EBRD Trade Facilitation Programme

27th June 2024, UNECE, Geneva
Marco Nindl, Associate Director
Where we are
1 July, 2024

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

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

* The EBRD has excluded the Russian Federation and Belarus from receiving funding for projects or technical cooperation, following the invasion of Ukraine.
Facilitates financing of all stages of the trade chain
What TFP Offers?

Access to finance
Guarantee and Cash

Capacity development
Donor funded trade finance training and advisory services to issue banks

Individual Advisory Services
Donor funded
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
Trade Facilitation Programme (TFP)

- Established: 1999
- Issuing banks: 120+
- Number of operating countries: 30
- Number of transactions: 32,000+
- Total transaction value since 1999: €33+ billion
- Confirming banks: 800+
# TFP - Ranking No of Transactions by Country

1,916 Transactions in 2023

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
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<td>1.</td>
<td>Tunisia</td>
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<td>2.</td>
<td>Egypt</td>
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<td>3.</td>
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<td>4.</td>
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<td>6.</td>
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EBRD Projects to Facilitate International Trade

I. E-Learning Courses

II. Face to face workshops

III. Networking events to enable industry collaboration

IV. Policy dialogue
EBRD Contribution to Regulatory and Procedural Barriers to Trade

EBRD provides **Technical Assistance** to its **clients** and **partner governments** to increase capacity and improve access to global markets and value chains, thereby complementing the efficacy and impact of the Bank’s investments. This technical assistance is provided through two complementary pillars:

- Developing the capacity of businesses by engaging in export development activities and fostering new trade links through promoting Business-to-Business (B2B) sessions and trade and investment matchmaking opportunities.

- Supporting the development of global trade strategies and providing accredited economic diplomacy training for representatives of Countries of Operations’ Foreign Services to strengthen their capacity to undertake promotional activities and raise awareness of market opportunities.

**EBRD EU study** on sustainable transport connections between Europe and Central Asia

- Total infrastructure investment needs. Focus on **priority soft components that hamper trade including:** Digitisation of transport documents (paperless cross border trade, e-TIR/e-CMR implementation, Increased interoperability (alignment of weight/dimension standards), Improved tariff structures (transparent tariff setting, removal of cross-subsidisation, regional tariffs).
Compliance
Correspondent Banking
According to data from Bank for International Settlements (BIS), the value and volume of cross-border payments have been increasing, while correspondent banking relationships and number of corridors have contracted (graph A) and the trend is global (graph B). Emerging markets are particularly affected by the shrinking of correspondent banking corridors (graph C).

(source: BIS Sources: Rice et al (2020); CPMI (2023))
Why Commercial Banks Are De-Risking: Key Factors

- Commercial Banks have been suspending correspondent banking relationships for the following reasons:
  - change in business strategy, especially after the financial crisis
  - increased KYC and compliance requirements (AML and CFT matters)
  - cost of compliance vs profitability

- Over the years, KYC and AML requirements have become stricter and more complex, making compliance more time-consuming and costly.

- Commercial Banks have started to review their exposures to their customers and correspondent banks that may entail a higher risk of money laundering, terrorism financing or breach of sanctions regulations.
Global Percentage Change in the Number of Correspondent Banks

Percent change in number of correspondent banks, 2012-2018

-60, -40
-40, -20
-20, -0
0, 20
20, 40
No data
TFP Objectives

- To assist EBRD partner banks to upskill and professionalise their Trade Finance and Compliance Teams
- To help mitigate and prevent the International Trend of ‘De – risking’
- To encourage trade finance initiatives
- To prevent AML/Sanctions breaches and corruption
- To enhance compliance standards
- To promote strong CDD/KYC procedures

Find out more about TFP compliance activities by scanning the QR code
Since 2018, TFP has been transforming technical assistance model by strengthening ties with the International Compliance Association (ICA), the largest professional association of compliance specialists.

This collaboration enabled EBRD partner banks to train staff to the standards of leading international banks, minimise the costs of compliance and facilitate trade in the EBRD’s regions.

Characteristics of the training programme:
- Specialised trade-based compliance training
- Internationally recognised qualifications awarded by the ICA in association with University of Manchester (Alliance Manchester Business School)
- Candidates can attend an official EBRD/ICA qualification award ceremony.
- Complimentary one-year exclusive membership with the ICA with access to the Continuous Professional Development Centre, networking events, In Compliance magazine and library of online resources.
In 2020, the TFP engaged with the Association of Certified Anti Money Laundering Specialists (ACAMS) to support capacity building in Georgia, Moldova, and Ukraine, through the implementation of sustainable AML/Counter-Terrorism Financing (CFT)/sanctions and broader anti-financial crime skills and knowledge building including professional certification, live and online training, conferences/symposia.

- Unlimited access to ACAMS Enterprise Membership for Anti Financial Crime resources for a year.
- Over 70 bank professionals from 30 institutions participated in the course and certified.
- Launch of ACAMS Eurasia Chapter in April 2021. The ACAMS Eurasia Chapter brings together board members located in 7 countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Moldova and Ukraine. ACAMS chapters are local professional networks that organise regular learning and networking events in local regions to support compliance professionals’ continuous study and learning in the area of compliance.
Compliance Workshops in Armenia and Georgia

The TFP team collaborated with the National Bank of Georgia, the Central Bank of Armenia and local representatives of the International Chambers of Commerce (ICC) to deliver two-day workshops for the banking sectors in Armenia and Georgia, focusing on enhancing the role of compliance in international trade.

The workshops, expertly led by an EBRD consultant, provided an in-depth examination of various compliance aspects, including international sanctions risk, regulatory frameworks, correspondent banking, financial crime compliance, and trade-based money laundering.

A total of 150 banking professionals from Armenia and Georgia participated in these workshops.
Digitalisation in De-risking of Correspondent Banking

10 October 2024, Bratislava, Slovakia

Event to showcase digitalisation in correspondent banking as one of the possible solutions to significantly raise the level of comfort and reduce the cost of transaction due diligence and sanctions compliance on the correspondent bank’s side, by organising a forum and show-casing the positive effects of digitalisation.