

Trade Facilitation Programme (TFP)

How does it work

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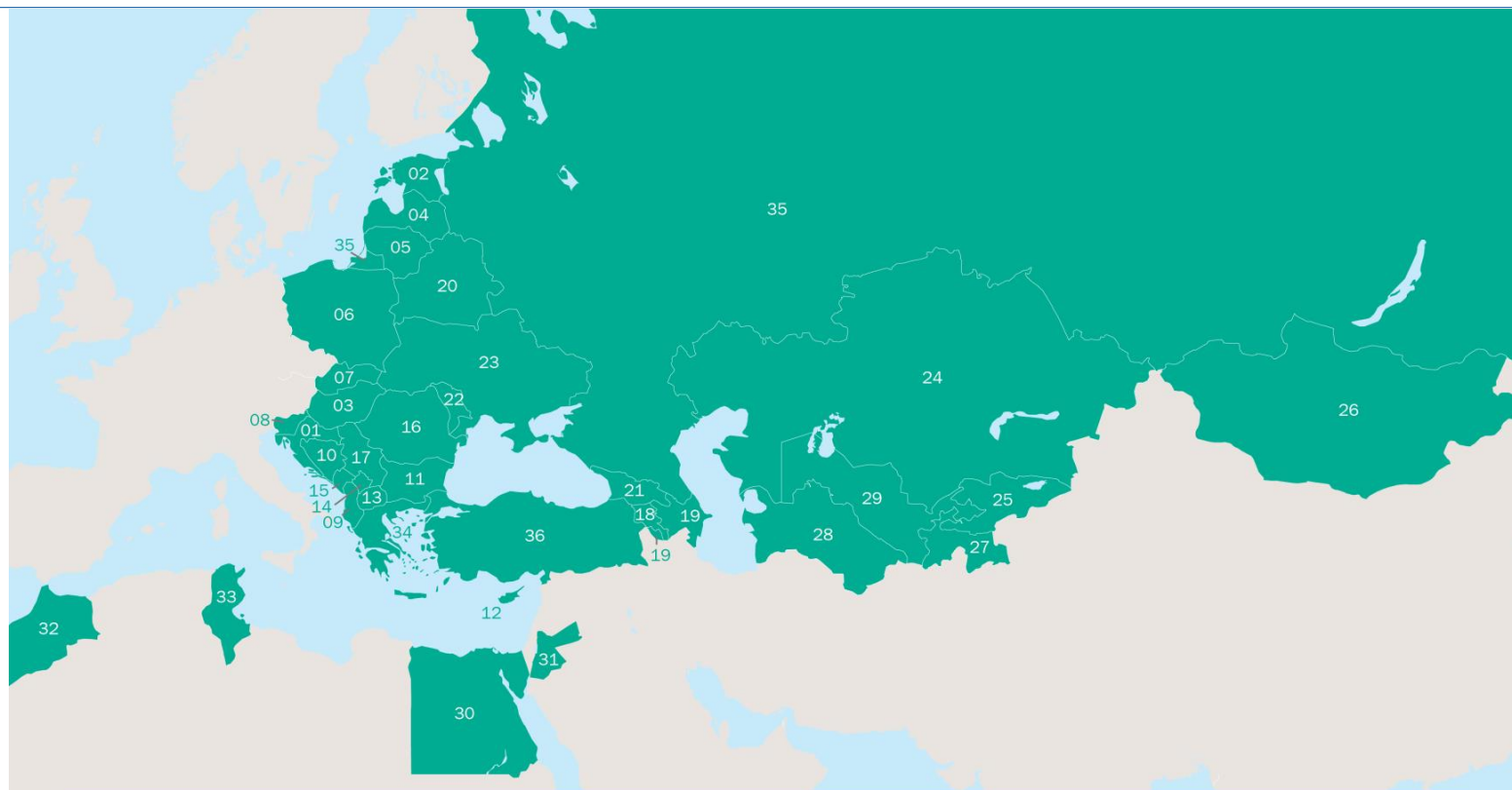


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EBRD - Where we invest



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for Reconstruction and Development



WHERE WE INVEST

Central Europe and the Baltic states

- 01 Croatia
- 02 Estonia
- 03 Hungary
- 04 Latvia
- 05 Lithuania
- 06 Poland
- 07 Slovak Republic
- 08 Slovenia

South-eastern Europe

- 09 Albania
- 10 Bosnia and Herzegovina
- 11 Bulgaria
- 12 Cyprus
- 13 FYR Macedonia
- 14 Kosovo
- 15 Montenegro
- 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

Southern and eastern Mediterranean

- 30 Egypt
- 31 Jordan
- 32 Morocco
- 33 Tunisia

34 Greece

- 35 Russia
- 36 Turkey

EBRD Trade Facilitation Programme (TFP) – How does it work?

