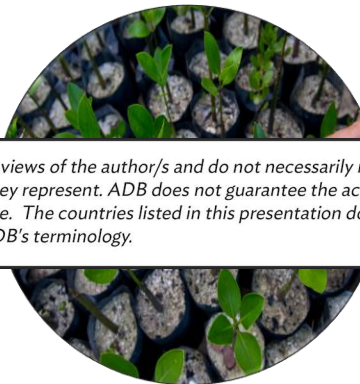




Environmental and Social Sustainability in Trade and Supply Chains Workshop



The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.

Making global trade and supply chains **inclusive**, **green**,
resilient, **transparent**, and **socially responsible**.

Session 1:

ADB Trade and Supply Chain Finance – Knowledge Initiatives Updates

Making global trade and supply chains **inclusive**, **green**, **resilient**, **transparent**, and **socially responsible**.



Making global trade and supply chains **inclusive, green, resilient, transparent, and socially responsible.**

Digitalization critical to making supply chains resilient

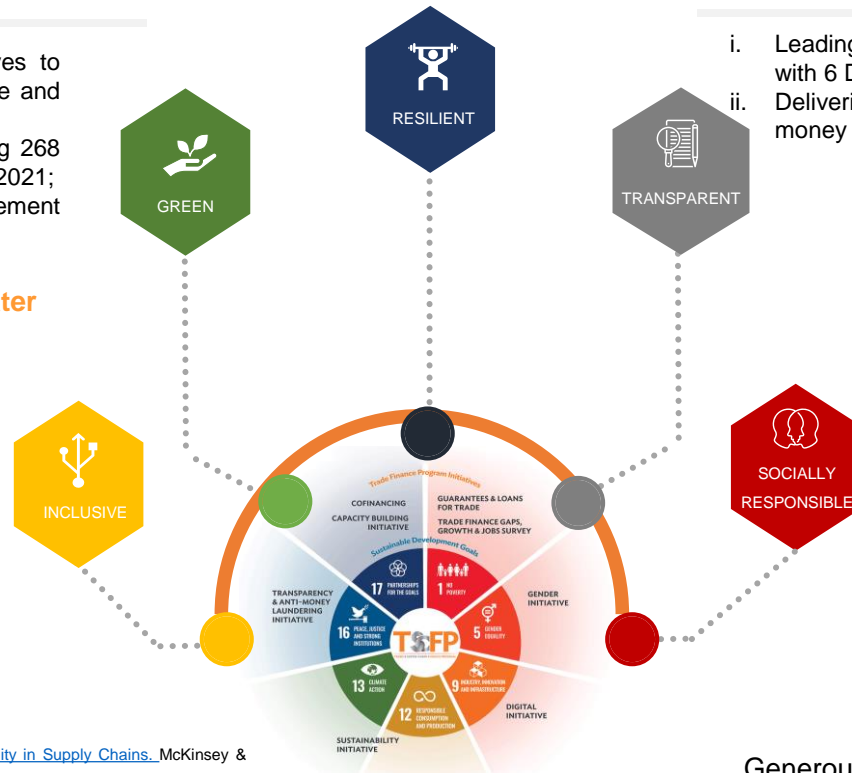
- i. Created Digital Standards Initiative with International Chamber of Commerce and Government of Singapore to drive inter-operability between exporters, shippers, ports, customs, warehousing, and importers;
- ii. Advocating adoption of electronic documents legislation, including technical assistance;
- iii. Mapping supply chains for COVID-19 goods.

80% of global carbon footprint traced to supply chains¹

- i. Leading public-private sectors initiatives to drive sustainability through global trade and supply chains;
- ii. Executing green transactions, including 268 “green deals” valued at \$317 million in 2021;
- iii. Implementing environmental management systems in commercial banks.

Closing trade finance gaps for greater inclusion and to achieve SDGs²

- i. Trade Finance Gaps, Growth, and Jobs study identified \$1.7 trillion trade finance market gap, why it exists, and what action needed;³
- ii. Executed 6,790 transactions in 2021 valued at \$8 billion, \$5.5 billion of which cofinanced, supporting 2,858 SMEs;
- iii. Leading gender and initiating disability initiatives across all DMCs.



Crime in trade and supply chains impedes development

- i. Leading trade-based money laundering pilot with 6 DMCs;
- ii. Delivering extensive training on detecting money laundering, trade in wildlife and people.

Ensuring social / labor standards in supply chains

- i. Developed social/labor due diligence form for banks to ensure corporate client compliance;
- ii. Exploring pilot to include social information in product bar/QR codes;
- iii. Exploring creation of single minimum social industry standard in partnership with ILO and others.

¹ Titia Bové and Swartz. 2016. *Starting at the source: Sustainability in Supply Chains*. McKinsey & Company.

² United Nations [Addis Ababa Action Agenda](#): Trade Finance is important in achieving SDGs.

³ NB: Most initiatives undertaken in partnership with ADB departments, including ERCD, OAI, OGC, SDCC, as well as regional departments

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Human Resources policies of **29 banks** from **12 countries** assessed to identify **enhancements** to **attract, retain and promote more women in banking**



Outcomes:

- 17 banks implemented 33 projects such as:
 - ✓ Flexible Working
 - ✓ Gender Pay Gap
 - ✓ Whistle Blowing Policy



Next Steps:

- Enroll more banks
- Targeted training to women-owned SMEs

Launch Disability Inclusion Initiative

- Develop recommendations on HR policies and physical access
- Partner with Global Disability Innovation Hub



2022 Gender Award
Champion Khan Bank



2019 Shireen Lateef Gender Equality Operations Awards

TSCFP's Gender initiative generously supported by



THE GOVERNMENT
OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance





80% of global carbon footprint traced to trade/supply chains.¹

TFP Green Equipment Initiative

- New Green Equipment Facility (available from existing TFP exposure limits) to support companies upgrading equipment to reduce carbon footprint.
- New facility to close market gaps for 2–3-year financing for green equipment.



268 Green transactions valued at **\$317 million** in 2021 and 201 transactions valued at **\$249 million** in Q3 2022.²

Leading Green Industry Efforts

- Sustainability training : 345 bankers in 11 countries trained since 2021;
- Implementing Environmental & Social Management Systems (ESMS) in developing Asia;
- Developing sustainability risk metrics for soft commodities;
- Exploring pilot with GS1⁴ to map a supply chain end-to-end, with QR codes capturing data to monitor and verify environmental standards.

1 Titia Bové and Swartz. 2016. [Starting at the source: Sustainability in Supply Chains. McKinsey and Company.](#)

2 Deals are determined as “green” based on the following: (i) APEC list of Environment Goods, (ii) CDC – Climate Finance in Trade Finance, (iii) EBRD Green Economy Transition Guidance, and (iv) IFC Climate Smart Trade Initiative.

3 The Global Map of Environmental & Social Risk in Agro-commodity Production (GMAP) is an online tool that uses publicly available data and analyzes environmental and social supply chain risks for approximately 250 country-commodity combinations in emerging markets and facilitates rapid agro-commodity trade financing and sourcing decisions.

4 GS1 is a not-for-profit entity responsible for bars/QR codes.





Low Carbon Transition Goods

Climate Smart Agriculture

- Aquaculture Stewardship Council: farmed seafood, shrimp
- Certified crops (RTRS, Bonsucro, BCI, RSB, Global GAP)
- Fairtrade Small-Scale Producer: perennial and annual crops
- Medium voltage power distribution networks
- Rainforest Alliance (perennial crops)
- Roundtable on Sustainable Biomaterials: biomaterials, biofuels, and biomass
- Smart metering for water pumping
- Solar-powered irrigation systems

Energy Efficient Goods

- Biomass cookstove models
- Collectors and discs for cooking and heating applications
- Energy efficient light bulbs, CFLs, LED lights, windows and doors
- Fluorescent tubes
- Heat exchangers
- Household appliances (with US Energy Star label or EU Energy label of A and above)
- Hybrid vehicles, electric bicycles
- Insulation materials (for boilers & pipes or for building envelope)
- LPG buses, Solar cookers, Steel for recycling, Thermostats

Renewable Energy

- Cross-border interconnections and long-distance high-voltage lines
- Parts and equipment for any renewable technology
- Biomass & Biogas
- Ethanol
- Geothermal (Compressors, heat exchangers, heat pumps)
- Hydro Power (e.g., absorbers, hydraulic pumps, oscillating water columns, etc.)
- Solar Power (e.g., solar inverters, solar cells, glass tubes, panels, converters for PV plants, etc)
- Wind Power (e.g., wind power poles, blades, control systems, wind turbines, power transformers, etc.)





Resilience: Trade Digitalization Initiative



Creation of the **Digital Standards Initiative** (2019) to:

- Establish a **globally harmonized digital trade environment**.



Goals:

- i. **Create standards & protocols** enabling interoperability for seamless digital trade
- ii. **Legal Reform Advisory Board under the DSI**
 - One ADB Initiative to advocate and pilot the adoption of MLETR (Model Law on Electronic Transferable Records) in DMCs



Partners





Transparency, Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Initiative

Trade-based Money Laundering Webinar Series in April and May 2022 attended by almost 1,500 bankers and regulators



TSCFP's AML/CFT initiative is generously supported by



THE GOVERNMENT OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance

- ▶ Implement pilot with **6 countries** to streamline and improve AML/CFT standards and practices around trade-based money laundering (TBML).
- ▶ Provide **AML/CFT training and certification** to DMC banks; organized highly successful webinars on **TBML with regulators and banks.**
- ▶ Over **450 individuals from 80 banks in 17 countries** have **benefitted by ACAMS certification** sponsored by ADB TSCFP.



