



**MIGA**

**Multilateral Investment  
Guarantee Agency**

WORLD BANK

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**Political Risk Insurance,  
Credit Enhancement and  
Trade Finance Solutions**

# 1. **MIGA in the World Bank**

2. Key Terms, Product Line and Value Added

3. MIGA Guarantee Solutions

➤ Political Risk Insurance

➤ Credit Enhancement

➤ Trade Finance

4. MIGA's Process

# The World Bank Operating Model



### Public Sector Focus

<h2>IBRD</h2> <p><b>International Bank for Reconstruction and Development</b> <i>Est. 1945</i></p> <p>Financing for middle-income and creditworthy low-income countries</p> <hr/> <p>Technical assistance</p> <hr/> <p>Policy advice</p>	<h2>IDA</h2> <p><b>International Development Association</b> <i>Est. 1960</i></p> <p>Financing for the world's poorest countries</p> <hr/> <p>Technical assistance</p> <hr/> <p>Policy advice</p>
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Support countries' economic and institutional development

### Private Sector Focus

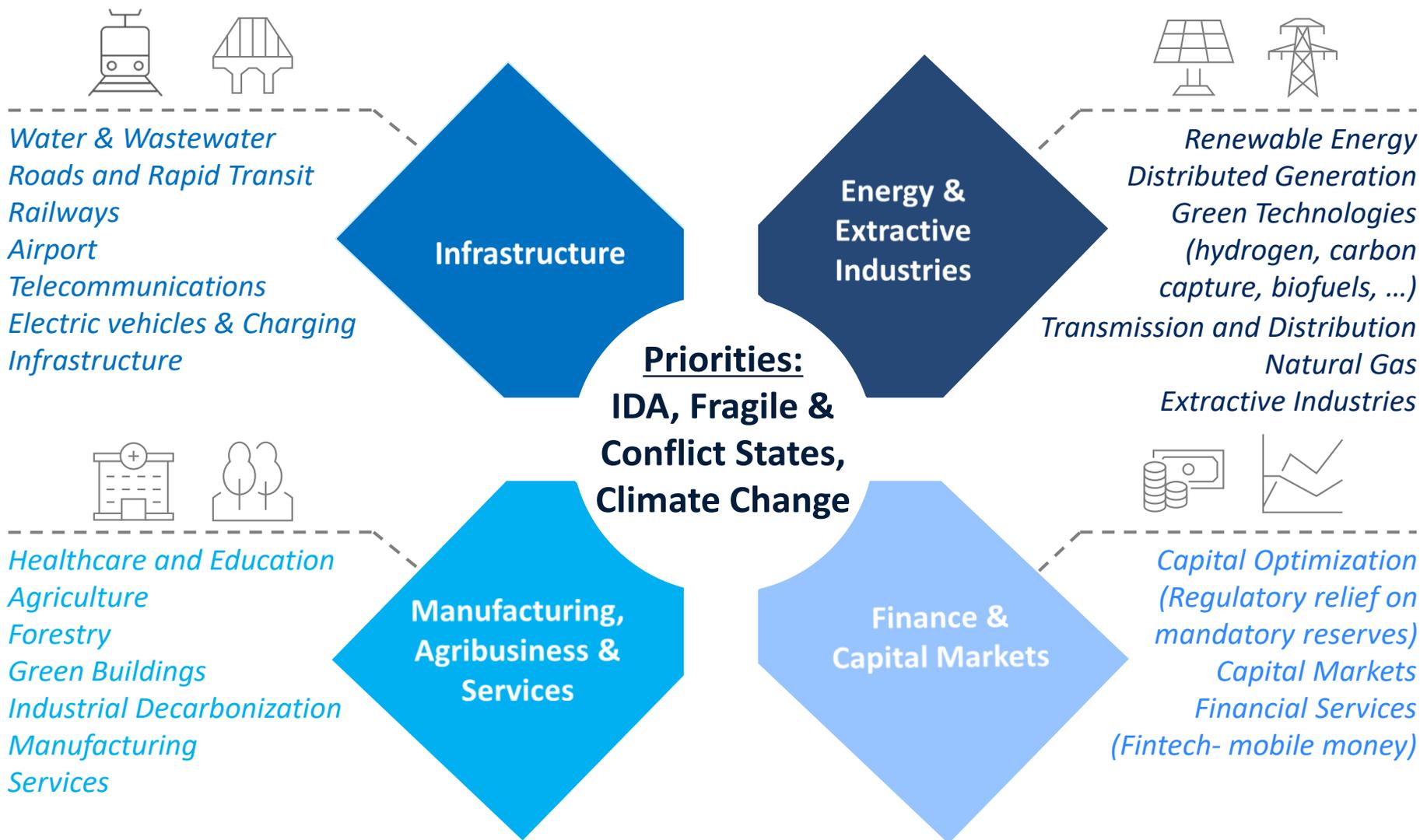
<h2>IFC</h2> <p><b>International Finance Corporation</b> <i>Est. 1956</i></p> <p>Investment (Equity/Debt)</p> <hr/> <p>Advisory Services</p>	<h2>MIGA</h2> <p><b>Multilateral Investment Guarantee Agency</b> <i>Est. 1988</i></p> <p>Political Risk Insurance</p> <hr/> <p>Credit Enhancement</p> <hr/> <p>Trade Finance</p>
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Encourage private sector development

Promote foreign direct investment

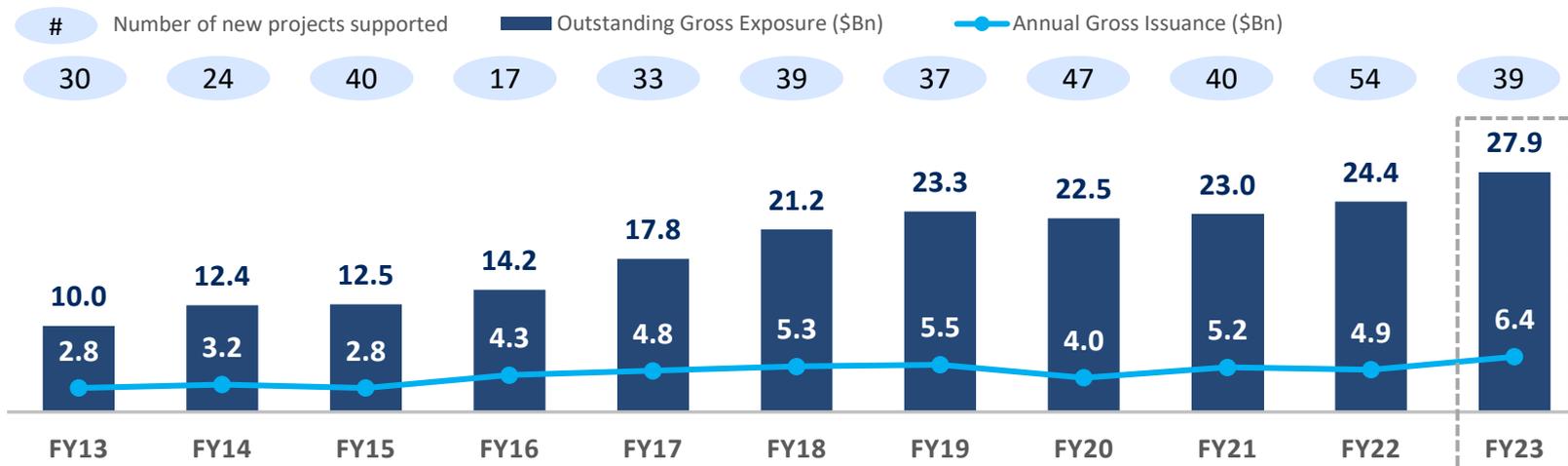
*Shared Twin Goals: Eliminate Extreme Poverty and Boost Shared Prosperity*