EBRD supports trade by providing:

- **guarantees** that cover risks arising from trade finance transactions
- **short-term advances / financing** to banks in the Countries of Operation for trade finance purposes
- **trade finance training** and advisory service to local banks

Facilitates financing of all stages of the trade chain



EBRD supports trade by providing

GUARANTEES

that cover risks arising from trade finance transactions in favour of Confirming Banks

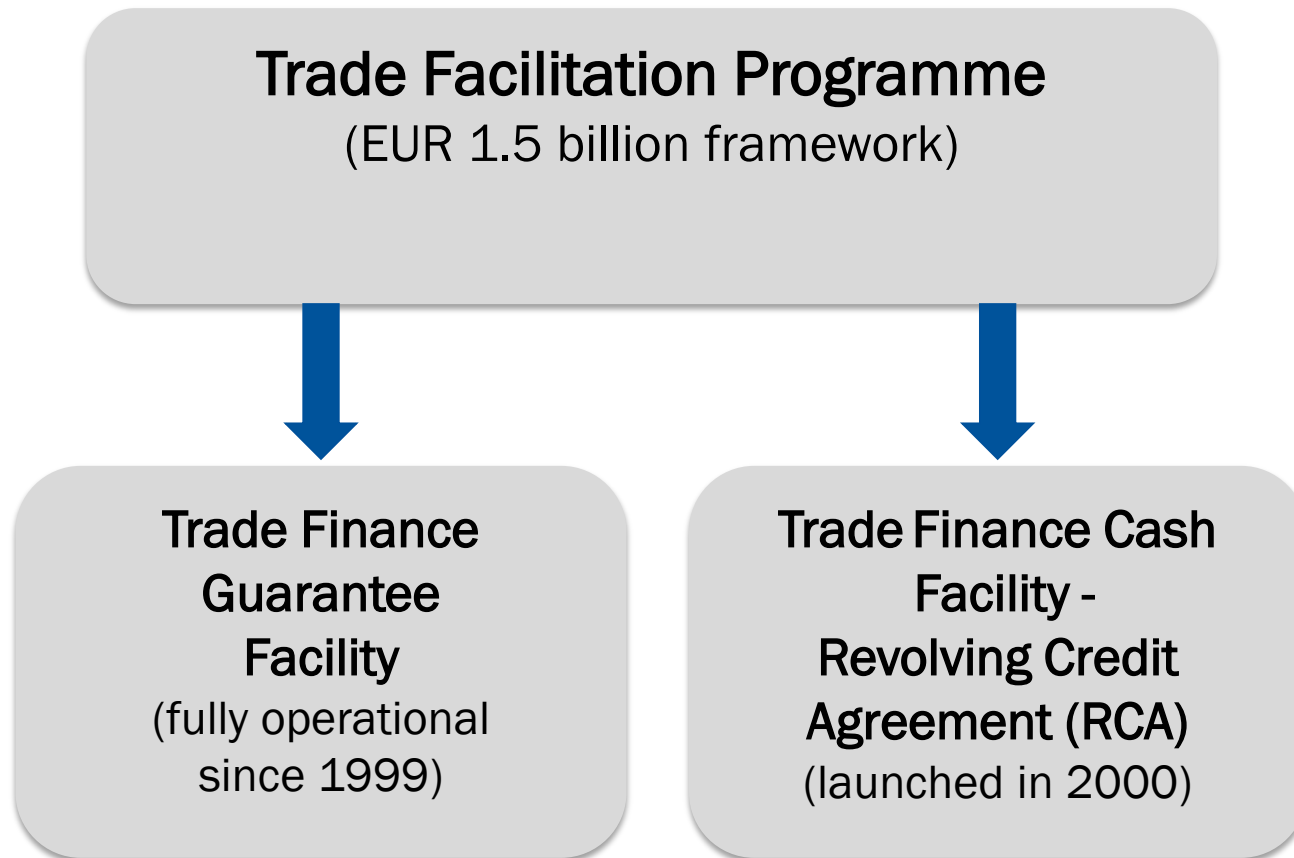
TFP guarantee agreements are signed with local issuing banks (IBA) plus agreement with confirming banks (CBA) all over the world

