Trade Facilitation Programme (TFP)

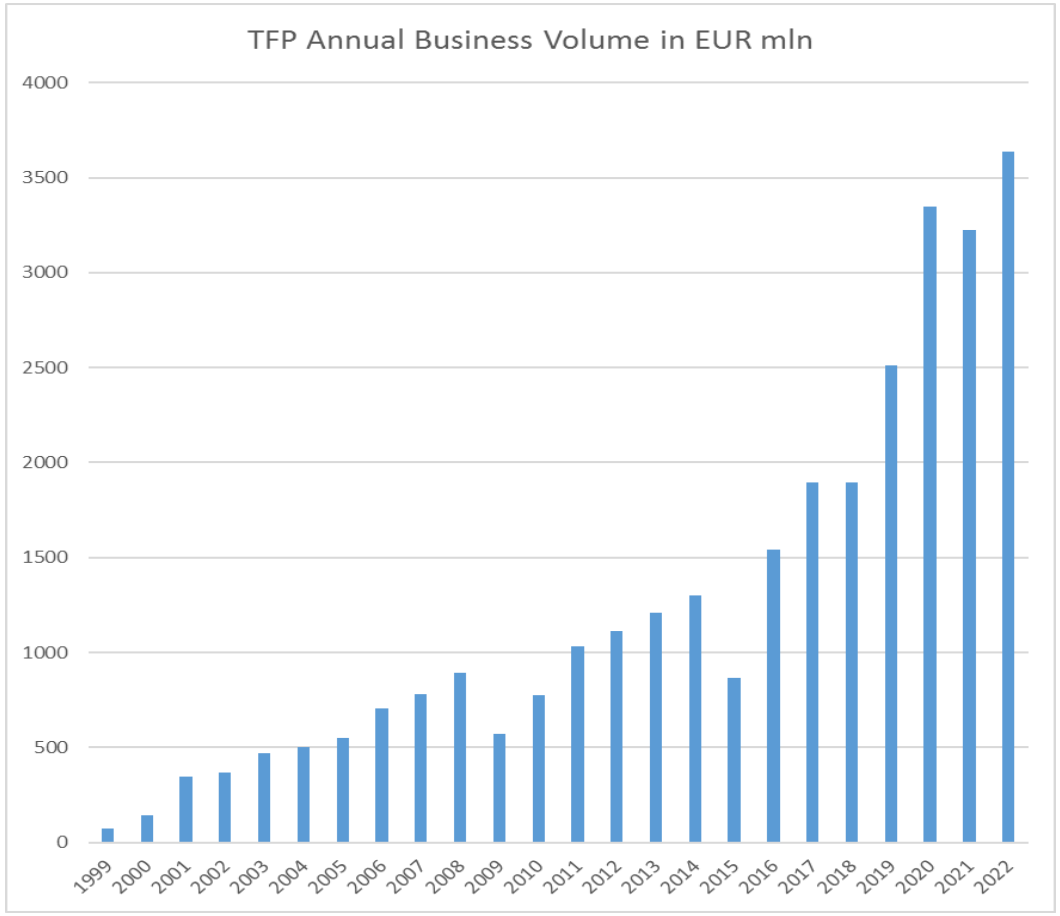
Development of Trade Finance in Eastern Europe, the CIS and the Southern and Eastern Mediterranean

Ikbol Hakimov, Associate Banker

13 July 2023

TFP at a glance

European Bank
for Reconstruction and Development



Established
1999

Issuing banks
125+

Number of operating countries
30

Number of transactions
31,000+

Total transaction value since 1999
€31+ billion

Confirming banks
800+

TFP - Ranking No of Transactions by Country
1,768 Transactions in 2022

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1. Tunisia
2. Uzbekistan
3. Serbia
4. Greece
5. Ukraine
6. Turkiye
7. Georgia
8. Armenia
9. Morocco
10. Egypt
11. West Bank and Gaza
12. Monoglia
13. Jordan
14. Lebanon
15. Romania
16. North Macedonia
17. Kazakhstan
18. Moldova
19. Tajikistan
20. Kyrgyz Republic
21. Kosovo
22. Montenegro
23. Bulgaria
24. Turkmenistan
25. Albania
26. Azerbaijan
27. Bosnia & Herzegovina