TSCFP: making global trade and supply chains inclusive, green, resilient, TRANSPARENT, and socially responsible.

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Online Courses and Certifications

Association of Certified Anti Money Laundering Specialists (ACAMS)

Major Certifications:

- Certified Anti-Money Laundering Specialist
- Certified Global Sanctions Specialist

Associate Certifications:

- Certified Know Your Customer Associate
- Certified Transaction Monitoring Associate
- Certified AML FinTech Compliance Associate
- Ending Illegal Wildlife Trade (free course)

450+ individuals from 80 banks in 17 DMCs have benefitted by ACAMS certification

International Chamber of Commerce Academy (ICCA)

Major Certifications:

- Global Trade Certificate (GTC)
- Certified Trade Finance Professional (CTFP)

Minor Certifications:

- Export Import Certificate (EIC)
- Incoterms 2020
- Free Trade Agreement
- Certificate on the Common Reporting Standard (CCRS)

350+ individuals from 80 banks in 17 DMCs have benefitted by ICCA certification





Social Responsibility



Exploring pilot with **GS1**¹ to map a supply chain – end to end – with **QR codes** capturing data to monitor and verify social standards.



Promoting **social responsibility** by implementing enhanced due diligence on labor standards in partner banks



Established working group – **ILO, EBRD and IFC** – to develop one minimum standard for **social responsibility compliance**



¹ GS1 is a not-for-profit entity responsible for bars/QR codes

TSCFP: making global trade and supply chains inclusive, green, resilient, transparent, and SOCIALLY RESPONSIBLE

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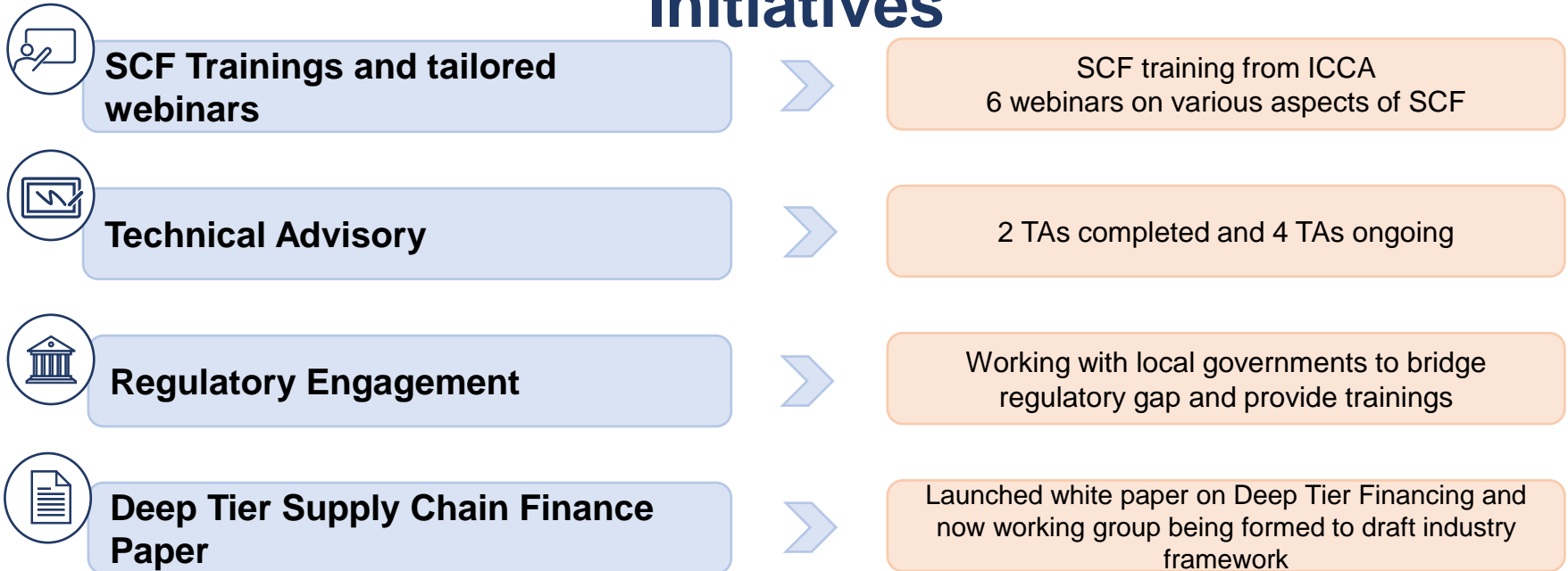
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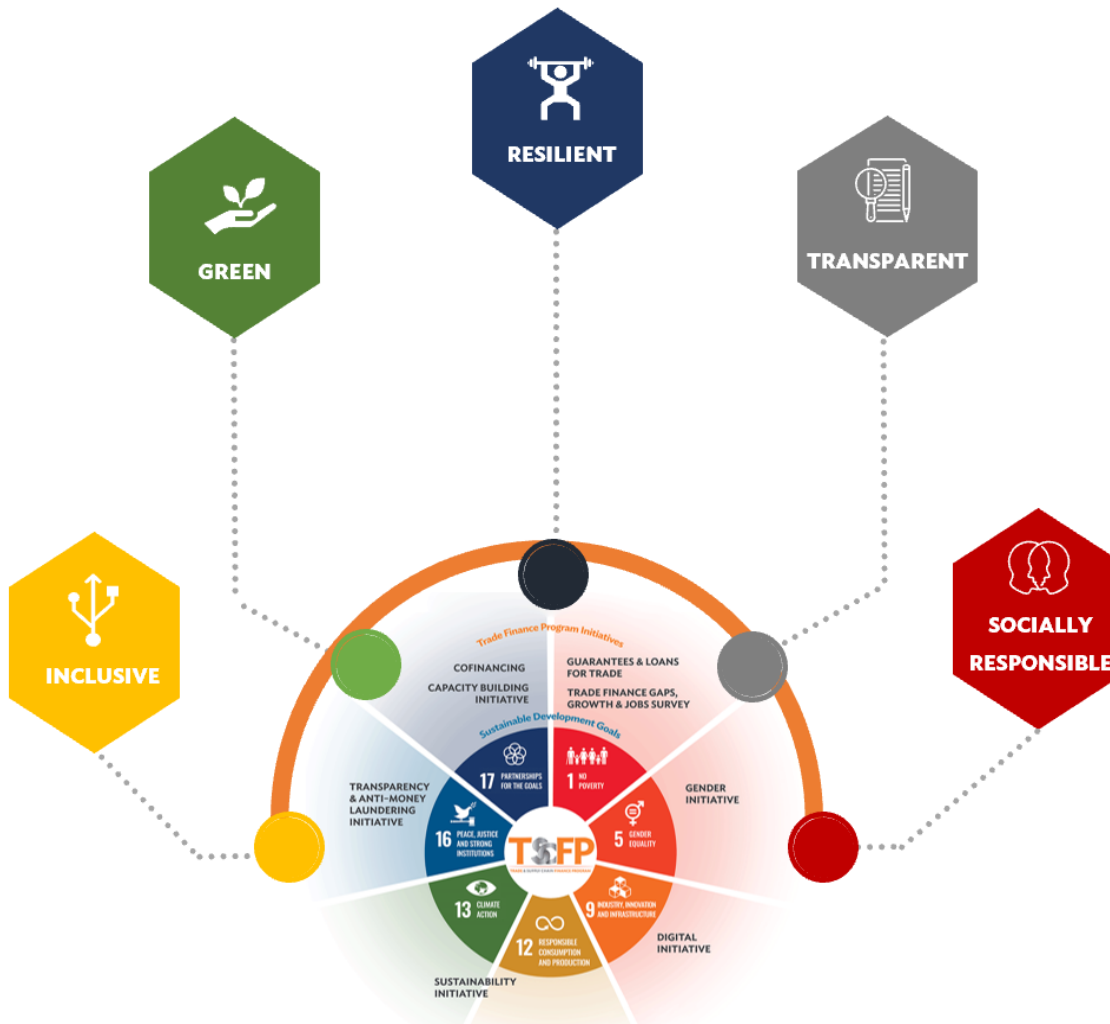


TSCFP: making global trade and supply chains inclusive, green, RESILIENT, transparent, and socially responsible.



Supply Chain Finance Initiatives





Thank you.

