European Bank
for Reconstruction and Development

TRADE FACILITATION PROGRAMME

EBRD Trade Facilitation Programme (TFP)

Development of Trade Finance in Central Asia, Eastern Europe, the CIS and the Southern and Eastern Mediterranean

23 November 2021

Olga Kompaniets,

Principal Banker, TFP

EBRD

Established

1991

The EBRD is owned by

69 countries

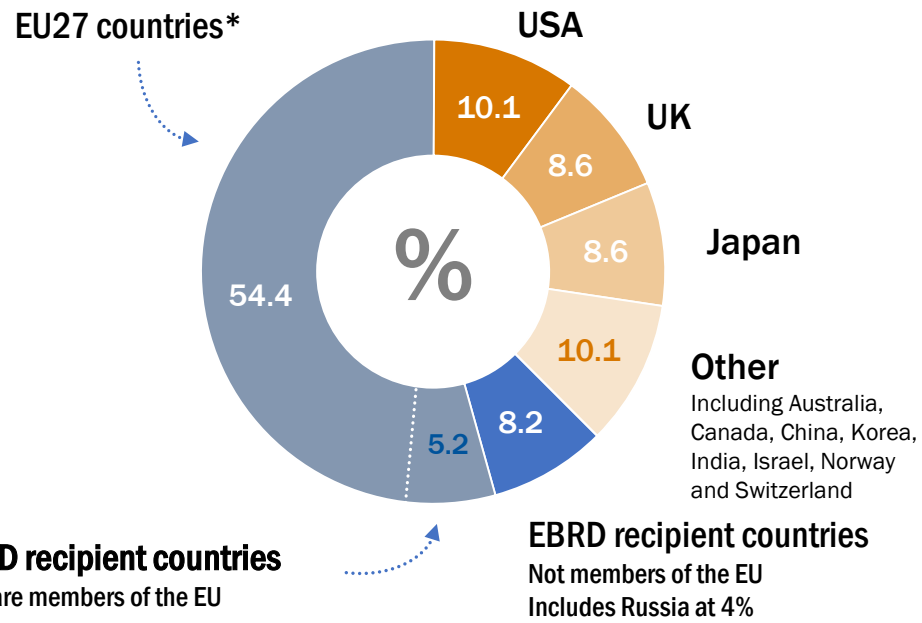
from five continents, as well as the European Union and the European Investment Bank. These shareholders have each made a capital contribution, which forms our core funding.

Capital base

€30 billion

Triple-A rating

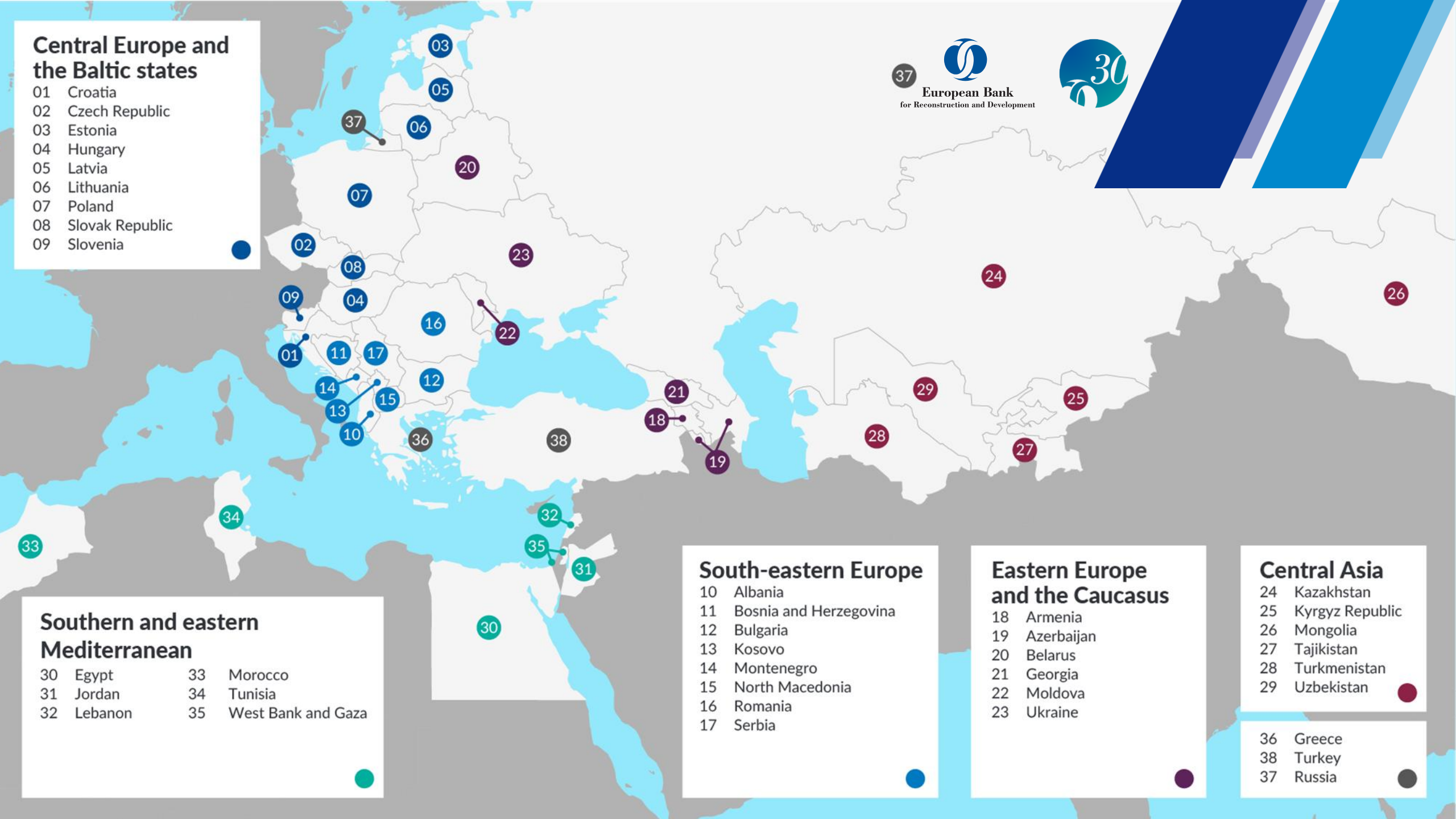
from all three main rating agencies (S&P, Moody's and Fitch)