# MIGA's Sectors and Priority Areas

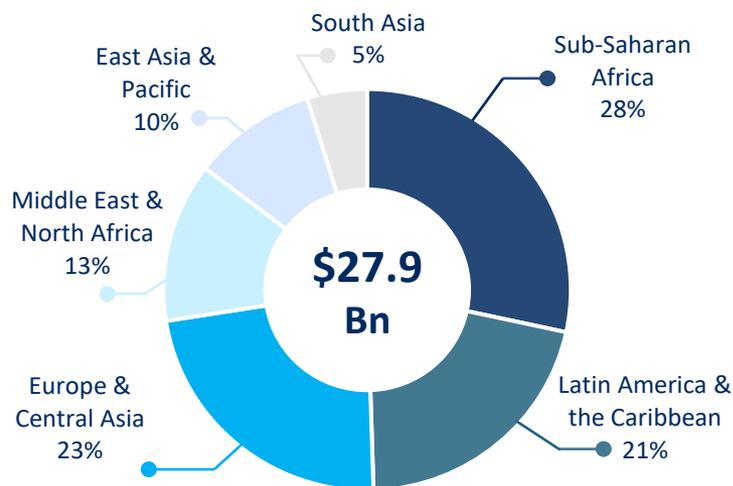


# MIGA's Activity & Portfolio Overview

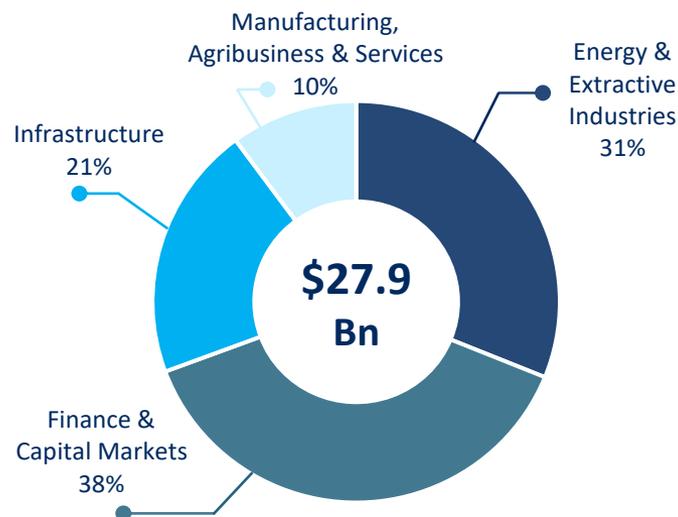
## Outstanding Exposure & New Issuance



## Breakdown by Region FY23



## Breakdown by Sector FY23



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# Key Parameters of MIGA Cover

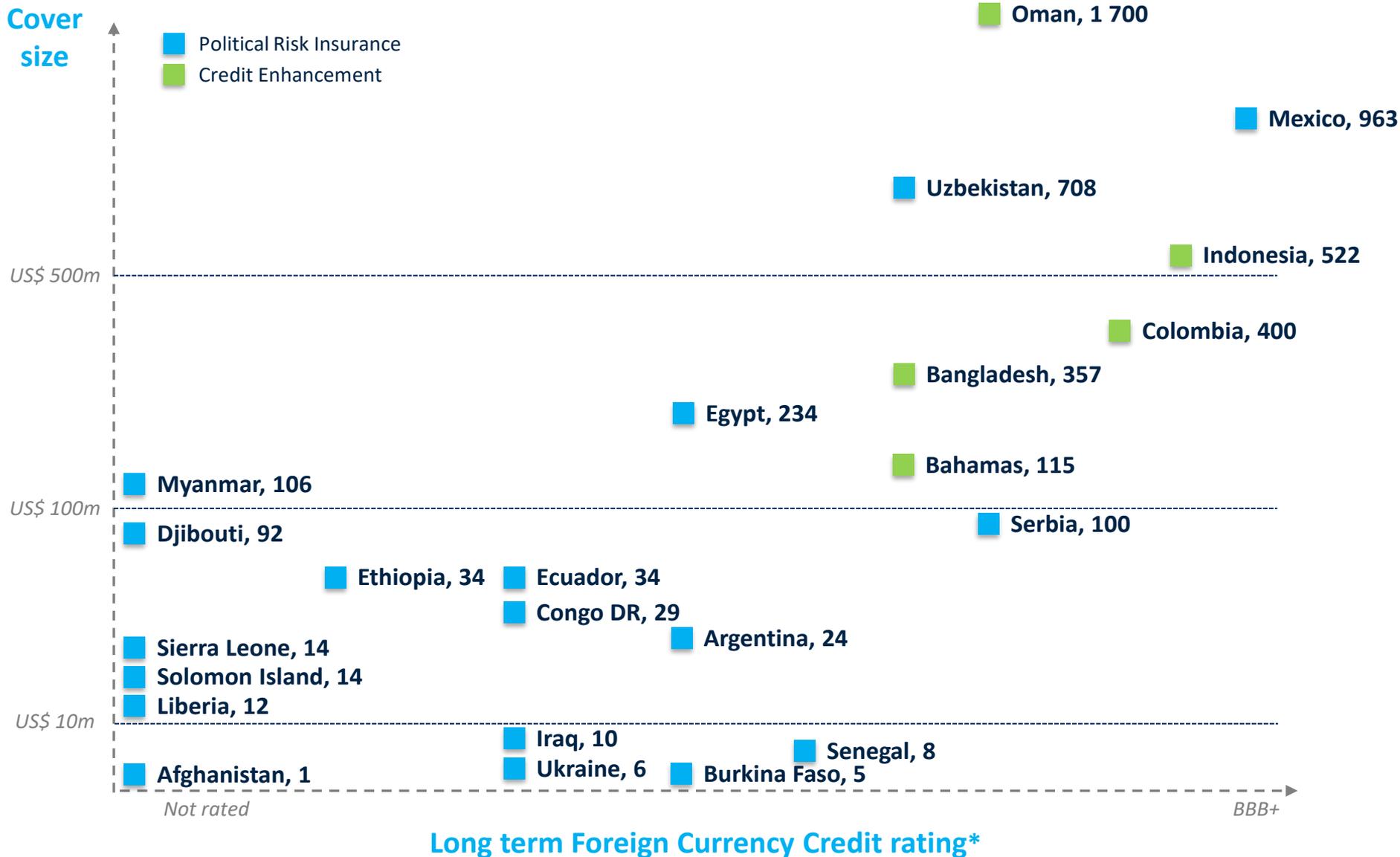


- 182 eligible investor countries
- Can cover all/ some foreign investors in a project
- Collaborates with other development institutions (MDBs, DFIs, WB & IFC)