TFP - Top 20 Confirming Banks in 2022

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1. Raiffeisen Bank (Group)
2. Deutsche Bank (Group)
3. Banca Popolare di Sondrio
4. Commerzbank A.G.
5. JP Morgan Chase Bank
6. Caixabank S.A.
7. UBS AG
8. Unicredit (Group)
9. ODDO BHF Aktiengesellschaft
10. ING Bank (Group)
11. Yapi ve Kredi Bankasi A.S
12. Citibank (Group)
13. Turkiye Vakiflar Bankasi T.A.O
14. JSC TBC Bank
15. KBC Bank
16. Sumitomo Mitsui Banking Corporation
17. Union de Banques Arabes et Francaises
18. Turkiye IS Bankasi A.S.
19. Intesa Sanpaolo SPA
20. Societe Generale (Group)

TFP – Most Active Issuing/Partner Banks in 2022

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ALBANIA - OTP BANK ALBANIA SHA

ARMENIA - ARMSWISSBANK CJSC

AZERBAIJAN - BANK RESPUBLIKA OJSC

BULGARIA - UNITED BULGARIAN BANK

EGYPT - QNB ALAHLI

GEORGIA - TBC BANK

GREECE - PIRAEUS BANK

JORDAN - BANK AL ETIHAD

KAZAKHSTAN - JSC BANK CENTERCREDIT

KOSOVO - NLB BANKA SH.A.

KYRGYZ REPUBLIC - OPTIMA BANK OJSC

LEBANON - BANK AUDI SAL

MOLDOVA - OTP BANK S.A.

MONGOLIA - KHAN BANK

MONTENEGRO - HIPOTEKARNA BANKA AD PODGORICA

MOROCCO - BANK OF AFRICA BMCE GROUP *(Partner Bank)*

NORTH MACEDONIA - KOMERCIJALNA BANKA AD SKOPJE

NORTH MACEDONIA - NLB BANKA AD SKOPJE

ROMANIA - ALPHA BANK ROMANIA S.A.

SERBIA - ADDIKO BANK A.D. BEOGRAD *(Partner Bank)*

TAJIKISTAN - BANK ESKHATA OJSC

TUNISIA - BANQUE DE TUNISIE

TÜRKIYE - ALTERNATIFBANK A.Ş.

TURKMENISTAN - JOINT STOCK COMMERCIAL BANK RYSGAL

UKRAINE - JSB UKRGASBANK

UZBEKISTAN - JOINT-STOCK COMPANY ASAKABANK

WEST BANK AND GAZA - BANK OF PALESTINE

TFP Issuing Bank in Azerbaijan

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- EBRD's TFP resumed its operations in Azerbaijan in 2022.
- TFP reactivated limits for Bank Respublika Azerbaijan
- Bank Respublika won the Most Active Issuing Bank Award in 2022

Bank Respublika
sizə faydalı

TRADE FACILITATION PROGRAMME
2022 AWARDS CEREMONY
SAMARKAND 2023
European Bank for Reconstruction and Development
Samarkand, Uzbekistan
16 May 2023
Asakabank
IPAK YULI BANK
SQB
TRADE FINANCE GLOBAL
EMBRAS

Green TFP

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- 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.
- Since 2016, the TFP has supported green trade finance volume in excess of €1.8 billion through more than 1,500 Green TFP transactions in 27 economies where the EBRD invests.
- Notable transactions have included:
  - import of energy saving residential lifts from Greece to Kosovo
  - import of wind power generation technologies from Denmark to Ukraine
  - export of waste collection vehicles from Georgia to Moldova
  - export of sustainably sourced wood products from Romania to Egypt, Morocco and Tunisia.

