

# Global Infrastructure Cooperation Conference

2022 | SEOUL, REPUBLIC OF KOREA



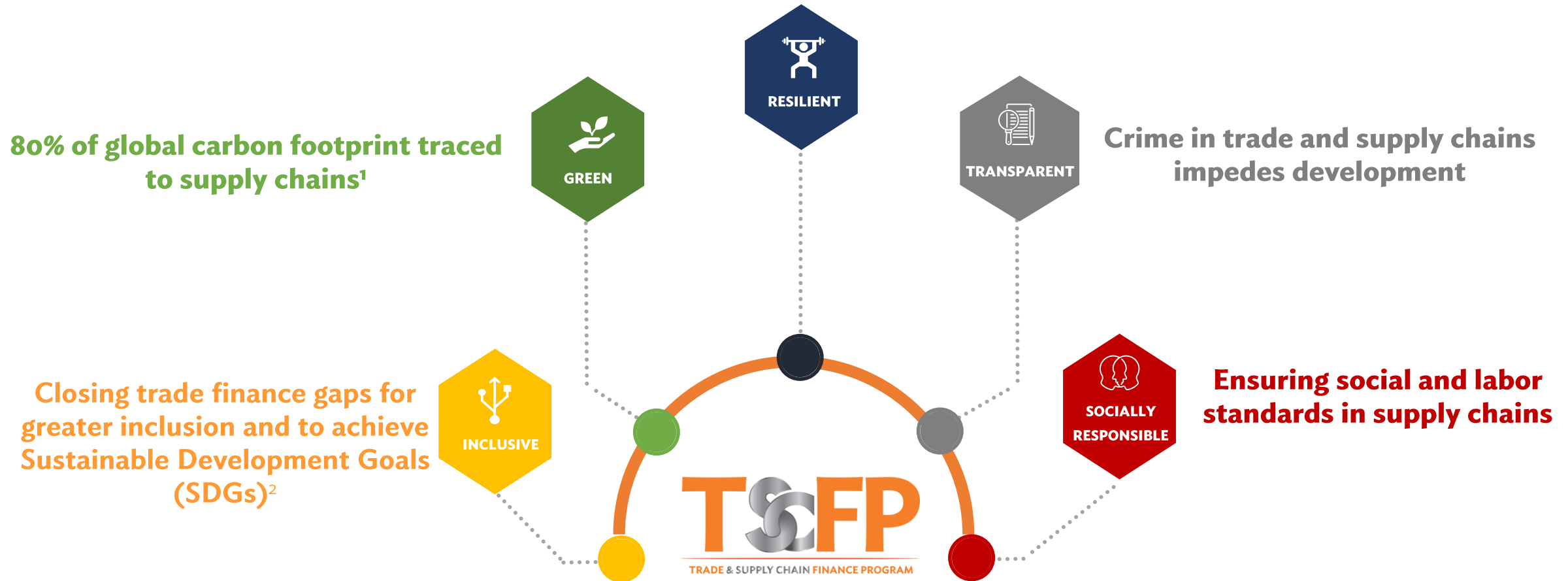
TRADE & SUPPLY CHAIN FINANCE PROGRAM

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Making global trade and supply chains **inclusive**, **green**,  
**resilient**, **transparent**, and **socially responsible**.

# Trade and Supply Chains Key to Address Global Issues

## Digitalization critical to making supply chains resilient



<sup>1</sup>Titia Bové and Swartz. 2016. [Starting at the source: Sustainability in Supply Chains](#). McKinsey & Company.

<sup>2</sup> United Nations [Addis Ababa Action Agenda](#): Trade Finance is important in achieving SDGs.