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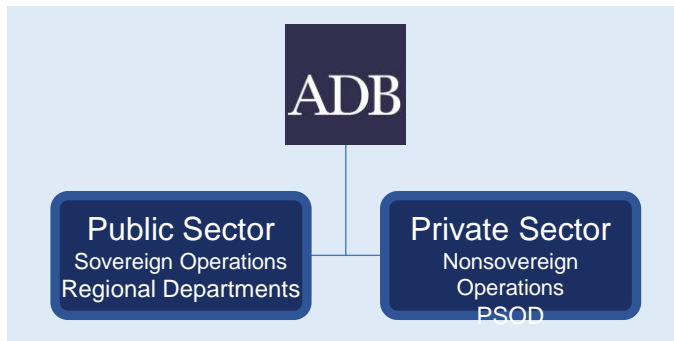
Session 2:

ADB FI Long Term Lending Opportunities

Private Sector Financial Institutions Division



Private Sector Operations Department (PSOD)

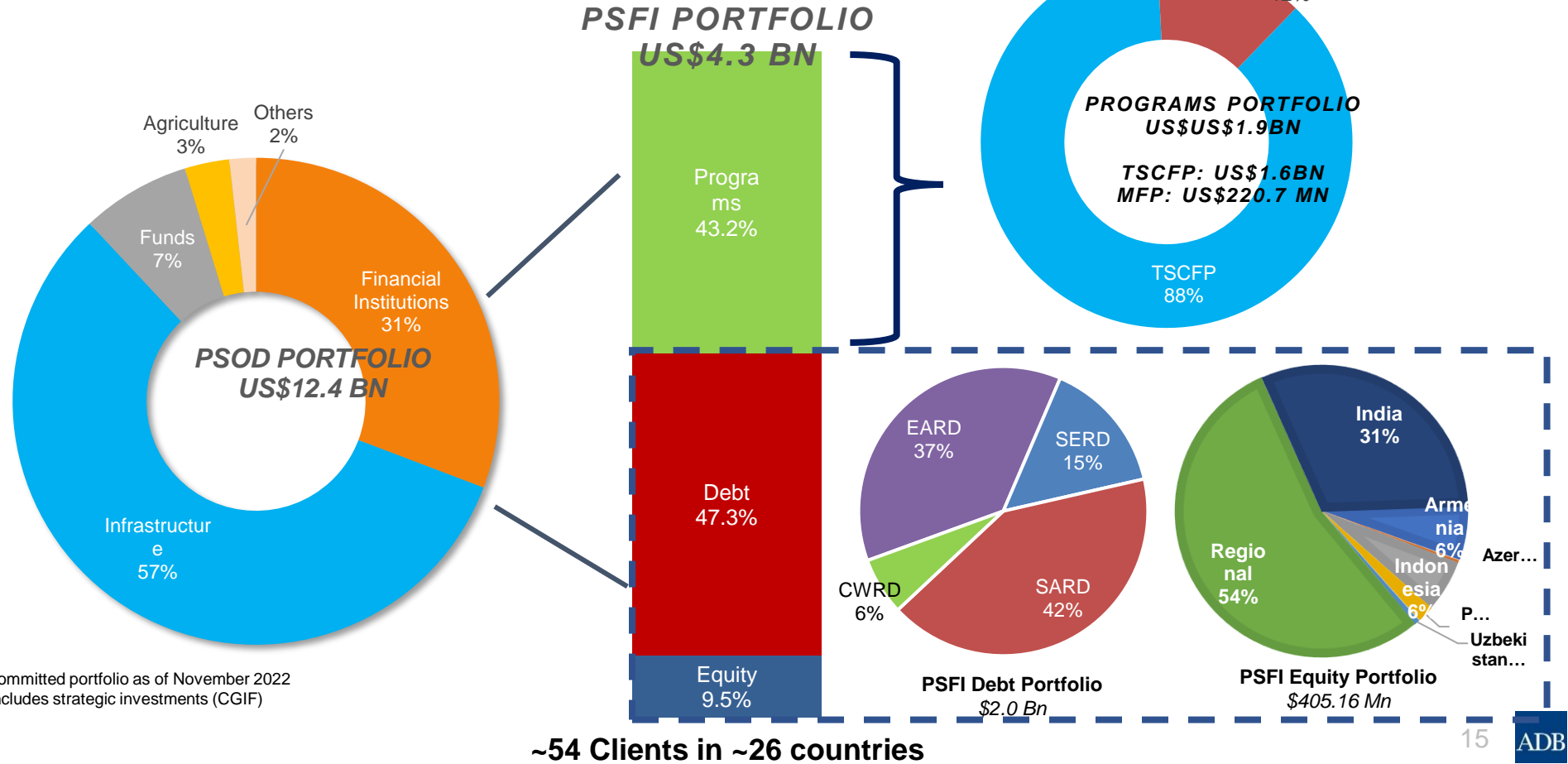


-  Addressing remaining poverty and reducing inequalities
-  Accelerating progress in gender equality
-  Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
-  Making cities more livable
-  Promoting rural development and food security
-  Strengthening governance and institutional capacity
-  Fostering regional cooperation and integration





PORTFOLIO BREAKDOWN



ommitted portfolio as of November 2022
cludes strategic investments (CGIF)



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SECTORS AND THEMES SUPPORTED THROUGH FINANCIAL INSTITUTIONS



Infrastructure

- Energy (renewable energy, climate mitigation)
- Environmental Infrastructure (water, waste)



Agribusiness

- Small-scale Farmers
- Farming and Processing



Inclusive Finance

- Financial inclusion (individual microentrepreneurs, micro, small and medium-sized enterprises, women, home loans)
- Insurance
- Fintech



Social Sectors

- Education
- Health (leasing medical equipment to hospitals, funding hospitals and healthcare facilities for growth)



PRODUCTS

Instrument	Average Size	Typical terms	When is it relevant?
Debt	\$40-50M	<ul style="list-style-type: none"> • 3-5 years • LIBOR / ADB cost of funds in local currency + credit spread • Secured or unsecured • Credit lines, investment in bonds • 25% ownership maximum 	<ul style="list-style-type: none"> • Established financial institution with large balance sheet, strong cash flow • Possibility to mobilize co-financing under B-loan or risk participation • Targeted support for specific theme or sector
Equity	\$15-30M	<ul style="list-style-type: none"> • Board seat • Minority protection rights • Put or other exit arrangements 	<ul style="list-style-type: none"> • Growing company in a pre-IPO or pre-trade sale situation or strategic investment in a listed company
Guarantees	\$0.5-10M	<ul style="list-style-type: none"> • Partial credit guarantees (PCG): market-based, fees based off lenders' margin • Political risk guarantees (PRG): market-based, fees based off re-insurance market 	<ul style="list-style-type: none"> • Where other lenders are more efficient than ADB in mobilizing local currency, or reaching target customers (PCG) • In frontier markets (PRG)
Technical Assistance	\$0.5M - \$1M	<ul style="list-style-type: none"> • For capacity development, done on a cost sharing basis 	<ul style="list-style-type: none"> • To help FIs comply with ADB's environmental and social guidelines, meet gender targets, accelerate the development of new products (including for green/blue), enhance digital finance strategies



Private Sector Programs

Products



Trade Finance Program

Fills market gaps for trade finance by providing short-term loans and guarantees to banks

- Risk participation (funded/unfunded) - up to 85% risk cover
- Credit guarantee - up to 100% risk cover
- Revolving credit facility
- Training and capacity building



Supply Chain Finance Program

Reduces SME financing gaps by sharing corporate risk with partner financial institutions

- Risk participation (funded/unfunded) - up to 85% risk cover
- Guarantees - up to 85% risk cover
- Training and capacity building



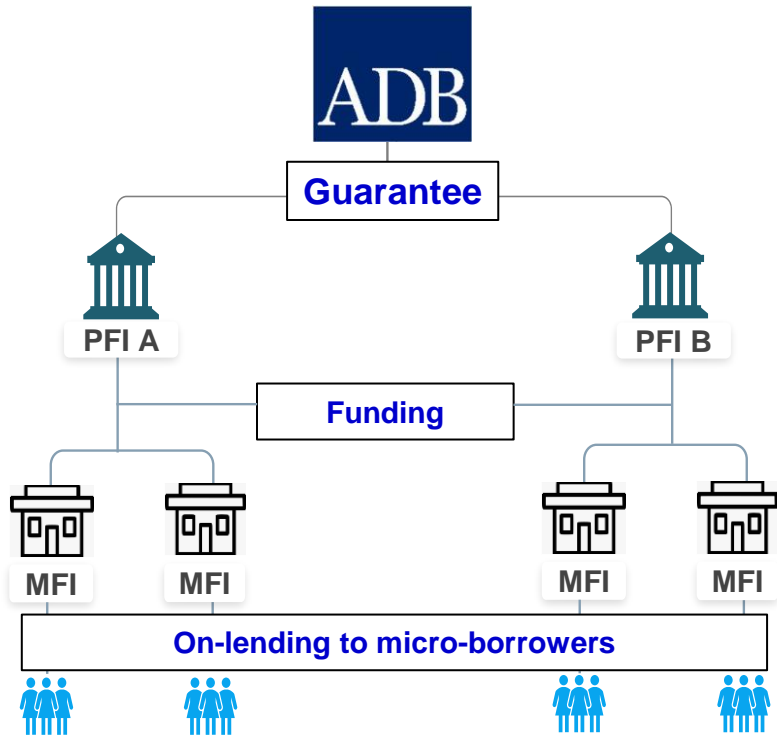
Microfinance Risk Participation and Guarantee Program

Increases MFIs/NBFIs' access to funding and addresses the needs of the bottom of the pyramid

- Risk participation (unfunded) on wholesale loans - up to 50% risk cover*
- Guarantees on wholesale loans - up to 50% risk cover*
- Training and capacity building

