

TSCFP

TRADE & SUPPLY CHAIN FINANCE PROGRAM

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



Asian Development Bank (ADB)

Multilateral Development Bank owned by 68 governments; established in 1966; AAA-rated.



Trade and Supply Chain Finance Program (TSCFP)

TSCFP works to make global trade and supply chains green, resilient, inclusive, transparent, and socially responsible.

Trade and Supply Chain Finance Program

In 2023 alone, over **21,000** transactions valued at **\$4.7 billion**; more than **6,000** SMEs supported.

- 1 Trade is critical to development impact and poverty reduction, and cuts across many ADB priorities**
 - Trade lifted millions of people out of poverty; generates economic growth; raises living standards
 - Trade drives regional cooperation and integration, which underpins regional development

- 2 Trade has its challenges**
 - Huge carbon footprint
 - Needs to be more inclusive
 - Lacks resilience, transparency, and social responsibility

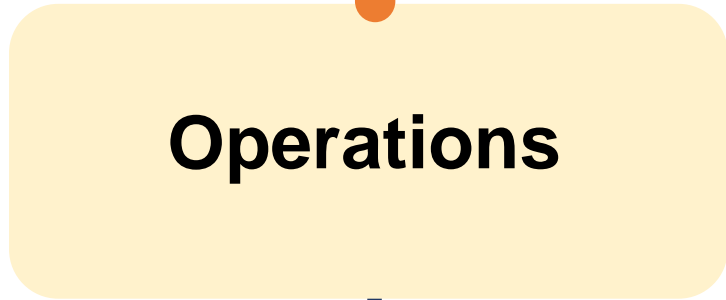
MANDATE



Maximize
development
impact from
trade

Deliver
solutions to
address
challenges
in trade

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



Operations



Delivers loans and guarantees



**Knowledge
Products, Services &
Solutions
(Thought Leadership)**



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TSCFP has been operating since 2003



25 DMCs, Regional and Global Impact

Armenia
Azerbaijan
Bangladesh
Cambodia
China, People's
Republic of

Cook Islands
Fiji
Georgia
India
Indonesia
Kyrgyz Republic

Lao PDR
Malaysia
Mongolia
Nepal
Pakistan
Papua New Guinea
Sri Lanka

Samoa
Tajikistan
Thailand
Timor-Leste
Tonga
Uzbekistan
Viet Nam



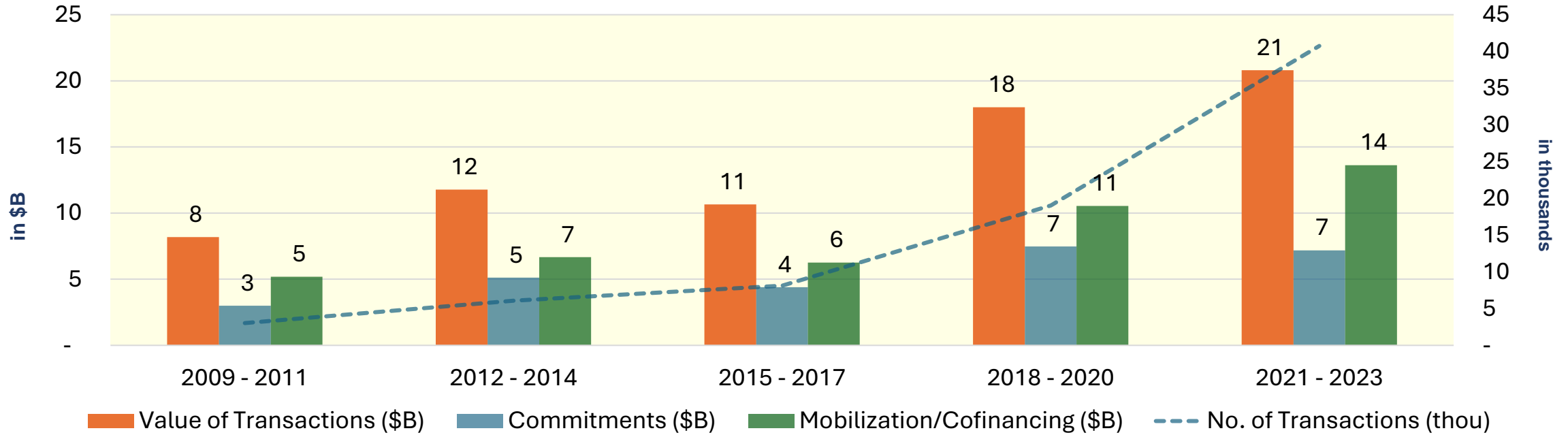
270 Partner Banks



Loans and guarantees



**Strengthens trade, regional
economies and banking
sectors: Drives and
amplifies development
impact**



Category	2023 Value	2009-2023 Total
Value of Transactions	\$4.7 B	\$69.4 B
Mobilization	\$2.9 B	\$42.3 B
No. of Transactions	21,416	77,025
SME Transactions	6,988	40,604
Intra-regional Trade	2,880	39,511
South-South Trade	1,383	14,818
Food Security & Agriculture	1,487	12,950
Health	822	4,862
Climate Transactions	197	1,259

(i) Value = sum of commitments and mobilization; (ii) Commitments = risk for ADB's book; (iii) Mobilization = private commercial bank and/or insurance participation in transactions

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

 **GREEN**

Tracking and reporting carbon emissions across supply chains, maintaining market access for SMEs

 **INCLUSIVE**

Enabling access to trade (and development impact) through guarantees and loans, gender, disability, SME initiatives

 **RESILIENT**

Driving digitisation of global trade and trade finance (in physical goods)

