

BII and ADB forge partnership to increase green goods trade financing in Asia

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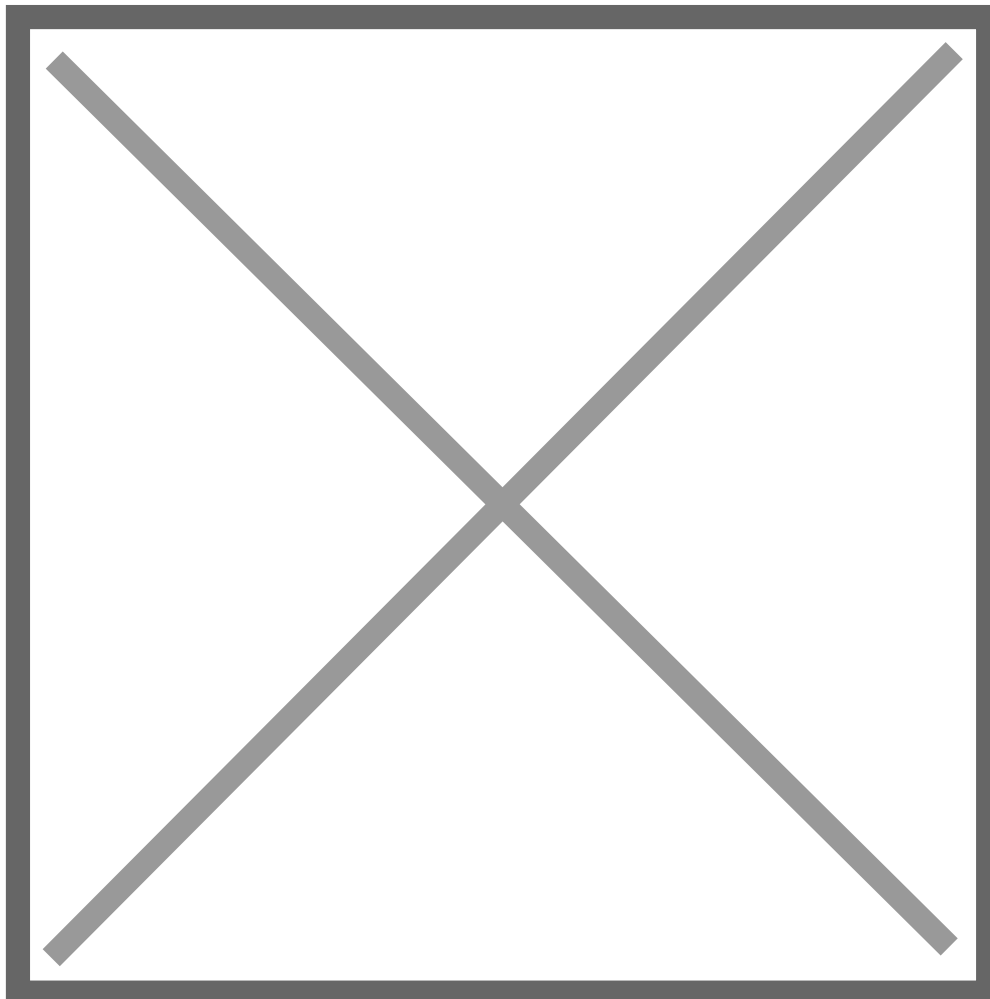
British International Investment (BII), the UK's development finance institution (DFI) and impact investor, and **Asian Development Bank (ADB)**, the regional development bank for Asia and the Pacific, today announced a new partnership to finance up to \$100 million of green trade transactions in the region. The partnership will be managed through ADB's Trade and Supply Chain Finance Program (TSCFP) and will focus on renewable energy, energy efficiency and climate-smart agriculture to support the region's energy transition and climate resilience.

In South and South East Asia, two of the most vulnerable regions to climate change, enabling development of more renewable energy capacity and its supply chain is essential to achieve the region's sustainability goals.

Trade is a critical part of this as it enables the flow of goods that help regions to mitigate and adapt to the impacts of climate change. However, it is estimated that there is a global trade finance gap of \$2.5 trillion annually, which means businesses lack access to the finance needed to trade energy transition goods for climate projects. Furthermore, local banks are currently not able to fully meet the demand to provide longer tenors required to finance goods for climate related projects, particularly within the renewable energy sector.

The BII-ADB partnership aims to reduce the global trade finance gap and address this unmet demand for longer tenor for green transactions. The risk sharing agreement between the two organisations will help international banks increase their financing support to local banks, initially in Vietnam, before expanding to other countries supported by BII and ADB. This will

provide crucial financing for local importers of solar panels, wind turbines, electric vehicles, and agricultural goods which will support the region to transition to cleaner sources of energy.



From left: Ankita Pandey, ADB; Colin Buckley, BII; Alistair White, British Deputy Ambassador to the Philippines; Srini Nagarajan, BII; Suzanne Gaboury, ADB; Roger Fischer, ADB; Liz Lloyd, BII; Asif Cheema, ADB; Anton Periquet, BII; Dele Olufisan, BII; Cherrie Nuez, British Embassy and Benjamin Sandstad, ADB.

Andrew Mitchell, UK Minister for Development and Africa, said: "This agreement between BII and the Asian Development Bank will unlock crucial green trade finance in Asia. It demonstrates how, by working together, the development finance system can mobilise the private finance so urgently needed to support countries in their transition to low carbon, climate-resilient economies."

Srini Nagarajan, Managing Director and Head of Asia at BII, commented: "Supporting sustainable development in South and South East Asia is a key priority at BII. Green trade finance enables supply chain development of the renewable energy industry and tackles the bottleneck for much needed long tenor financing in the region. We are delighted to work with ADB, a strong partner with extensive knowledge and network in Asia, on a shared ambition to support the region's energy transition and build climate resilience."

Suzanne Gaboury, Director General for Private Sector Operations at ADB, said: "This collaboration with BII will strengthen ADB TSCFP's capacity to further grow green supply chains in Asia-Pacific region, with a focus on energy transition goods that are essential for tackling climate change."

The BII-ADB Green Trade Finance Facility supports SDG 7 on Affordable and Clean Energy and SDG 13 on Climate Action. The transaction is led by Freddie Tucker, Investment Director, Trade and Supply Chain Finance at BII.