Facilitates financing of all stages of the trade chain

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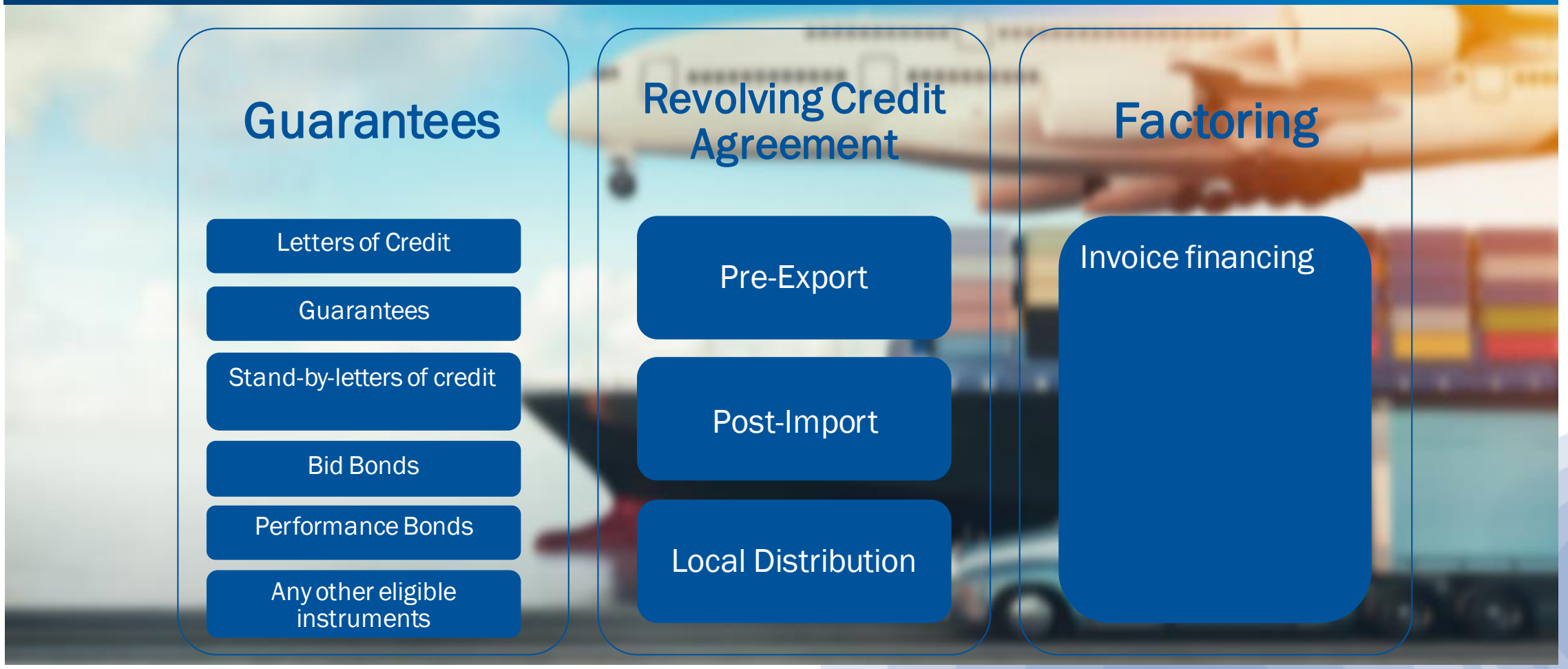
Access to finance | Capacity development | Policy dialogue



Guarantees

- Letters of Credit
- Guarantees
- Stand-by-letters of credit
- Bid Bonds
- Performance Bonds
- Any other eligible instruments