SHORT-TERM ADVANCES/FINANCING

to banks in the Countries of Operation for trade finance purposes

TFP Revolving Credit Agreements (RCA) are signed with local banks

Two main components



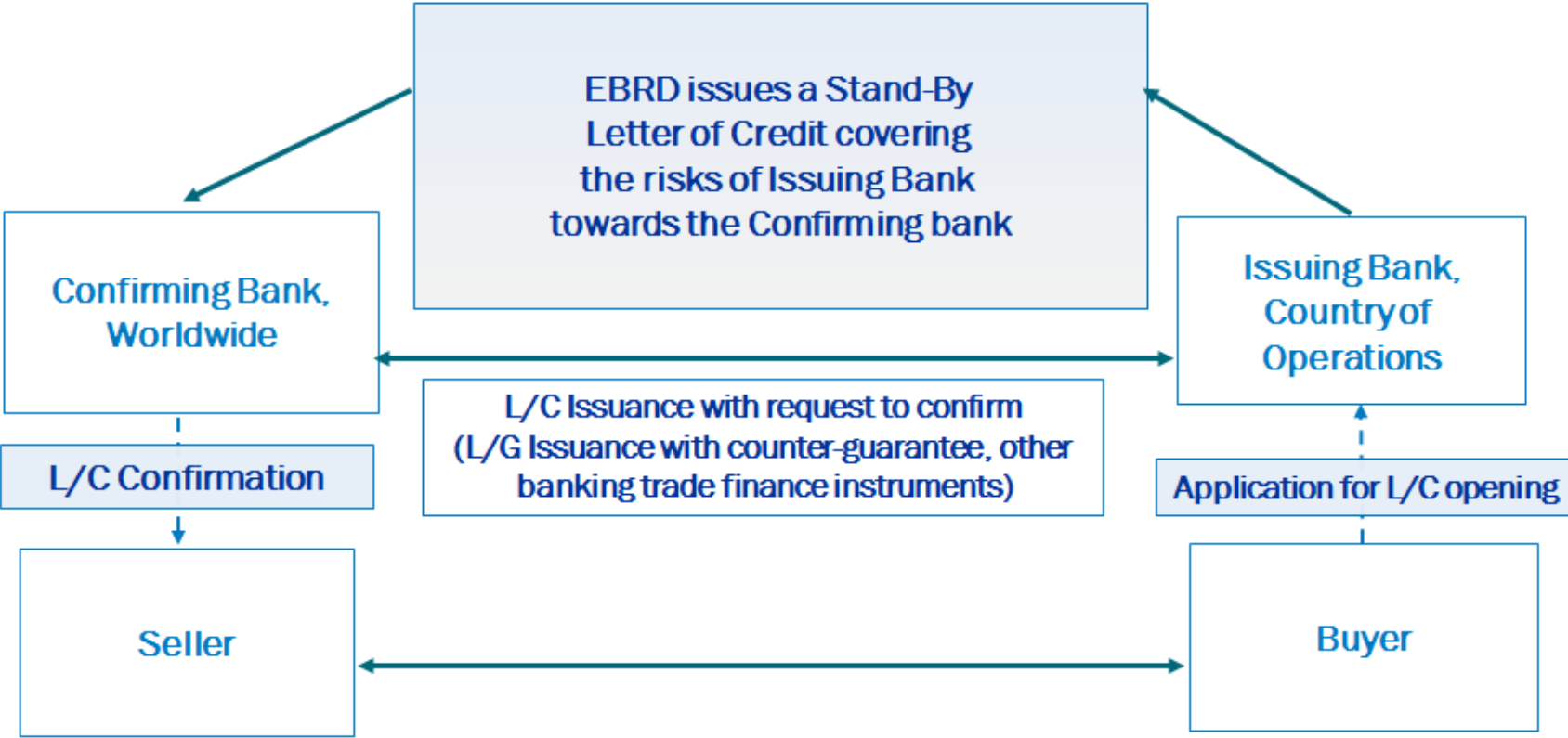
TFP - Guarantee Transaction



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- Always involves a local bank (“**Issuing Bank**”) which issues a trade finance instrument (e.g. a letter of credit) and a foreign bank which confirms it to the exporter (“**Confirming Bank**”)
- The trade finance instrument (e.g. L/C) ensures that the exporter receives payment upon or after delivery
- EBRD Guarantee covers payment risks of the Issuing Bank to the Confirming Bank

TFP - Structure and Application



EBRD TFP Guarantees: TFP Deal of the Year 2015

Export of construction services from Cyprus to Egypt

1. NEMESIS Contracting PLC, Cyprus exports road construction services to Egypt