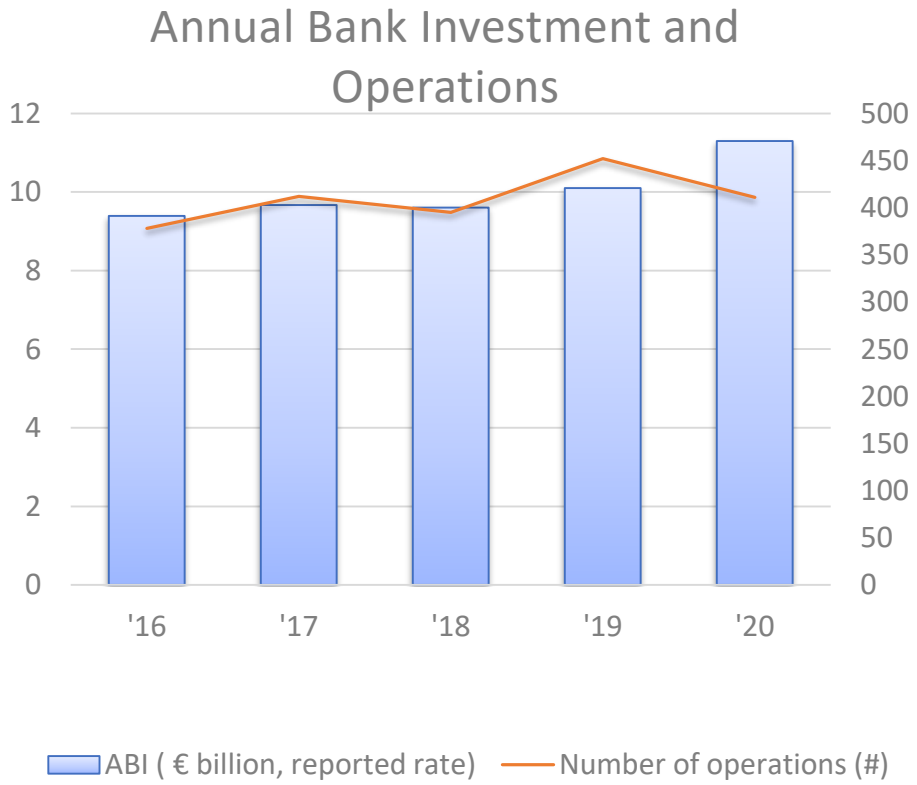
The EBRD invests in changing lives. Through its projects, business services and involvement in high-level policy reform, it is doing more than ever before across three continents.

**Includes European Union and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, and Italy, each holds 8.6%*

For a full list of the shareholding of the EBRD visit: www.ebrd.com/shareholders


Central Europe and the Baltic states
01 Croatia
02 Czech Republic
03 Estonia
04 Hungary
05 Latvia
06 Lithuania
07 Poland
08 Slovak Republic
09 Slovenia
European Bank
for Reconstruction and Development
30
Southern and eastern Mediterranean
30 Egypt
31 Jordan
32 Lebanon
33 Morocco
34 Tunisia
35 West Bank and Gaza
South-eastern Europe
10 Albania
11 Bosnia and Herzegovina
12 Bulgaria
13 Kosovo
14 Montenegro
15 North Macedonia
16 Romania
17 Serbia
Eastern Europe and the Caucasus
18 Armenia
19 Azerbaijan
20 Belarus
21 Georgia
22 Moldova
23 Ukraine
Central Asia
24 Kazakhstan
25 Kyrgyz Republic
26 Mongolia
27 Tajikistan
28 Turkmenistan
29 Uzbekistan
36 Greece
38 Turkey
37 Russia

Results



As at December 2020

Net cumulative Bank investment

€11.0 billion (in 2020)

Trade Facilitation Programme's ABI

€2.0 billion (in 2020)

18% of Bank Investment

Number of Bank projects (in 2020)

411

Number of TFP transactions

2,090

Annual Bank Investment (ABI) is the volume of commitments made by the Bank during the year. This includes:
(i) new commitments (less any amount cancelled or syndicated within the year); (ii) restructured commitments;
(ii) and (iii) amounts issued under the Trade Facilitation Programme (TFP) during the year and outstanding at year-end.