- 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



# MIGA's Product Line

Instrument	Cover
Political Risk Insurance	 <b>Transfer Restriction and Currency Inconvertibility</b>
	 <b>Expropriation</b>
	 <b>War and Civil Disturbance</b>
	 <b>Breach of Contract by Governments and State-Owned Entities</b>
Credit Enhancement	 <b>Non-honoring of Financial Obligations by a:</b> <ul style="list-style-type: none"><li>-Sovereign</li><li>-Sub-sovereign</li><li>-State-Owned Enterprise</li></ul>
Trade Finance	 <b>Non-Payment by a Public Authority or Government-Owned Entity of its Obligations Relating to a Cross-Border Trade Transaction</b>

# Recent Clients Supported\*

## Political Risk Insurance

Guarantee holders



## Credit Enhancement

Guarantee holders & Borrowing entities



# 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

Projects supported since inception

155+

Pre-claims managed

11

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

## MIGA's Value Added

### Unrivalled country risk management

- Robust history of resolving potential political risks before client operations are impacted (180+ pre-claims managed among 1,000+ projects)
- Leverages World Bank network

### Highly rated and financially stable

- The World Bank and its unique structure of 189 member countries provide unparalleled stability and strength valued by investors entering situations with high perceived risk

### Innovative product applications

- Strong record of customized solutions for debt and equity investors, governments, project sponsors, and service providers

### Strong risk appetite and global reach

- History of operating in the most challenging markets, including low-income and fragile and conflict affected states
- MIGA can support projects with long tenors, of up to 20 years

### Pioneer of ESG Investments

- Internationally recognized E&S standards and best practices that significantly reduce investor/ client project and reputational risk

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# Political Risk Insurance Solutions for Investors and Lenders



**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**

# Currency Inconvertibility and Transfer Restriction



## Currency Inconvertibility and Transfer Restriction

Inability to convert or transfer dividends or loan payments due to FX restrictions

### Key features of the cover:

- Protects against losses arising from:
  - ✓ The inability to convert local currency into foreign exchange within the host country, and
  - ✓ The inability to transfer funds out of the host country
- Currency depreciation and devaluation are not covered
- In case of convertibility restrictions, MIGA's compensation is based on official rate of exchange at the date of loss
- Conversion and transfer have to be lawful in the host country at the time MIGA's coverage is issued

# Expropriation



## Expropriation

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

### Key features of the cover:

- Protects against losses arising from:
  - ✓ Nationalization and confiscation
  - ✓ Creeping expropriation (a series of acts that are expropriatory taken in sum, e.g., gradual changes in tax regime)
  - ✓ Expropriation of funds (e.g., “account freeze”)
- Expropriation also if the Project Enterprise:
  - ✓ Is deprived of a substantial benefit
  - ✓ Constituting a fundamental right (e.g., under a project agreement)
  - ✓ Essential to its overall financial viability (normally this implies insolvency or impending insolvency of the Project Enterprise)
- Non-discriminatory regulatory measures not covered, unless such measures have a confiscatory effect

# War and Civil Disturbance



## War and Civil Disturbance

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

### Key features of the cover:

- Three forms of coverage:
  - ✓ Loss of assets
  - ✓ Temporary business interruption (for equity)
  - ✓ Permanent loss of use
- Loss has to be a direct and immediate result of acts of war, revolution, rebellion, insurrection, coup d'état, civil war, civil commotion, riots
- Acts of sabotage or terrorism can also be covered
- Acts must pursue a broad political or ideological objective

# Breach of Contract



## Breach of Contract

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

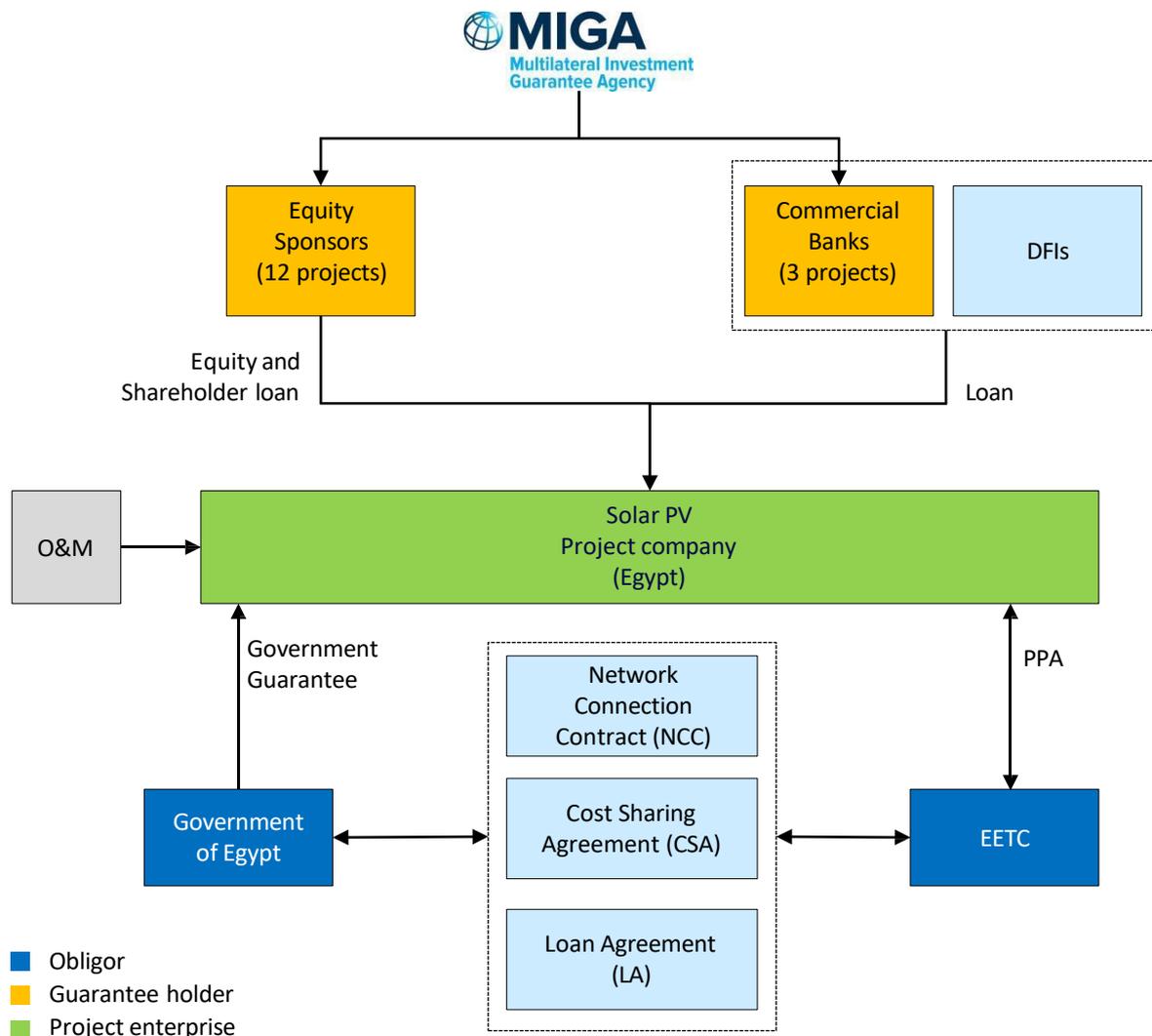
### Key features of the cover:

- Protects against loss arising from breach or repudiation of a project agreement (e.g., in infrastructure and power projects)
- Covers against inability to obtain an award because of the government's interference with the dispute resolution mechanism (denial of recourse), or non-payment of an arbitral award (arbitral award default)
- Project agreement must be entered between the host government on the one hand and guarantee holder and/or project enterprise on the other hand
- May cover obligations of sub-sovereigns and state-owned enterprises, subject to certain restrictions

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

## Feed-In Tariff Benban Program, Egypt

### Project Structure



### Project Overview

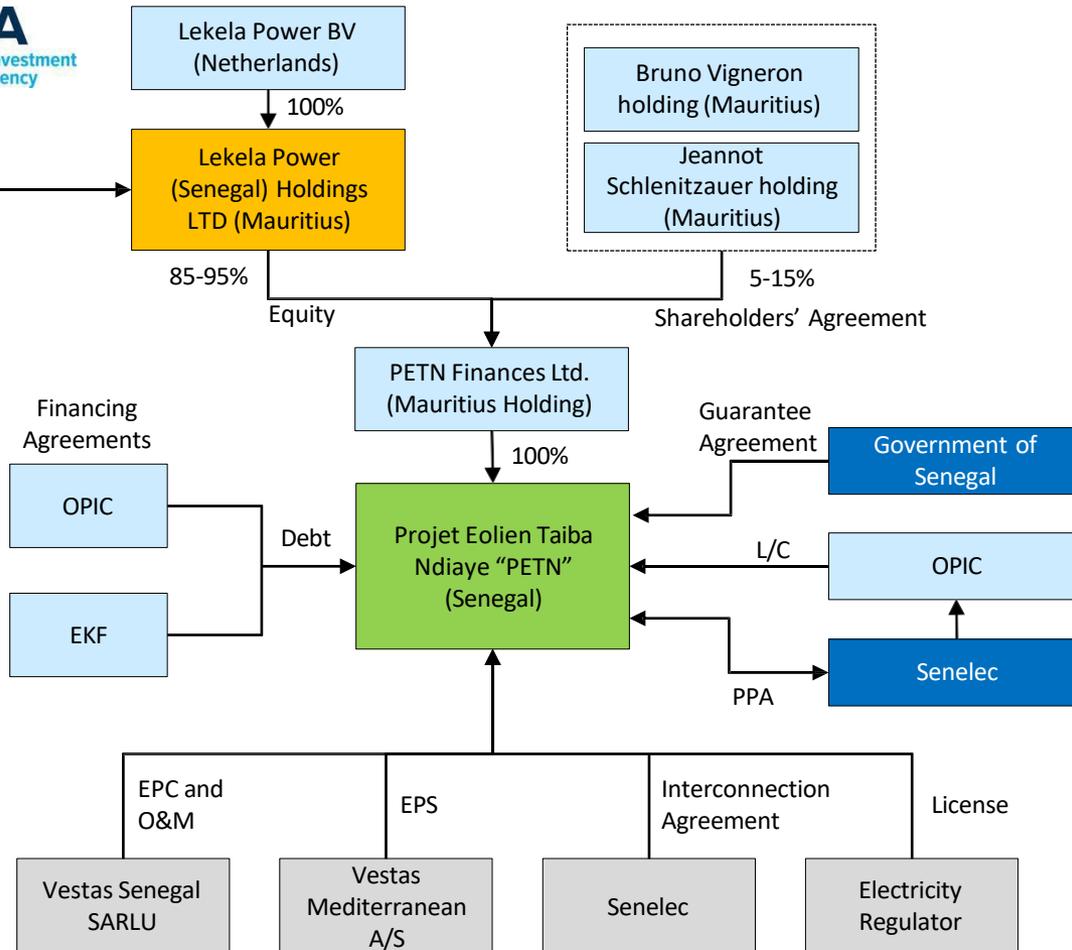
- **Description:**
  - Construction, operation and maintenance of a green field solar Independent Power Producer facility
  - Support for 12 projects with total installed capacity of about 600MW
  - 25-year Power Purchase Agreement ("PPA")
- **Guarantee Holder(s):**
- **MIGA cover:**
  - Amount: \$234m (equity, shareholder loan)
  - Tenor: 15 years (equity), 20 years (shareholder loan)
  - Risk(s): Breach of Contract, Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
  - Issued: End 2017/ 2018/ 2020

# Improving Senegal's energy security and energy mix – West Africa's largest wind farm

## Parc Eolien Taiba Ndiaye, Senegal

### Project Structure

### Project Overview



- Obligor
- Guarantee holder
- Project enterprise

- Description:**
  - Construction, operation and maintenance of a 158.7MW wind power farm

