MIGA | Multilateral Investment Guarantee Agency
WORLD BANK GROUP

Political Risk Insurance & Credit Enhancement Solutions

BUSINESS DEVELOPMENT SEMINAR:
Angola & Mozambique

March 31, 2022

World Bank Group

Shared Twin Goals: Eliminate Extreme Poverty and Boost Shared Prosperity

WORLD BANK GROUP

- IBRD
- IDA
- IFC
- MIGA

Public Sector Focus		Private Sector Focus	
IBRD	**IDA**	**IFC**	**MIGA**
International Bank for Reconstruction and Development	International Development Association	International Finance Corporation	Multilateral Investment Guarantee Agency
Est. 1945	*Est. 1960*	*Est. 1956*	*Est. 1988*
Financing for middle-income and creditworthy low-income countries	Financing for the world's poorest countries	Investment (Equity/Debt)	Political Risk Insurance
Technical assistance	Technical assistance	Advisory Services	Credit Enhancement
Policy advice	Policy advice		
Support countries' economic and institutional development		Encourage private sector development	Promote foreign direct investment

MIGA's Sectors and Priority Areas

Infrastructure

Water & Wastewater
Roads and Rapid Transit
Railways
Airport
Telecommunications

Energy & Extractive Industries

Renewable Energy
Distributed Generation
Green Technologies (hydrogen, carbon capture, biofuels, …)
Transmission and Distribution
Natural Gas
Extractive Industries

Priorities:
IDA, Fragile & Conflict States, Climate Change

Manufacturing, Agribusiness & Services

Healthcare and Education
Agriculture
Forestry
Green Buildings
Industrial Decarbonization
Manufacturing
Services

Finance & Capital Markets

Capital Optimization (Regulatory relief on mandatory reserves)
Capital Markets
Financial Services (Fintech- mobile money)

**Non-exhaustive list*

Political Risk Insurance Solutions for Private Investors and Lenders
(project & corporate finance)

Currency Inconvertibility and Transfer Restriction
Inability to convert or transfer dividends or loan payments due to FX restrictions

Expropriation
Government nationalizes or otherwise makes it impossible to operate the project through discriminatory measures

War and Civil Disturbance
Destruction or interruption of business due to political violence (incl. sabotage and terrorism)

Breach of Contract
Failure of government to honor obligations under contractual agreements and subsequent failure to honor arbitral award

Credit Enhancement Solutions for Commercial Lenders
(public finance)

Non-Honoring of Financial Obligations
Sovereign
Sub-sovereign
State-owned Enterprise

- **Investment**: Applicable for debt-like instruments
- **Transaction type:** Structured/ Export Finance transactions. Borrower's payment obligation is unconditional and irrevocable. Not appropriate for non-recourse project finance
- **Eligible borrowers/guarantors**: Sovereigns, sub-sovereigns and state-owned enterprises with credit ratings of BB- and above
- **Risk**: 95% coverage of principal and interest against losses resulting from non-payment
- **Project**: Must support an underlying investment project with measurable developmental benefits and in some circumstances liquidity needs

Key Parameters

- 95% coverage for debt, 90% for equity
- Broad range of cover sizes

  (e.g., Afghanistan – US$1m, Djibouti – US$92m, Uzbekistan – US$708m, Oman – US$1,700m)
- Tenors up to 20 years

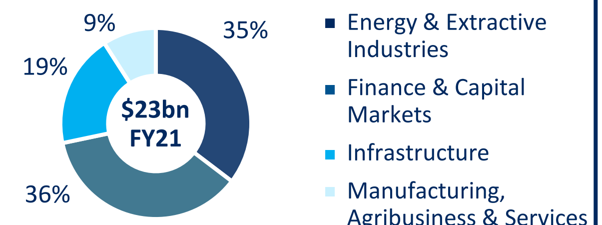
Pre-Claim Management & Compensation Track Record

- World Bank Group "Umbrella"; Host Countries are represented at MIGA's Board of Directors
- As "Honest Broker" MIGA can facilitate amicable resolution of disputes with confidential discussions among stakeholders

~950 *Projects supported since inception* → **150+** *Pre-claims managed* → **10** *Claims paid*

Portfolio Overview

- $23bn outstanding gross exposure
- $5.2bn new guarantee issuance in FY21



miga.org | miga-twitter | miga-linkedin

INSURING INVESTMENTS ■ ENSURING OPPORTUNITIES