



Guarantees | MIGA

World Bank Group Risk Mitigation Solutions

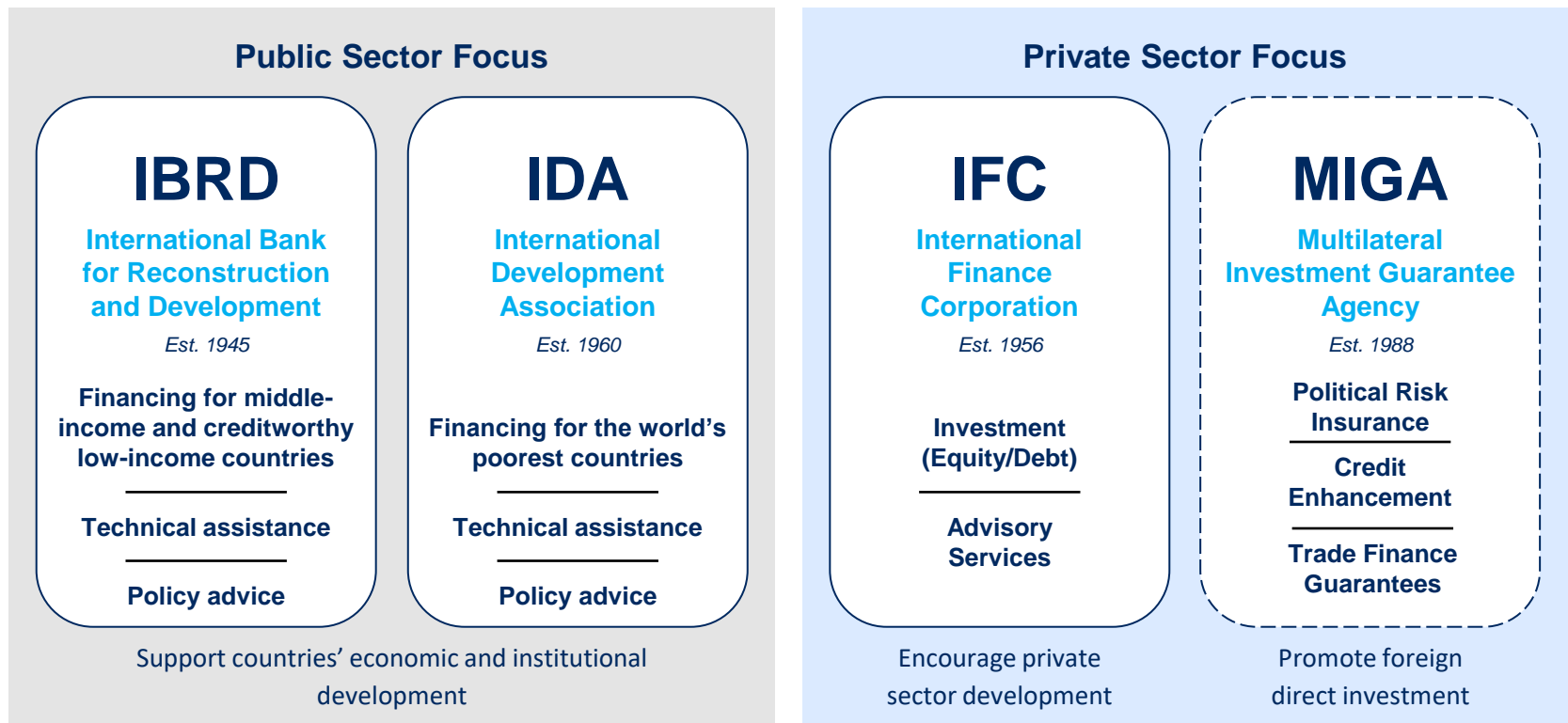
Portugal Workshop
March 2025



Agenda

- 1. Overview of MIGA and WB Guarantee Platform**
- 2. Key Terms, Product Lines, and Value Added**
- 3. MIGA Guarantee Solutions**
 - Political Risk Guarantees
 - Credit Enhancement
 - Trade Finance Guarantees
- 4. MIGA Process**
- 5. Annex – Detailed Description of selected World Bank Group Guarantee Products**

The World Bank Operating Model



Shared Twin Goals: End extreme poverty and boost shared prosperity on a livable planet

The Newly Established WBG Guarantee Platform bringing benefits to Investors

- A Guarantee One Stop Shop under MIGA

**IBRD/
IDA**

Policy-Based
Loan Guarantees
Project-Based
Payment and Loan
Guarantees

MIGA

Political Risk Insurance
Non-Honoring of Public Debt
Trade Finance Guarantees



WORLD BANK GROUP
Guarantees | MIGA

IFC

Credit Guarantees for Loans or Bonds
Significant Risk Transfer
Risk-Sharing Facilities



Greater accessibility



Streamlined process



**Innovative tools/ Platform
products combination**



**Simplified & comprehensive
product menu**



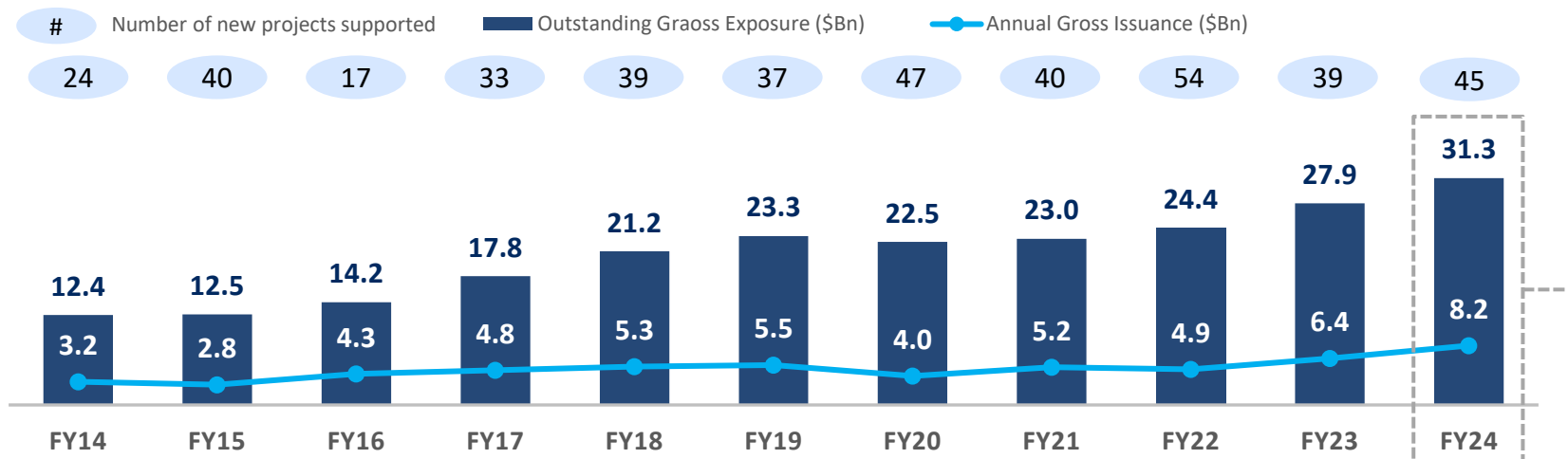
Condensed structure



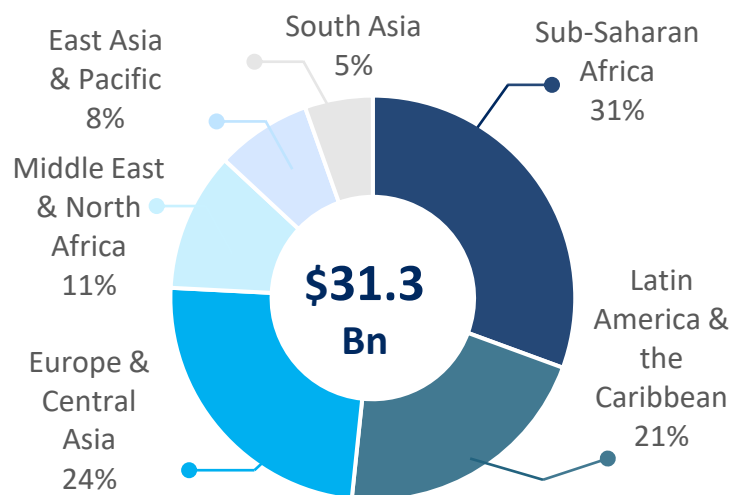
Increased capacity to scale

MIGA's Activity & Portfolio Overview

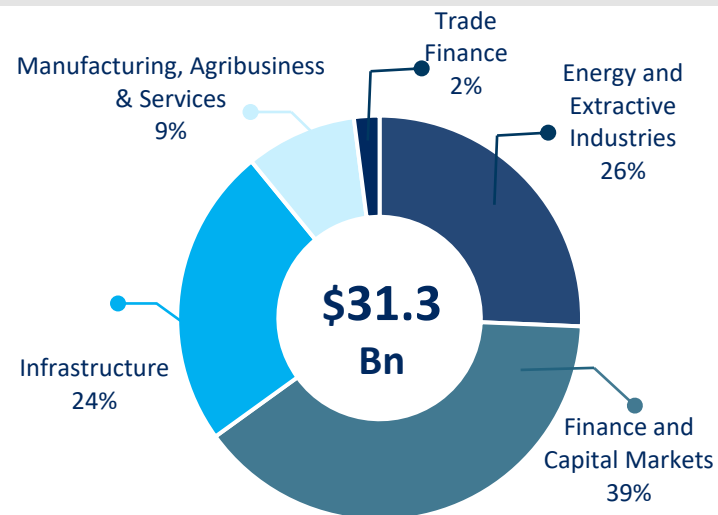
MIGA Outstanding Exposure & New Issuance