Revolving Credit Agreement

- Pre-Export
- Post-Import
- Local Distribution

Factoring

- Invoice financing

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Guarantee Facility

TFP Guarantee Facility

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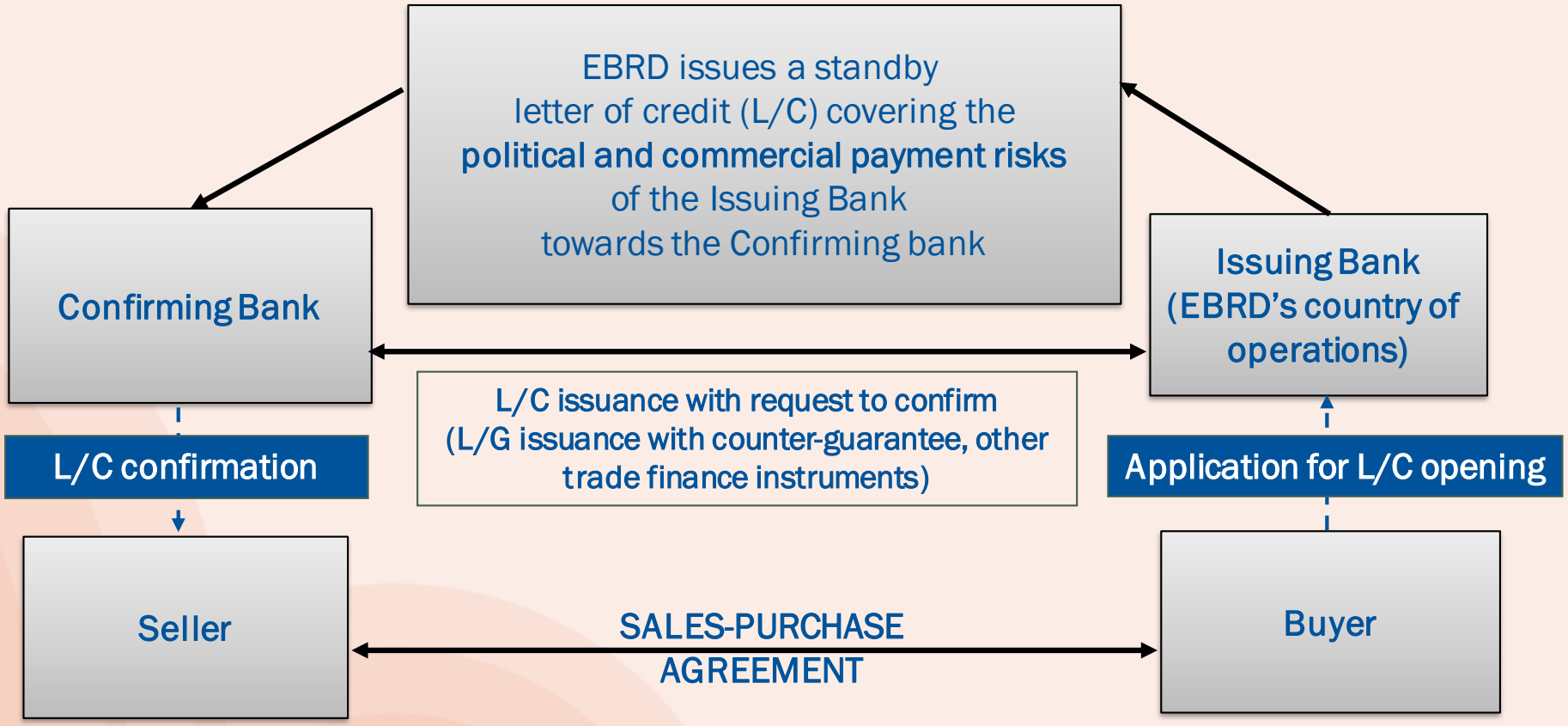

TFP Guarantee Facility - Benefits

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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)

Main Feature of Guarantee Facility

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- 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
- The EBRD's standby letter of credit is issued within 24 hours from the application

Guarantee Facility – Example

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Supporting agriculture sector in Ukraine

GTR Best Deals

- **LLC Technotorg**, a key distributor of agricultural machinery in Ukraine, imports goods into the country
- **Ukrgasbank issued a standby letter of credit to ING Bank, the confirming bank on the EBRD's TFP**
- EBRD issued a guarantee in favour of the confirming bank covering 100% of the political and commercial non-payment risk of Ukrgasbank under the subject transaction
- **Global Trade Review's (GTR),** an important news source, publisher and event organiser for the global trade, commodity, export and supply chain finance industries, recognised this transaction as the **Best Deal of 2022**

