



# Regional: Trade Finance Program (Additional Financing)

Project Name	Trade Finance Program (Additional Financing)			
Project Number	37909-027			
Borrower/Company				
Country	Regional			
Location	Regional			
Approval Number	7186/2033			
Type of ADB Assistance / Amount	2033	Ordinary capital resources	USD 0.00	Approved
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Strategic Agendas	Inclusive economic growth Regional integration			
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development			
Sector / Subsector	Finance - Trade finance Industry and trade - Industry and trade sector development			
Gender Equity and Mainstreaming	Some gender elements			
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Private Sector Financial Institutions Division			
Responsible ADB Officer	Beck, Steven			
Project Sponsor(s)				
Description	The Trade Finance Program (TFP) reduces market gaps for trade finance by providing guarantees and loans to banks to support trade. As the single largest mobilizer of cofinance at ADB, TFP draws the private sector to close markets in developing member countries where otherwise they may not operate. Leveraging off its transactional work, TFP also closes gaps through knowledge products, providing valuable information to the private sector that enables them to operate in developing Asia.			
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 <a href="http://www.adb.org/TFP">www.adb.org/TFP</a> .			
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 <a href="http://www.adb.org/TFP">www.adb.org/TFP</a>			
Status of Operation/Construction	Market demand for TFP continues to grow. -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 <a href="http://www.adb.org/TFP">www.adb.org/TFP</a>			
Linkage to Country/Regional Strategy	The importance of short-term finance to support global trade - known as trade finance - is explicitly recognised in the Addis Ababa Action Agenda on Financing for Development ( Addis Agenda ) 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.			
Safeguard Categories				
Environment				FI-C
Involuntary Resettlement				FI-C
Indigenous Peoples				FI-C
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	-
Approval	08 Jun 2018
Last PDS Update	12 Jun 2019

Project Page	<a href="https://www.adb.org/projects/37909-027/main">https://www.adb.org/projects/37909-027/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=37909-027">http://www.adb.org/forms/request-information-form?subject=37909-027</a>
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