It is with pleasure that IFC can share with our partners the second GTLP Newsletter providing details of achievements to date, including the global recognition attributable to the governments, development finance institutions and banks that have contributed to make this program possible. We should all be proud of our collaborative efforts as recognized by three leading global publications for “Deal of the Year” —Global Trade Review, Trade Finance, and Finance Asia.

We are also progressing with Phase 2 of GTLP. We launched Phase 2 in January with an unfunded solution, based on the existing GTLP platform, to support trade finance in the emerging economies of Central and Eastern Europe. We plan to expand it to cover Africa and Latin America. Phase 2 also will include directed Food and Agribusiness solutions, a response to the global call for action in this critical sector.

Since its launch in July 2009, GTLP has been acknowledged in the financial industry as an innovative structure to help infuse much needed liquidity into the trade finance market, thereby catalyzing global trade growth. The solution also represents a win-win proposition: for the banks it provides an opportunity to continue supporting clients through these difficult times; for IFC and its partners, it affords the ability to channel liquidity and credit into markets to help revitalize trade flows by leveraging on the banks’ vast networks across emerging markets in Asia, Africa, Middle East, Europe, and Latin America. The program is already benefitting thousands of importers and exporters and small and medium-sized enterprises. Since our first bulletin, we have signed new agreements with J.P. Morgan Chase, Commerzbank and soon Afreximbank.
Sample Transactions

Trade line for Agri warehouse financing
Country: Zambia
Tenor: 12 months
Amount: US$ 12.9 million (40%)

Clean Trade Advances for Pre Export Finance
Country: Colombia
Goods description: Coffee
Tenor: 4 months
Amount: US$4.4 million (25%)

Export LC Bills
Country: India
Goods description: Telecommunication Equipments
Tenor: 7 months
Amount: US$ 1.9 million (40%)

Export LC Bills
Country: Bangladesh
Goods description: Crude Degummed Soya bean Oil
Tenor: 5 months
Amount: US$ 0.8 million (40%)

Import Clean Bankers Acceptance Financing—
for Post Import Finance
Country: Turkey
Goods description: Naphtha
Tenor: 10.5 months
Amount: US$ 5 million (40%)

Clean Trade Advance for Pre-Export Finance
Country: Jordan
Goods description: Refrigeration products
Tenor: 2.6 months
Amount: US$ 15 thousand (40%)

Export LC Bills
Country: Guatemala
Goods description: Galvanized Steel Strips
Tenor: 4.3 months
Amount: US$ 59 thousand (40%)

Clean Trade Advance for Pre-Export Finance
Country: Nigeria
Goods description: PVC
Tenor: 2.4 months
Amount: US$ 150 thousand (40%)

Export LC Bills
Country: Kenya
Goods description: PVC Resin for Agro Irrigation and Pump Services
Tenor: 5.1 months
Loan amount: US$ 52 thousand (40%)

Export (non-LC) Bills
Country: Chile
Goods description: Grapes
Tenor: 4 months
Amount: US$ 800 thousand (40%)

Export LC Bills
Country: Indonesia
Goods description: Cotton
Tenor: 5.3 months
Amount: US$ 55.1 thousand (40%)

UPDATE ON IFC GTLP OPERATIONS

Given the unprecedented number of partners involved in the GTLP, IFC has devoted significant resources to establish a dedicated GTLP Operations Team. We have six Global Financial Markets Department staff working full-time for the program, along with about 50 other staff in various IFC departments who are actively involved in supporting GTLP, including officers from Trust Funds Operations, Financial Accounting, B-Loans (syndications), Portfolio Management, Treasury, Risk Management, Credit Review and IT, among others. Staff members from these units work together to implement guidelines and procedures to ensure the same level of supervision and care is given to funding from partners as well as that of IFC.

We have created the GTLP Phase 1.0 Standard Operations Manual, establishing the policies and procedures for the structure and terms of the projects, as well as the accounting, tracking and supervision, and reporting mechanisms. We now have Northern Trust Bank, N. A. as the institution managing cash flows originated to and from GTLP under the direction of IFC.

DISBURSEMENTS

As of March 10, 2010 US$1,053 million of funding has been disbursed to five program banks. Additional in-progress disbursements will bring the total disbursed to US$1.4 billion over the next month.
LOOKING AHEAD TO GTLP PHASE 2

As the crisis evolves with varying signs of slow recovery, we need to remain nimble and innovative to develop and execute solutions that meet changing market demands. Global trade is on the rebound, but the availability of trade finance remains tight for smaller banks at the regional level due to Basel II, proposed Basel III guidelines and continued weak secondary markets. The market has begun to move from needing liquidity towards needing guarantees over the next 12-24 months. This gradual shift is happening as banks improve their liquidity positions but increasingly seek risk mitigation to re-enter or expand into emerging markets trade finance. Every region has been affected differently, so we are mindful of the need for unique, regional solutions.