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# Inclusion in Trade



**UN Addis Ababa Declaration:**<sup>1</sup>  
Trade finance important to achieving SDGs

**2021 ADB's Trade Finance Gaps Growth and Jobs Survey:**<sup>2</sup>  
\$1.7 Trillion Global Trade Finance Gap

**40% rejected transactions:**<sup>3</sup>  
Small and medium sized enterprises

**44% Women-owned firms:**<sup>3</sup>  
Can't get support



TSCFP is generously supported by



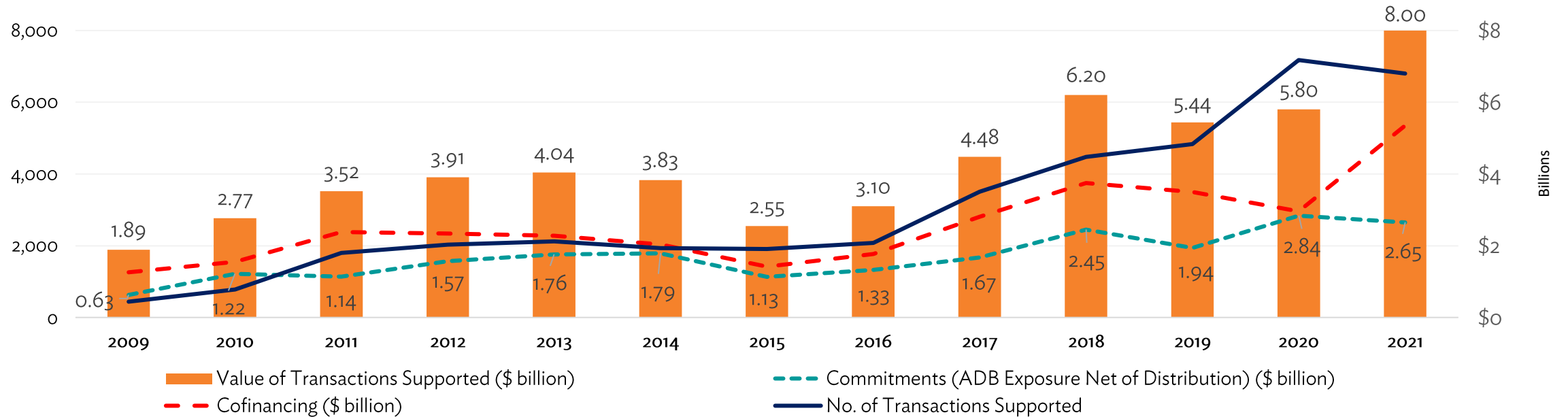
**Trade Finance:**  
- Fuels trade that delivers the growth and jobs that reduce poverty  
- TFP's results evidence 'additionality' as the program is market driven

<sup>1</sup> United Nations [Addis Ababa Action Agenda](#): Trade Finance is important in achieving SDGs.  
<sup>2</sup> ADB. 2021. [2021 Trade Finance Gaps, Growth, and Jobs Survey](#). ADB Briefs No. 192. October. Manila.  
<sup>3</sup> Findings from ADB's Trade Finance Gaps, Growth and Jobs Survey linked in Footnote 1.

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# TFP Portfolio Overview (2009 – 2021)



Value of Transactions	No. of Transactions	Cofinancing	SMEs supported	Intra-regional Trade	DMC to DMC Trade
<b>2021</b> <b>\$8 B*</b>	<b>2021</b> <b>6,790</b>	<b>2021</b> <b>\$5.5 B</b>	<b>2021</b> <b>2,858</b>	<b>2021</b> <b>5,490</b>	<b>2021</b> <b>2,347</b>
<b>2009-2021</b> <b>\$55.5 B</b>	<b>2009-2021</b> <b>39,876</b>	<b>2009-2021</b> <b>\$33.4 B</b>	<b>2009-2021</b> <b>24,571</b>	<b>2009-2021</b> <b>30,888</b>	<b>2009-2021</b> <b>10,776</b>

\*TFP (commitments and cofinancing) represented 22.6% of ADB's 2021 operations (commitments and cofinancing). TFP grew 38% by dollar value in 2021.