MIGA Portfolio Breakdown by Region



MIGA Portfolio Breakdown by Sector



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MIGA - Key Parameters

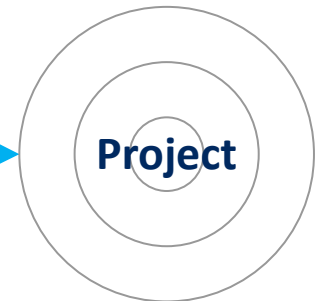
Offshore



Financials instruments



Host Country

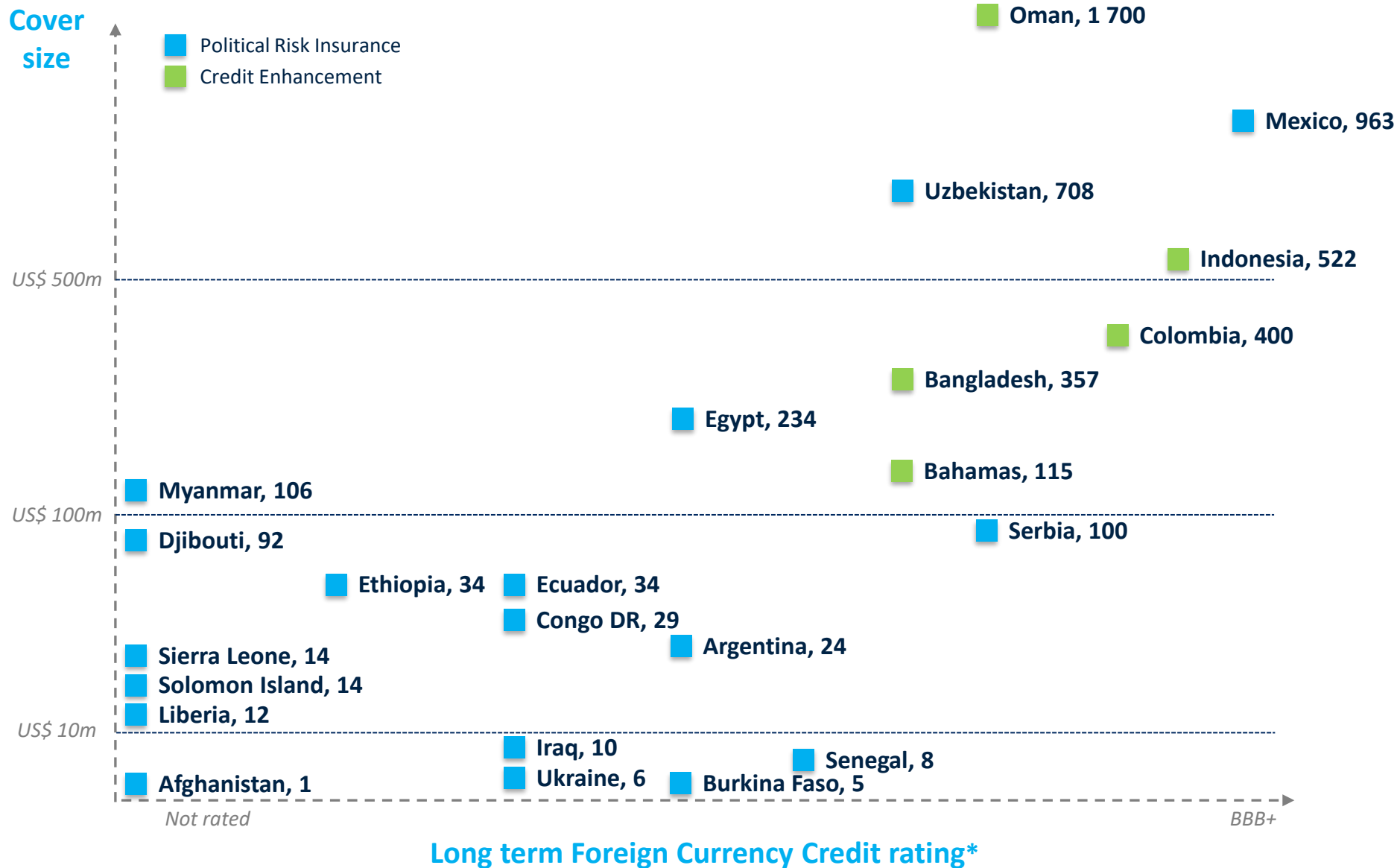


- 182 eligible investor countries
- Can cover all/ some foreign investors in a project
- Collaborates with other development institutions (MDBs, DFIs, WB & IFC)

- 154 eligible host countries
- 95% coverage for debt, 90% for equity
- Broad range of cover size
- Tenors up to 20 years
- Client can reduce, cancel, and - subject to approval - transfer or assign the policy

- Identified project
- Developmental impact
- E&S Performance Standards
- Integrity/ KYC

Broad Range of Coverage for MIGA Projects



MIGA Pre-Claim Management & Compensation Track Record

Deterrence Effect

World Bank “Umbrella”:

- Host Countries mindful of perceived impact on WBG relationship and international investment community if MIGA were to pay a claim

Shareholder Structure:

- Host Countries are represented at MIGA’s Board of Directors
- MIGA generally has access to officials at the highest level

Facilitating Amicable Resolution of Disputes

Confidential Discussions among Stakeholders:

- Confidentiality ensures open discussion
- MIGA does not impose settlements: request for MIGA’s help is voluntary

MIGA as “Honest Broker”:

- MIGA has a contractual obligation to honor the guarantee contract
- It seeks amicable resolutions between Host Countries and Guarantee Holders

~1,000 → 180+ → 11

Projects
supported
since inception

Pre-claims
managed

Claims paid in total
*o/w 9 claims due
to War and Civil
Disturbance*

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MIGA Political Risk Insurance (PRI) solutions for Investors and Lenders

(See Annex for the detailed description of MIGA covers)



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)



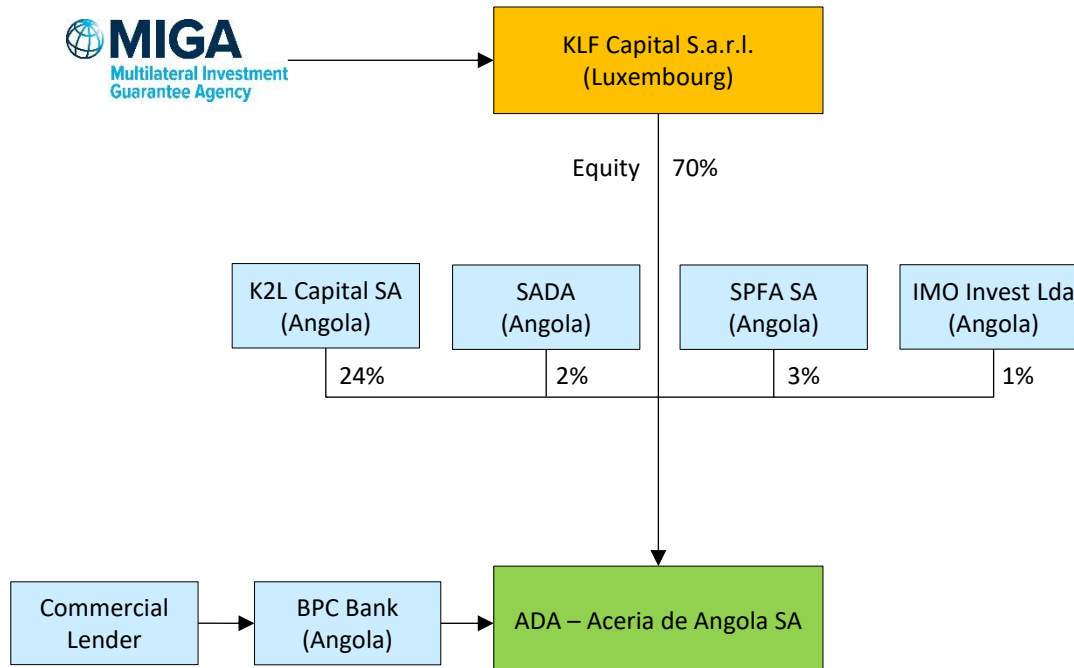
Breach of Contract

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

Supporting first large-scale industrial projects in Angola outside of the oil sector

Aceria de Angola, Angola

Project Structure



- Guarantee holder
- Project enterprise

Project Overview

Description:

- Construction and operation of scrap-based steel rebar plant, consisting of melt shop and rolling mill

Guarantee Holder(s):



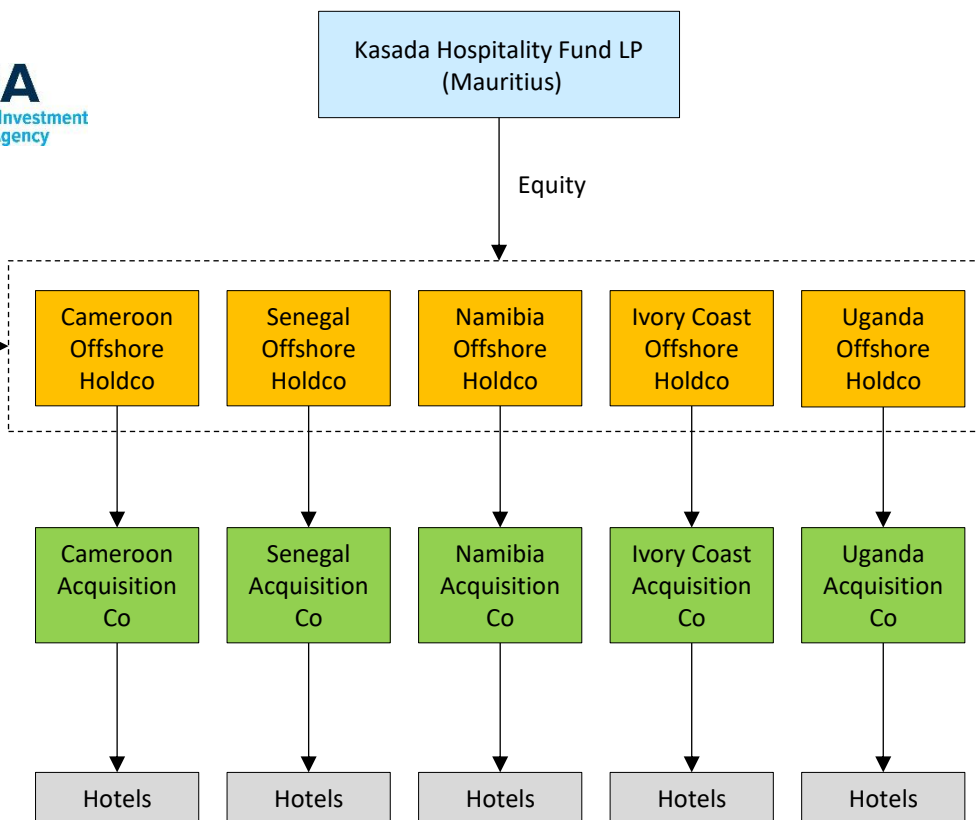
MIGA cover:

- Amount: \$70m (equity)
- Tenor: 10 years
- Risk(s): Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
- Issued: June 2015

Providing master contract for hospitality investment platform

Kasada Hospitality Fund, Africa

Project Structure



Project Overview

Description:

- Master contract for investments in an independent investment platform dedicated to investing in the hospitality sector in Sub-Saharan Africa (i.e., Cameroon, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Nigeria, Senegal, Namibia, Rwanda and Uganda)
- 3-year master contract (investment drawdown period) for any hotel projects Kasada undertakes within the ten host countries

Guarantee Holders:



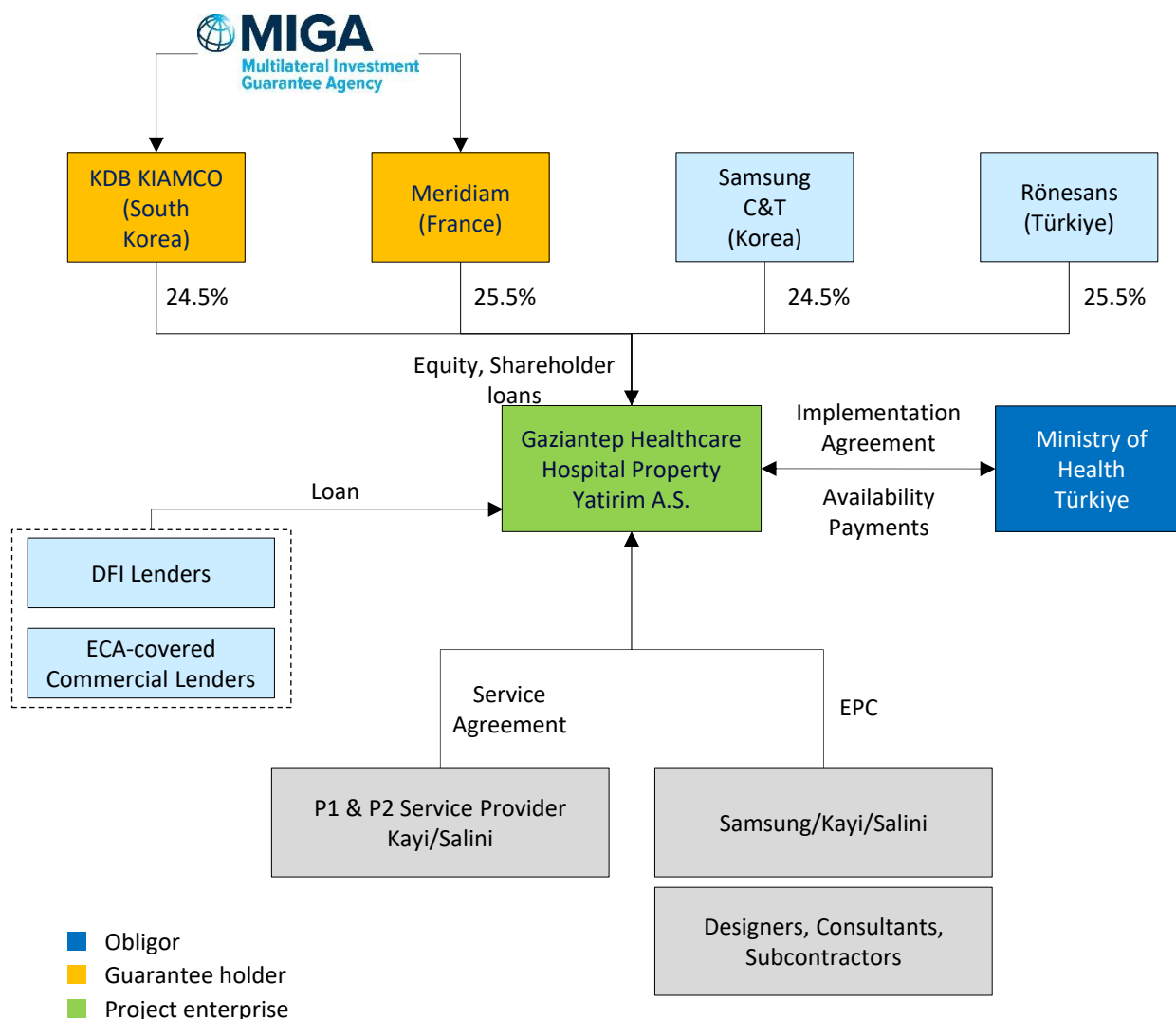
MIGA cover:

- Amount: €264.7m (equity)
 - To date, MIGA issued 10 contracts for €96.1m out of €264.7m
- Tenor: 15 years
- Risk(s): Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
- Issued: June 2021

Delivering high-quality and advanced healthcare infrastructure

Gaziantep Healthcare Hospital Property, Türkiye

Project Structure



Project Overview

Description:

- Design, construction, financing, and maintenance of a new 1,875-bed integrated health campus in the southeastern Turkish city Gaziantep structured as a public-private partnership.
- Having initially started in 2017, construction works suffered significant delays and ultimately stopped in the Spring 2020 (Covid-19) at a completion rate of less than 50%.
- In a bid to salvage the Project from failure, a partnership made up of Meridiam and EPC contractor Rönesans took over and turned the Project around.