 **TRANSPARENT**

Innovation to fight trade-based money laundering

 **SOCIALLY RESPONSIBLE**

Combatting child and forced labour in global supply chains

SME = small and medium-sized enterprises



GREEN

TSCFP Climate Strategy

Problem

~ **25%-80%** of global carbon footprint traced to trade/supply chains^a

Action

- (i) Creating quick response (QR) code-based **carbon tracking and reporting system** for global supply chains.
- (ii) **Green Equipment Facility** to support companies upgrading equipment to reduce carbon footprint.
- (iii) Implementing **Environmental and Social Management Systems** in all partner banks

External Partners



* GS1 is a not-for-profit entity responsible for barcodes/QR codes



IFRS

International Sustainability Standards Board

^a Titia Bové and Swartz. 2016. [Starting at the source: Sustainability in supply chains](#). *McKinsey and Company*. November; and Timmermans and Pollmann-Larsen. 2023. [How supply chain sustainability helps unlock resilience and growth](#). *Accenture*. 30 March.

READ: [June 2024: Reference Note: Sustainable Trade Finance](#)

READ: [May 2024: ADB TSCFP Climate Strategy](#)

WATCH: [Apr 2024: GS1/IFRS Carbon Tracking](#)

READ: [Jan 2024: ADB, BII Launch New Green Trade Finance Partnership for Asia and the Pacific](#)

Problem

ADB's **Trade Finance Gaps Growth and Job study** identifies SMEs, particularly women led companies historically under-supported in global trade.

Action

- (i) **Gender Initiatives**
 - ✓ 17 DMC banks implemented 33 recommendations to enhance their HR policies to **attract, retain** and **promote more women in banking**
 - ✓ Training and networking for **over 500 women entrepreneurs** focused on increasing their access to trade finance
- (ii) Implement **Disability Inclusion in Trade** Initiative
- (iii) **Deep-Tier Supply Chain Finance** innovation and research for **SME inclusion**

External Partners

READ: [Sep 2023: Trade Finance Gaps, Growth, and Jobs Survey](#)
[June 2023: Supply Chain Finance in Central Asia and Caucasus](#)
[May 2024: Deep-Tier Supply Chain Finance Unlocking the Potential.](#)

WATCH: [Apr 2024: TSCFP Gender Initiatives](#)
[Apr 2023: TSCFP's 3-Minute Brief Episode 1: Introduction to Supply Chain Finance](#)



RESILIENT

Pandemic exposed weaknesses in trade/supply chains

Problem

Leadership role to **Digitalize Global Trade**

Action

- (i) Created **Digital Standards Initiative**
- (ii) **Digitalizing 30 documents** required for trade
- (iii) Driving **legal reform** to recognize digital trade documents

READ: [Dec 2023: Driving Digitalization of Global Trade: UNCITRAL Model Law on Electronic Transferable Records](#)

[Mar 2023: ADB Promotes Digitalized Trade Through Regional Outreach Initiatives and Technical Assistance](#)

[Jan 2023: Is Digital Finance the Answer to Giving Women-Owned MSMEs Access to Credit?](#)

External Partners





TRANSPARENT

Problem

Trade-based money laundering linked to crime and terrorism, damages trust and reliability in trade

Action

- (i) Implemented **trade based-money laundering (TBML) pilot** to enhance intelligence, investigations with 5 DMCs^a—gained international attention
- (ii) Delivered **training on TBML** with **law enforcement, customs, and intelligence, regulators, and banks**
- (iii) Leveraged **ADB convening power to build trust and drive collaboration** across DMCs and agencies

External Partners



READ: [Sep 2024: Transforming the Fight Against Trade-Based Money Laundering: New Data and Partnerships](#)

READ: [Jan 2023: Countering Trade-Based Money Laundering](#)

WATCH: [Aug 2023: Countering Trade-based Money Laundering through Better Reporting of Suspicious Transactions](#)

[Apr 2023: TSCFP's 3-Minute Brief Episode 2: Trade-based Money Laundering](#)



^a Bangladesh, Mongolia, Nepal, Pakistan, Sri Lanka



Fighting child and forced labour in trade/supply chains

Problem

Action

- (i) Implementing **enhanced social due diligence** with banks and their corporate customers
- (ii) Developing technology solution to **help SMEs navigate regulatory and standards requirements** in trade^a
- (iii) Promoting training to **identify human and wildlife trafficking**^b

External Partners



^a ADB and ITC are collaborating to develop an AI-enabled tool to help SMEs navigate the ESG standards and regulation space

^b **Training included:**

- Ending Illegal Wildlife Trade – A Practical Guide for Law Enforcement
- Fighting Modern Slavery and Human Trafficking

VISIT: [ACAMS Training and Social Impact Certificates list](#)

Market Recognition

"...we wish to place on record our very sincere gratitude for the invaluable collaboration we have had with the ADB over the past year. [related to the] supply chain Traceability Mapping Program with Sri Lanka Apparel. We wish to extend our profound thanks to ADB for their... unwavering support throughout this journey. "



FINANCIAL MONITORING UNIT
GOVERNMENT OF PAKISTAN

"... the introduction of...TBML reporting with ADB...pilot group has proven to be a significant success ... facilitating more efficient detection and reporting of trade-related suspicious transactions."

Best Development Bank in Trade (Global): 2018 to 2021; 2024

Outstanding Leadership in Sustainable Finance by a Multilateral Institution” for Asia-Pacific

Best Development Bank in Trade

Outstanding Crisis Leadership

Best Multilateral Development Bank

Development Bank of the Year

"...sincere gratitude for the tremendous effort and commitment you all have put into making this pilot project a success. It has been an amazing journey...Now we have an ESMS policy for trade finance..."

Thank you!

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