Revolving Credit Facility

TFP Revolving Credit Facility

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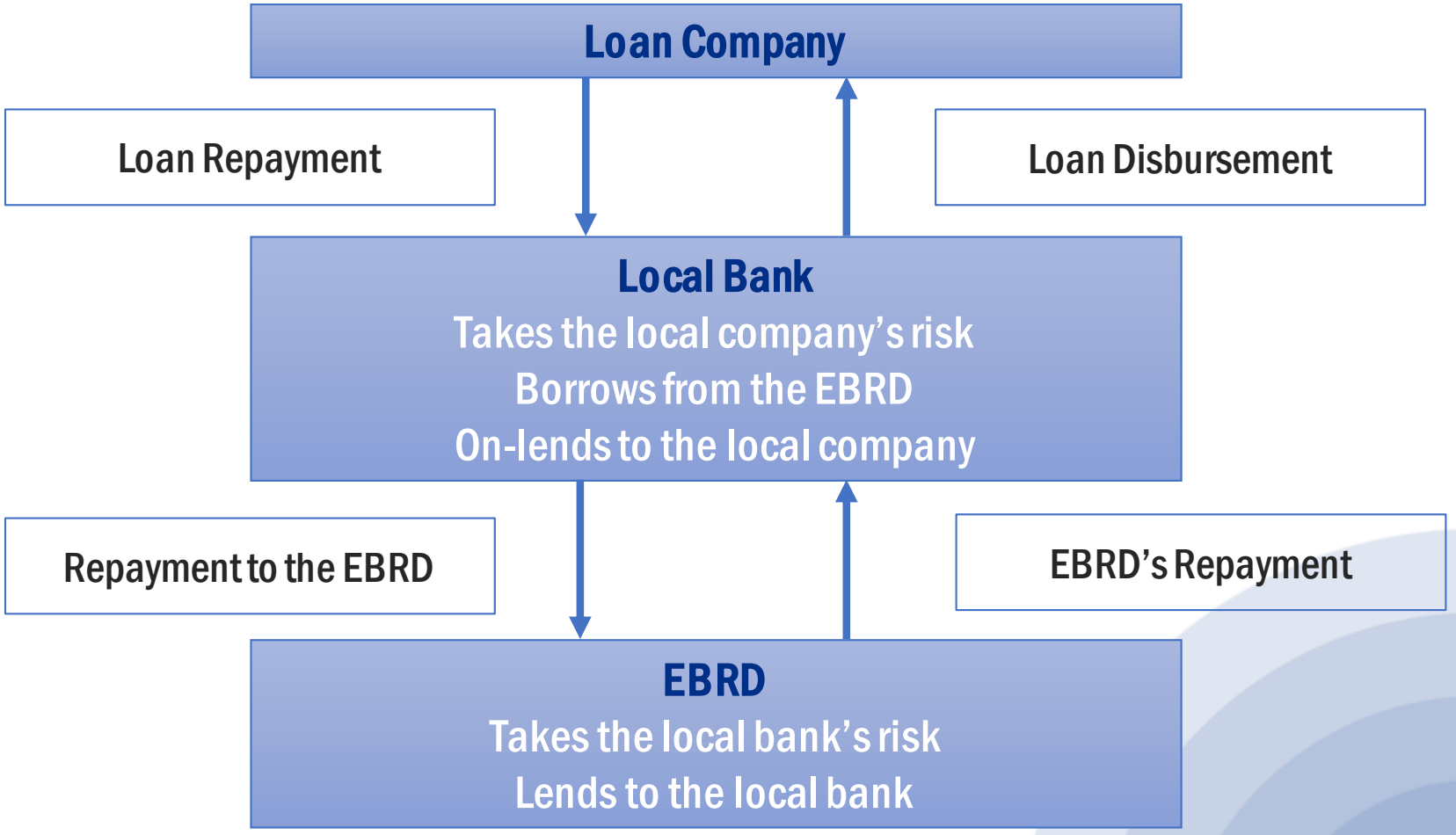