From the outset, GTLP was designed as a flexible vehicle to mobilize support from various sources to create coordinated and targeted responses with a wide-reaching global impact with economies of scale. The GTLP umbrella encompasses several components, and will continue to be critical for supporting trade finance until the global economic recovery firmly takes root as exhibited by market recovery and response. In short, there is continued strong demand for GTLP-type trade support.

REACH

Sub Sahara Africa and Latin America represent almost 70% of GTLP utilization, and we expect the Africa reach to increase. We are working on the forthcoming launch of two dedicated Africa-directed guarantee facilities through our global bank partners, and expect a second Africa focused regional bank to soon join the program. Europe and Central Asia were regions most affected by the crisis and GTLP has developed a targeted program through Phase 2 to promote availability of trade finance on a regional basis. There remains a need for additional, regionally-focused solutions.

IMPACT

At the end December 2009, GTLP supported trade transactions amounted to $2,363 million, reaching a total of 87 Emerging Market Issuing Banks (EMIBs) in 29 countries. Total GTLP volume of supported trade transactions exceeded $3 billion at the end of January 2010. Almost 45% of the program is reaching IDA countries and 81% is benefiting small and medium sized enterprises. This table represents a snapshot of GTLP results at the end of January 2010.

<table>
<thead>
<tr>
<th>GTLP Results at a Glance</th>
<th>as of January 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of Trade Supported</td>
<td>$3 billion</td>
</tr>
<tr>
<td># of Trade Transactions</td>
<td>1870</td>
</tr>
<tr>
<td>SMEs financed</td>
<td>81%</td>
</tr>
<tr>
<td>Africa Coverage (by Volume of Trade Supported)</td>
<td>35%</td>
</tr>
<tr>
<td>IDA Coverage</td>
<td>45%</td>
</tr>
<tr>
<td>Portfolio Defaults</td>
<td>0</td>
</tr>
<tr>
<td>Annualized Effective Yield</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

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GTLP-G

GTLP’s Phase 2 Guarantee is a portfolio-based, risk-sharing, unfunded program created in response to increasing demand for unfunded regional solutions by governments and banks.

- GTLP-G, Central and Eastern Europe: The Guarantee part of Phase 2 was launched in January with Sida development agency of Sweden, which provided up to $125 million for unfunded guarantees to support trade in Central and Eastern Europe.
- GTLP-G, Africa; GTLP-G, Latin America: We have received increased interest from partners in guarantee programs that would target trade in Africa and Latin America. We are working on developing additional targeted regional solutions.

GTLP PHASE 2—FOOD & AGRI

GTLP Agri complements the G-8 pledge to invest $18 billion in agriculture investments and food security over the next three years, and trade was specifically noted to be central to their Food Security Initiative. It is a short-term debt structure aimed at facilitating global trade of food and agribusiness commodities to support agricultural trade by leveraging the GTLP platform. The goal is to raise $700 million from DFIs/governments over the next 12 months to develop a $1 billion GTLP Agri program. IFC is seeing increasing demand for such sector specific solutions from banks. The 2008 food crisis coupled with the global financial crisis has exerted significant pressure on food security, and has driven an estimated 100 million additional people into poverty, threatening to reverse development advancements made in the last decade. The credit crunch and sharp volatility in food prices has led to limited and more costly financing options for farmers and small and mid-sized businesses, which consequently have lowered investments in agribusiness. Food exports represent half of export earnings for close to 40 developing countries and one-third for close to 50 developing countries.

PROGRAM PARTNERS

GTLP is the first global solution of its kind in the trade finance business and represents a well coordinated effort between the IFC and its Program Partners—CDC (UK), DFID (UK), OFID, Saudi Fund for Development, Canadian Government, African Development Bank, Netherlands Government, JBIC of Japan, Chinese government, and SIDA of Sweden, an anchor partner helping to launch the GTLP Phase 2 Guarantee program. Direct, committed fund-raising to date remains at US$2.5 billion with an additional US$1.5 billion made available by JBIC of Japan under a MoU. We expect to mobilize additional support from Opec Fund for International Development and others as we implement GTLP Phase 2.

UTILIZATION BANKS

On a program basis, the facilities: Standard Bank South Africa, Standard Chartered Bank, Citibank, Rabobank, Commerzbank, JP Morgan Chase, and soon Afreximbank, have a combined facility size of US$6.6 billion and a lifespan of two to three years.

We expect to have three to four Africa focused regional UBs including Africa Export Import Bank and Standard Bank of South Africa and five global UBs (Commerzbank, JP Morgan Chase, Standard Chartered, Citibank, and Rabobank).

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