

Supply Chain Resilience

The Role of Supply Chain and Trade Finance

Our Purpose

Asia-Pacific's economic growth is generating increasing demand for goods and services: ADB's Trade & Supply Chain Finance Program (TSCFP) empowers countries to meet Sustainable Development Goals (SDGs) by closing market gaps through guarantees, loans, and knowledge products.

Since 2009, TSCFP has supported \$41.7 billion in trade across 23,915 transactions (70% SME-related)

The Challenge

The increasing demand for goods and services represents both concentration of risk and an opportunity to invest in resilience-building at a large scale. Managing supply chain risks related to climate change and labor violations alongside traditional risks are essential to maintaining business continuity and resilience. However, supply chains are complex and have a large number of SMEs – many who lack sustainability awareness or resources to act.

SMEs make up more than 96% of all Asian businesses, providing two out of three private-sector jobs on the continent

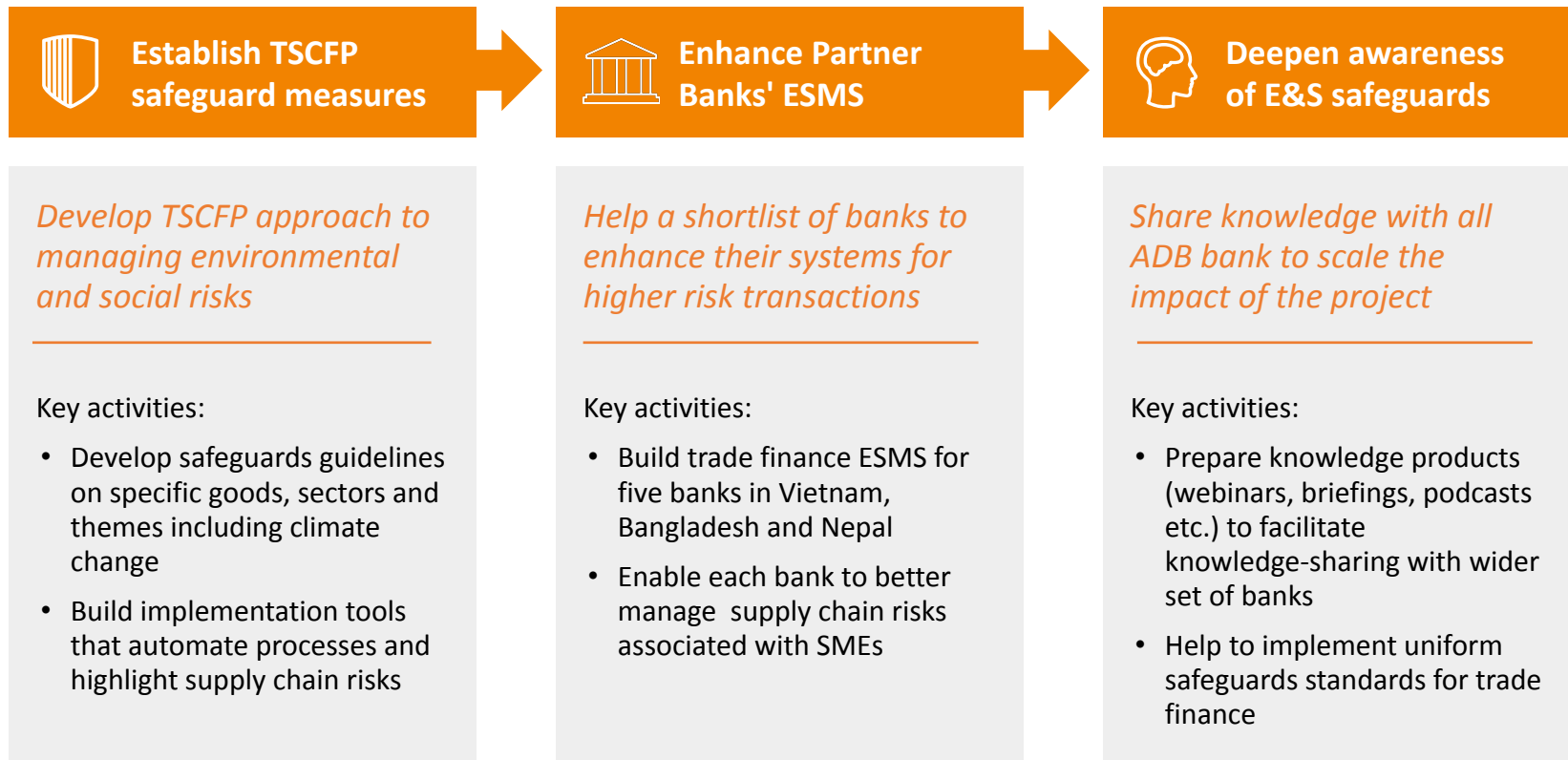
The Opportunity

TSCFP is contributing to APAN Economic Sector Resilience by analysing the supply chains for goods from garments to equipment for power projects. The trade finance sector has an opportunity to scale efforts to support a shift towards more sustainable – and climate change resilient – supply chains. Improving processes to assess and manage sustainability risks will enable TSCFP to do this while continuing to provide working capital to SMEs.

TSCFP works with over 240 banks in 21 countries to provide companies with the financial support they need to engage in import and export activities in Asia's most challenging markets

ADB's Safeguards Initiative

Project Summary: Objectives and Key Activities



Halotrade - Pilot

ADB is engaging Halotrade & Global Bright Futures in a pilot to test a Financial Technology system to transform Supply Chain Finance (SCF) into a driving force for better Economic, Social and Governance (ESG) standards.

Project Scope: The project will connect with international fashion retailers and their garment suppliers producing in Delhi, India. The Halo system, receiving ESG data from a Worker Voice Tool, will offer preferential supply chain finance for conformance with ethical workplace standards.