TFP Statistics

Established
1999

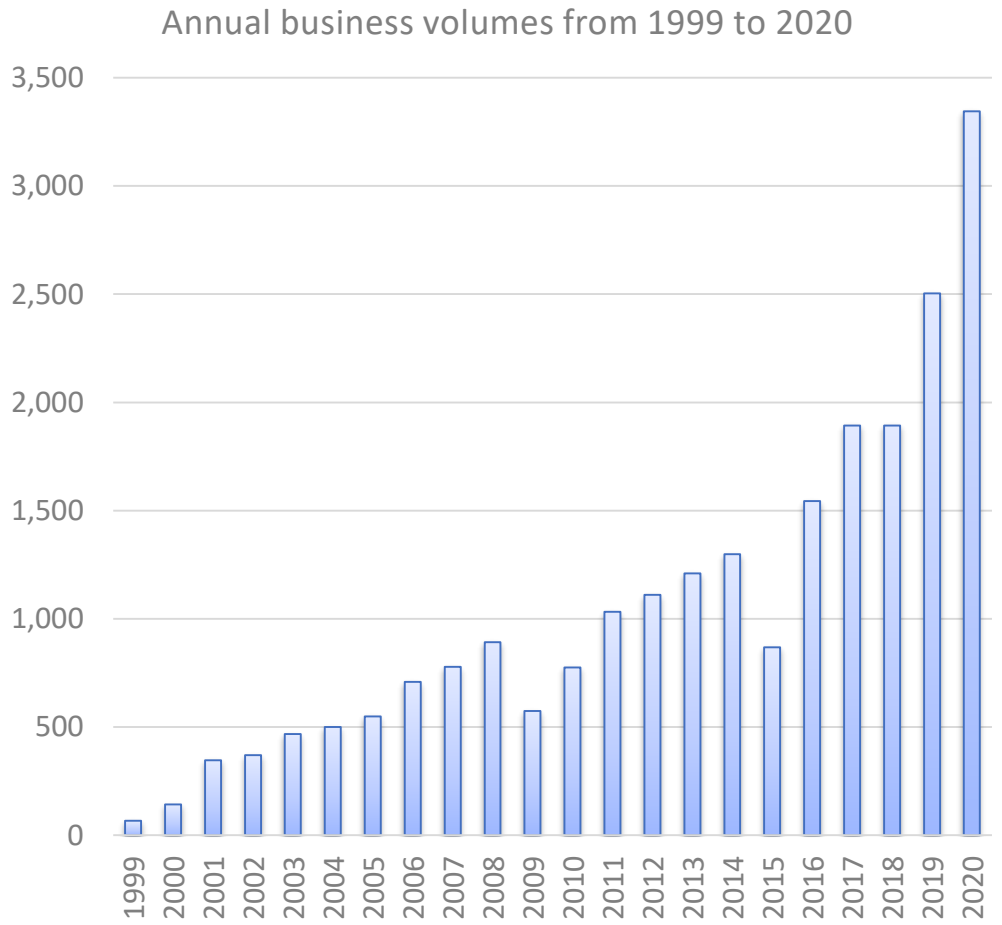
Number of transaction
27,000+

Issuing banks
120+

Total transaction value since 1999
€22.5 billion

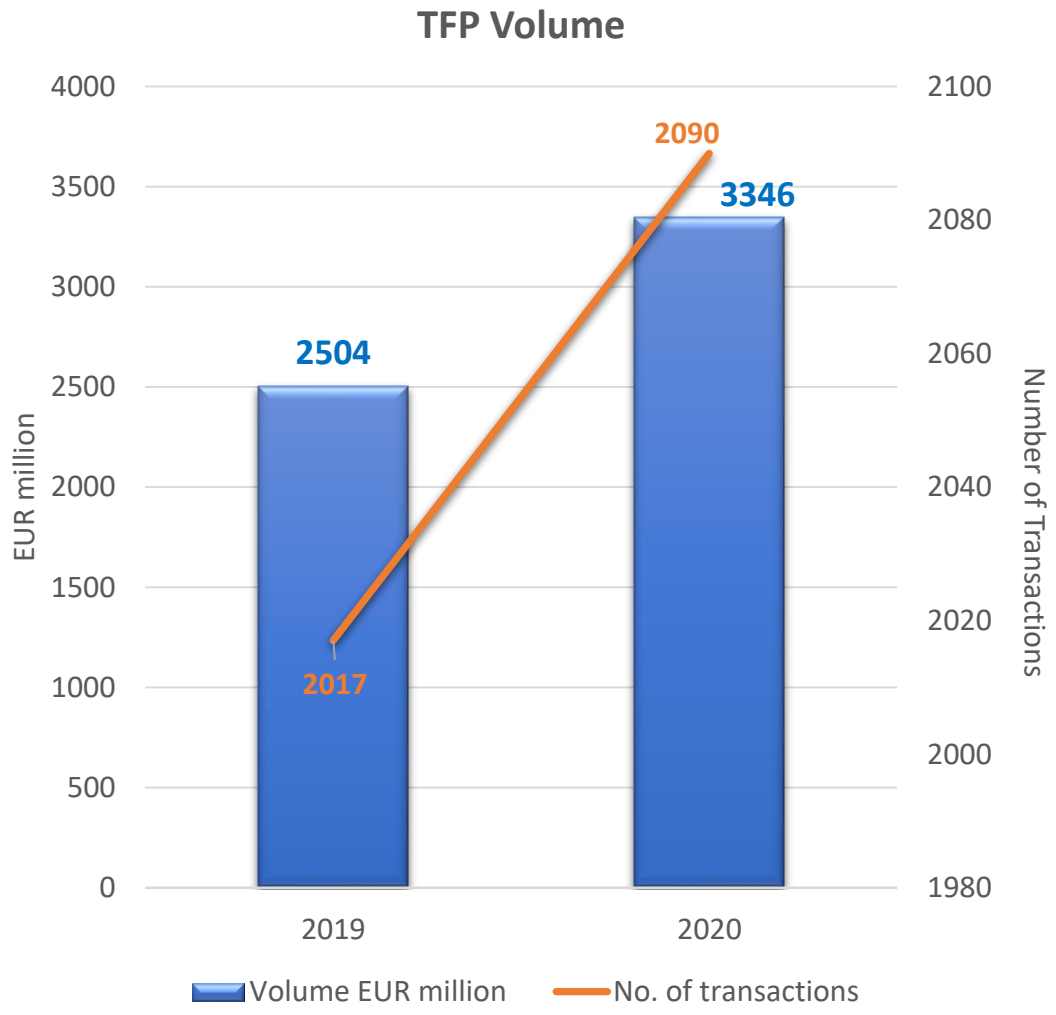
Number of operating countries
30

Confirming banks
800+



TFP – Covid-19 Crisis Response

- Increased existing TFP limits for a total of 16 partner banks by more than EUR 839 million
- Approved 6 new partner banks with total TFP limits of EUR 311 million
- Supported the financing of more than 80 foreign trade transactions with medicines, medical supplies, medical equipment and personal protective products for a total amount of EUR 59.5 million



How TFP supports international trade in Central Asia

European Bank
for Reconstruction and Development

Access to Finance

- TFP products:
- Guarantees
- Revolving Credit Facility
- Factoring
- Green TFP

Capacity Development

- EBRD TFP/ ICC Trade Finance e-learning programme
- Individual Advisory Services
- Advanced Workshops on "hot" topics
- Industry events

Policy Dialogue

- Development of legal framework e.g. for factoring
- Green Trade Finance
- Digitalisation

TFP Facilitates financing of all stages of the trade chain

European Bank
for Reconstruction and Development

1.1 TFP products

EBRD supports trade by providing:

Guarantees

Cover risks arising from trade finance transactions

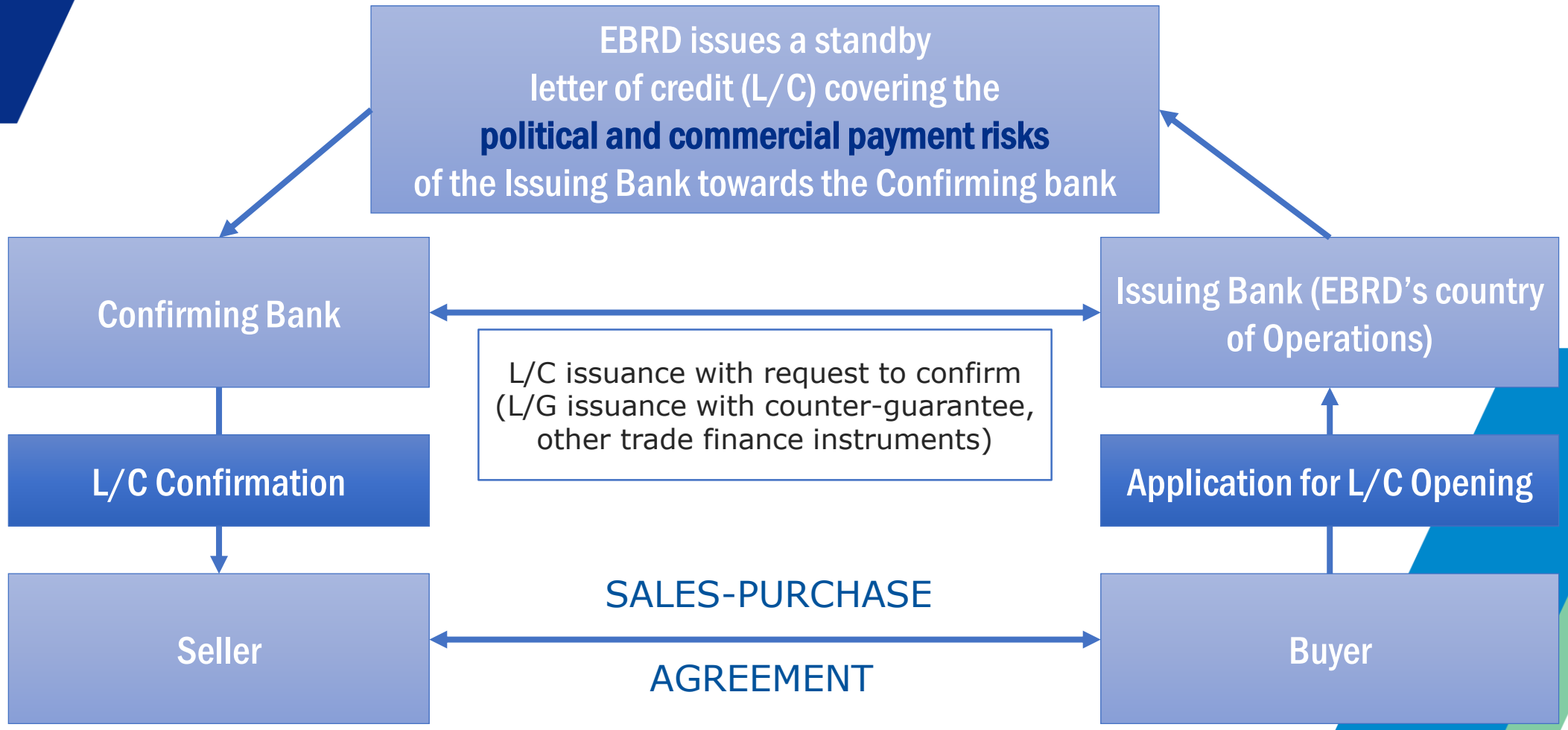
Short Term Advances/ Revolving Credit Facility