Guarantee Holder(s):



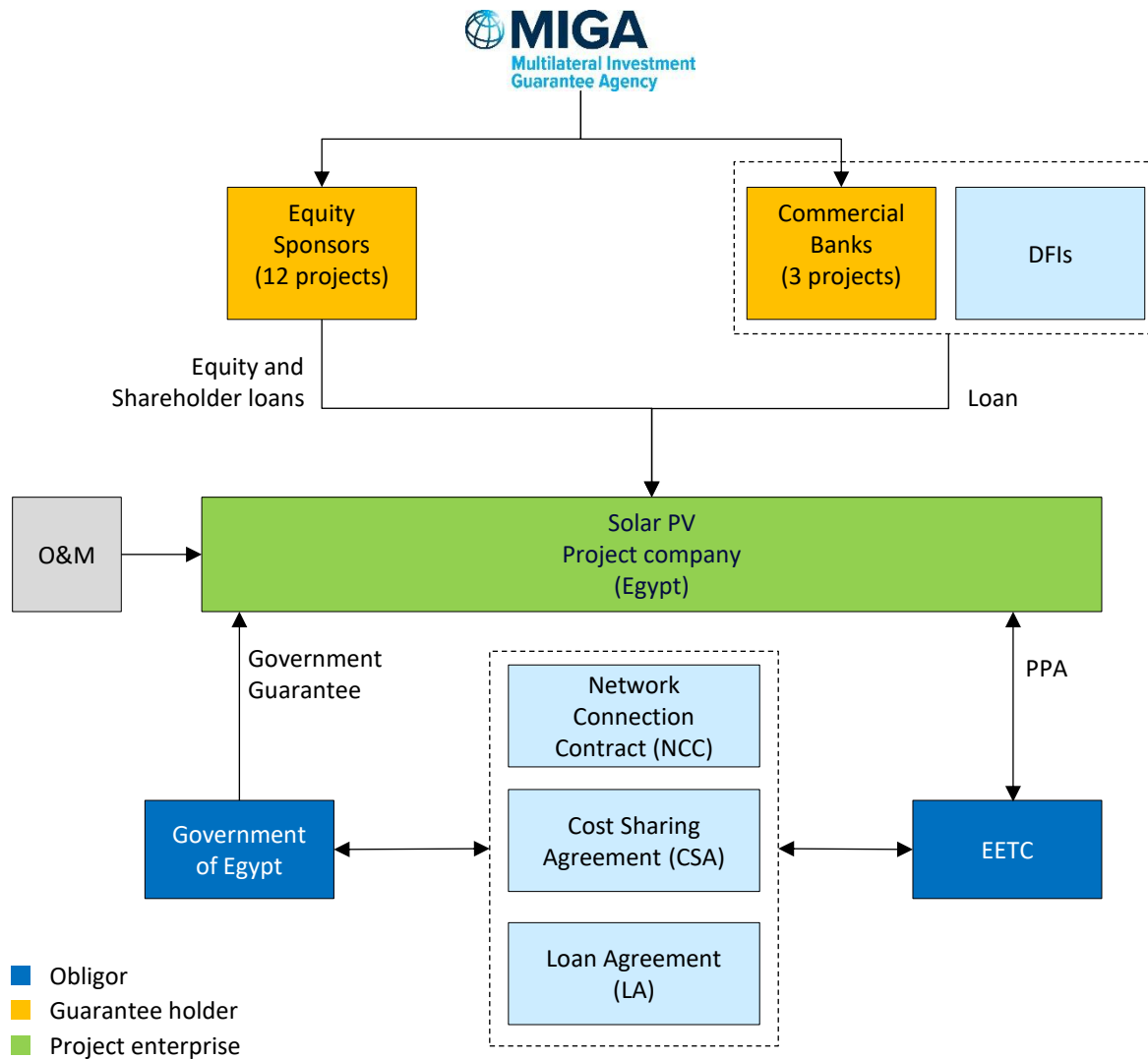
MIGA cover:

- Amount: €121.5m (equity, shareholder loans)
- Tenor: 15 years
- Risk(s): Breach of Contract, War and Civil Disturbance
- Issued: Originally signed in 2017/ Re-issued in April 2023

Supporting Egyptian effort to build world's largest solar generation park

Feed-In Tariff Benban Program, Egypt

Project Structure



Project Overview

Description:

- Construction, operation and maintenance of a green field solar Independent Power Producer facility
- Support for 12 projects with total installed capacity of about 600MW
- 25-year Power Purchase Agreement ("PPA")

Guarantee Holder(s):



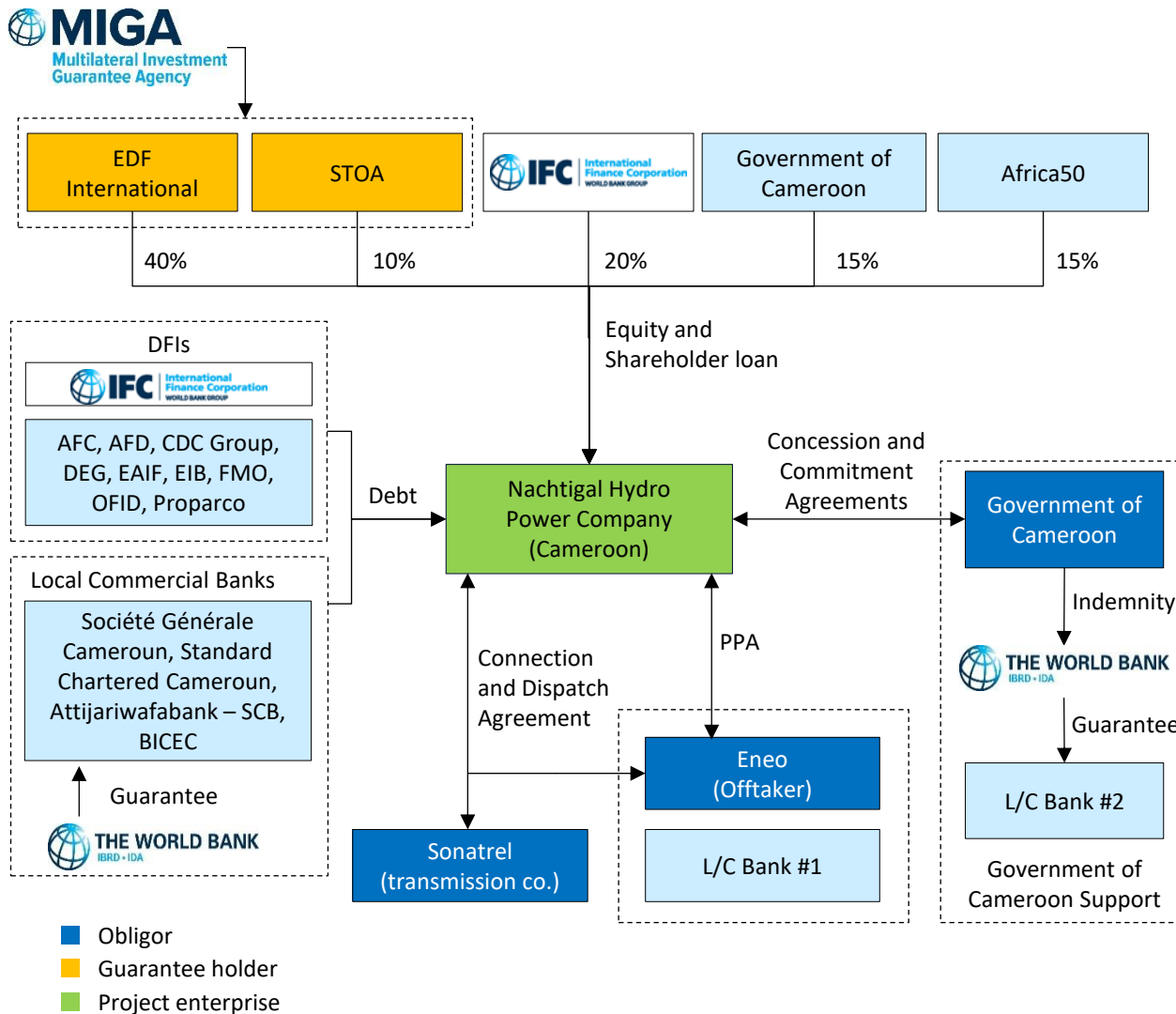
MIGA cover:

- Amount: \$234m (equity, shareholder loan)
- Tenor: 15 years (equity), 20 years (shareholder loans)
- Risk(s): Breach of Contract, Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
- Issued: End 2017/ 2018/ 2020

Supporting landmark hydro project as one World Bank Group solution

Nachtigal, Cameroon

Project Structure



Project Overview

Description:

- The development, construction and operation of a 420MW Hydropower plant on the Sanaga River

Guarantee Holder(s):



MIGA cover:

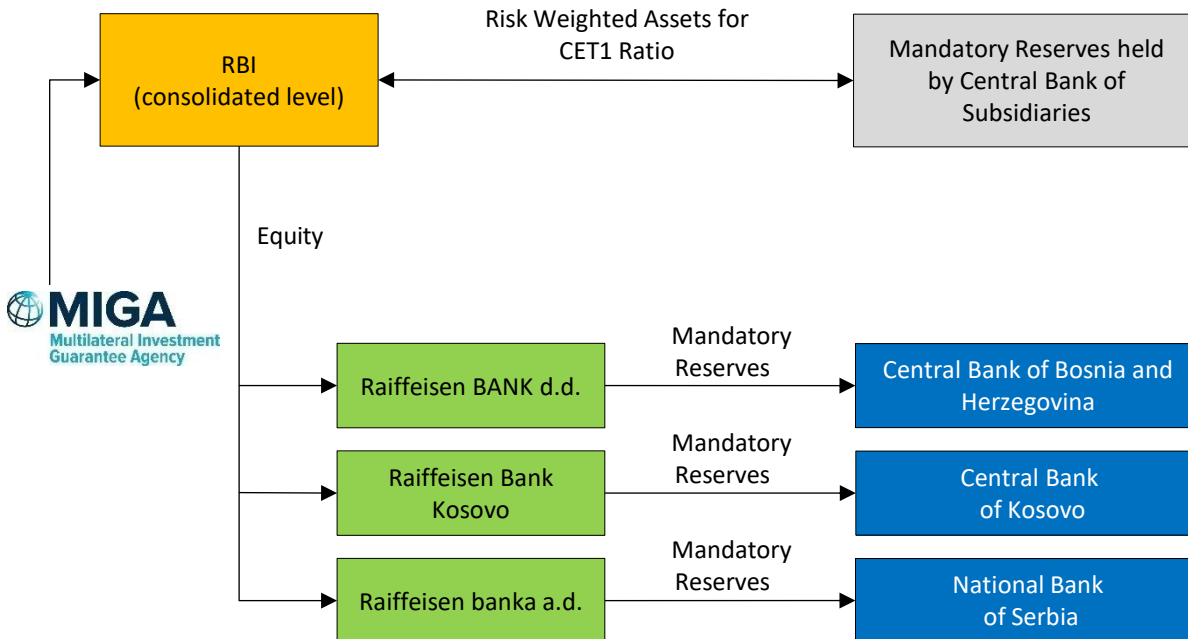
- Amount: €164.5m (equity, shareholder loan)
- Tenor: 15 years
- Risk(s): Breach of Contract
- Issued: December 2018

Capital optimization for lending to SMEs and climate projects

Raiffeisen Bank AG, Bosnia and Herzegovina, Kosovo, and Serbia

Project Structure

Project Overview



- Obligor
- Guarantee holder
- Project enterprise

Description:

- Reduced risk weighting on RBI's consolidated balance sheet for mandatory reserves maintained by its subsidiaries with their respective Central Bank
- Reduction of risk weighted assets reduces deleveraging pressures and creates room to support additional lending by subsidiaries.