Main Feature of Revolving Credit Facility

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- Minimum amount is USD 100,000
- Maximum tenor – 12 month
- Choice of currencies (€, US$, local currency)
- Covers pre-export, post-import and local distribution of imported goods
- The EBRD disburses funds within 5 business days from the application

Revolving Credit Facility – Example

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Partner Bank

Ipoteka Bank, Tashkent, Uzbekistan

Sub-borrower

Super Oil Products Termez LLS, Surhandaryo, Uzbekistan

EBRD trade loan

USD 300,000.00

Tenor

12 Month

Underlying Goods

Import of sunflower oil

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Factoring Facility

3. Factoring

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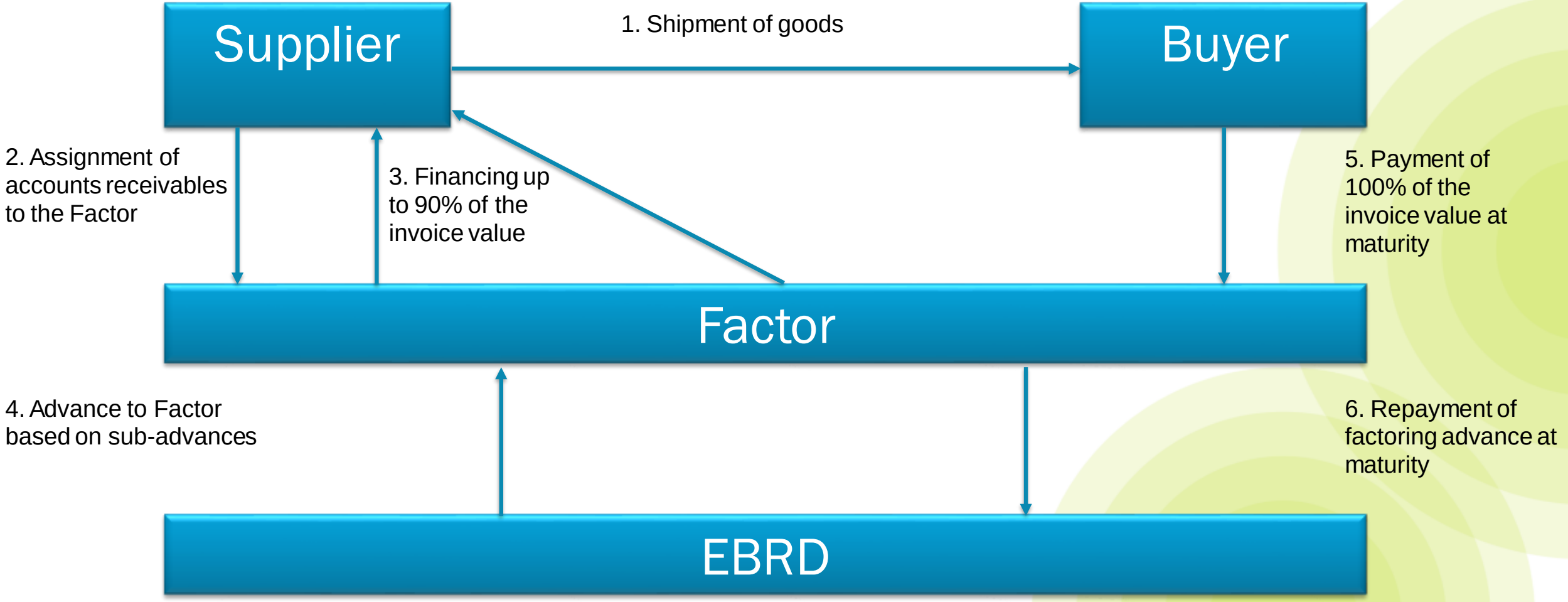