To banks in the economies where the EBRD invests for trade finance purposes

Factoring

To banks/ factoring companies for factoring activities

TFP Guarantee Facility



TFP Guarantee Facility – Benefits

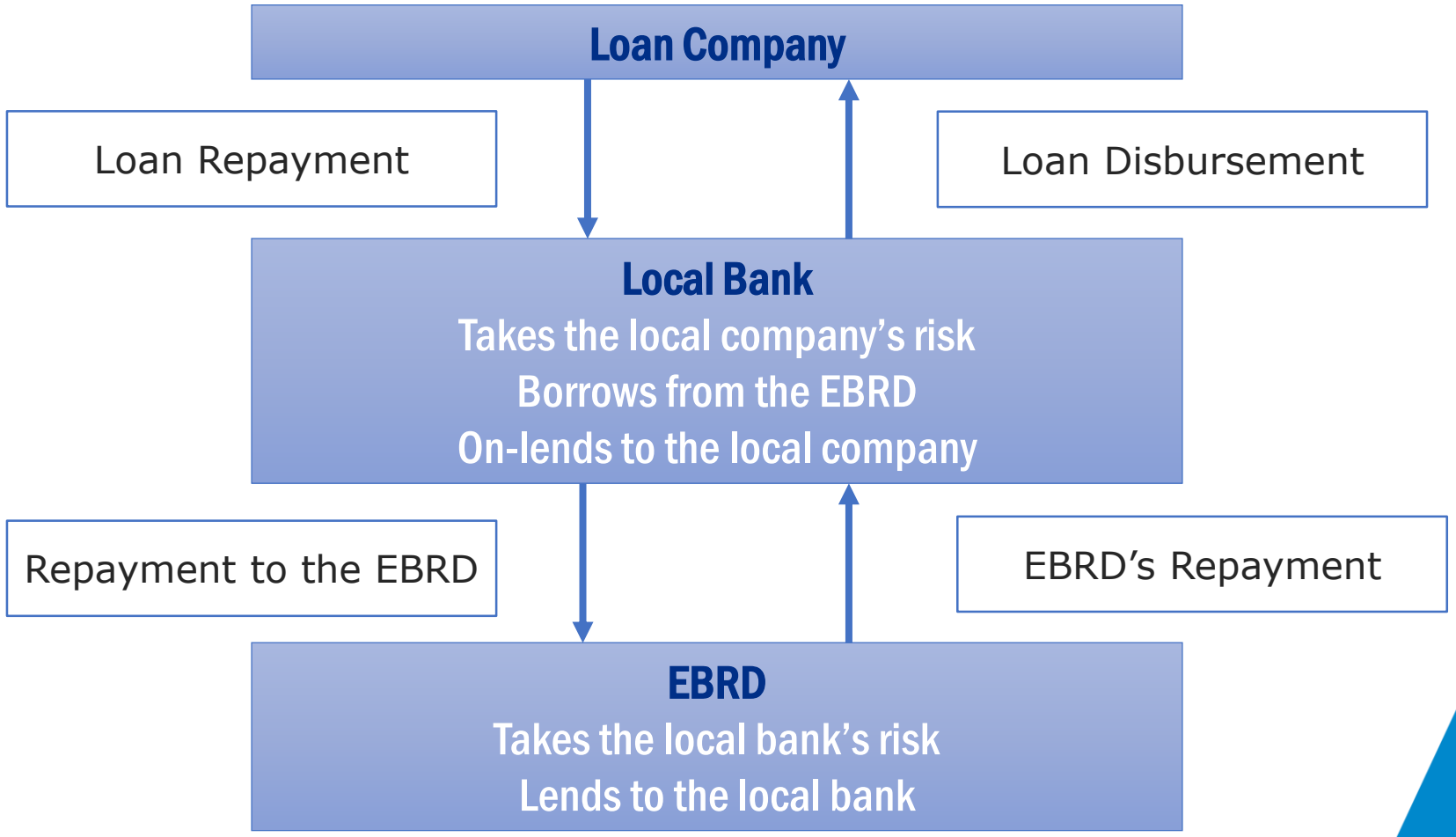
For confirming banks and exporters

- Additional export business to central and eastern Europe, the CIS countries and the southern and eastern Mediterranean
- 100% guarantee of payment
- Optimisation of costs because of the EBRD's AAA credit rating

For issuing banks and importers

- A network of over 800 confirming banks worldwide
- Assistance with the structuring of trade finance transactions
- Payment only upon confirmation of shipment of goods or after the delivery has taken place (with a deferred payment)

TFP Revolving Credit Facility



Main Feature of Both Facilities

TFP Guarantee Facility

- No minimum or maximum amount
- Maximum tenor – 3 years (5 years for intra-regional and Green transactions)
- No limitation on the currency
- Covers all types of trade finance instruments
- 24 hour turnaround time: The EBRD's standby letter of credit is issued within 24 hours from the application

TFP Revolving Credit Facility

- Minimum amount - USD 50,000
- No maximum amount
- Maximum tenor – 3 years
- Choice of currencies (€, US$, RUB)
- Covers pre-export, post-import and local distribution of imported goods

Factoring: Trade Finance
Cash Facility for Factoring

European Bank
for Reconstruction and Development

Support for Domestic and International Factoring Operations:

- **EBRD takes the risk of the local Import Factor supporting:**

a) Domestic Factoring Operations: via provision of **funding for financing of domestic factoring** transactions as well as **refinancing** of the existing domestic factoring portfolio (EUR/USD)

- *Review of the factoring portfolio and selection of acceptable clients*
- *Tenors: max. 6 months, revolving: typically 90 days*
- *Closely matching asset conversion cycle with monthly up-dates on list of invoices which have been financed*

b) International Factoring Operations: via issuance of **EBRD guarantee** that covers the **obligations** of Import Factor in favour of Export Factor (various currencies including local currencies)

- *Same concept as EBRD Guarantee facility/ scheme*
- *UCP 600 applies*

Case Study – TFP Guarantee Facility

EBRD TFP guarantee was issued to support the import of **medicaments** from Ukraine to Uzbekistan.

The **counter-guarantee** was issued by **Ipak Yuli Bank**, Tashkent Uzbekistan in favour of **Commerzbank**, Frankfurt, Germany.

The EBRD TFP covered **100%** of the amount **USD 2 million** for **12 month**.

Grandpharm is the **importer** and it is based in Tashkent, Uzbekistan. The company is one of the leading wholesalers of pharmaceuticals in Uzbekistan. It has been operating in the market since 2005. As of today, the company has over 230 retail shops, more than 4500 partner pharmacies selling over 6000 items of goods across Uzbekistan.

Case Study – TFP Revolving Credit Facility

EBRD TFP disbursed **USD 2 million** for **12 month** to support the import of components for washing machines (household appliance) from China.

The funds were disbursed to **National Bank of Uzbekistan (NBU),** Tashkent, Uzbekistan under the Revolving Credit Agreement (RCA) to further on-lend to sub-borrower JV LLC Techno Continental AJ, Tashkent Uzbekistan.

JV LLC Techno Continental AJ, Tashkent, Uzbekistan imports household appliances, electrical equipment and other components to manufacture washing machines and fridges. Manufactured goods are distributed across Uzbekistan.

TFP in Central Asia

TFP - Ranking No of Transactions by Country 2,090 Transactions in 2020

1. Greece (18%)
2. Uzbekistan (17%)
3. Ukraine (12%)
4. Serbia (9%)
5. Armenia (7%)
6. Morocco (6%)
7. Turkey (5%)
8. Egypt (5%)
9. Belarus (5%)
10. Georgia
11. Lebanon
12. Cyprus (graduated in 2020)
13. Mongolia
14. Tunisia
15. Jordan
16. Kosovo
17. North Macedonia
18. Croatia
19. Romania
20. Bulgaria
21. Kazakhstan
22. West Bank and Gaza
23. Moldova
24. Kyrgyz Republic
25. Montenegro
26. Albania
27. Turkmenistan
28. Bosnia Herzegovina
29. Tajikistan

TFP Issuing Banks: Central Asia

EBRD TFP has **18 active issuing banks** as of **2021**

- Kazakhstan – 1 bank
  - Bank CenterCredit
- Kyrgyz Republic – 4 banks
  - Bank of Asia
  - Demir Kyrgyz International Bank
  - Kyrgyz Investment and Credit Bank
  - Optima Bank
- Mongolia – 2 banks
  - Khan Bank
  - XacBank
- Tajikistan – 3 banks
  - Bank Eskhata
  - First Microfinance Bank
  - Arvand Bank
- Turkmenistan – 1 bank
  - JSB Rysgal
- Uzbekistan – 7 banks
  - National Bank of Uzbekistan
  - Uzpromstroybank
  - Asaka Bank
  - Ipoteka Bank
  - Hamkorbank
  - Ipak Yuli
  - UzKDB

Top Active Confirming Banks in Central Asia (2020)

1. Commerzbank
2. Raiffeisen Bank (Group)
3. Banca Popolare di Sondrio
4. ODDO BHF Aktiengesellschaft
5. Sumitomo Mitsui Banking Corporation
6. UniCredit (Group)
7. JP Morgan Chase Bank
8. Sberbank
9. CaixaBank
10. VTB Bank