2. EUROBANK CYPRUS LTD issues a counter guarantee in favour of PIRAEUS BANK EGYPT, for EGP (Egyptian Pounds) 15.85M (approx. EUR 1.9M) with a tenor of 1 year
3. EBRD covers 100% of the political and commercial payment risk



CYPRUS



For Issuing Banks and Customers

- No cash collateral required from Issuing Banks, hence cheaper financing terms for exporters/importers
 - Clients: more competitive exports and imports
 - Issuing Banks: enhance competitiveness vis-à-vis other banks
 - EBRD: reduce costs of transactions
- Assistance to Issuing Bank in structuring trade transactions
- Issuing Banks: develop expertise
- EBRD: institutional building

For Confirming Banks :

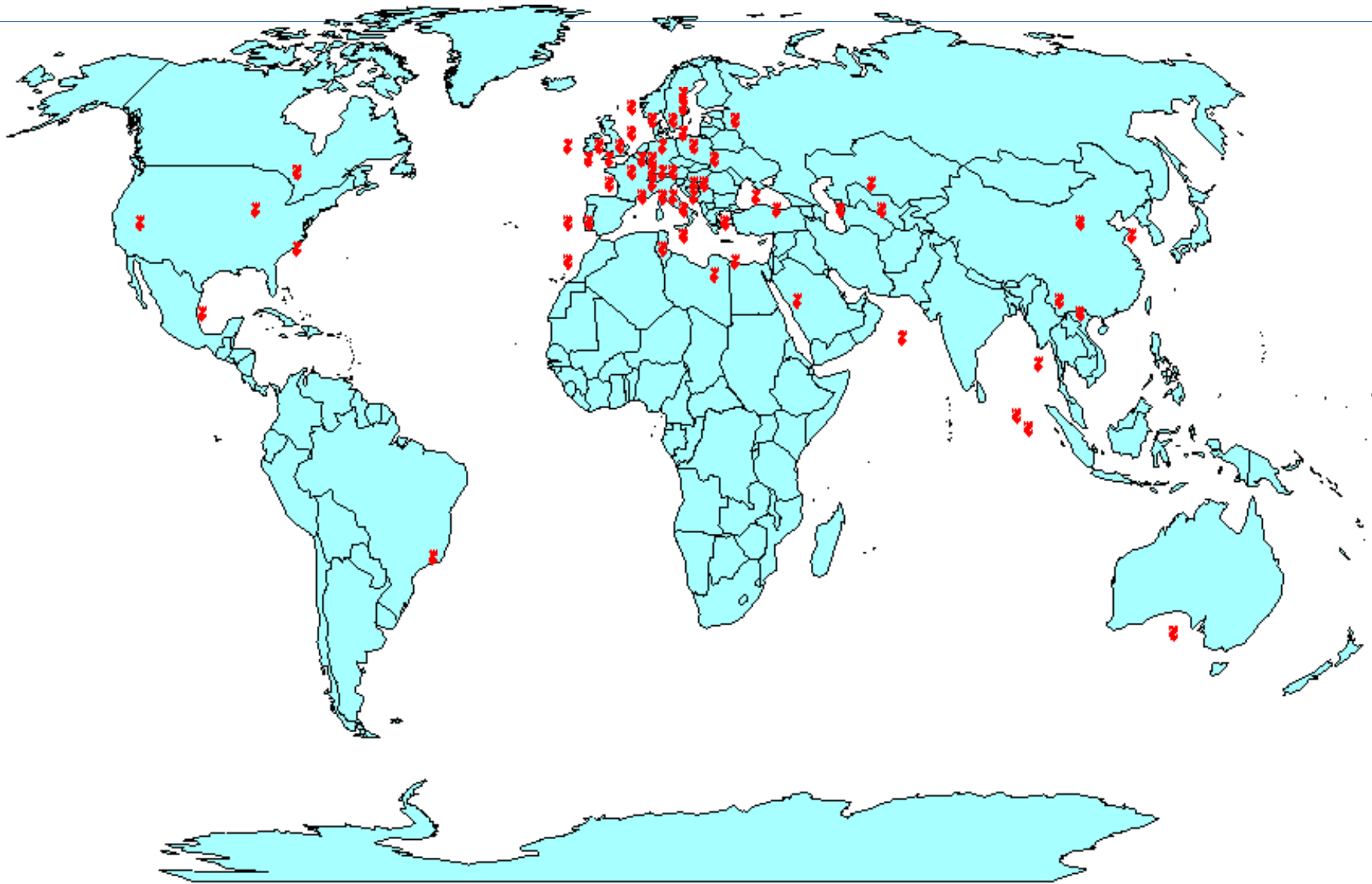
- Additional export business to Central & Eastern Europe CIS and SEMED countries with mitigated risks
- Improvement of services to exporting clients
- Advertising & business development