# TFP Results - 6 Months 2022

**Value of Transactions**  
Jan-June 2022



**Number of Transactions**  
Jan-June 2022



**Food Security**



**SME Transactions**



**DMC-to-DMC**



**Intra-Regional Trade**



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**1,411** transactions valued at **\$1.6 billion** in the food and agriculture sector in 2021. First four months of 2022: **304** transactions worth **\$339.3 million**.

### **COVID Supply Chain Map Tool:**

End-to-end mapping of all companies in supply chain for 34 pandemic fighting goods, e.g., ventilators, masks, to help identify/alleviate bottlenecks

Transactions valued at **\$386Min 2021** [medicines, vaccines, test kits etc.], includes **\$160M** to Sri Lanka for **40%** of Sri Lanka's vaccines.

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Human Resources policies of **29 banks** from **12 countries** assessed to identify **enhancements** to **attract, retain** and **promote more women in banking**



### Outcomes:

- 17 banks implemented 33 projects such as:
  - ✓ Flexible Working
  - ✓ Gender Pay Gap
  - ✓ Whistle Blowing Policy



### Next Steps:

- Enroll more banks
- Targeted training to women-owned SMEs

### Launch Disability Inclusion Initiative

- Develop recommendations on HR policies and physical access
- Partner with Global Disability Innovation Hub



2019 Shireen Lateef Gender Equality Operations Awards

TSCFP's Gender initiative generously supported by



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Ministry of Finance





**80%** of global carbon footprint traced to trade/supply chains.<sup>1</sup>

### TFP Green Equipment Initiative

- New Green Equipment Facility (available from existing TFP exposure limits) to support companies upgrading equipment to reduce carbon footprint.
- New facility to close market gaps for 2–3-year financing for green equipment.



**268** Green transactions valued at **\$317 million** in 2021 and **\$152 million** in Q2 2022.<sup>2</sup>

### Leading Green Industry Efforts

- Sustainability training : 345 bankers in 11 countries trained since 2021;
- Implementing Environmental & Social Management Systems (ESMS) in developing Asia;
- Developing sustainability risk metrics for soft commodities;
- Exploring pilot with GS1<sup>4</sup> to map a supply chain end-to-end, with QR codes capturing data to monitor and verify environmental standards.

<sup>1</sup> Titia Bové and Swartz. 2016. [Starting at the source: Sustainability in Supply Chains. McKinsey and Company.](#)

<sup>2</sup> Deals are determined as “green” based on the following: (i) APEC list of Environment Goods, (ii) CDC – Climate Finance in Trade Finance, (iii) EBRD Green Economy Transition Guidance, and (iv) IFC Climate Smart Trade Initiative.

<sup>3</sup> The Global Map of Environmental & Social Risk in Agro-commodity Production (GMAP) is an online tool that uses publicly available data and analyzes environmental and social supply chain risks for approximately 250 country-commodity combinations in emerging markets and facilitates rapid agro-commodity trade financing and sourcing decisions.

<sup>4</sup> GS1 is a not-for-profit entity responsible for bars/QR codes.





# Resilience: Trade Digitalization Initiative



Creation of the **Digital Standards Initiative** (2019) to:

- Establish a **globally harmonized digital trade environment**.



Goals:

- Create standards & protocols** enabling interoperability for seamless digital trade
- Legal Reform Advisory Board** under the DSI
  - One ADB Initiative to advocate and pilot the adoption of MLETR (Model Law on Electronic Transferable Records) in DMCs



Partners



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# Transparency, Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Initiative

Trade-based Money Laundering Webinar Series in April and May 2022 attended by almost 1,500 bankers and regulators



TSCFP's AML/CFT initiative is generously supported by



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- ▶ Implement pilot with **6 countries** to streamline and improve AML/CFT standards and practices around **trade-based money laundering (TBML)**.
- ▶ Provide **AML/CFT training** and **certification** to DMC banks; organized highly successful webinars on **TBML** with **regulators** and **banks**.
- ▶ Over **450 individuals** from **80 banks** in **17 countries** have **benefitted** by **ACAMS certification** sponsored by ADB TSCFP.