#### Guarantee Holder(s):

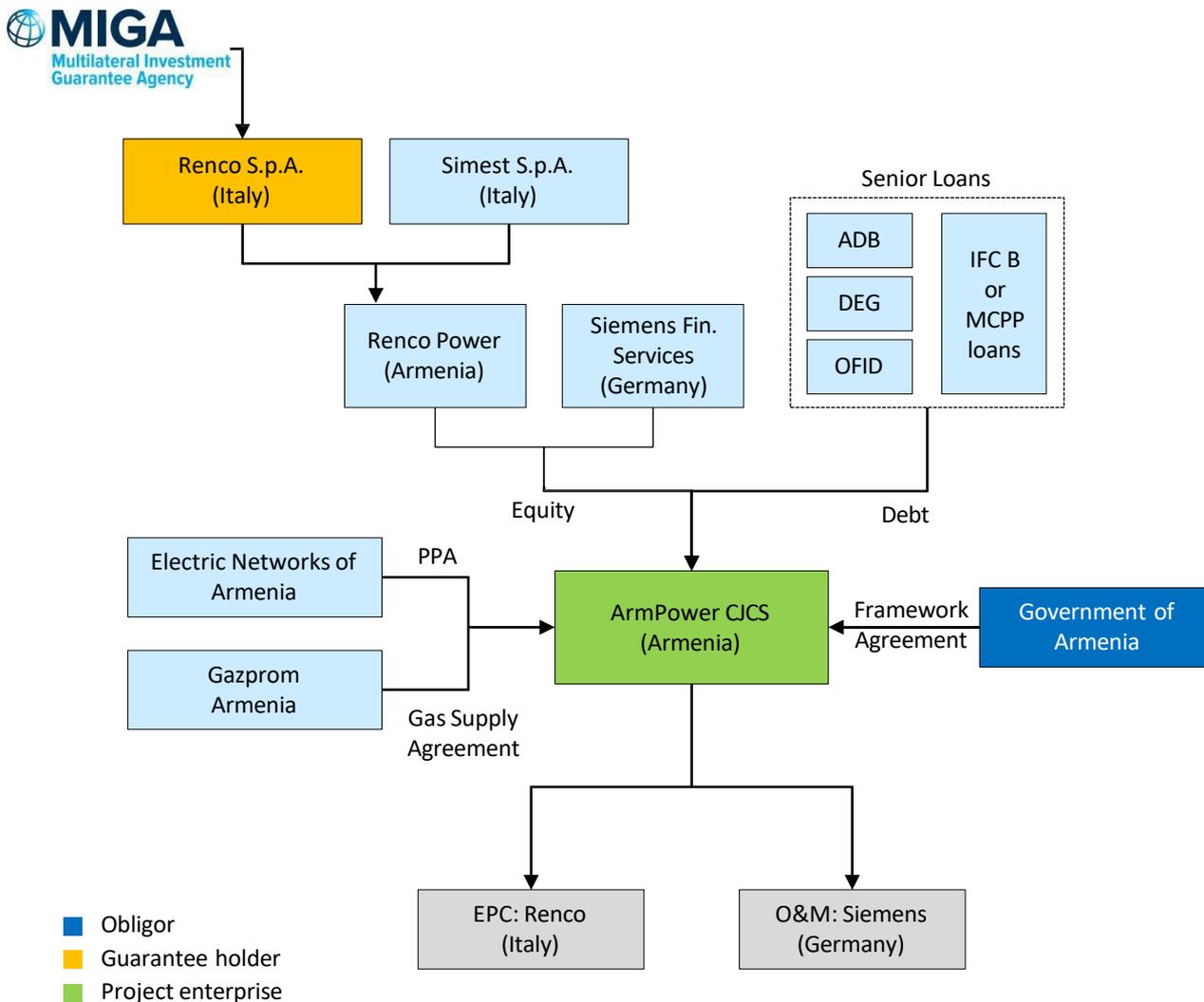


- MIGA cover:**
  - Amount: \$149.7m (equity, shareholder loan)
  - Tenor: 20 years
  - Risk(s): Breach of Contract, Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
  - Issued: June 2018

# Enabling more efficient and advanced energy generation in Armenia

## RENCO-ArmPower, Armenia

### Project Structure



### Project Overview

- **Description:**
  - Construction and operation of a 250MW CCGT plant in Armenia to replace an inefficient and aging gas-fired power plant with a more technologically advanced and efficient plant
  - 20-year PPA with government offtaker (ENA)

#### □ Guarantee Holder(s):

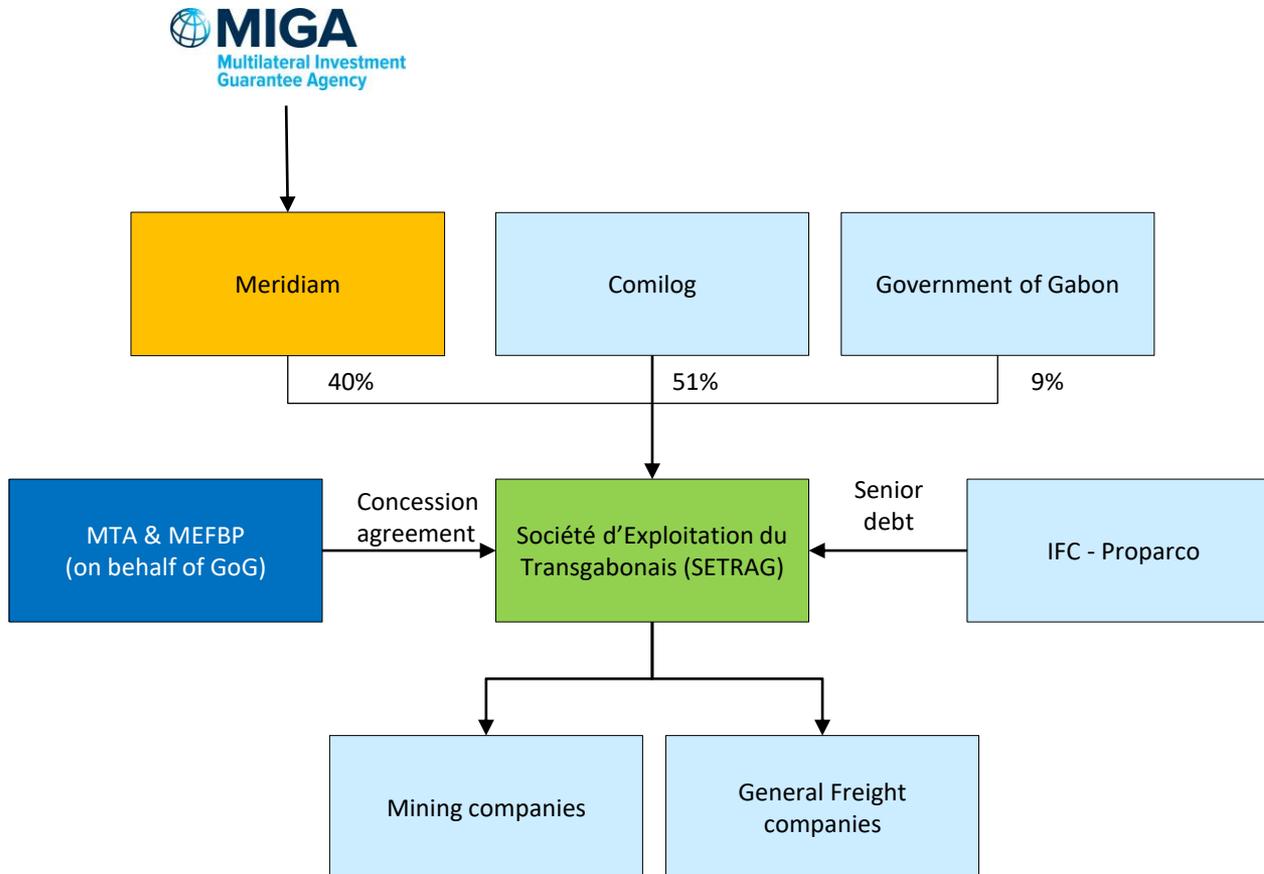


- **MIGA cover:**
  - Amount: \$45m (equity)
  - Tenor: 15 years
  - Risk(s): Breach of Contract, Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
  - Issued: February 2018

# Supporting key infrastructure development

## Société d'Exploitation du Transgabonais (SETRAG), Gabon

### Project Structure



- Obligor
- Guarantee holder
- Project enterprise

### Project Overview

#### Description:

- Covering equity and quasi-equity investments by Meridiam Infrastructure Africa Fund II & Meridiam Infrastructure Africa Parallel Fund II into SETRAG, managing Gabon's multi-user national railway backbone spanning 650km between the Port of and Franceville, and the center of the country's mining region, under a 40-year concession agreement.