800 Confirming Banks in 77 Countries



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Ranked by Number of Transactions in 2015

1. Commerzbank
2. Banca Popolare di Sondrio
3. KBC Bank
4. Deutsche Bank
5. Raiffeisen Bank
6. Unicredit Bank
7. UBS
8. Societe Generale
9. Intesa Sanpaolo
10. BNP Paribas
11. Yapi Ve Kredi Bankasi
12. BHF Bank
13. ABN Amro
14. ING Bank
15. Swedbank
16. WGZ Bank
17. Credit Agricole
18. Citibank
19. Banco de Sabadell
20. Rabobank International

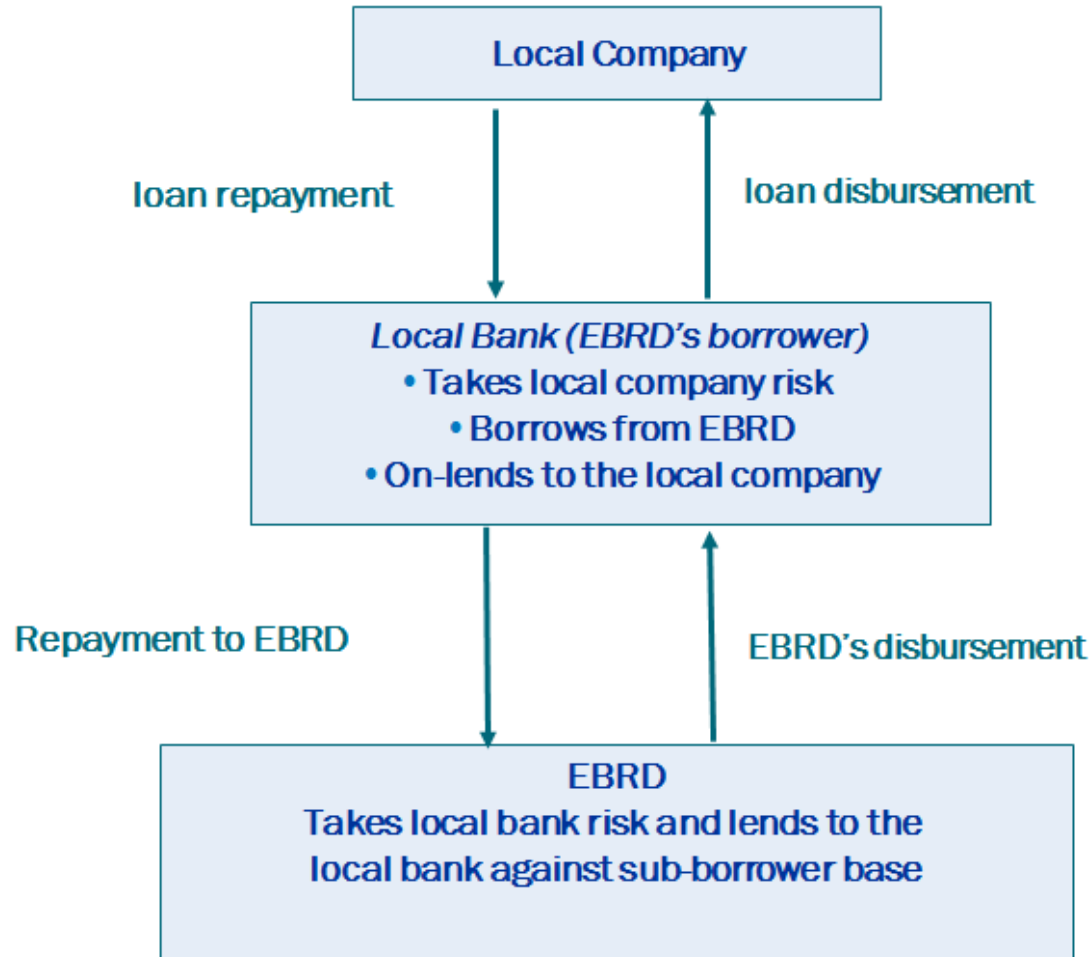
EBRD TFP – Co-Financing Partners

- ACE Global Markets (AGM) & Lloyds of London
- AKA Bank, Germany
- Arab Trade Finance Program, Abu Dhabi
- Confirming Banks
- Donor Risk Sharing Funds
- Export Credit Agencies
- FMO Netherlands
- OPEC Fund for International Development, Vienna
- Private Investment Funds

Trade Finance Cash Facility



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TFP – 1,035 Transactions in 2015



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1. Armenia
2. Ukraine
3. Georgia
4. Egypt
5. Turkey
6. Belarus
7. FYR Macedonia
8. Mongolia
9. Bulgaria
10. Azerbaijan
11. Romania
12. Morocco
13. Serbia
14. Moldova
15. Croatia
16. Kyrgyz Republic
17. Tunisia
18. Jordan
19. Cyprus
20. Tajikistan
21. Kazakhstan
22. Bosnia and Herzegovina
23. Turkmenistan