Guarantee Holder(s):



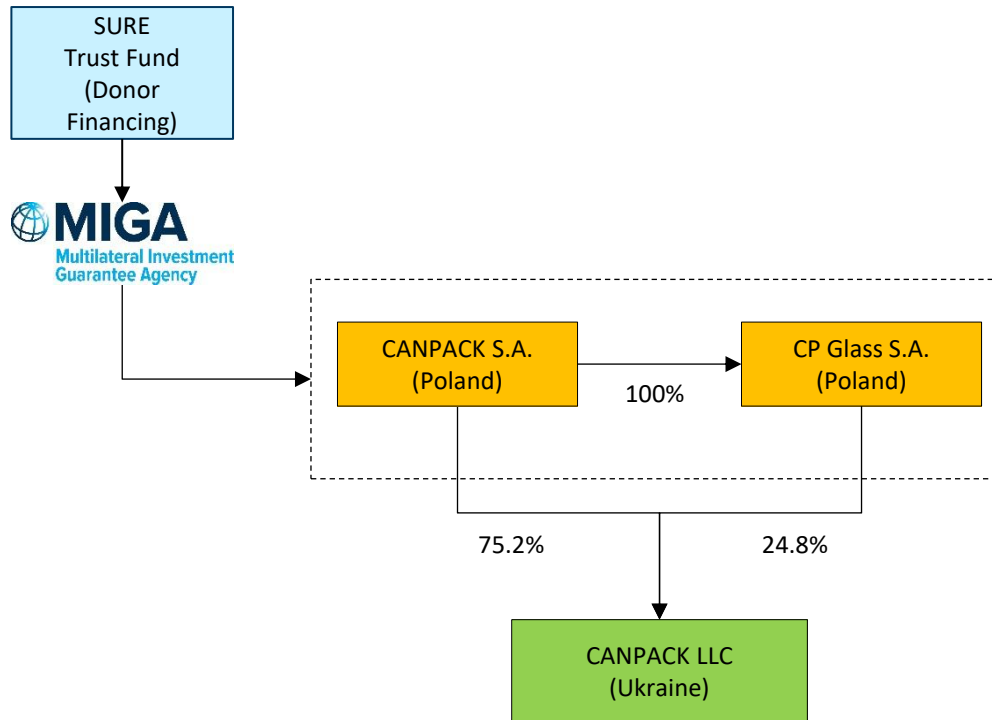
MIGA cover:

- Amount: €770m (equity)
- Tenor: 3 years
- Risk(s): Expropriation of funds
- Issued: March 2024

Supporting a highly-automated production facility to provide critical risk mitigation

CANPACK, Ukraine

Project Structure



- Guarantee holder
- Project enterprise

Project Overview

□ Description:

- Construction and operation of a highly-automated aluminum beverage can production.
- MIGA has supported this project since September 2003, extending coverage several times, making it the Agency's longest-standing project. With this extension, MIGA increased coverage of the existing investment from \$20.7 million to \$25.7 million and extended the guarantee period by 15 years. The guarantee as extended covers the same risks as in the original guarantee, other than Transfer Restriction.

□ Guarantee Holder(s):



□ MIGA cover:

- Amount: \$25.7m (equity)
- Risk(s): Expropriation, War and Civil Disturbance
- Issued: September 2003
- Extended: / July 2018 / September 2023

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MIGA Credit Enhancement Solutions – Overview



MIGA Non-Honoring of Public Debt

Sovereign

Sub-sovereign

State-owned enterprise

Key features of the cover:

- **Investment:** Applicable for debt and debt-like instruments (loans, bonds, swaps, etc.)
- **Transaction type:** Corporate/ Structured/ Export Finance transactions - Borrower's payment obligation is unconditional and irrevocable. Not appropriate for non-recourse project finance (PPPs or concessions)
- **Eligible borrowers/ guarantors:** Sovereigns, sub-sovereigns and state-owned enterprises with MIGA's internal 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

MIGA Credit Enhancement Solutions – Comparative Advantage

MIGA mitigates risks to support borrowings:

- MIGA is recognized as highly rated multilateral institution by Basel Committee
- Basel III compliant product providing commercial banks with capital relief on loans (MIGA has obtained legal opinions on compliance of the product with Basel III)
- Enables projects by improving borrowing terms, including funding cost

MIGA provides competitive terms for the borrower:

- Pricing of MIGA guarantees depends on tenor of guarantee and country classification
- Capital relief provided to banks allows for extension of tenors and competitive financing terms
- Increased funding options and lower overall borrowing costs (MIGA premium included)
- For eligible sub-sovereign and SOE borrowers, MIGA does NOT require a Counterindemnity or any sovereign Government backstop
- MIGA does NOT require the Financing to be tied to the country/origin of the Exporter

MIGA Eligible Countries for Credit Enhancement

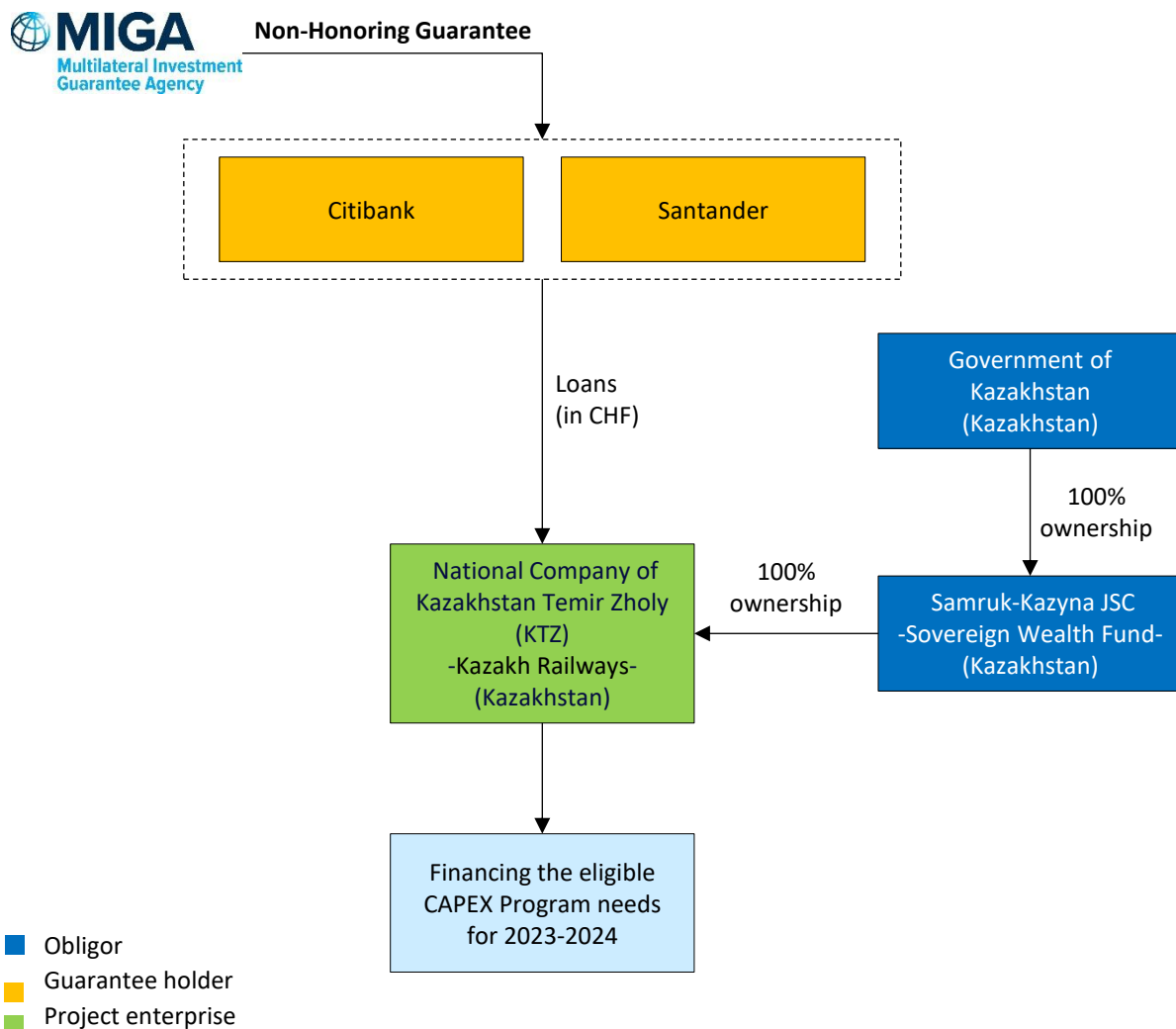
	MIGA's high-priority countries for Credit Enhancement	Eligible high-income countries
Africa	Botswana Côte d'Ivoire Mauritius Namibia	
Asia	India Indonesia Malaysia Philippines Thailand Vietnam	China South Korea Singapore
Europe & Central Asia	Albania Azerbaijan Bulgaria Croatia Georgia Kazakhstan North Macedonia Romania Serbia Uzbekistan	Cyprus Hungary Malta Poland Slovak Republic
Latin America & Caribbean	Brazil Colombia Costa Rica Dominican Rep. Guatemala Mexico Panama Paraguay Peru Trinidad & Tobago Uruguay	Chile
Middle East & North Africa	Morocco	Israel Kuwait Qatar Saudi Arabia United Arab Emirates Oman

Unlikely except for highly developmental projects, e.g., involving Covid-19 response or climate change mitigation / adaptation

Increasing the safety, reliability and the quality of the railway network and rolling stock

Kazakh Railways – National Company of Kazakhstan Temir Zholy (KTZ), Kazakhstan (SOE)

Project Structure



Project Overview

Description:

- MIGA guaranteed loan will be used to finance the eligible CAPEX program needs of KTZ (or its subsidiaries) for the period 2023-2024 that includes: (i) the rehabilitation, overhaul and repairs of the railway track network, (ii) the purchase of electric freight and passenger locomotives; and (iii) the purchase of passenger cars.