#### Guarantee Holder(s):

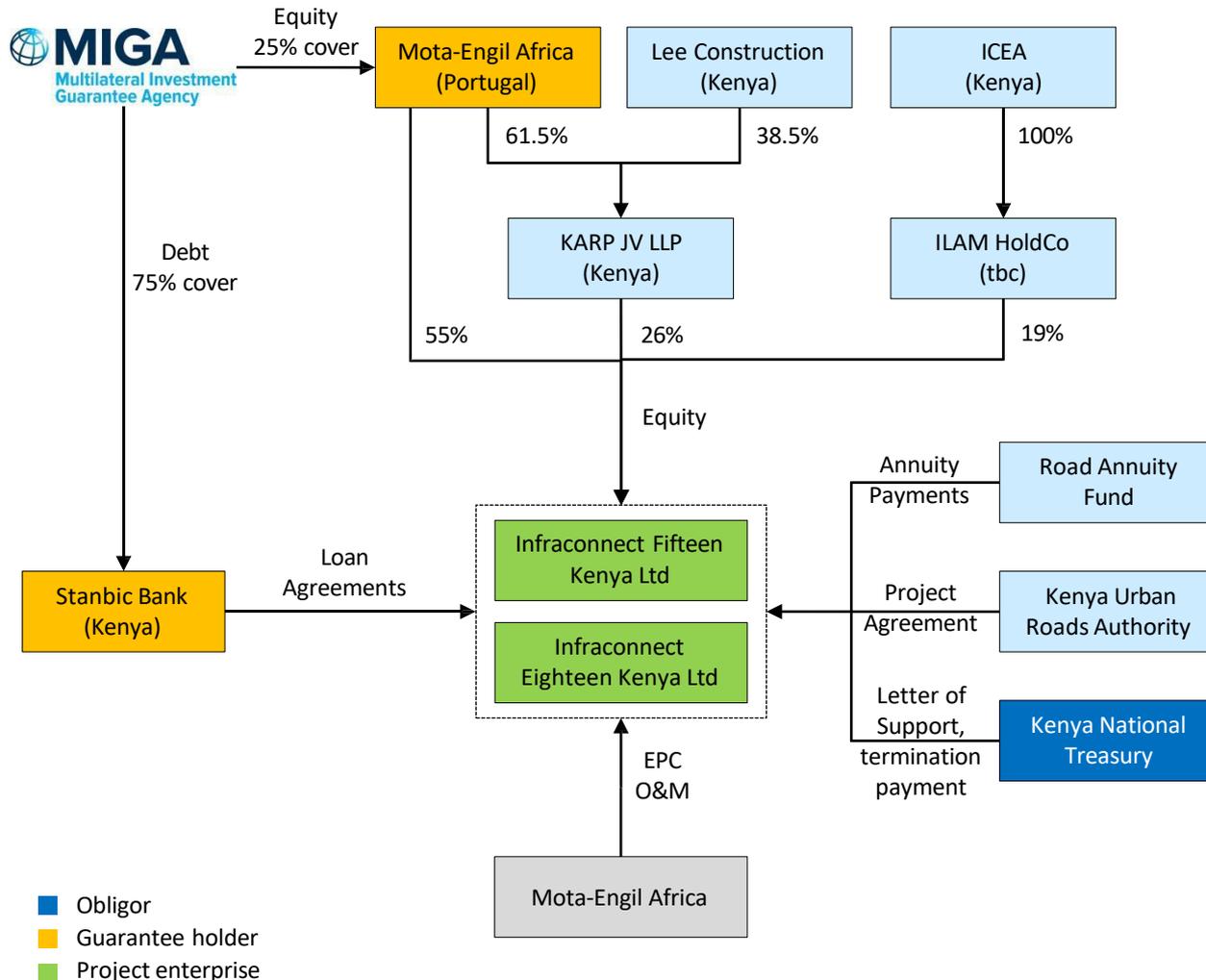
#### MIGA cover:

- Amount: EUR57.0 million (loan)
- Tenor: 15 years
- Risk(s): Transfer Restriction & Inconvertibility, Expropriation, War and Civil Disturbance, Breach of Contract  
Issued: June 2023

# Upgrading roads through concessions awarded on a PPP basis

## Road Annuity Lot 15 & 18 Project, Kenya

### Project Structure



### Project Overview

#### Description:

- Design, construction, rehabilitation and upgrade, maintenance and transfer of roads in six counties in central Kenya of a total length of 44.9 kilometers (km) (Lot 15 project), and four counties in western Kenya of a total length of 35.1km (Lot 18 project)

#### Guarantee Holder(s):



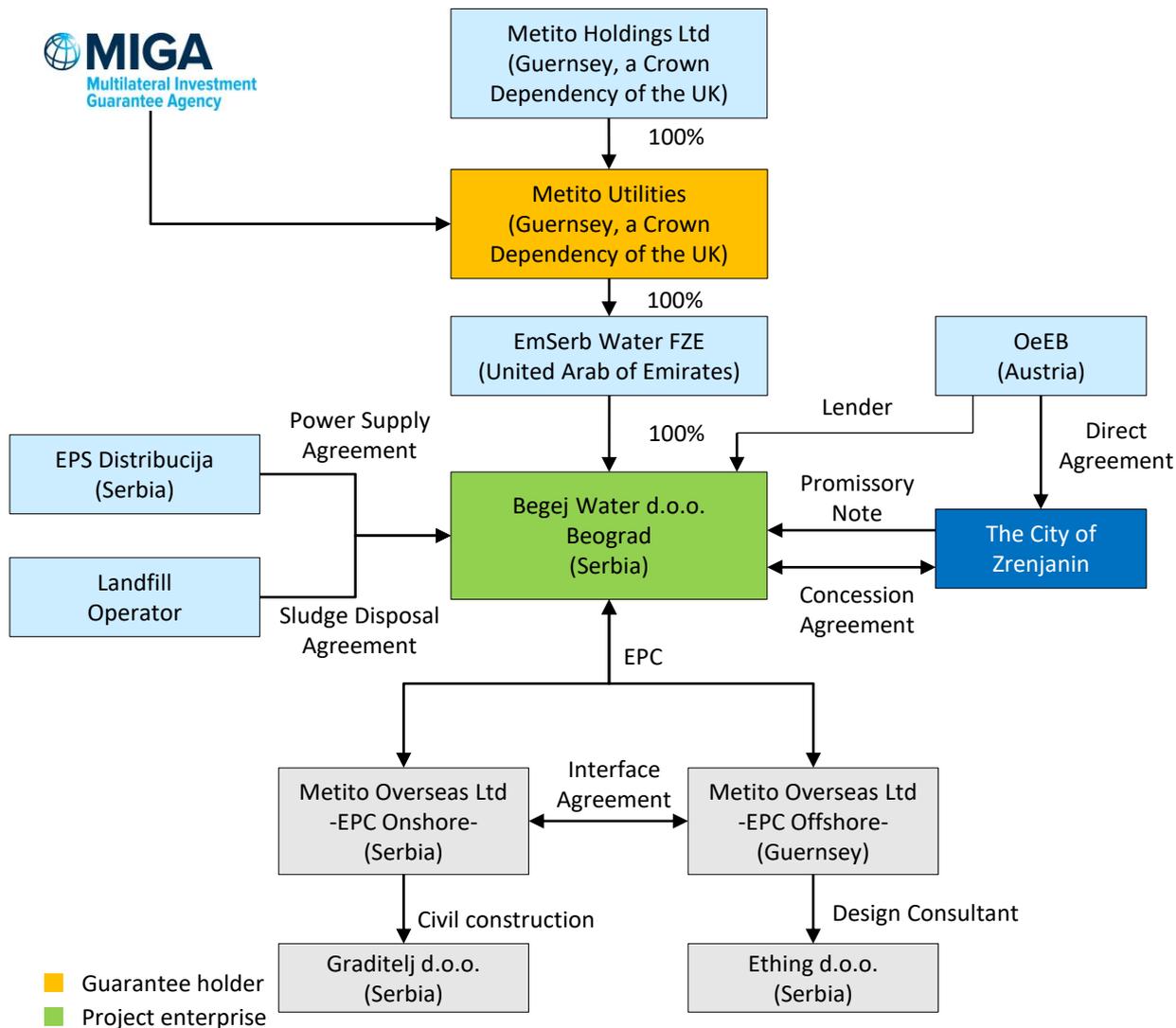
#### MIGA cover:

- Amount: \$92m (equity) and \$120m (loan)
- Tenor: 10 years
- Risk(s): Breach of Contract, Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
- Issued: June 2021

# Addressing environmental concerns and threats to the public health

## Zrenjanin Wastewater Treatment, Serbia

### Project Structure



### Project Overview

#### Description:

- Design, financing, construction, operation, and maintenance of a wastewater treatment plant in the City of Zrenjanin
- The project will be the first wastewater treatment plant in the City of Zrenjanin, servicing approximately 88,500 users
- This is the first application of MIGA PRI guarantee to an unrated municipality in the Country of Serbia

#### Guarantee Holder(s):



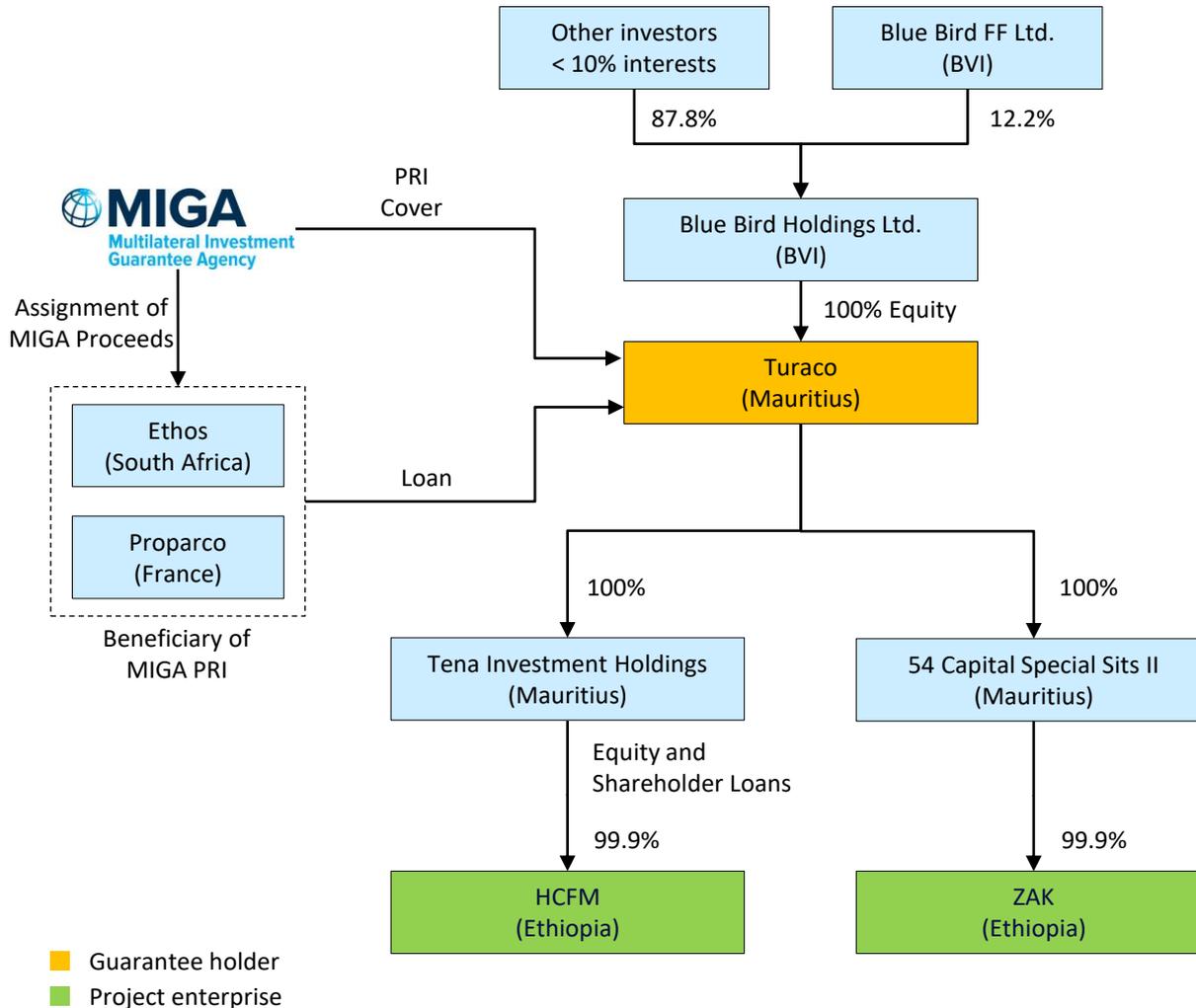
#### MIGA cover:

- Amount: €15.22m (equity, quasi-equity)
- Tenor: 20 years
- Risk(s): Transfer Restriction & Inconvertibility, Breach of Contract, Expropriation, War and Civil Disturbance
- Issued: June 2022

# Supporting expansion of fast-moving consumer goods in Ethiopia

## Turaco FMCG, Ethiopia

### Project Structure



### Project Overview

#### Description:

- Support Turaco for existing manufacturing operations and expansion in Addis Ababa. Turaco is a group of two companies operating in Ethiopia in the consumer goods sector (manufacturing of cooking oil, soap and detergents)