Partners





# Social Responsibility



Exploring pilot with **GS1**<sup>1</sup> to map a supply chain – end to end – with **QR codes** capturing data to monitor and verify social standards.

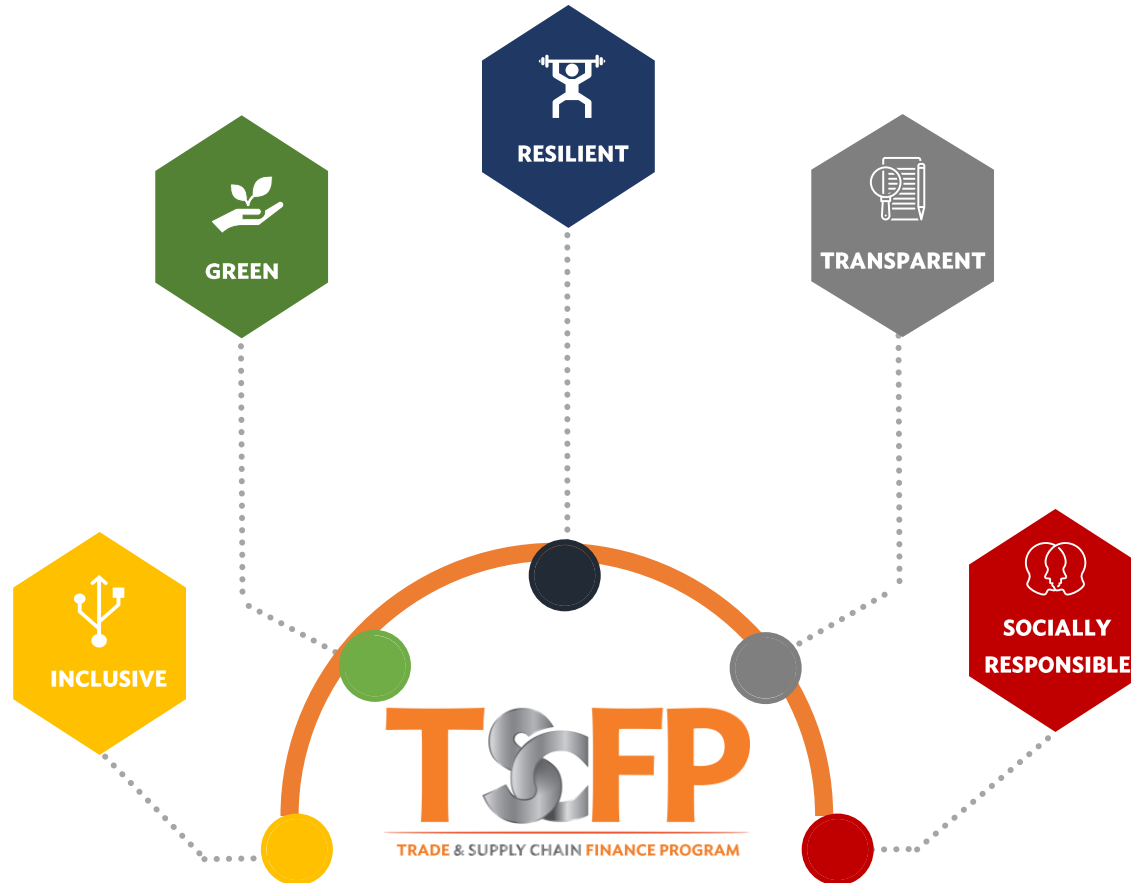
<sup>1</sup> GS1 is a not-for-profit entity responsible for bars/QR codes



Promoting **social responsibility** by implementing enhanced due diligence on labor standards in partner banks



Established working group – **ILO, EBRD and IFC** – to develop one minimum standard for **social responsibility compliance**



# Thank you.

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