Guarantee Holder(s):



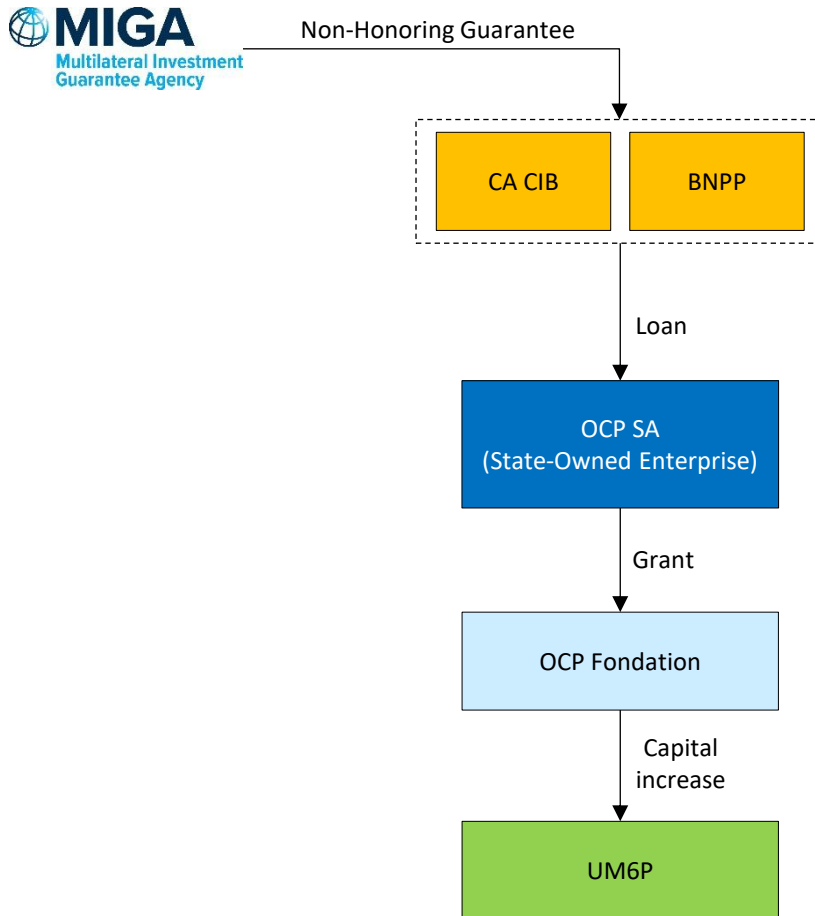
MIGA cover:

- Amount: CHF 554.7m (including the loan principal amount, future interest, and MIGA's premium)
- Tenor: 10 years
- Risk(s): Non-Honoring of Financial Obligations by a **State-Owned Enterprise (SOE)**
- Issued: September 2023

Supporting the expansion of higher education and R&D facilities to boost competitiveness

UM6P, Morocco (SOE)

Project Structure



- Obligor
- Guarantee holder
- Project enterprise

Project Overview

Description:

- The MIGA-covered loan facility aims to provide financing to fund OCP's investment in Mohammed VI Polytechnic University's (UM6P) construction and furnishing of a new campus near the city of Rabat
- The new campus will offer high quality tertiary education to 2,000 students

Guarantee Holder(s):



BNP PARIBAS



CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

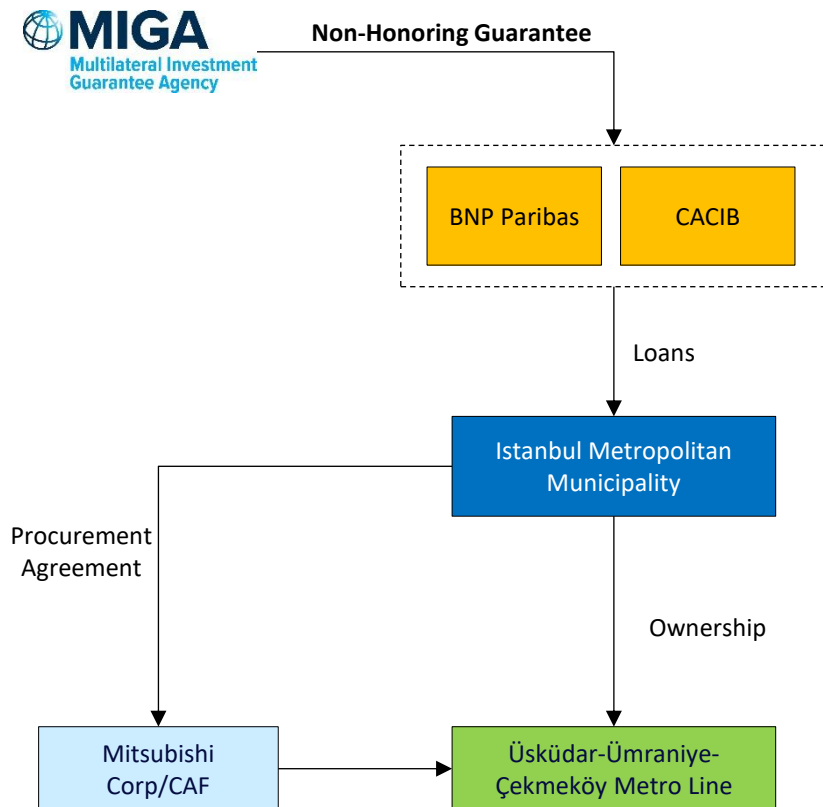
MIGA cover:

- Amount: €570m (loan principal, future interest, embedded interest rate swap breakage costs)
- Tenor: 10 years
- Risk(s): Non-Honoring of Financial Obligation of a State-Owned Enterprise
- Issued: May 2022

Reducing traffic congestion through metro extension

Üsküdar-Ümraniye-Çekmeköy Metro Line, Türkiye (Sub-Sovereign)

Project Structure



- Obligor
- Guarantee holder
- Project enterprise

Project Overview

Description:

- Procurement of 21 driverless metro trains of six metro cars each, as part of the commissioning of the Üsküdar-Ümraniye-Çekmeköy metro line (UUC Metro Line)

Guarantee Holder(s):



MIGA cover:

- Amount: €170m (loan)
- Tenor: 13 years
- Risk(s): Non-Honoring of **Sub-Sovereign** Financial Obligations
- Issued: February 2015

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MIGA Trade Finance Guarantees



Trade Finance Guarantees

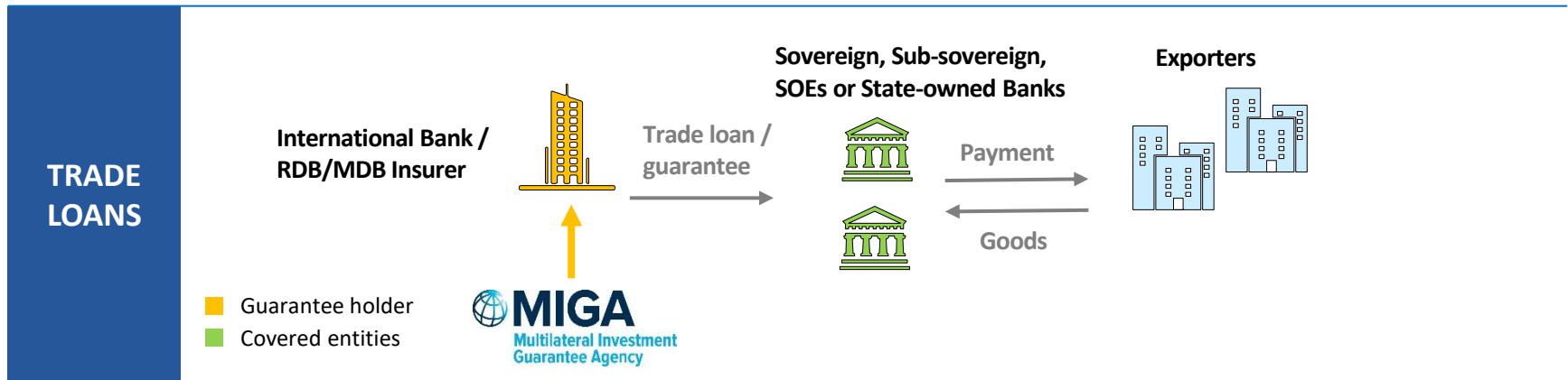
Non-Payment by a Sovereign, Sub-Sovereign, State-Owned Enterprise and State-Owned Bank of its Obligations related to a Trade Transaction

Key features:

- **Transaction type:** Applicable for a trade loan or letter of credit (Central Banks only) in an eligible country
- **Coverage:** Non-payment by a sovereign, sub-sovereign, state-owned enterprise and state-owned bank of its obligations relating to a trade related transaction
- **Underlying transactions:** Typical trade including L/C confirmations(Central Banks only), and trade loans with a tenor of 12 months or less

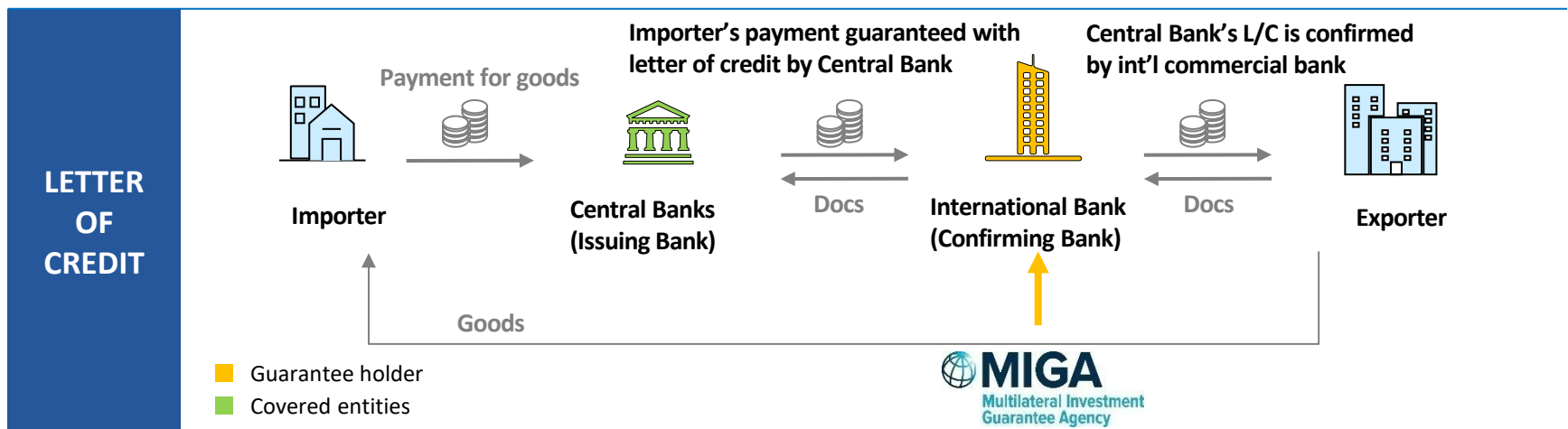
Expanding availability of trade finance

MIGA offers two distinct products: trade loans and letter of credit guarantees



MIGA provides a trade finance guarantee (or reinsurance):

- **Trade loans:** MIGA covers the international bank / regional development bank (RDB)/ Multilateral Development Bank (MDB) insurer against risk of non-payment by a Sovereign, Sub-sovereign, SOE and SOB
- **Letter of credits:** MIGA covers the international bank against payment default by the Central Bank (issuing bank)



TFG to FirstRand Bank Limited of South Africa in Côte d'Ivoire



FIRSTRAND



- Application by **FirstRand Bank Limited** (London Branch, acting through its Rand Merchant Bank Division) to cover an increase of a short-term revolving loan facility of up to **EUR 100 million to be provided to the Government of Republic of Côte d'Ivoire** (GoCIV, through the Ministry of Economy and Finance), for a tenor of up to 1 year.

• Transaction goal

The MIGA-covered portion of the Facility is used to provide **short term loans for trade related payments** aimed at potentially **supporting key sectors of the economy** such as the healthcare, infrastructure, and agriculture, among other sectors.

• Development impact

The Project is expected to enhance the resilience of GoCIV to couple with the liquidity strains imposed by the COVID-19 pandemic and the global inflationary environment, including the need for short term liquidity, working capital and trade finance facilities to support the government's developmental needs.

• Project status

Closed in July 2023.