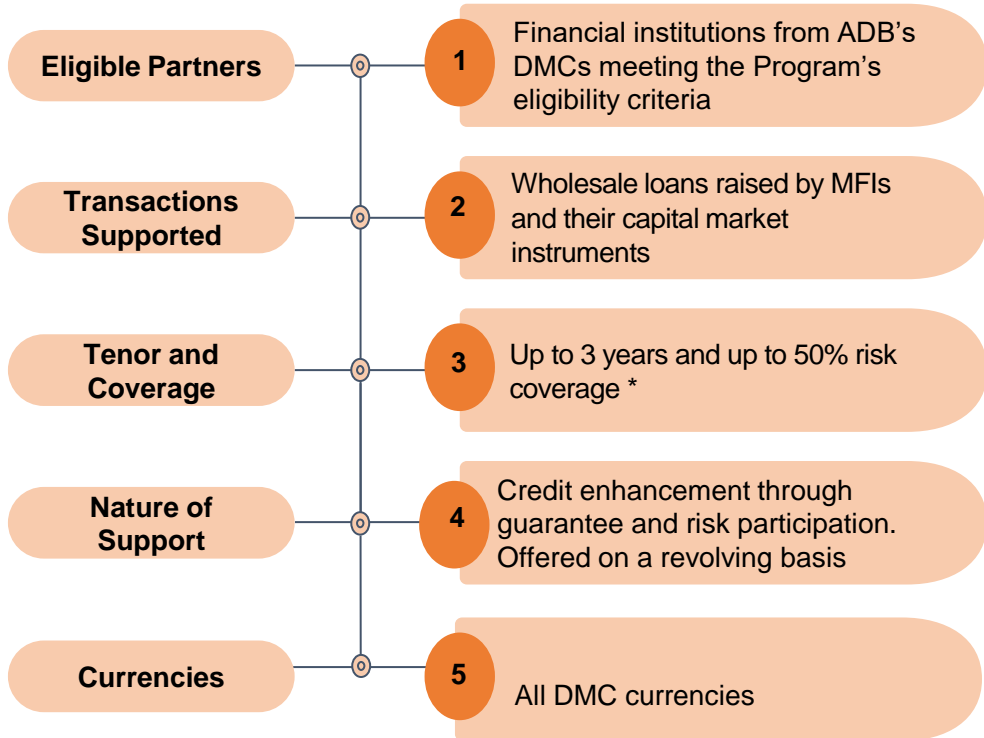
*Up to 80% risk coverage for COVID-19 transactions is permitted

Microfinance Risk Participation and Guarantee Program



PFI – partner financial institution

MFI – microfinance institution (could be a bank, non-bank, NGOs, cooperatives, etc.)



* Average tenor is 8 months. Up to 80% risk coverage for COVID-19 transactions is permitted.

IIFL Home Finance in India Affordable Housing for Women

Funding: \$58M NCD+\$10M concessional finance+\$1M technical assistance

Use of Proceeds => Mortgage finance to lower income women borrowers. 20% for green-certified homes.



Key Features of the transaction:

- Pioneering housing finance company in India, focused on green-certified affordable homes
- Facilitating the government's Credit Linked Subsidy Scheme program (CLSS), classified as gender equity theme

ADB's additionality:

- Providing increased supply of climate-resilient green affordable housing in India
- Providing access to finance for low-income women, and longer-tenor local currency (INR) debt to fund the high demand for mortgages in low-income households
- Helping overcome key obstacles to building the ecosystem for green certified affordable housing through technical assistance

Expected development impact:

- Increasing the Access of lower-income women to housing finance
- Increasing the supply of climate-resilient green affordable housing for EWS and LIG categories in India

WOMEN'S FINANCE EXCHANGE

A Community Where Ideas, Innovation, Empowerment, and Opportunity are Shared



1



Boosts access to finance, including climate finance, for women's businesses in ADB's developing member countries through technology.

2



Will be the preeminent online platform for exchange of ideas and innovations among financial institutions and partners

3



Becomes a community for supporting progress towards the SUSTAINABLE DEVELOPMENT GOALS



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Session 3:

Virtual: Presentation of Trade and Supply Chain Compliance Prevention

Tat Yeen Yap, MD Asia Pacific
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Ellie Cornell, Head of Product - Secure Financing
ellie@monetago.com



MonetaGo

Trade Financing Fraud Risk Mitigation

November 16, 2022

Tat Yeen Yap, MD Asia Pacific
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Trade Financing Gap

THE STRAITS TIMES

BUSINESS

SocGen shuts S'pore trade commodity unit after Hin Leong hit

French bank, owed \$330m by oil trader, also halts fresh funding to such firms in region

ABN Amro to exit trade and commodity finance after losses

GLOBAL (HTTPS://WWW.GTREVIEW.COM/NEWS/GLOBAL/) / 12-08-20 / BY JOHN BASQUILL (HTTPS://WWW.GTREVIEW.COM/NEWS/AUTHOR/JOHNBASQUILL/)

ABN Amro is ceasing all trade and commodity finance activities following exposure to fraudulent activity in Singapore and Germany, a historic crash in oil

Bloomberg

Asia Edition

• Live Now Markets Technology Politics Wealth Pursuits Opinion Businessweek Equality Green CityLab

Markets

BNP Paribas Exits Commodities Finance Business in the US

- French bank sells book of US loans to Mitsubishi UFJ Financial
- Sale of loan portfolio is expected to close in 3 to 6 months

By Lucia Kassai

July 1, 2022 at 8:51 AM GMT+8

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Watch Live TV

Global trade finance gap set record at 1.7 trillion USD in 2020, says ADB

Source: Xinhua | 2021-10-12 18:48:14 | Editor: huaxia



MANILA, Oct. 12 (Xinhua) -- The global trade finance gap grew to an all-time high of 1.7 trillion dollars in 2020, a 15-percent increase from two years earlier, as the pandemic heightened economic and financial uncertainties and devastated global trade, according to a latest survey released by the Asian Development Bank (ADB) on Tuesday.

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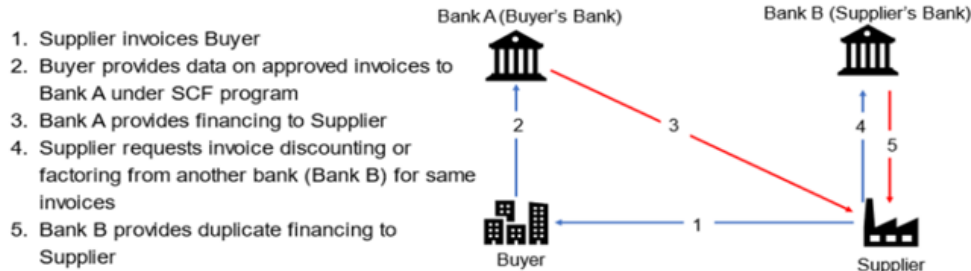


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Examples of Duplicate Financing Fraud

Invoice Double Financing – Scenario 1

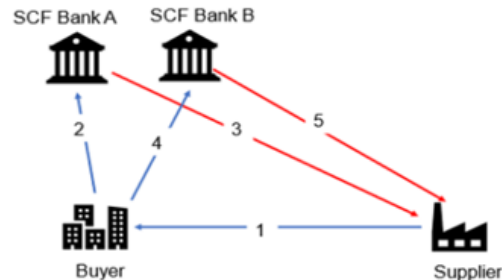
- Domestic / foreign suppliers financed under a SCF (Buyer -Led/Payables Finance) program offering the same invoices for financing domestically by a different finance provider



Invoice Double Financing – Scenario 2

- Same suppliers are enrolled in two or more SCF (Buyer -Led/Payables Finance) programs of the same Buyer, and same invoices are financed by different SCF providers

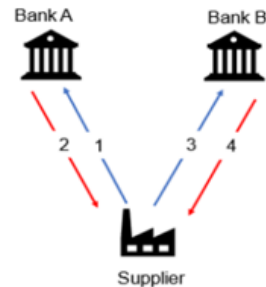
- Supplier invoices Buyer
- Buyer provides data on approved invoices to Bank A under SCF Program A
- Bank A provides financing to Supplier
- Buyer provides duplicate data on approved invoices to Bank B under SCF Program B
- Bank B provides duplicate financing to Supplier



Invoice Double Financing – Scenario 3

- Supplier obtaining domestic / international factoring of the same invoices from two or more finance providers

- Supplier requests factoring from Bank A
- Bank A provides financing to Supplier
- Supplier requests invoice discounting from Bank B
- Bank B provides duplicate financing to Supplier



3

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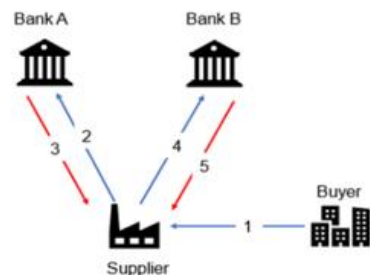


Examples of Duplicate Financing Fraud

Purchase Order Double Financing – Scenario 4

- Same Purchase Orders offered to two or more banks for PO finance or pre-shipment financing

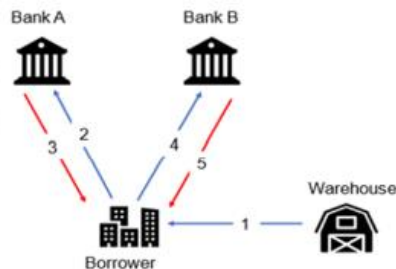
1. Buyer issues Purchase Order to Supplier
2. Supplier requests pre-shipment financing from Bank A
3. Bank A provides pre-shipment financing to Supplier
4. Supplier requests pre-shipment financing from Bank B
5. Bank B provides duplicate pre-shipment financing to Supplier



Warehouse Receipts Double Financing– Scenario 5

- Same warehouse receipts offered to multiple banks in different locations for inventory financing

1. Warehouse issues warehouse receipts
2. Borrower requests inventory financing from Bank A
3. Bank A provides inventory financing to Borrower
4. Borrower requests inventory financing from Bank B
5. Bank B provides duplicate inventory financing to Borrower

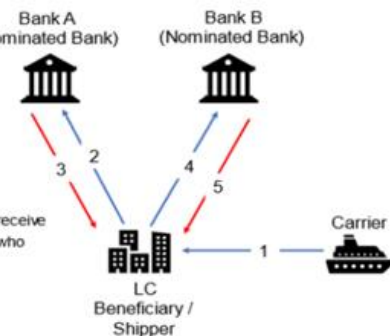


Bills of Lading Double Financing – Scenario 6

- Same bill of lading presented for two or more Letters of Credit

1. Carrier issues Bill of Lading to Shipper
2. Beneficiary includes BL in presentation to Bank A
3. Bank A provides financing to Beneficiary
4. Beneficiary includes BL in duplicate presentation to Bank B
5. Bank B provides duplicate financing to Beneficiary

* The nominated banks (e.g. when LC is available with any bank) may receive genuine, replica or fake BL and other documents from the beneficiary, who requests for negotiation/discounting of the LC from multiple banks.



