



Regional: REG: TRADE FINANCE FACILITATION PROGRAM

Project Name	REG: TRADE FINANCE FACILITATION PROGRAM		
Project Number	37909-024		
Borrower/Company			
Country	Regional		
Location	Regional		
Approval Number			
Type of ADB Assistance / Amount	2033	Ordinary capital resources	USD 1,000.00 million Committed
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Private sector development		
Sector / Subsector	Finance - Trade finance		
Gender Equity and Mainstreaming			
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Private Sector Financial Institutions Division		
Responsible ADB Officer	Beck, Steven		
Project Sponsor(s)			
Description	REG: TRADE FINANCE FACILITATION PROGRAM		
Objectives and Scope	The Trade Finance Program (TFP) closes market gaps for trade finance by providing guarantees and loans to partner banks to support trade. Drawing the private sector into developing countries is important to closing gaps and TFP is the biggest mobilizer of private sector financing at ADB. In addition to doing transactions TFP provides a number of 'knowledge products' which contribute to closing financing gaps. More information can be found at www.adb.org/tfp .		
Status of Development Objectives	(i) Total trade transactions supported 2009-2017: 16,607; (ii) Intra-regional transactions 2009-2017: 12,654 (inclusive of 'Total trade' figure); (iii) Bilateral trade transactions between DMCs supported 2009-2017: 3,809 (inclusive of 'Total trade' figure); (iv) SME transactions 2009-2017: 12,055 (inclusive of 'Total trade'); (v) Total value of trade supported 2009-2017: \$30 billion; (vi) Cofinancing mobilized 2009-2017: \$17.8 billion (inclusive of 'Total value' figure); (vii) In-country seminars and/or training conducted 2012- 2017: 23; (viii) TFP created the world's first default and loss statistics in trade finance - The Trade Finance Register - which is now managed by the International Chamber of Commerce; (ix) For more information, please see www.adb.org/tfp		
Status of Operation/Construction	-40% growth in TFP in 2017 compared with the previous year - 3,505 transactions in 2017 - \$4.5 billion total value of trade supported in 2017 - \$2.8 billion cofinancing mobilized in 2017 (inclusive of \$4.5 billion total value figure above) - Of TFP's 21 countries of operation, five most active are: Armenia, Bangladesh, Pakistan, Sri Lanka and Viet Nam. - 2,822 SMEs supported in 2017 - TFP never had a default or loss. - TFP was first to quantify global trade finance gap through its Trade Finance Gaps, Growth and Jobs survey. - TFP's Gender Initiative looked at human resource policies at partner banks to recommend enhancements that would attract, retain and promote more women in banking. Many of the recommendations have been implemented. - TFP provides on-line training in trade finance to partner banks, as well as numerous in-person trainings on risk management, anti-money laundering and safeguards. - For more information please see www.adb.org/tfp		
Linkage to Country/Regional Strategy	The importance of short-term finance to support global trade - known as <u>trade finance</u> - is explicitly recognised in the Addis Ababa Action Agenda on Financing for Development (<u>Addis Agenda</u>) as an important means of implementation of the Sustainable Development Goals (SDGs). Yet, ADB's Trade Finance Gaps Growth and Jobs survey launched in September 2017 confirmed a global trade finance gap of \$1.5 trillion, and determined that 40% of this gap is in Asia and the Pacific, with 74% of rejected trade finance transactions coming from SMEs. The program supports two pillars of ADB's operational focus cited in the Midterm Review of Strategy 2020: (i) poverty reduction and inclusive growth, and (ii) regional cooperation and integration.		

Summary of Environmental and Social Aspects

Environmental Aspects

FI (treated as category C)

Involuntary Resettlement	FI (treated as category C)
Indigenous Peoples	FI (treated as category C)
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	-
Due Diligence	
Credit Committee Meeting	23 Feb 2009 to 23 Feb 2009
Approval	31 Mar 2009
PDS Creation Date	10 May 2009
Last PDS Update	27 Apr 2018

Project Page	https://www.adb.org/projects/37909-024/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=37909-024
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