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How MIGA Engages on Projects



Regular approach

- Regular Business Development with MIGA engaging directly with investors
- Investors approach MIGA with projects they have developed or tenders they are considering participating in



Upstream approach

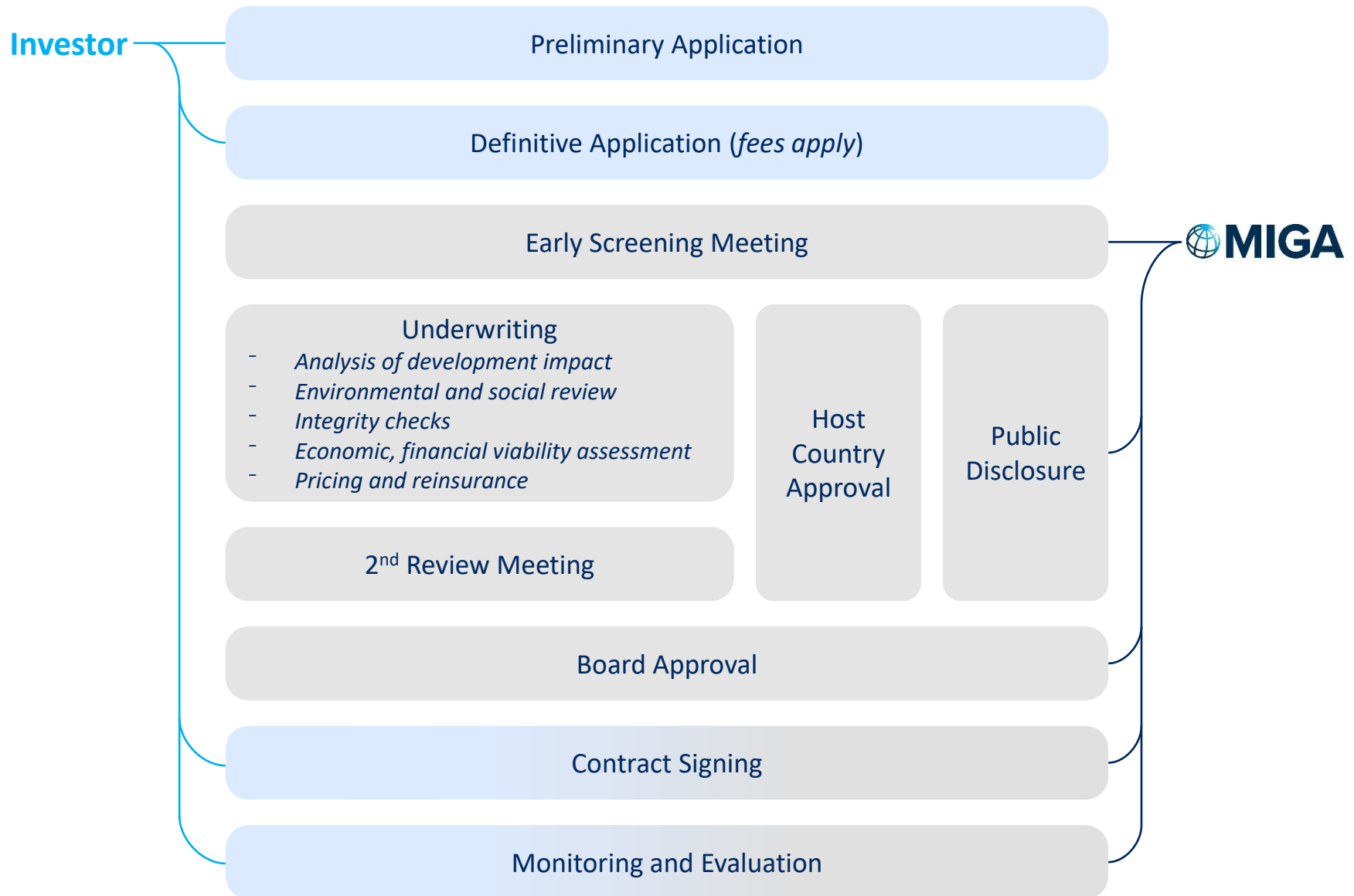
- Engaging early on with Government (i.e., Investment Promotion Agencies, PPP units, line ministries,) to understand priorities as well as current pipeline of projects
- MIGA includes a Term Sheet in transactions documents issued by Government (e.g. Scaling Solar Program)



Facilitating Public Private sector dialogue

- MIGA facilitates public private sector dialogue through for instance organizing roundtables :
 - Providing a platform for governments to present key priorities and for investors to share needed measures to encourage engagement.
 - MIGA to indicate appetite for supporting the highlighted projects

Registration and Underwriting Process



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MIGA Guarantees for Project Finance Structures

Political Risk Guarantees

Currency Inconvertibility and Transfer Restriction

Guarantee details

Provides protection against losses to investors or lenders arising from the inability to legally convert local currency (capital, profits, interest & principal loan payments) into hard currency, and/or transfer hard currency outside the host country due to government action or failure to act

When to use

Investors investing in projects that receive revenue in local currency

Benefits

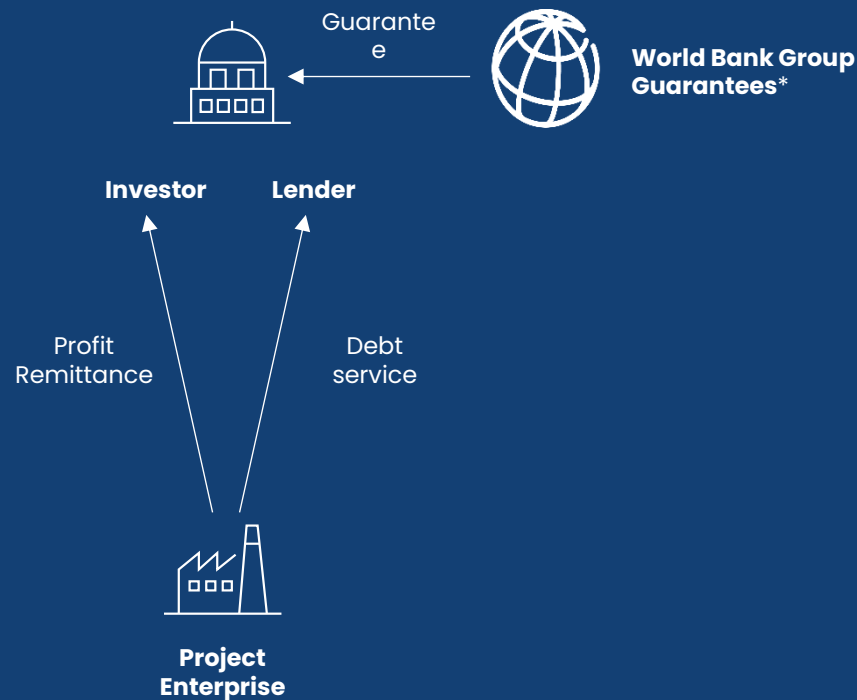
Mobilizes foreign investment by managing the risks of transfer restriction and currency inconvertibility for international investors and lenders

NON-COMMERCIAL RISKS

PRIVATE SECTOR
MOBILIZATION

CROSS BORDER
TRANSACTIONS

ILLUSTRATIVE



*On MIGA's balance sheet

Expropriation

Guarantee details

Provides protection against losses to international investors or lenders arising from government actions that reduce ownership of, control over, or rights to the insured investment (e.g. outright nationalization, confiscation, and “creeping” expropriation—a series of acts that, over time, have an expropriatory effect)

When to use

More prominent, long-term projects such as infrastructure or utilities that have a higher risk of expropriation

Benefits

Mitigates risk of losing control or ownership of investments

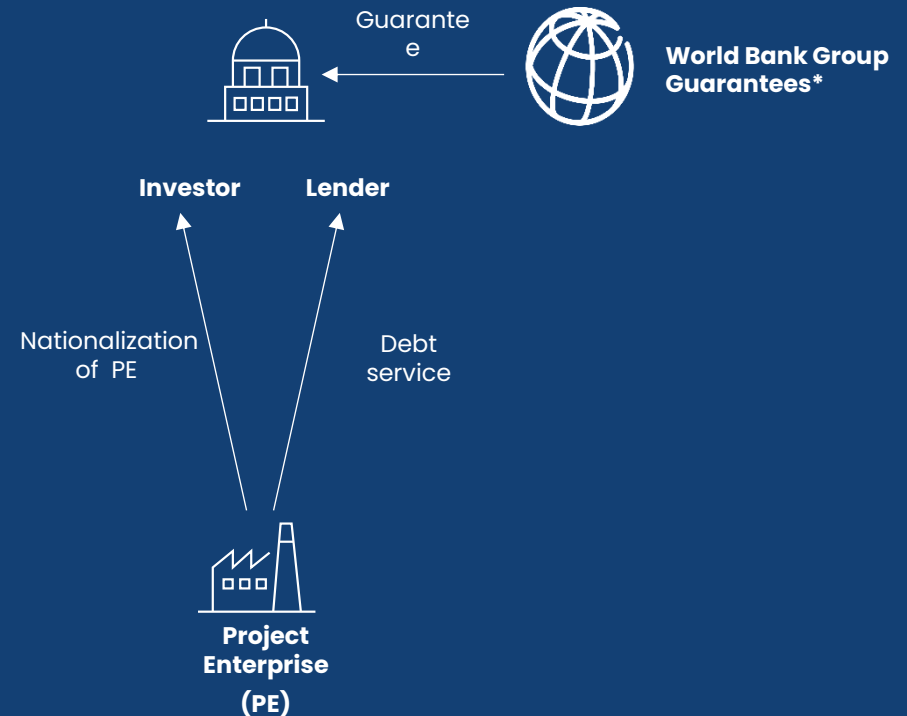
Provides compensation based on Project Enterprise net book value or market fair value, asset book value or blocked funds

NON-COMMERCIAL RISKS

PRIVATE SECTOR
MOBILIZATION

CROSS BORDER
TRANSACTIONS

ILLUSTRATIVE



*On MIGA's balance sheet

War and Civil Disturbance

Guarantee details

Provides protection against losses to investors or lenders arising from damage to, or destruction or disappearance of tangible assets, or temporary business interruption or total business interruption of the Project Enterprise, or default on debt service, due to political violence (incl. sabotage and terrorism)

When to use

Investments in regions with a history of instability, particularly for projects involving significant physical assets

Benefits

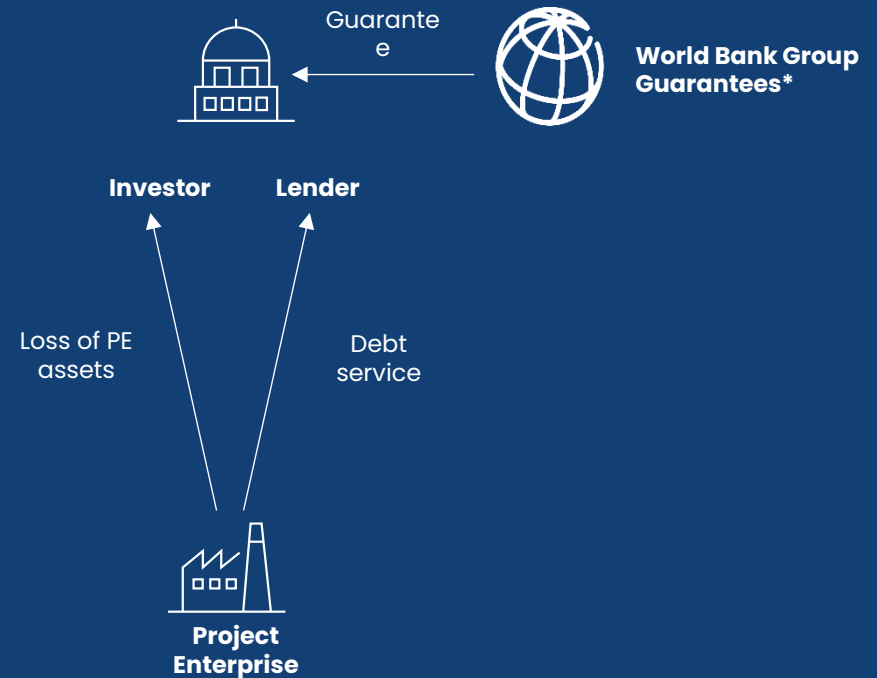
Mobilizes private sector investment into regions with elevated risk of civil disturbance and war by de-risking loans and equity investments

NON-COMMERCIAL RISKS

PRIVATE SECTOR
MOBILIZATION

CROSS BORDER
TRANSACTIONS

ILLUSTRATIVE



*On MIGA's balance sheet

Breach of Contract

Guarantee details

Provides protection against losses to international investors or lenders arising from breach or repudiation of a contractual obligation by the government or, in certain circumstances, a state-owned company, for which an award has been rendered in favor of an investor and the government/SOE refuses to pay

When to use

Investments involving long-term contracts with governments or state-owned enterprises, such as power purchase agreements or concessions

Benefits

Encourages investment by reducing contract enforcement risk

Provides compensation for non-payment of an arbitration award or denial of recourse