NB: The examples provided are neither exhaustive nor restrictive.

4

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Fraud prevention in India – beginning with MSME Financing



Secure Financing in India

RBI launched TReDS to avail financing/discounting of trade receivables to MSMEs. The first 3 TReDS exchanges started operations in 2017.

The Secure Financing solution was deployed in March 2018. It represented the world's first day-to-day use of blockchain in trade finance.

NBFCs start joining Secure Financing in 2020.

2017

2017

Mar. 2018

2019

2020

In 2017, duplicate financing was discovered on the TReDS platforms, The 3 TReDS exchanges contracted MonetaGo to create a solution to prevent duplicate financing within and across the exchanges.

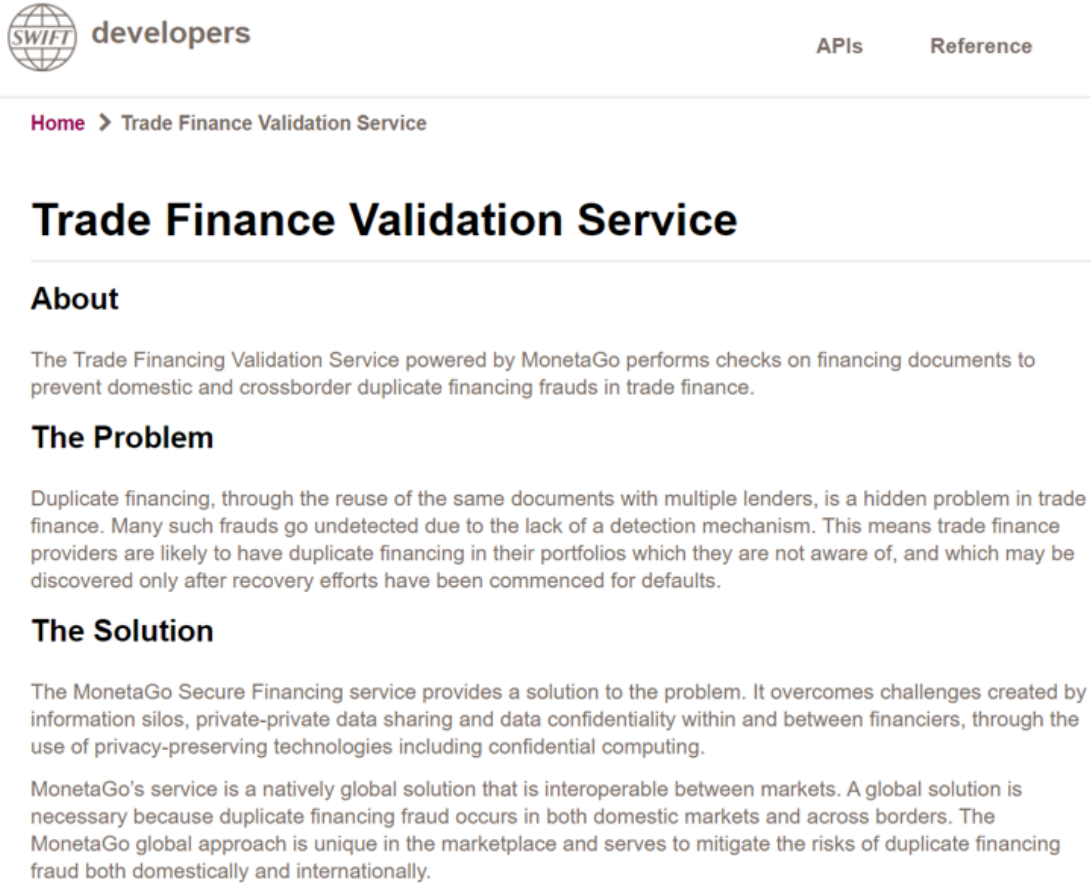
Secure Financing users expand to SWIFT India member banks in 2019.



Fraud Prevention in Singapore – beginning with Commodities Financing



Global Partnership with SWIFT



The screenshot shows the SWIFT developers website for the Trade Finance Validation Service. The page includes a navigation bar with 'APIs' and 'Reference' links, a breadcrumb trail 'Home > Trade Finance Validation Service', and a main heading 'Trade Finance Validation Service'. Below this, there are sections for 'About', 'The Problem', and 'The Solution'. The 'About' section states that the service is powered by MonetaGo and performs checks on financing documents. 'The Problem' section discusses duplicate financing through document reuse. 'The Solution' section explains how MonetaGo's service overcomes information silos and data confidentiality challenges.

- First fintech partnership of SWIFT providing a third party service on SWIFT
- The Secure Financing platform is a global standard utility available to lenders worldwide for prevention of both domestic and crossborder duplicate financing.
- SWIFT provides useful central infrastructure such as identity management, authentication, security, network reach and connectivity for banks worldwide to MonetaGo's global Secure Financing service.
- To find out more, visit: <https://developer-test.swift.com/api/trade-finance-validation-service/overview>

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How the system works

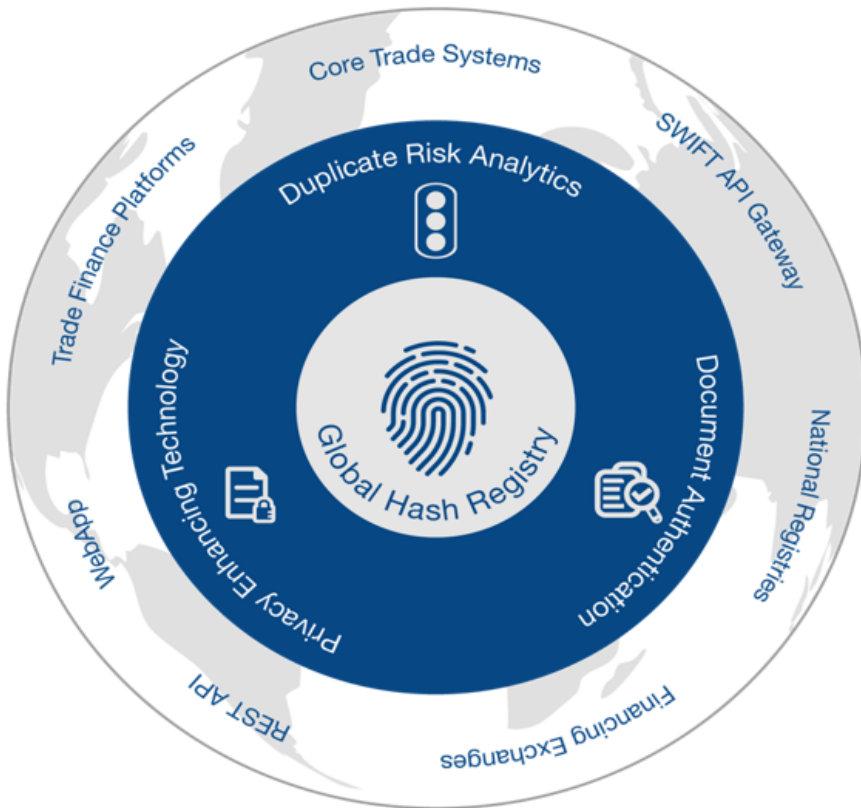
Document Deduplication

The Secure Financing solution hashes relevant information from documents to create a unique fingerprint for each document that is used for financing. A comparison of the document fingerprints against those in a registry identifies if the same document has already been used.

-  1 The Borrower presents documents required for its financing application to Financier
-  2 The Financier registers a transaction by submitting relevant data from the document(s) to the Secure Financing Platform
-  3 The document data is hashed, creating a unique fingerprint for each document
-  4 The document's fingerprint is recorded on a registry, against which applications can be checked / reviewed for duplicates

-  The same information always creates the same fingerprint, ensuring an accurate and consistent database of document fingerprints to match against
-  Algorithm is fast and serializable, ensuring only one financing is possible even if multiple applications are processed concurrently
-  Document information is hashed, providing complete privacy and eliminating the risk of information leakage
-  Data is securely encrypted with AES and SSL, and the information security mgmt. system is ISO 27001-certified

A global, standardized approach



MonetaGo's global deduplication service is a global collaboration to reduce fraud risk:

- As **the world's first fintech partner with SWIFT**, MonetaGo will connect SWIFT's 9,000+ financial institutions in the battle to prevent trade-finance fraud
- A siloed approach- between regions or platforms- results in fragmentation which is a barrier to effective deduplication
- MonetaGo has **collaborative partnerships** with incumbent industry actors to create a global standardized solution
- Secure Financing is architected to be **inter-operable** across markets and with other platforms
- The scale of a standardized global solution results in better economics, allowing MonetaGo to offer the service at the **lowest possible fee**
- Regardless of access channel, all deployments connect to the Secure Financing's Global Hash Registry to enable deduplication across borders

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Secure Financing



A production-ready global standard utility available to lenders worldwide for prevention of duplicate financing

- The **world's only global deduplication solution**, with experience preventing real-world frauds
- Through the adoption of **standards**, solution is architected to be **inter-operable** across markets and other platforms
- Scale of a standardized global solution results in better economics, enabling the service to be offered at **the lowest possible fee**
- **Privacy-preserving** by use of encryption, hashing technology and confidential computing

11

MonetaGo Proprietary



Deduplicates domestic & cross-border transactions world-wide



Supports invoices, purchase orders, bills of lading, warehouse receipts and other trade documents



Data structures comply with ISO 2002



Information security management ISO 27001:2013 certified.