TFP Statistics: Central Asia (as of YE2020)

TFP started operations

1999

Number of TFP Issuing banks in 2021

18

Total number of transactions

3191 (since 1999)

391 (2020)

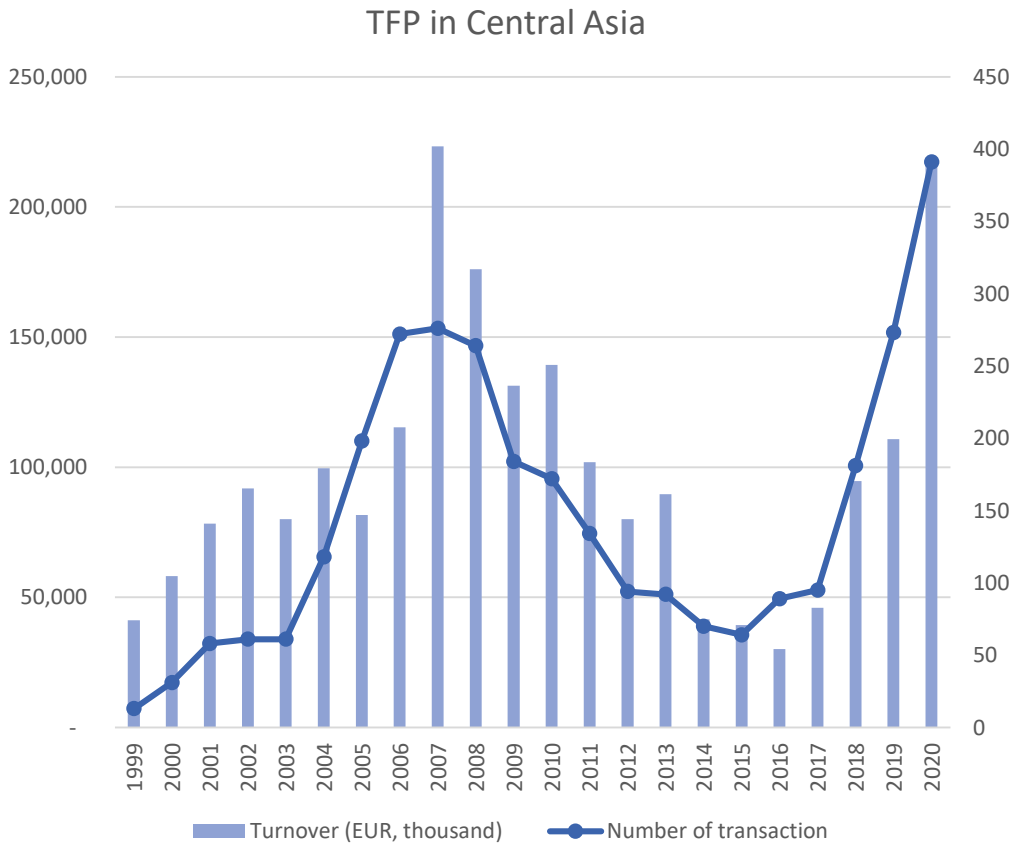
Total value of trade supported

€2,168 million (since 1999)

€218 million (2020)

Total number of staff enrolled into EBRD TFP/ ICC e-learning

1,962 (since 2010)



Green TFP

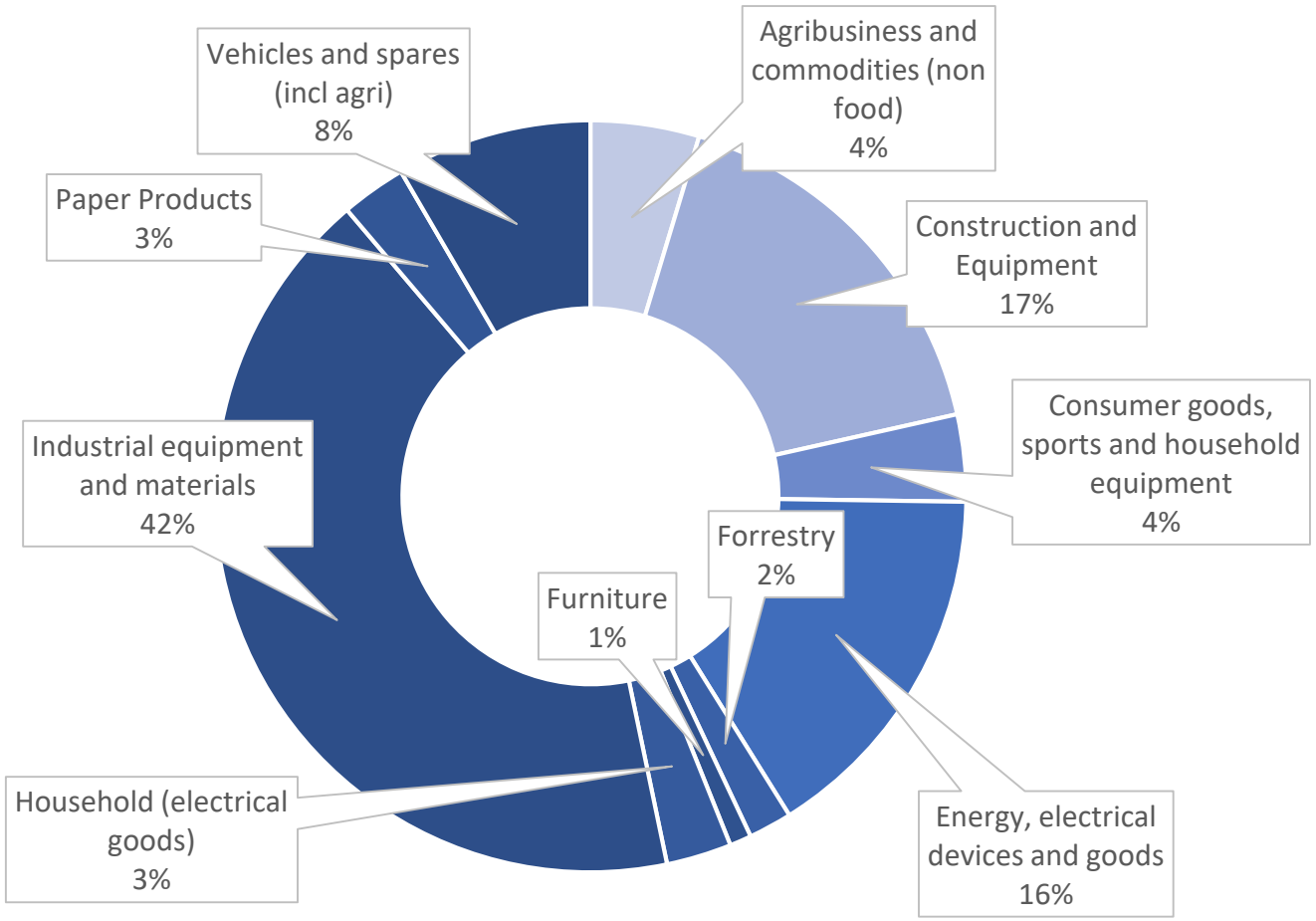
- The Green TFP focuses on financing trade in **climate change adaptation and mitigation technologies and materials**, thus, strengthening the supply chains of green technologies and materials and subsequently helping to build up associated services.
- In 2016-20, the TFP has supported green trade finance volume in excess of **€958 million** through **1,095 Green TFP transactions** in **24 economies** where the EBRD invests.
- Notable transactions have included:

  - *import of energy saving technologies (elevators) from China to Uzbekistan*
  - *import of energy saving domestic appliances from Turkey to Mongolia*
  - *import of sustainably sourced wood products from Russia to Uzbekistan*

Green TFP - Central Asia 2016-2020

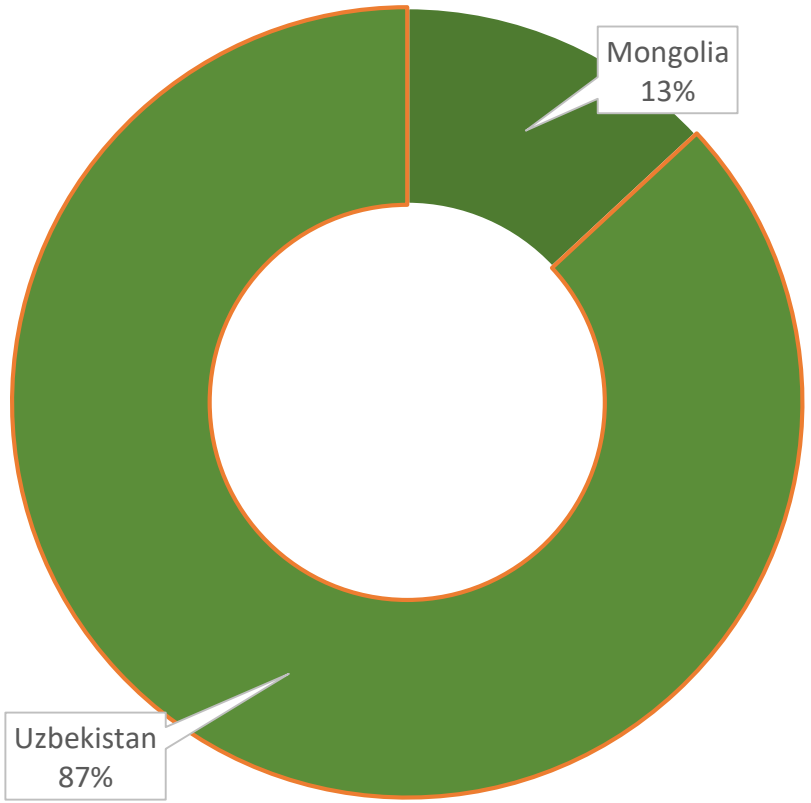
Green TFP in Central Asia by Sector (2016-2020)

(by number of transactions)



Green TFP by Central Asia countries (2016-2020)

(by number of transactions)