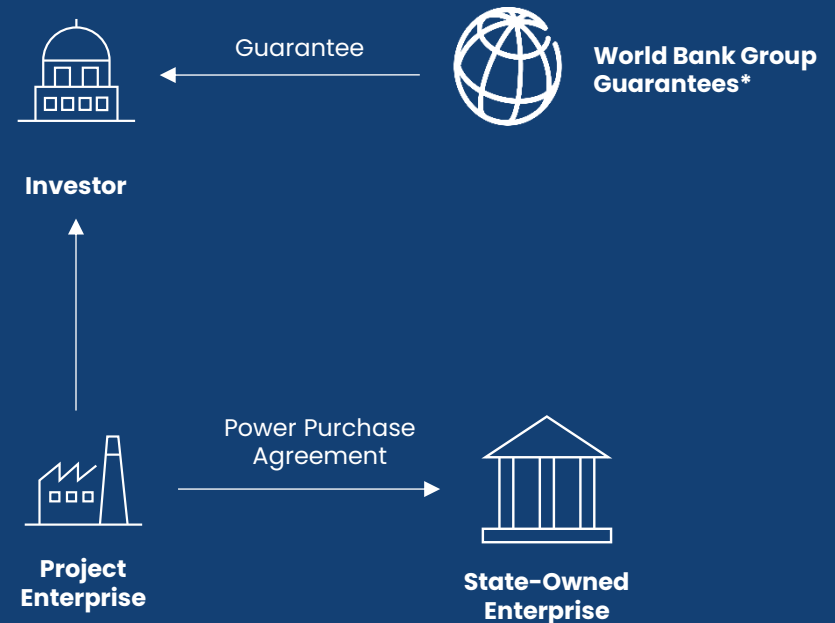
Facilitates dispute resolution and enforcement of contracts

NON-COMMERCIAL RISKS

PRIVATE SECTOR
MOBILIZATION

CROSS BORDER
TRANSACTIONS

ILLUSTRATIVE



*On MIGA's balance sheet

MIGA Regulatory Products for Banks

Political Risk Guarantees

Capital Optimization

Guarantee details

Covers the expropriation of mandatory or voluntary reserves held by global banks' subsidiaries in host countries, reducing counterparty risk and leading to a reduction in the bank group's risk-weighted assets (RWA)

When to use

Global banks with significant exposures to Central Banks in emerging markets that want to optimize capital usage and expand their loan books

Benefits

The risk-weighted asset capacity that is freed up can be used to grow the bank's loan book

Puts subsidiary banks on the same footing as locally-owned banks by reducing mandatory reserve requirements

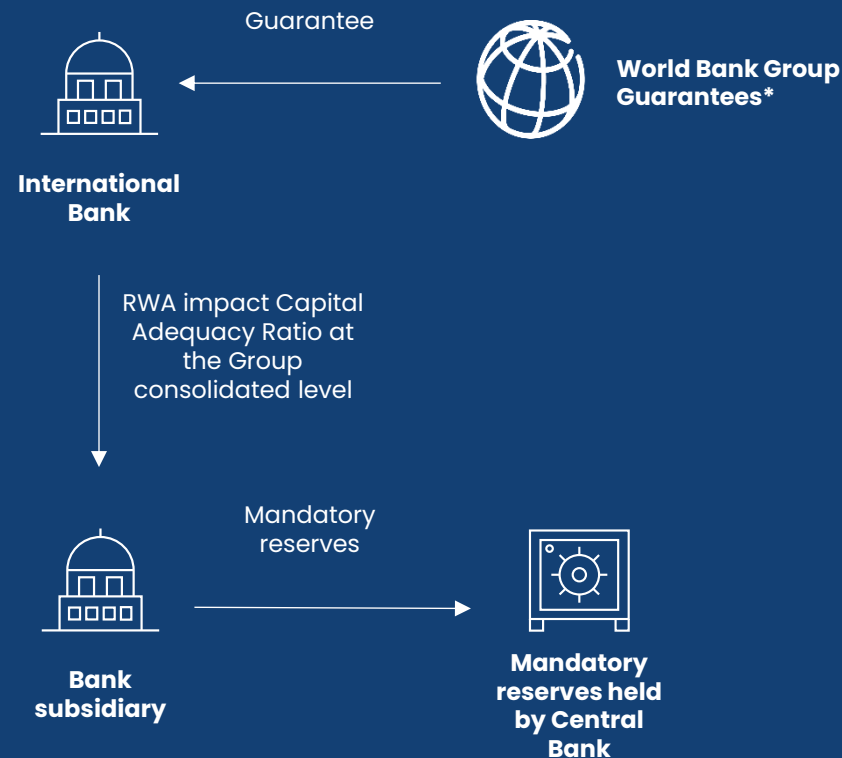
This product is Basel compliant

NON-COMMERCIAL RISKS

PRIVATE SECTOR
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ILLUSTRATIVE

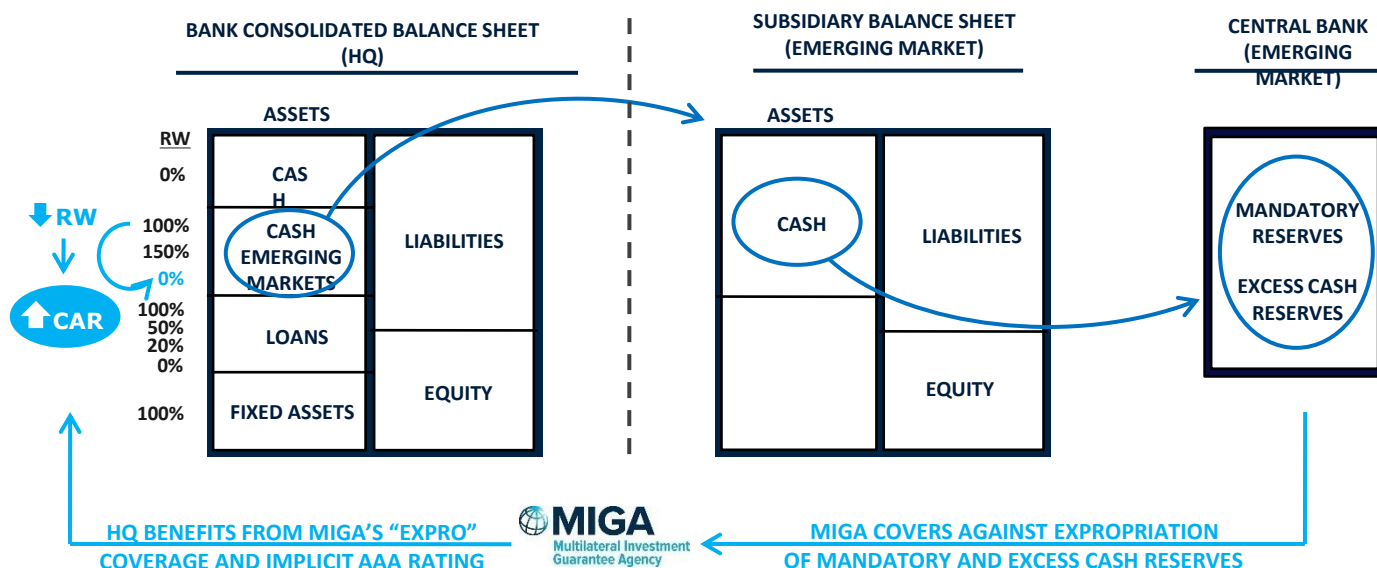


*On MIGA's balance sheet

The MIGA Solution

MIGA protects international banks against the expropriation of both mandatory and excess cash reserves through coverage of an equivalent amount of equity (in the form of new shares, capital increase, retained earnings, and/or parent guarantees of non-shareholder loans) and links these in the insurance contract to any expropriation event against funds held at EM central banks.

→ **MIGA's implied AAA credit rating** translates into a reduction of risk weight, as well as an improvement in Capital Adequacy Ratio at the bank's consolidated balance sheet and in subsidiary's return-on-RWA



MIGA's Value Added

Increase in capital adequacy ratio



- Improvement in credit profile
- Lowering of the cost of capital
- Increase of asset growth opportunities

Key Features

- ✓ Coverage available for subsidiaries in EM countries that are MIGA members, subject to host country approval
- ✓ Ability to provide coverage for local currency, USD and EUR
- ✓ Deterrence effect of MIGA / World Bank Group's involvement
- ✓ MIGA's strength as a mediator resulting from its position as a World Bank Group member
- ✓ Competitive pricing
- ✓ Model has already been tested in the market
- ✓ Access to MIGA / World Bank Group technical expertise and network
- ✓ Credibility from compliance with MIGA standards (Environmental & Social guidelines, governance, etc.)

Basel Requirements

- ✓ Local banking law in the country of the Guarantee Holder ("GH") determines whether MIGA's guarantee achieves desired effect
 - ➔ Relevant sources: Basel Framework > EU Banking Directives > National banking law (not banking laws of the host countries)
- ✓ Client is responsible to ensure that MIGA's product complies with Basel Regulations through:
 - Client's legal advisor (legal opinion)
 - Client's auditor
 - Consultation with banking regulator (if possible)
- ✓ Case-by-case analysis required for each jurisdiction

WB Guarantees For Project Finance Structures

Political Risk Guarantees

Project-Based Payment Guarantee

Guarantee details

Provides protection against losses to private entities or a foreign public entity arising from government failure to pay non-debt payment obligations under commercial contracts (e.g., payments under PPA)

When to use

At the government request to increase financing options for investment in high priority projects carried out by a private entity

Caters to large transformational infrastructure projects that are critical for the country and often attracts large scale foreign direct investment

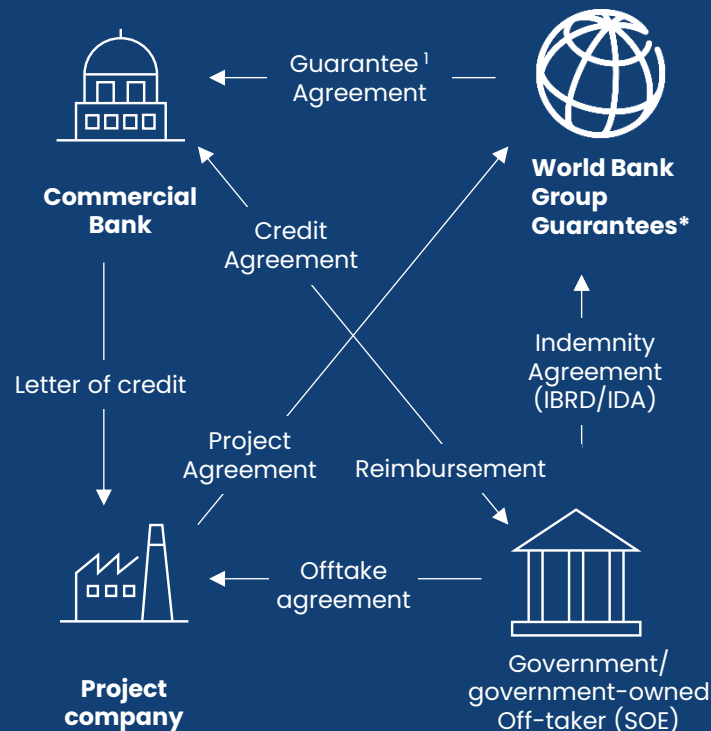
Benefits

- Provides credit enhancement, improving commercial borrowing terms
- Facilitates public-private risk sharing
- Expands access to financial markets
- Enables bankability through risk mitigation

NON-COMMERCIAL RISKS

PRIVATE SECTOR MOBILIZATION

ILLUSTRATIVE



1. Two structures exist for Payment Guarantees: Letter of Credit provides liquidity to implementing entity after payment default, while Direct Payment Guarantee is only accessible to implementing entity after pre-determined period

*On WB's balance sheet

Project-Based Loan Guarantee for Private Sector Projects*

Guarantee details

Provides protection against losses to private entities or a foreign public entity arising from government failure to pay covered financial obligations under project contracts (primarily risks in control of government)

When to use

At the government request to increase financing options for investment in high priority projects

Caters to large transformational infrastructure projects that are critical for the country and often attracts large scale foreign direct investment