Uses OpenAPI 3 standard

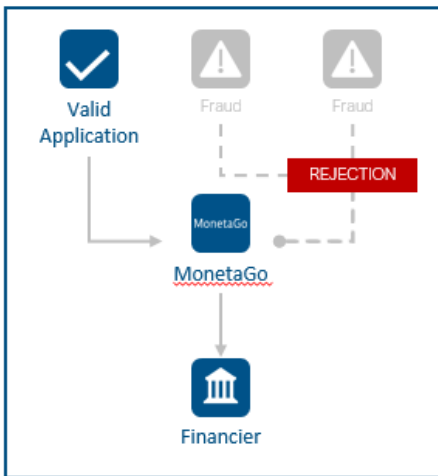


Delivering value across the trade ecosystem

MonetaGo's Secure Financing solution helps to reduce fraud rates, financing costs and the trade finance gap, thus supporting the provision of trade finance which is essential to growth in global trade.

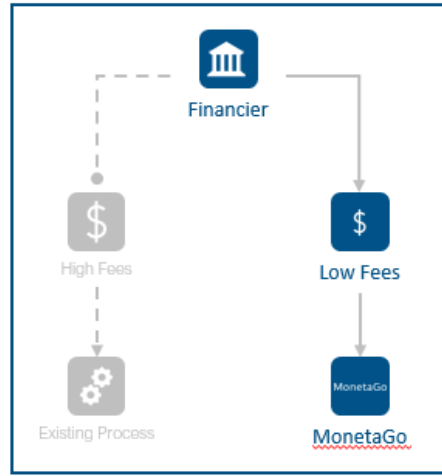


Lower Fraud Rate



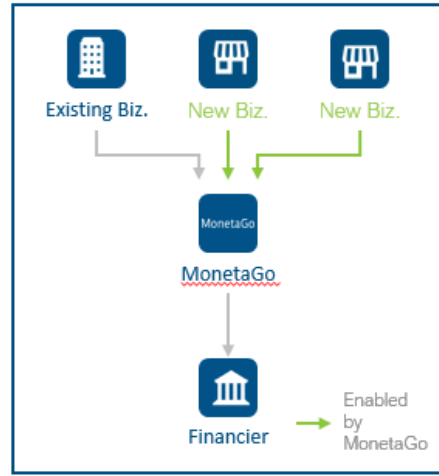
The Secure Financing Platform detects and mitigates against fraud in trade finance, lowering fraud risk for financiers

Lower Financing Cost



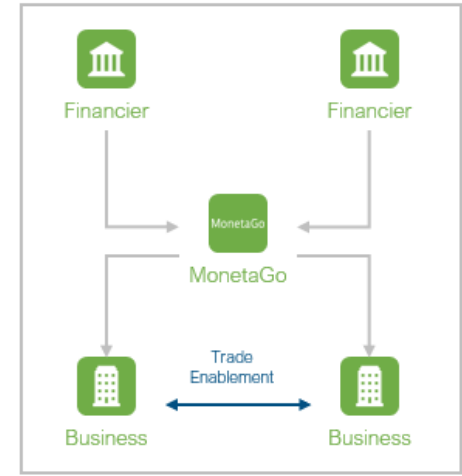
Lower cost of risk improves profitability for financiers and allows more competitive pricing for borrowers

Address Financing Gap



With fraud prevention capabilities, financiers can grow their trade finance business and reduce the trade finance gap

Drive Global Trade



MonetaGo's solutions support appetite for trade finance, vital for trade and growth in global trade



Session 4:

GDIH Launch of Disability Inclusion Initiative and Survey Results





Global
Disability
Innovation
Hub



Environmental and Social Sustainability in Trade and Supply Chains:

ADB's Trade and Supply Chain Finance Program Disability Inclusion for Financial Institutions

Environmental and Social Sustainability in
Trade and Supply Chains Workshop

15-17 November 2022, Istanbul, Türkiye

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Introductions



- **VICTORIA AUSTIN – CEO**
- CEO of Global Disability Innovation Hub CIC,
- Associate Professor of Social Justice and Innovation, &
- Co-Director WHO Global Collaborating Centre on Assistive Tech @ UCL Engineering



ELAINE (ELS) DRAPER – ASSOICATE, PROJECT DIRECTOR
NED, H&T Group
CHAIR Bond Board Ltd
Director of Customer Vulnerability and Accessibility, Barclays UK



Global Disability Innovation Hub



Research:
creating
knowledge
and solutions



Innovation:
growing inclusive
ecosystems



Programmes:
testing what
works



Teaching:
learning and
sharing
knowledge



Advocacy:
evidence
based
outreach



**Assistive &
Accessible
Technology**



**Inclusive
Design**



**Culture and
Participation**



**Climate &
Crisis
Resilience**



**Inclusive
Educational
Technology**

- Emanating from the most accessible 2012 London Paralympic Games, Global Disability Innovation Hub (GDI Hub) was launched in 2016 and is now a world leading research and practice centre, driving disability innovation for a fairer world.
- We work across 5 domains, disrupting practice by bringing together new partnerships to overcome the barriers that exclusion and poverty creates in relation to disability, with a focus on 5 themes, reflecting the expertise and priorities of GDI Hub.
- GDI Hub is operational in 41 countries, with more than 70 partners.
- WHO Global Collaborating Center on Access to Assistive Technology.

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Disability is not a minority concern



More than one billion 'Persons with Disabilities' worldwide (WHO)

15% world, the **worlds largest 'disadvantaged' group** (UN DESA)

20% of the worlds poorest people are persons with disabilities (WB)

80% of persons with disabilities live in developing countries (UNDP) and poverty and disability are mutually reinforcing (Grove and Kett, 2013).

70% of persons with disabilities live in Asia, 690m people (UNESCAP)

Up to 90% of children with disabilities in developing countries do not regularly attend school (UNICEF).

386 million of the world working age population have impairment, but **unemployment is as high at 80%** (ILO)

UK study of top 100 FTSE companies do not web accessibility **costing \$147m**.

Living without access to Assistive Technology can **cost a family up to \$100,000** over a lifetime (ATscale)

It is estimated that the value of the **Purple Pound in the UK is up to £249 billion**

It is estimated that persons with disability have a **disposable income of £1 trillion globally**.



Alignment with broader initiatives

The UN's Sustainable Development Goals

Goals

8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all



Disability and Development Report

Realizing the Sustainable Development Goals by, for and with persons with disabilities

UN's ESCAP October 2022 Jakarta Declaration



High-level Intergovernmental Meeting on the Final Review of the **Asian and Pacific Decade of Persons with Disabilities, 2013–2022**

JAKARTA AND ONLINE, 19 TO 21 OCTOBER 2022

Established to further the support of people with disabilities in the Asia – Pacific region.

Seeking to *'make the rights real'* through the implementation of the *'Incheon Strategy'*.

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Alignment with Strategy 2030

An increasing emphasis on addressing the non-income dimensions of poverty

A three-pronged strategy:

- Investing in human capital and social protection
- Facilitating access to good-quality jobs
- Reducing inequality of opportunity by removing barriers to access to infrastructure and services



STRATEGY 2030

PROSPEROUS
INCLUSIVE
RESILIENT
SUSTAINABLE
ASIA AND THE PACIFIC



Why financial inclusion for people with disabilities?

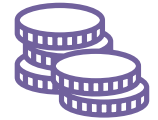
15% of the world's population (1 billion people) experience some form of disability. (Source: WHO)



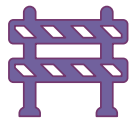
Nearly **70%** of the world's disabled population lives in the Asia – Pacific region, that's **700 million** women, men and children. (ESCAP)



People living with disabilities face social and institutional **exclusion**, as well as **extreme poverty**.



People with disabilities face **barriers to banking** and being able to manage their finances independently.



Access to employment, including within the financial services sector, is another barrier to inclusion. In the Asia – Pacific region, the **unemployment** rate among disabled people is **twice as high** as the general population. (ILO)



What does it mean to design inclusively?

An approach that considers all end users to create positive user experiences for everyone:

- Persons with Disabilities
- Older people
- Women & girls
- People from diverse social and cultural backgrounds
- Gender Diversity

* The above is not an exhaustive list

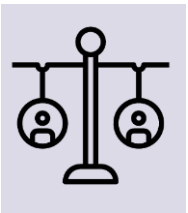


Who does it involve?

- People and Communities
- Homes
- Public and Private Buildings
- Public Spaces
- Transport
- Services
- Products
- Digital Interactions



Importance of inclusive design



Human Rights



Sustainability



For everyone



Stronger communities



Global goals



Added value



Growing demand

The benefits of financial inclusion

Studies have shown the benefits of financial inclusion and/or financial development include:

- stronger growth (IMF (2015a) and Rajan et al (1998));
- reduction in inequality and poverty (Beck, Demirgüç-Kunt, and Levine, 2007);
- greater financial services through financial technology (IMF, 2017a);
- better targeted government spending (IMF, 2018b);
- enhancing the effectiveness of monetary policies (Mehrotra and Yetman, 2014); and
- fostering greater financial stability under certain conditions (Han and Melecky, 2013).

Close to half of the adult population in low- and middle-income Asia-Pacific economies does not have a bank account, and less than 10 percent has borrowed from formal financial institutions.



What are some of the causes of financial exclusion?

