

Indo-Pacific Trade Finance Vehicle for Women's Micro, Small & Medium Enterprises



Red Hat Impact seeks investors and partners to collaborate on the launch and operation of a new regionally-based and owned entity to provide much needed trade facilitation and finance services to 500+ women's micro, small and medium enterprises across the Indo-Pacific by 2030. Consisting of a not-for-profit member organisation and a Fund, the Vehicle requires US\$800,000 of donation/grant capital alongside smaller amounts of 0% and interest bearing debt capital to kick-start its first year (with a total of US\$10m required over 5 years).

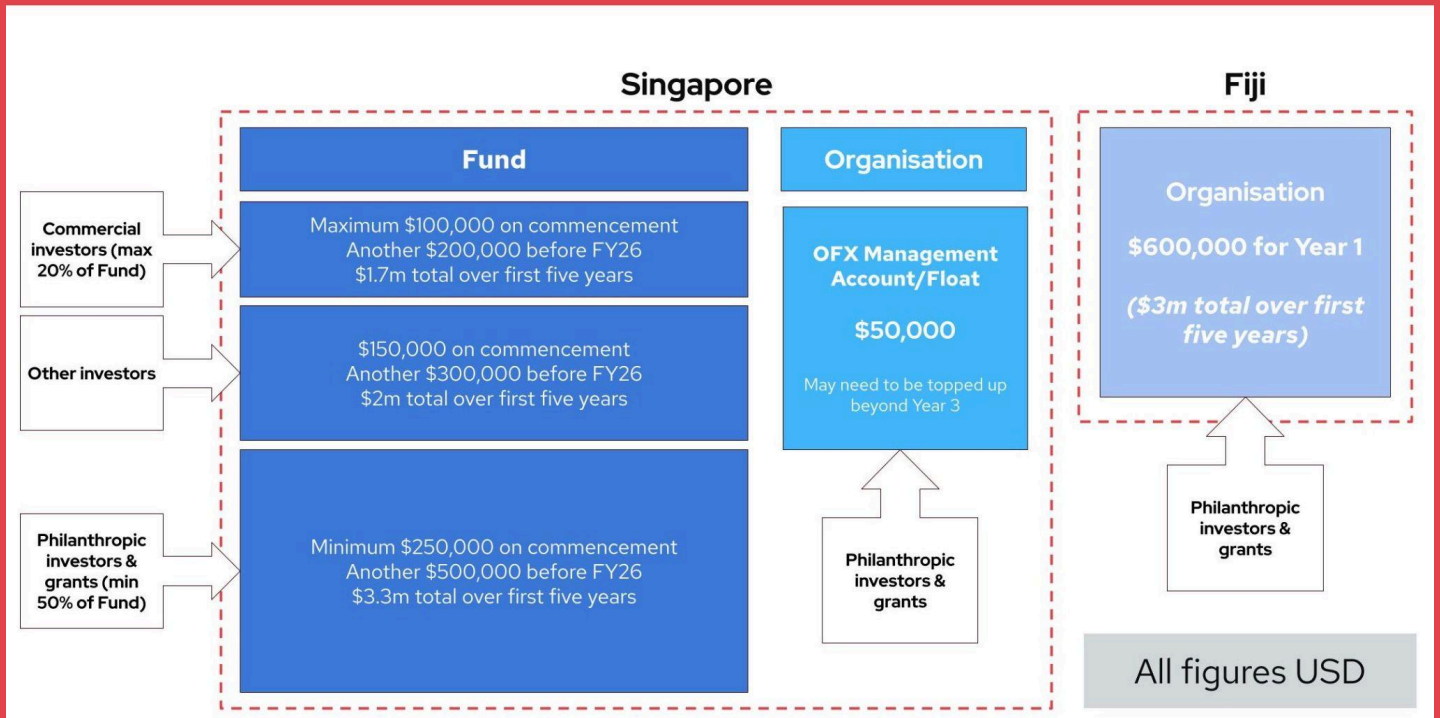
The purpose of TFV 2.0 is to enable women's micro, small and medium enterprises (WMSMEs) to increase market power and better meet community needs for their goods and services. WMSMEs will be able to purchase the equipment, inventory and services they need to operate their businesses, paying out of future revenues. The Vehicle will aggregate orders and logistics to achieve economies of scale, as well as manage foreign exchange and insurances. It is also designed to account for increasing climate impacts in the region, as well as cultural factors likely to impact enterprise continuity. By taking a market and systems approach, TFV 2.0 can help overcome the many systemic barriers to success for WMSMEs in the region.

TFV 2.0 builds on Red Hat Impact's award winning project providing trade finance through a Pacific Menstrual Health Trade Finance Vehicle (TFV 1.0) from 2020 to 2023. It scales up the size, sophistication, and scope of TFV 1.0 to include WMSMEs from all industries and sectors. Structured as a hybrid Vehicle - constituting an Organisation based in Fiji, and a Fund based in Singapore - TFV 2.0 is a member-governed economic development initiative that aspires to self-finance operations within a decade.

TFV 1.0 was a whole of ecosystem, market-level intervention in the menstrual health sector in the Pacific. Led by women in the Pacific, grounded in multi-sector partnerships and collaboration, and built through blended finance, it coordinated and financed the supply of input materials for locally owned and operated (formal and informal) Pacific enterprises that make and distribute reusable menstrual pads for women and girls.

Target countries	Fiji, Indonesia, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga and Vanuatu
5 Year Ambition	US\$13m of trade finance provided to 500+ WMSMEs
5 Year Funding Requirements	US\$7m in varying flavours of impact finance for the Fund, and US\$3m in working capital for the Organisation, to deliver on its ambition for the first five years, on a pathway to commercial sustainability of the Organisation from trade finance activity by 2035
Launch	TFV 2.0 plans to launch in July 2024

Vehicle Capital Requirements Summary (Launch + 5 Years)



TFV 2.0 Funders & Project Partners

Primary Funder



Secondary Funder



Research & Design Partners



The design of TFV 2.0 is the outcome of a collaborative project, led by Red Hat Impact. The project was supported by the Australian Government, through the Department of Foreign Affairs and Trade. Co-financing was provided by Vitol Foundation and an Australian family office.

The design and build of TFV 1.0 was also financed by the Australian Government, with the trade finance funding provided by a mix of individuals (predominantly women) and women-led and focused organisations. TFV 2.0 seeks to replicate this successful blended finance approach at a much larger scale to drive greater positive impact in the region for WMSMEs.

To discuss collaboration, explore investment, and for more information, including access to the full design documents for TFV 2.0, contact Cameron Neil, Director, Red Hat Impact via tfv2.0@redhatimpact.com or on WhatsApp +61402072452.