Benefits

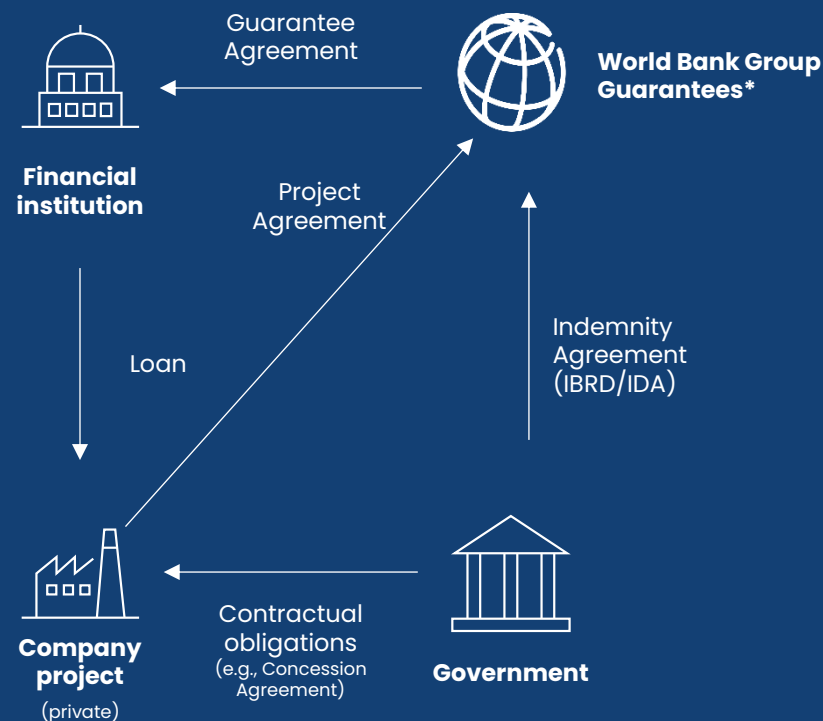
- Improves commercial borrowing terms
- Facilitates public-private risk sharing
- Expands access to financial markets
- Enables bankability through risk mitigation

* Formerly known as Partial Risk Guarantees or PRGs.

NON-COMMERCIAL RISKS

PRIVATE SECTOR
MOBILIZATION

ILLUSTRATIVE



*On WB's balance sheet

MIGA Guarantees For Public Projects (Sovereigns, Sub-Sovereigns and SOEs)

Credit Guarantees

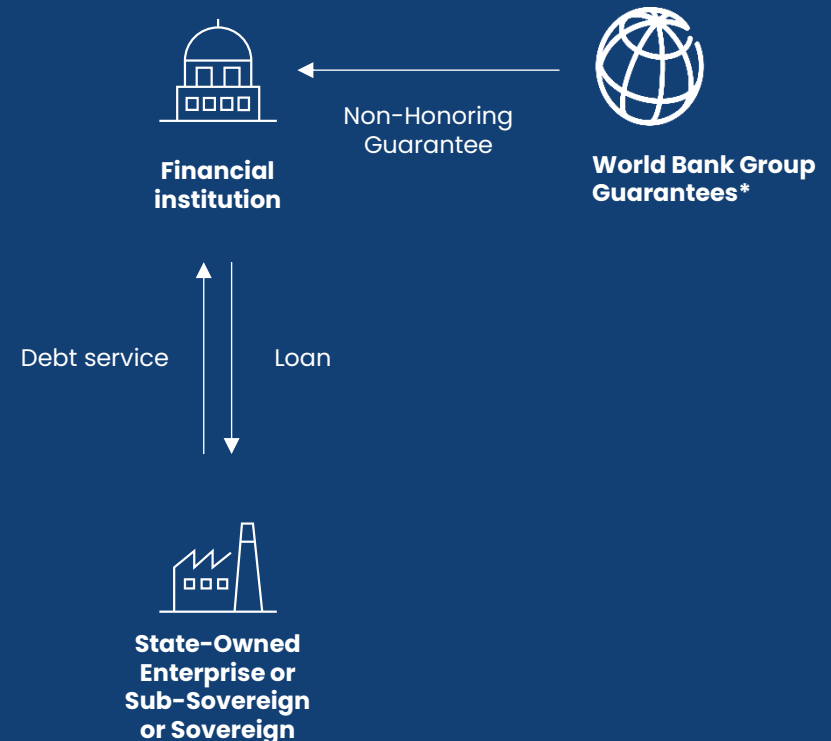
Non-Honoring of Public Debt for Sovereigns, Sub-Sovereigns and SOEs

Guarantee details

- **Investment:** Applicable for debt and debt-like instruments (loans, bonds, swaps, etc.)
- **Transaction type:** Corporate/ Structured/ Export Finance transactions - Borrower's payment obligation is unconditional and irrevocable. Not appropriate for non-recourse project finance (PPPs or concessions)
- **Eligible borrowers/ guarantors:** Sovereigns, sub-sovereigns and state-owned enterprises with MIGA's internal 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

NON-COMMERCIAL RISKS
PUBLIC SECTOR
PROJECTS
CROSS BORDER
TRANSACTIONS

ILLUSTRATIVE



*On MIGA's balance sheet

Credit Enhancement Solutions – Comparative Advantage

- MIGA is recognized as highly rated multilateral institution by the Basel Committee
- MIGA's credit enhancement guarantee is **Basel-compliant product** providing commercial banks with capital relief on loans (MIGA has obtained a legal opinion on compliance of the product with Basel III)
- Capital relief provided to banks allows for extension of tenors and competitive financing terms
- Pricing of MIGA guarantees depends on the credit rating of the borrower, the amount, tenor and repayment profile of the guarantee
- The borrowers could benefit from broader funding options and lower overall borrowing costs (MIGA premium included)
- For eligible sub-sovereign and SOE borrowers, MIGA does NOT require a counter-indemnity or any sovereign backstop
- MIGA does NOT require the financing to be tied to the country/origin of the Exporter

WB Guarantees For Public Projects (Sovereigns, Sub-Sovereigns and SOEs)

Credit Guarantees

Policy-Based Guarantee

Guarantee details

Provides protection against losses to commercial lender arising from sovereign or sub-sovereign borrower to pay lender (FI) in the context of a budget support and policy reforms

When to use

For government budget support and financing associated with a program of policy and institutional actions

Countries with less established track records in international capital markets or needing to regain market access

Benefits

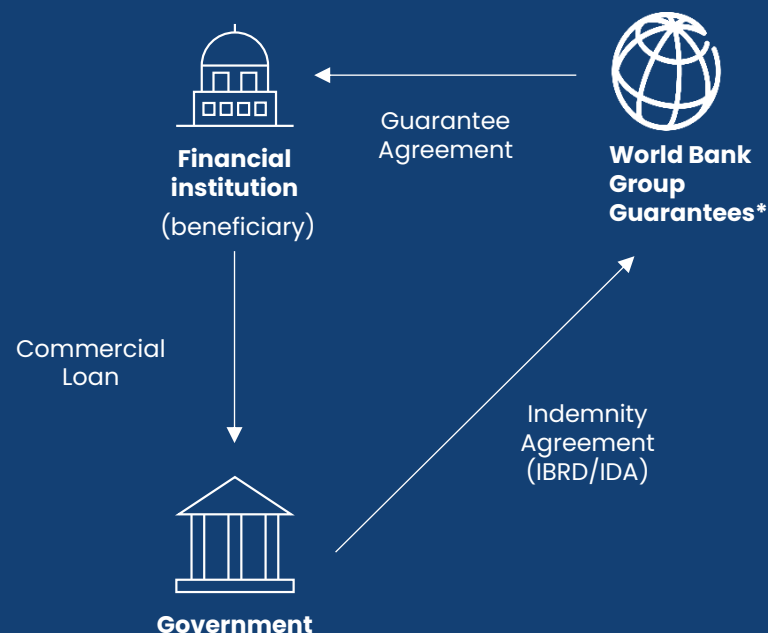
Helps countries to:

- Improve access to commercial debt markets
- Establish a track record with capital markets
- Enhance creditworthiness to secure more favorable commercial financing terms
- Diversity sources of funding to leverage more finance

NON-COMMERCIAL RISKS

PUBLIC SECTOR POLICY

ILLUSTRATIVE



*On WB's balance sheet

Project-Based Loan Guarantee for Public Sector Projects*

Guarantee details

Provides protection against losses to commercial lender arising from public sector borrower to pay lender (FI) in the context of a public sector project

Covers certain percentage of debt irrespective of cause of default

When to use

Sovereigns, sub-sovereigns, state-owned enterprises wanting to access commercial sources of financing for priority public sector projects or corporate financial restructuring of public utilities

Usually accompanying reforms or government commitments to help the public sector borrower enhance credit worthiness

Benefits

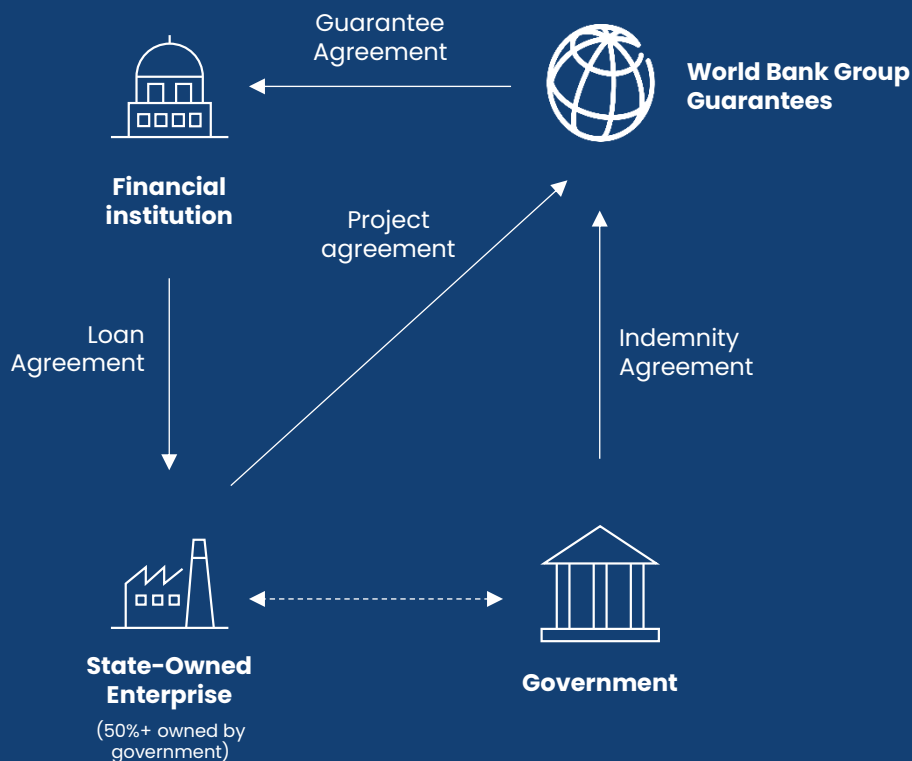
- Improves commercial borrowing terms
- Promotes public-private risk sharing through partial coverage
- Expands access to financial markets
- Enables bankability through risk mitigation
- Provides capital relief to lenders

* Formerly known as Partial Credit Guarantees or PCGs.

NON-COMMERCIAL RISKS

PUBLIC SECTOR PROJECTS

ILLUSTRATIVE



*On WB's balance sheet

MIGA Trade Finance Guarantees for Public Sector Risk

Trade Loans

Guarantee details

Protects regional / global banks against the risk of a sovereign or state-owned entity failure to pay a trade finance obligation

When to use

Sovereign or state-owned entities, including state-owned banks (SOB), looking to attract foreign lending to finance trade transactions

Benefits

Increases available trade finance on the continent with greater availability and better terms for cross-border trade financing for sovereign or state-owned entities

NON-COMMERCIAL RISKS

PRIVATE SECTOR
MOBILIZATION

SHORT TERM TRADE

ILLUSTRATIVE



*On MIGA's balance sheet

CONTACT US



WORLD BANK GROUP
Guarantees | MIGA

Private Capital for Public Good



Nabil Fawaz
nfawaz@worldbank.org

Noureddin Ennaboulssi
nennaboulssi@worldbank.org