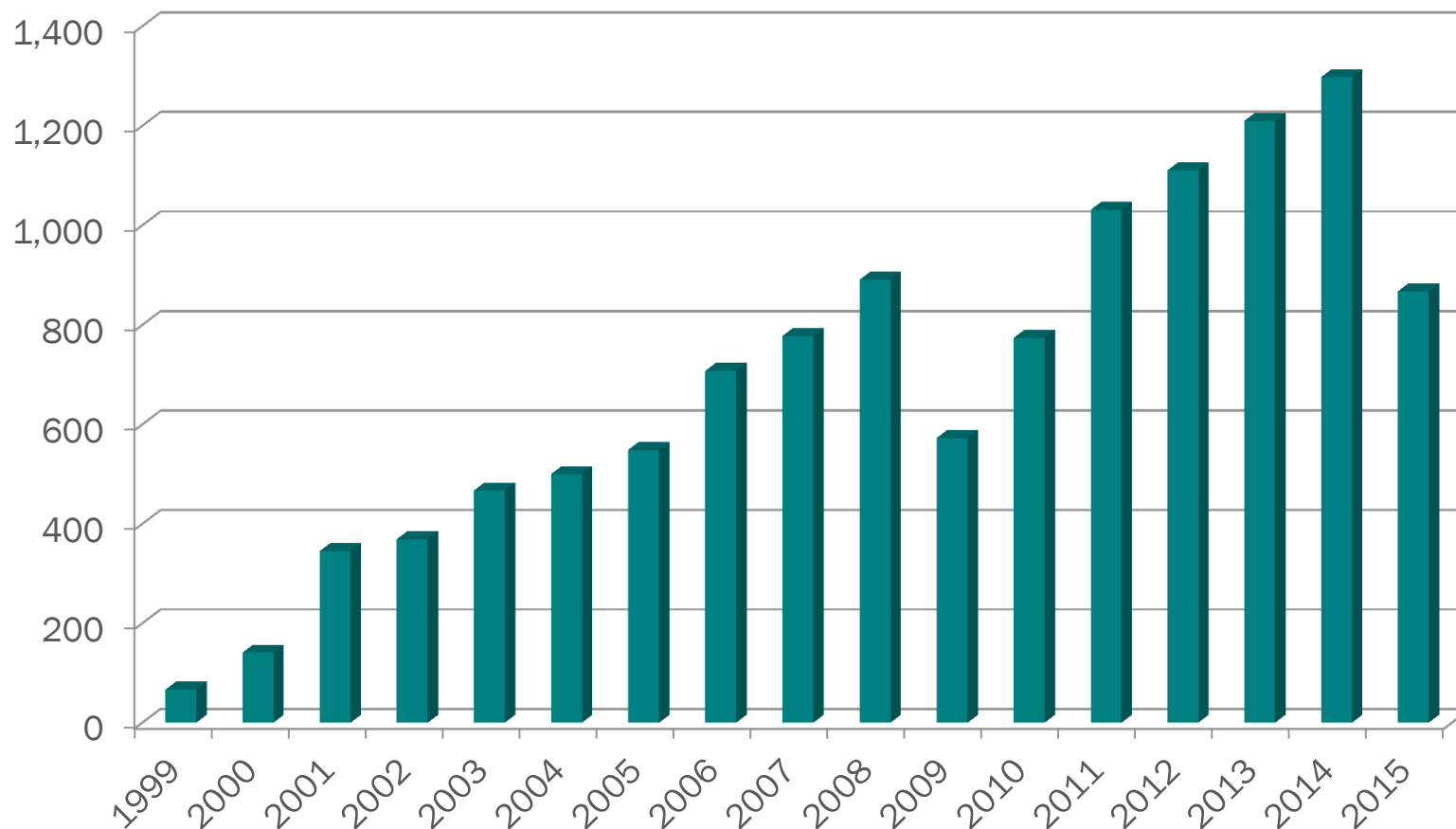
EBRD Trade Facilitation Programme (TFP)



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Annual Business Volumes 1999 – 2015

Volume, € mln



Active since this year with now 4 Issuing Banks:

- Alpha Bank
- Eurobank
- National Bank of Greece
- Piraeus Bank

Providing additional trade finance limit of total EUR 200 mln

Signing of TFP Agreement with NBG



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Signing of TFP Agreement with Alpha Bank and Eurobank



EBRD TFP Guarantees Example: Import of steel spacers from Germany

- **A Greek importer** purchases steel spacers from an exporter in Germany
- **National Bank of Greece** issues a guarantee for EUR 57,600 in favor of **Commerzbank** client
- **EBRD covers 100% of the political and commercial payment risk**



EBRD TFP Guarantees Example: Export of construction works from Greece



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- **A Greek exporter** needs a bid bond for export of construction works to Qatar
- **National Bank of Greece** issues a counter guarantee for EUR 0.3 mln in favor of **Arab Bank** covering such bid bond
- **EBRD covers 100% of the political and commercial payment risk**