- (i) purported high fixed costs and relatively low commercial returns believed to be associated with improving financial access (Cull et al, 2009; Johnston and Morduch, 2008)
- (ii) information asymmetries leading to excessive caution on both the demand and supply sides (Lusardi and Mitchell, 2014; and Jappelli and Pagano, 2002)
- (iii) excessive or even discriminatory regulation around financial services access
- (iv) the dominance of state financial institutions which operate with distorted incentives (World Bank, 2013)
- (i) Lack of mechanism for private financial institutions to capture the positive externalities accruing to society from providing financial services (World Bank, 2014).
- (i) Recent literature and associated randomised controlled trials, informed by behavioural approaches to economics, have pointed to a set of variables that affect the successful adoption of financial services (Karlan et al, 2016)



Driving disability inclusion in financial services

- IFC (International Finance Corporation) 2022 report into Emerging Practices to Advance the Economic Inclusion of Persons with Disabilities highlighted that banks they surveyed have successfully advanced disability inclusion, focused on six key areas:



Increasing the share of persons with disabilities in the workforce



Creating inclusive leadership teams and workplaces



Driving the disability inclusion agenda in banking



Offering products and services that respond to the needs of persons with disabilities



Implementing commitments to disability inclusion in investment & procurement practices



Developing disability-focused partnerships and community outreach

Source: [IFC](#)

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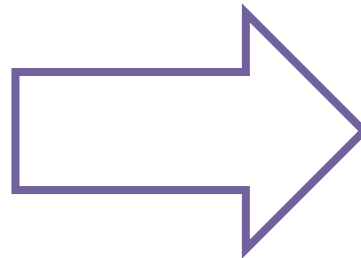


Driving disability inclusion in financial services: ADB project

1

Phase one of the project

- Establish a baseline of current levels of disability inclusion from both an employment and customer services perspective
- Identify key barriers to financial inclusion for persons with disabilities
- Share learning and select case studies



2

Phase two of the project

- Develop toolkits, resources and training support to help ADB TSFCP Partner Banks drive disability inclusion
- Work with individual banks to develop tailored action plans



Focus 1: financial inclusion for disabled customers*

An individual is financially included when they have access to both usable and affordable financial products and services.



Close to half of the adult population in low- and middle-income Asia-Pacific economies does not have a bank account, and less than 10 percent has borrowed from formal financial institutions. (Source: IMF)



Disabled people are more likely to be unbanked and less likely than average to hold any form of savings, insurance or protection, pension or investments.

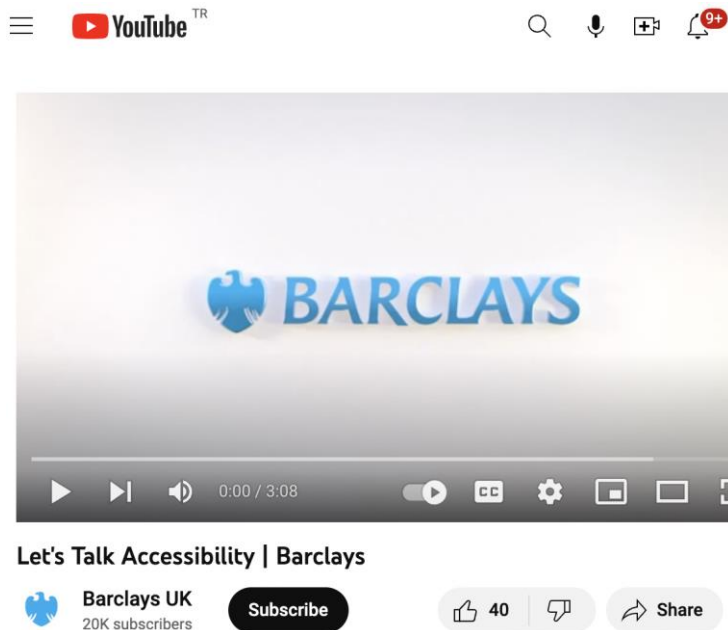
Research focus

- Policies / processes in place
- Specialist expertise
- Collection of customer data for on-going support and solutions
- Provision of alternative formats
- Safe and secure support for customers from third parties
- Accessible physical and digital environments
- Inclusive products



* personal, entrepreneur and small business

Focus 1: financial inclusion for customers: [barclays](#)



HSBC's survivor bank initiative

- Initiative to enable victims of human trafficking and modern slavery to open bank accounts
- HSBC worked with the local regulator in the UK to establish a process which flexes traditional ID verification processes
- Over 2000 accounts opened to date

Focus 2: inclusion for disabled employees

Employees with disabilities are included when organisations provide them with any additional support / solutions that they need to be able to effectively participate in the workplace.



Support solutions vary depending on an individual's situation, but can include home / flexible working agreements, specialised equipment and assistive software.



Many disabled people never apply for roles within the financial services sector for fear of discrimination. Championing an inclusive culture, which celebrates diversity is an important step towards inclusion for disabled employees.

Research focus

- Policies / processes in place
- Training for colleagues
- Targeted recruitment drives
- Reasonable accommodations available
- Inclusion at events



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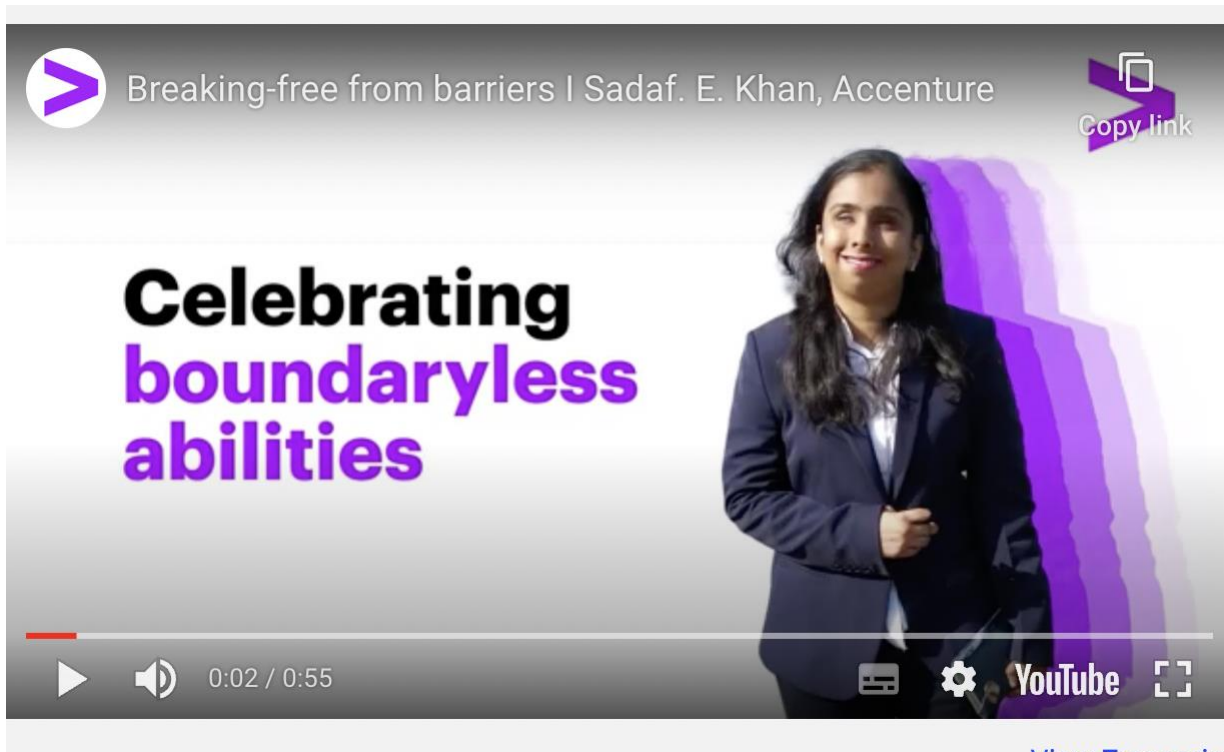
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Focus 2: inclusion for disabled employees: [accenture](#)



Focus 3: fostering an inclusive sector

Pan-financial services organisations have a role to play in fostering and supporting an inclusive environment



How can ADB work with local regulators / industry bodies to create an inclusive financial services sector ?



