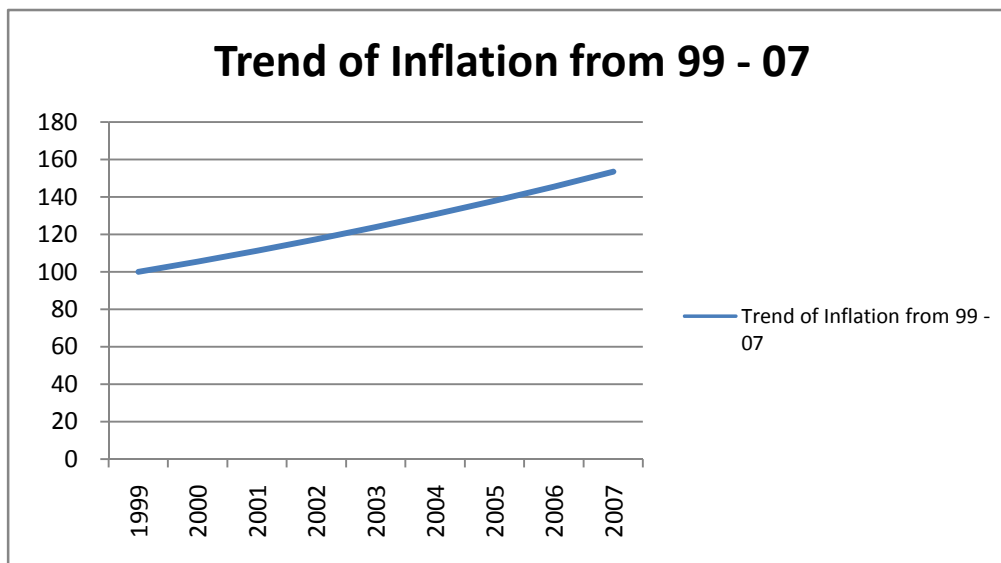
Government of Afghanistan has expressed the willingness to contribute to the Country Contribution of SACEP in January 2008, the Invoice was sent accordingly. Please note that the Country Contribution for Afghanistan was decided at the 4th Meeting of the Governing Council of SACEP held on 25 & 26 April 1988, in Afghanistan and the Country Contribution Rate was revised to US \$ 8,050/-, at 7th Meeting of the Governing Council of SACEP.

During the past two year the US Dollar has been depreciating against the other currencies, which has affected the revenue of SACEP



The graph shows the depreciation of the US \$ against the currencies of Bangladesh, Bhutan, India and Nepal in year 2006 and 2007.

The below graph shows the trend of inflation of the South Asian region from 1999 to 2007, considering the inflation rate as 5.50% per annum which is the lowest rate of 1999 / 2007



Due to inflation and drastic fall in US \$ rates as cited above, there has been a rapid fall in the net revenue of SACEP in real terms. This is reflected in the proposed budget for 2008. Since the countries had agreed to a percentage basis of financial support to SACEP the following Country Contributions are being proposed for 2008 - 2010 with a 10% increase each year.

PROPOSED INCREASE OF THE COUNTRY CONTRIBUTION FOR YEAR 2008

COUNTRY	PERCENTAGE	PRESENT CONTRIBUTION	RECOMMENDED CONTRIBUTION	RECOMMENDED CONTRIBUTION (ROUNDED)
		US \$	US \$	US \$
BANGLADESH	16.72	21,300	26,625	26,625
BHUTAN	2.79	3,555	4,444	4,445
INDIA	25.00	31,850	39,813	39,810
MALDIVES	11.44	14,575	18,219	18,220
NEPAL	6.32	8,050	10,063	10,065
PAKISTAN	25.00	31,850	39,813	39,810
SRI LANKA	12.73	16,220	20,275	20,275
T O T A L	100.00	127,400	159,250	159,250