

# Trado Data-for-Benefits Swap

**Critical transitions:**



**Innovation:** Supply chain innovations

**Geographic focus:** Developing Countries

**\$:** n/a



Supported by the UK’s Department for International Development (DFID), Trado is a project led by the Cambridge Institute for Sustainability Leadership and a consortium of agricultural supply chain stakeholders including BNP Paribas, Barclays, Rabobank, Sainsbury’s, Sappi, Standard Chartered, and Unilever, using blockchain technology and financial incentives to improve supply chain transparency and sustainability.<sup>146</sup>

In 2019, Trado launched its data-for-benefits-swap pilot using Provenance’s supply chain tracking technology, built on Ethereum blockchain and Halotrado’s smart contracts. The swap occurs between a supplier providing “first mile” environmental and social data, and a buyer allowing their financing rate to be applied to the working capital financing of the supplier. Suppliers normally only get paid after the product is shipped and have to raise working capital to cover operation costs. Pre-shipment financing at cheaper rates incentivises them to provide additional production data. The pilot was carried out with actual payments and supply of goods from 225 smallholder producers of tea in Malawi for Unilever, covered by Barclay’s trade finance department.<sup>147</sup>

Receiving financing 35 days earlier than usual increased farmers’ profits by 3 percent. Creating transparency along the supply chain is important for large food retailers as the data can track positive impact and show compliance with environmental and social standards.<sup>148</sup> Trado plans to test its blueprint on other supply chains to explore other effective uses of the data gathered.

**Stakeholders:**

Cambridge Institute for Sustainability Leadership; DFID; Barclays; BNP Paribas; Halotrado; IDH; Meridia; Provenance; Rabobank; Sainsbury’s; Sappi; Standard Chartered; Unilever

**Status:**

● Pilot / In development