ADB’S TRADE AND SUPPLY CHAIN FINANCE PROGRAM (TSCFP)
MAKING GLOBAL TRADE GREEN, RESILIENT, INCLUSIVE, TRANSPARENT AND SOCIALLY RESPONSIBLE

Port of Suva is Fiji’s main container and multipurpose port facility. It is the principal gateway for the country’s international trade (photo by ADB).

WHAT WE DO:

- Fill market gaps for trade and supply chain finance.
- Provide guarantees and loans to banks to support trade.
- Support a wide range of import/export transactions: commodities, capital, and consumer goods.
- Deliver solutions and products with partners to make global trade green, resilient, inclusive, transparent, and socially responsible.

2021 BY NUMBERS:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of transactions supported</td>
<td>$8.4 billion</td>
</tr>
<tr>
<td>Cofinancing</td>
<td>$5.5 billion</td>
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<tr>
<td>Number of transactions supported</td>
<td>9,200</td>
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<tr>
<td>SME transactions supported</td>
<td>3,500</td>
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</tbody>
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TRADE FINANCE

Financial Products

Guarantee Products

1. Credit Guarantee:
   Covers up to 100% of bank risk; provided within 24–48 hours

2. Risk Participation Agreement:
   Automatically binds TSCFP up to 85%

Funded Projects

1. Revolving Credit Facility:
   Loans to banks to support pre- and post-shipment transactions

2. Funded Risk Participation Agreement:
   Automatically binds the TSCFP for up to 50% of bank risk in support of funded trade transactions

Distribution Product (Cofinance)

Risk Distribution Agreement:
   TSCFP leverages capital resources and credit limits by sharing risk

SUPPLY CHAIN FINANCE

Financial Products

Pre-Shipment Finance
   Pays suppliers upfront for verified purchase orders

Post-Shipment Supplier Finance
   Provides funds to suppliers upon delivery and acceptance of goods

Distributor Finance
   Provides financing for distributors to cover holding of goods for resale
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Green and Social Responsibility Initiative
Environmental, Social and Governance (ESG)
Implemented environment and social management systems in financial institutions. Also implementing pilots with partner banks to enhance traceability to monitor and verify environmental and social standards.

Resilience Initiatives
Digitalization
Created the Digital Standards Initiative to drive common standards for interoperability throughout the trade and supply chain ecosystem and a legal framework to recognize electronic trade documents.

Supply Chain Mapping Tool
Created a tool to address bottlenecks that identified almost every company involved in the supply chain of 34 essential good to fight Covid-19, such as ventilators and masks.

Inclusion Initiatives
Gaps, Growth, and Jobs Survey
Trade Finance Gaps, Growth, and Jobs Survey, the world’s barometer on global trade finance gaps, which impede growth and our ability to achieve the Sustainable Development Goals. The 2021 survey estimated a $1.7 trillion global gap.

Gender Equity
Implemented human resource policies in banks to attract, retain, and promote more women in banking.

Transparency Initiative
Trade-based Money Laundering
Delivered training to financial institutions and bank regulators on anti-money-laundering. Also, implementing a pilot with 6 countries to address trade-based money laundering.