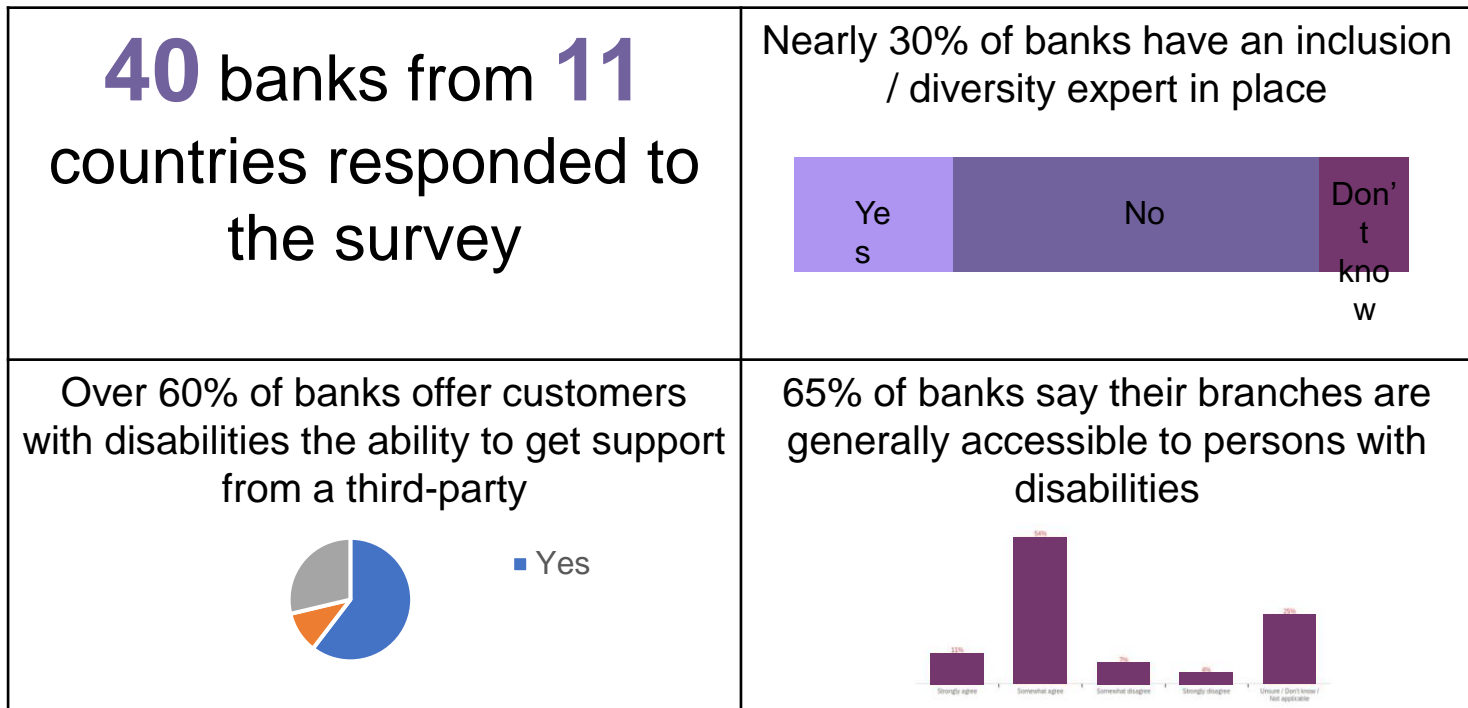
How might consideration of, and support for, customers with disabilities form a part of procurement strategies and partnerships ?

Research focus



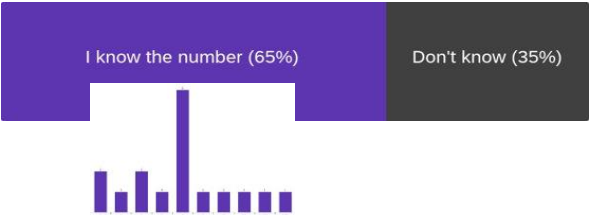

- What incentives to disability inclusion already exist
- How might disability inclusion be embedded



Survey: early insights from the survey: customer focus

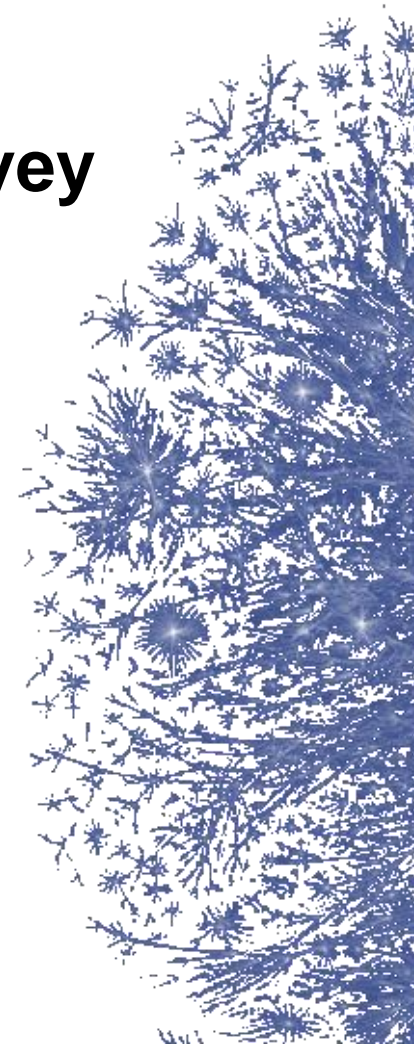


Early insights from the survey: colleague focus

<p>38% of banks have formal policies in place related to the employment of persons with disability</p>  <table border="1"> <tr> <th>Response</th> <th>Percentage</th> </tr> <tr> <td>Yes</td> <td>38%</td> </tr> <tr> <td>No</td> <td>54%</td> </tr> <tr> <td>Don't know</td> <td>8%</td> </tr> </table>	Response	Percentage	Yes	38%	No	54%	Don't know	8%	<p>54% say they provide reasonable accommodation needs for their employees</p> 				
Response	Percentage												
Yes	38%												
No	54%												
Don't know	8%												
<p>65% of banks say they know how many employees with disabilities they have</p>  <table border="1"> <tr> <th>Response</th> <th>Percentage</th> </tr> <tr> <td>I know the number</td> <td>65%</td> </tr> <tr> <td>Don't know</td> <td>35%</td> </tr> </table>	Response	Percentage	I know the number	65%	Don't know	35%	<p>65% of banks say when their staff come together for an event, accessibility needs are met.</p>  <table border="1"> <tr> <th>Response</th> <th>Percentage</th> </tr> <tr> <td>Yes</td> <td>65%</td> </tr> <tr> <td>No</td> <td>35%</td> </tr> </table>	Response	Percentage	Yes	65%	No	35%
Response	Percentage												
I know the number	65%												
Don't know	35%												
Response	Percentage												
Yes	65%												
No	35%												

Summary (early) insights from the survey

- Many responses (still analyzing)
- Some good examples of practice
- Clear commitment to support the agenda
- Identified gap between intention and action (90% good+, but <50% policies)
- Highlighting additional practical support customers and employees
- Sharing practice between sector, and between region and wider world
- Huge business case and opportunity in Asia
- Enormous convening power of ADB
- Global momentum and regional/national willing to engage and deliver



How you can engage with this work

November: You have already participated in the survey – thank you

December / January: Identify Banks to participate in ‘Case Study’ interviews

Join the webinar to share phase 1 learning (March)

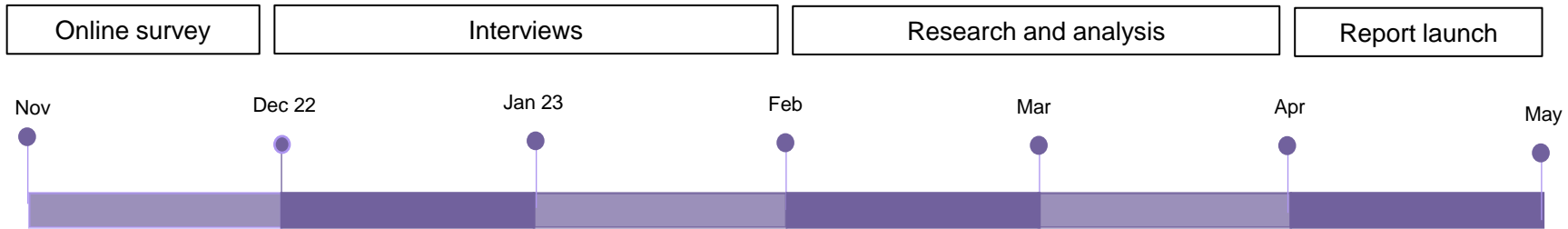
Participate in stage 2 (April – December 2023)

- Capacity building
- Action planning
- Technical assistance

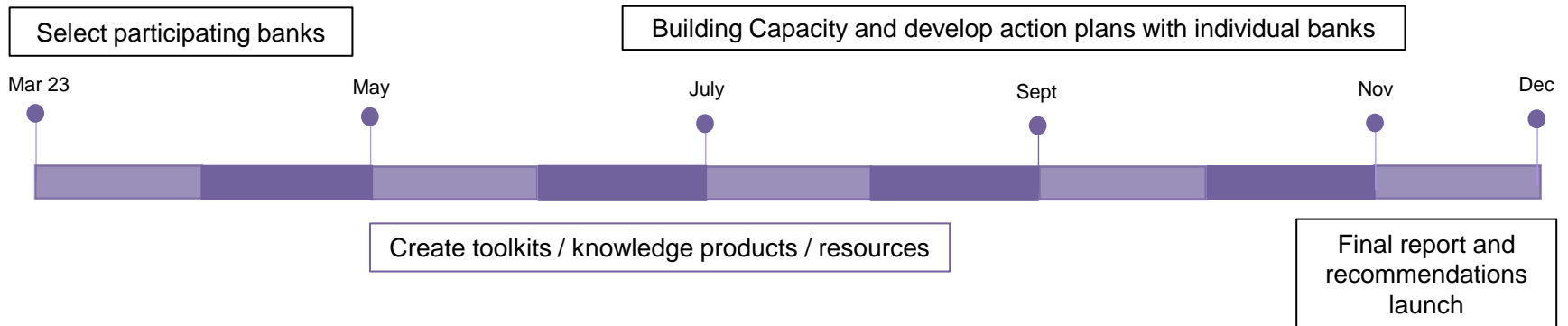


Project timeline – what's next

Phase one



Phase two



Summary



STAGE 1
RESEARCH



WEBINAR
FOR LAUNCH
OF REPORT



STAGE 2
WORK WITH
SPECIFIC
BANKS TO
BUILD
CAPACITY



Finally, at Tokyo 2020 (in 2021) the following video reached 4.5 billion people, challenging stigma about disability... have a look

[CLICK TO WATCH](#)

Thank you

Victoria.Austin@ucl.ac.uk



THANK YOU!

Materials and Photos Uploaded on the Event Site

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