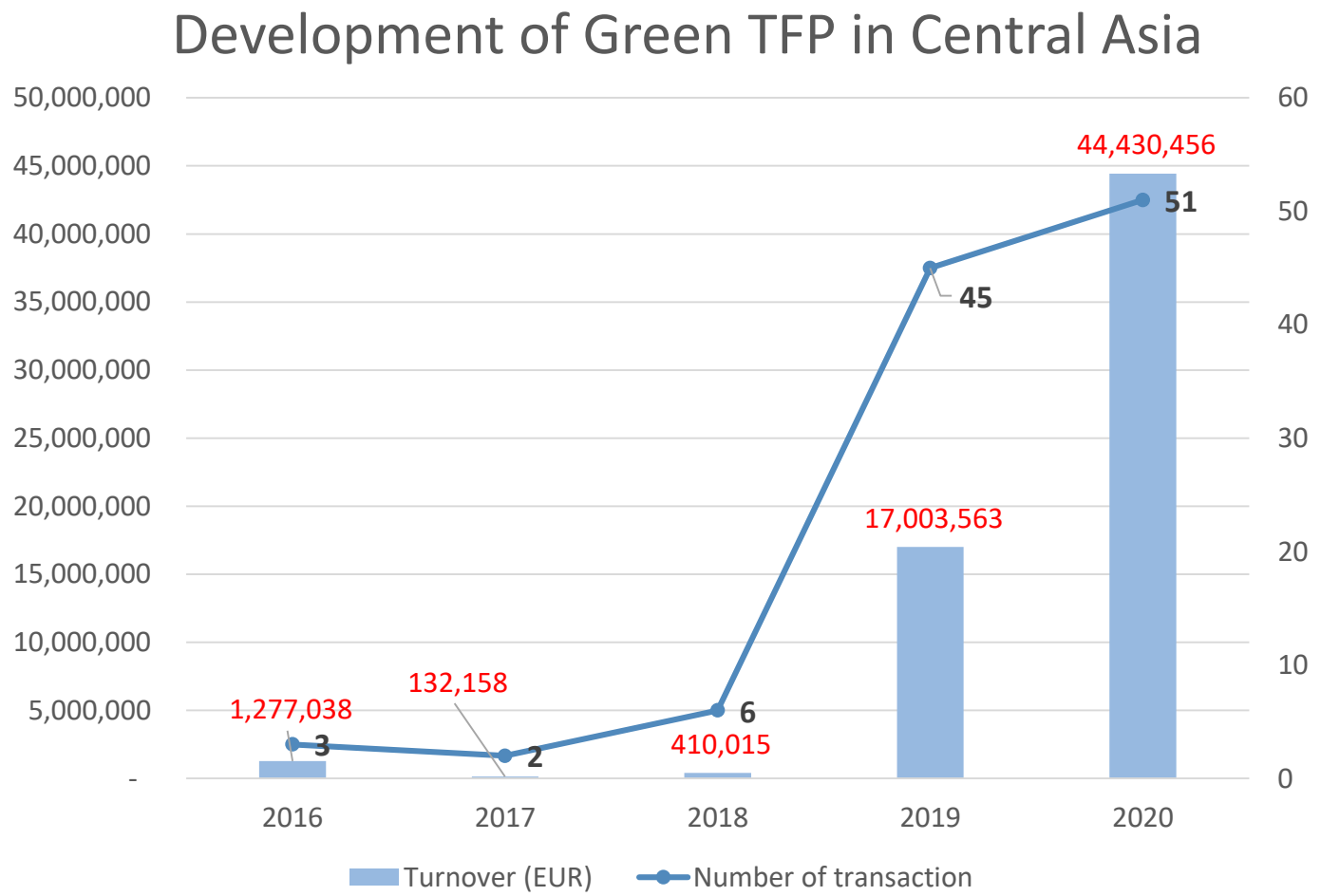


Green TFP Central Asia 2016-2020: 107 transactions for EUR 63mln

European Bank
for Reconstruction and Development

Issuing Banks active in Green TFP

- Uzpromstroybank
- National Bank of Uzbekistan
- Ipoteka Bank
- Hamkorbank
- Khan Bank
- Xacbank



Green TFP Awards 2020

Most Active Confirming Bank - Green Trade

COMMERZBANK

The bank facilitated the highest number of transactions under the Green TFP as a Confirming Bank, achieving a total of energy savings equivalent to the electricity required to power 90,000 electric cars over a year.

Deal of the Year – Green Trade

SQB ERSTE Bank

A joint award for improving the energy efficiency of the retail sector in Uzbekistan, with achieved energy savings equivalent to the annual energy needed to heat 150 Uzbek households.

Capacity Development - E-learning

EBRD TFP/ ICC e-learning | Individual Advisory Services | Advanced Workshops

- To date **5,400** trade finance professionals from **340** institutions in **48** countries enrolled.
- In total, **1,962** trade finance professionals from **18** partner banks in Central Asia have been enrolled since 2010.

E-learning

EBRD TFP/ ICC e-learning | Individual Advisory Services | Advanced Workshops

List of Courses

- Master Course (Collections, Mentor 600, DC Master, ISP Master, URDG Master, Incoterms 2010, Sustainability un Trade & Trade Finance)
- Introduction to Trade Finance
- Trade based Financial Crime
- Going global
- Introduction to International Factoring

Target Audience

- Trade finance staff
- Relationship managers
- Sales / Origination
- Risk managers
- Legal team
- Operations team
- Corporate clients (importers, exporters, distributors)

TFP trainings - scholarships provided to staff in Central Asia (since 2010)

E-learning

- €110.3 thousand and 1,962 students

ICA

- €61.7 thousand and 227 students

FCI - Introduction to International Factoring

- €4.3 thousand and 43 students

Capacity Development – Individual Advisory Services

European Bank
for Reconstruction and Development

EBRD TFP/ ICC e-learning	Individual Advisory Services	Advanced Workshops

Individual Advisory Services to support Ipoteka Bank and Hamkorbank to review and enhance their respective Trade Finance Departments and operations.

The objectives of Individual Advisory Services are based on identified client needs and could include:

- To review internal trade finance organisational structure and recommend best practice adjustments
- To recommend strategies aimed at establishment/ expansion of correspondent banking relationships and to produce required standard documentation that meets international standards
- To advise on enhancement of the Bank's existing and establishment of new trade finance products (supply chain finance, factoring etc.) and the related processes and procedures

Capacity Development – Advanced Workshops

European Bank for Reconstruction and Development

EBRD TFP/ ICC e-learning | Individual Advisory Services | Advanced Workshops

Advanced workshops in the area of Product, Sales, Operations, Compliance etc. are created by EBRD TFP on demand (based on identified client needs) in partnership with Compliance Associations and world-class consultants.

- Basics of International Documentary Trade Finance Banking for Back Office
- Foundation of International Trade & Finance (CITF)
- KYC and Customer Due Diligence (KYC/CDD)
- Trade Based Money Laundering (TBML)
- Money Laundering Risk in Correspondent Banking (CB)
- Financial Crime Prevention (FCP)
- Certificate for Documentary Credit Specialist (CDCS)

Basics of International Documentary Trade Finance banking for back office

Financial Crime Prevention

Foundations of International Trade & Finance

KYC/CDD and TBML

Policy Dialogue: Development of Factoring and Receivables Finance in Uzbekistan

European Bank
for Reconstruction and Development

- In 2021, EBRD engaged to support the Ministry of Foreign Trade and Investment of Uzbekistan with the introduction of a legal and regulatory framework for factoring activities, in line with international best practices and tailored to the local situation and circumstances

- The project will contribute to the local market's understanding of factoring and its benefits, via capacity building and outreach activities carried out along the way

Policy dialogue project in pipeline -
Development of Factoring and Receivables Finance in **Kyrgyz Republic**

Contacts

Trade Facilitation Programme
European Bank for Reconstruction and Development

One Exchange Square, London
EC2A 2JN, UK

E-mail: Group-TFPOps@ebrd.com

Website: www.ebrd.com/tfp

Join us on our social networks:

Twitter:
www.twitter.com/ebrdtrade

Facebook:
www.facebook.com/ebrdtfp

LinkedIn:
www.linkedin.com/groups?gid=4667852

Rudolf Putz
Head of TFP
Tel: +44 207 338 7776
E-mail: putzr@ebrd.com

Ikbol Hakimov
Associate Banker, Central Asia
Tel: +44 788 101 3320
E-mail: hakimovi@ebrd.com

Olga Kompaniets
Principal Banker, Central Asia
Tel: +44 758 426 8063
E-mail: kompanol@ebrd.com

Yuka Masumizu
Analyst, Central Asia
Tel: +44 738 534 9495
E-mail: masumizY@ebrd.com