EBRD – Capacity Building Projects



e-TQM College Blended Learning Approach

EBRD Trade Finance Training Courses



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Belarus



Factoring Seminar

Structured Trade Finance Training

TF & Factoring Advisory Services

Fraud Prevention Seminars

Tunisia



Morocco



EBRD Trade Finance Training Courses



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Crisis Response Training

ISBP for Documentary Transactions

Role of Sanctions in International
Trade Finance Banking



Belarus, Belinvestbank



Ukraine, Kiev



Azerbaijan, Baku

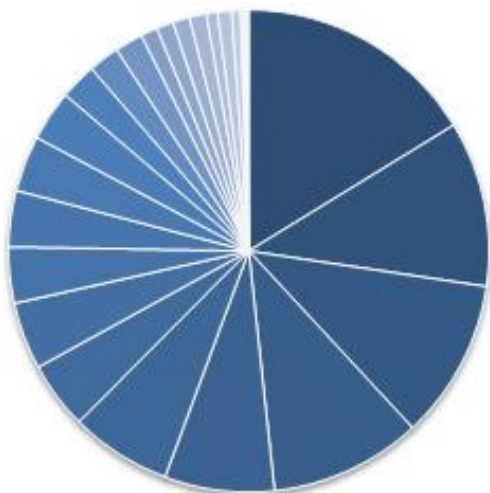
EBRD ICC e-Learning Programme

- The ICC's technology partner Coastline Solutions has assisted EBRD in developing an online training programme, incorporating ICC content on rules and operations in trade finance
- Project-funded by the EBRD's special shareholders' fund and offered free of charge to Issuing Banks in EBRD's countries of operations
- To date over 500 trade professionals from over 80 banks in 21 countries have enrolled



EBRD Trade Finance e-Learning Programme

To date > 3,000 trade professionals from 240 institutions in 36 countries enrolled

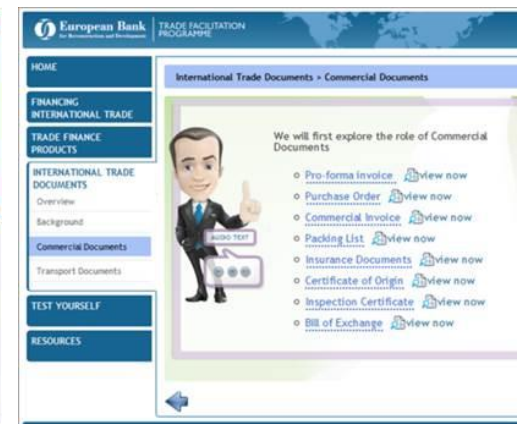


- Russian Federation
- Kazakhstan
- Egypt
- Azerbaijan
- Serbia
- Bosnia&Herzegovina
- Croatia
- Kyrgyzstan
- Latvia
- Ukraine
- Belarus
- Moldova
- Jordan
- Mongolia
- Tajikistan
- Turkmenistan
- Slovakia
- Armenia
- Macedonia
- Georgia
- Morocco
- Tunisia
- Kosovo
- Turkey
- Uzbekistan



Introduction To Trade Finance

- Course available in English, French and Russian
- Target Audience:
 - Relationship Managers, Product Sales team
 - SMEs, corporates engaged in international trade
 - Legal, Risk Management, Back office teams supporting trade finance operations



TFP cooperation with ICC Austria



European Bank
for Reconstruction and Development



ICC Austria Trade Finance Week : 15-19 May 2017



- 12th Global Conference on Bank Guarantees – 15 & 16 May 2017