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Capacity development

Donor funded trade finance training and advisory services to issue banks

EBRD – Capacity Building Projects

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Objective

- To assist EBRD partner banks to upskill and professionalise their Trade Finance
- To help partner banks to turnaround trade finance business
- To encourage trade finance initiatives

CDCS Workshop in Baku, Azerbaijan

- Certificate for Documentary Credit Specialist (CDCS), a professional qualification on documentary letters of credit. This workshop has been developed by the EBRD Trade Facilitation Programme (EBRD TFP) with the objective of providing current and aspiring documentary credit professionals with the skills and expertise in documentary credit processes and rules to professionally deliver documentary credit service to support secure international trade.
- 25 trade finance professionals from partner financial institutions and the Central Bank of Azerbaijan took part.

ICA compliance training in Uzbekistan

Compliance workshops held in Uzbekistan in December 2022

- Together with International Compliance Association (ICA), TFP has delivered a workshop on Ant-Money Laundering (AML) in Tashkent, Uzbekistan.
- 25 trade finance professionals from partner financial institutions and the Central Bank of Uzbekistan took part.

TFP E-learning Courses

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The Programme ensures that trade finance professionals in the EBRD regions have the requisite skills to issue, process and honour trade products in line with the provisions of the ICC Trade Rules.

List of Courses

- Master Course (Collections, Mentor 600, DC Master, ISP Master, URDG Master, Incoterms 2010 and Environmental and Social Issues in Trade)
- Introduction to Trade Finance
- Trade Based Financial Crime
- Going global
- Introduction to Factoring and Receivables Finance Course, Fundamentals on Domestic and International Factoring Course, Supply Chain Finance and Reverse Factoring Course (in cooperation with FCI, the global representative body for factoring)

Target Audience

- Trade finance teams
- Relationship managers
- Risk managers
- Legal teams
- Operations teams

FCI

ICC International Chamber of Commerce
The world business organization

European Bank for Reconstruction and Development

Coastline Solutions

Upcoming Projects 2023-2024

- The demand for compliance trainings from partner banks has been growing, especially since the start of the geopolitical tension.
- International commercial banks are scrutinising every transactions to comply with international sanctions.
- The EBRD regions have been suffering from the consequences of the geopolitical situation. Central Asia is one of the heavily impacted regions.
- TFP team has identified **Sanctions Awareness** and **Anti-Money Laundering (AML)** e-learning courses as the most appropriate subjects for partner banks across the board.
- **870 ICA licenses will be purchased and distributed** among partner banks in all EBRD countries of operations.

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Individual Advisory Services

Individual Advisory Services

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Objectives:

- To help partner banks to establish trade finance department and develop the business
- To review the existing trade finance department and enhance to best practices
- Train staff on sophisticated trade finance instruments
- To support in development of international correspondent relations and negotiations of trade finance lines with foreign banks
- To review the internal trade finance organisational structure and propose recommendations
- To advise strategies to establish correspondent banking relationship and to produce required standard documentation that meets international standards

Individual Advisory Services

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The TFP engaged with a consultant to support Ipoteka Bank and Hamkorbank to review and enhance the Trade Finance Department.

The objectives include but not limited to:

- To review the internal trade finance organisational structure and propose recommendations
- To advise strategies to establish correspondent banking relationship and to produce required standard documentation that meets international standards
- To advise on the concept of supply chain finance, its structure, applicability, procedures and processes

European Bank
for Reconstruction and Development

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

Marco Nindl
Senior Banker
Tel: +44 207 338 7614
Email: nindlm@ebrd.com

Anna Brod
Senior Banker
Tel: +44 207 338 7865
Email: broda@ebrd.com

Nana Khurodze
Senior Banker
Tel: +44 207 338 6891
Email: KhurodzN@ebrd.com

Irina Tyan
Principal Banker
Tel: +44 207 338 7124
Email: tyani@ebrd.com

Jenny Stephensen
Principal Banker
Tel: +44 207 338 6136
Email: stephenj@ebrd.com

Olga Kompaniets
Principal Banker
Tel: +44 207 338 8974
Email: kompanol@ebrd.com