- Case Studies on Bank Guarantees and Letters of Credit – 17 May 2017
- 10th Global Conference on Letters of Credit – 18 & 19 May 2017

For information and current up-dates check out: www.tradefinanceweek.org

Best Development Bank in Trade



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In 2015 readers of Trade Finance Magazine and Global Trade Review (GTR) have voted the **EBRD** “**Best Development Bank in Trade**”



EBRD invites other development banks, commercial financial institutions, export credit agencies and donors to co-finance with the EBRD

TFP TC Projects are funded by:

- The Early Transition Countries Fund
- The Shareholder Special Fund
- European Union 
- Norwegian, Swiss, Italian, Canadian, Taiwanese funding and other donors



TFP Trade Exchange Magazine



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- Launched in **2011**
- **10** publications to date
- Dedicated to Trade Finance and EBRD Technical Assistance Projects
- **5,000 Readers** from **1,000 Banks**

Reports on:

- News & Events
- Regional Focus Features
- In Depth sector Key Issues
- Trade Projects





Trade Facilitation Programme



Trade Facilitation Programme: overview

Introduction

Video: Our pioneering trade finance scheme

The European Bank for Reconstruction and Development's (EBRD) Trade Facilitation Programme has been running since 1999 and has been the recipient of numerous awards.

The programme aims to promote foreign trade to, from and amongst the EBRD countries of operations and offers a range of products to facilitate this trade.

Through the programme the EBRD provides guarantees to international confirming banks, taking the political and commercial payment risk of international trade transactions undertaken by banks in the countries of operations (the issuing banks).

Trade Facilitation Programme: overview

Products

Training

Awards

Join the Trade Facilitation Programme

Achievements

Trade Facilitation Programme

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