#### Guarantee Holder(s):

**Turaco**

#### MIGA cover:

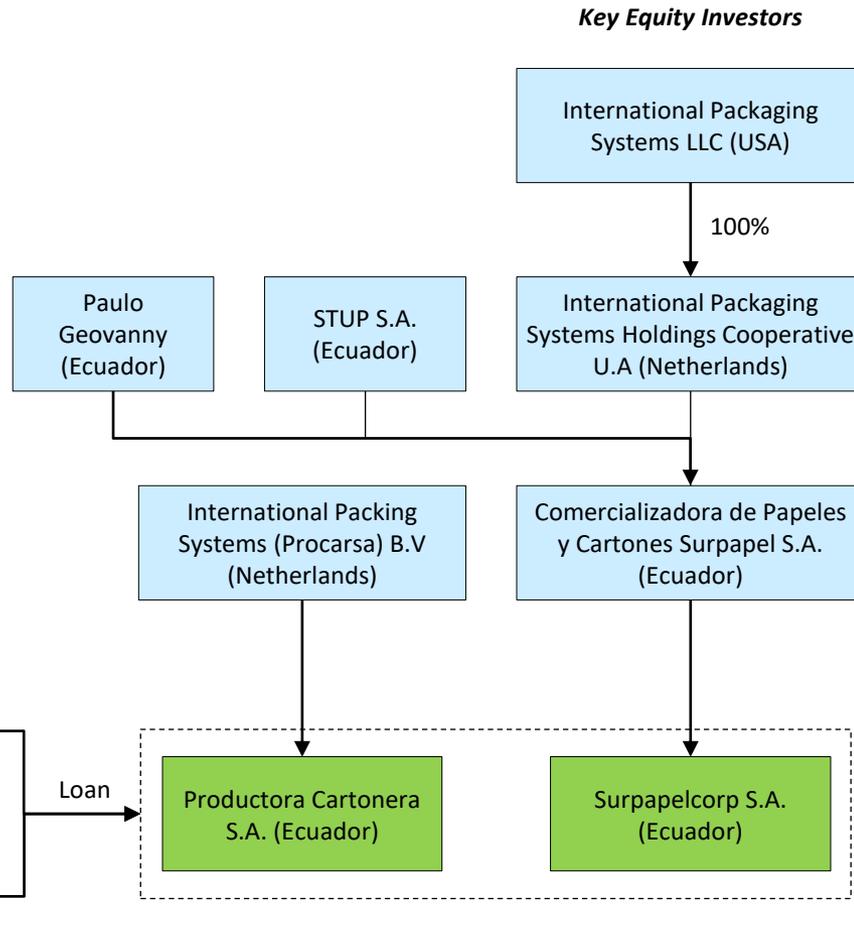
- Amount: \$34.2m (equity, loan)
- Tenor: 10 years (equity), 7 years (shareholder loans)
- Risk(s): Transfer Restriction & Inconvertibility, Expropriation
- Issued: October 2021

# Providing longer tenor to export sector suppliers

## Surpapel Group Project, Ecuador

### Project Structure

### Project Overview



- Guarantee holder
- Project enterprise

- **Description:**
  - Supports refinancing (longer tenor) of a recycling paper mill and cardboard box plant
  - Assists Ecuador during pandemic and supports company lowering prices for Ecuadorian consumers, improving product quality, diversifying revenue sources.

□ **Guarantee Holder(s):**

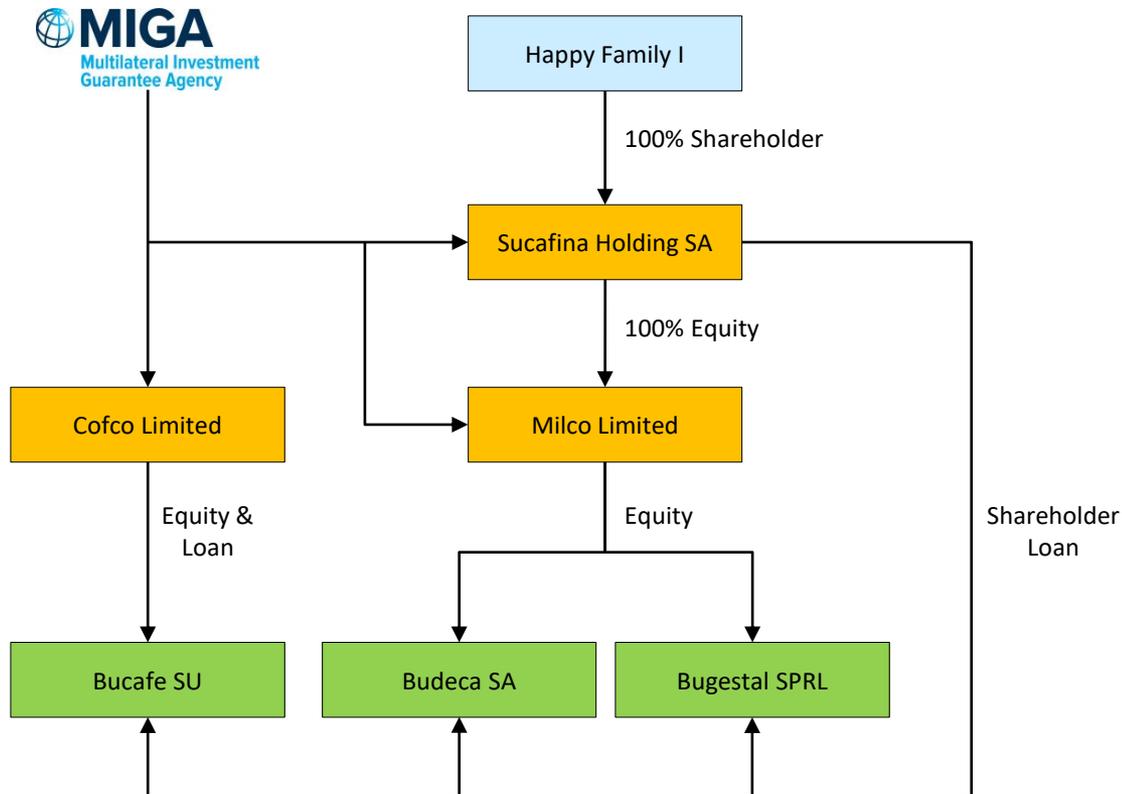


- **MIGA cover:**
  - Amount: \$34.5m (loan)
  - Tenor: 8 years
  - Risk(s): Expropriation
  - Issued: November 2020

# Investing to support SMEs essential to Burundi's economic development

## Budeca SA, Bugestal SPRL, Bucafe SU, Burundi

### Project Structure



### Project Overview

#### Description:

- Supports existing operations of the country's main coffee exporter
- 55,000 indirect jobs impacted, including farmers and others throughout the value chain
- Leverages first loss risk sharing, via the Conflict-Affected and Fragile Economies Facility (CAFEF), providing cover in a volatile environment

#### Guarantee Holder(s):



#### MIGA cover:

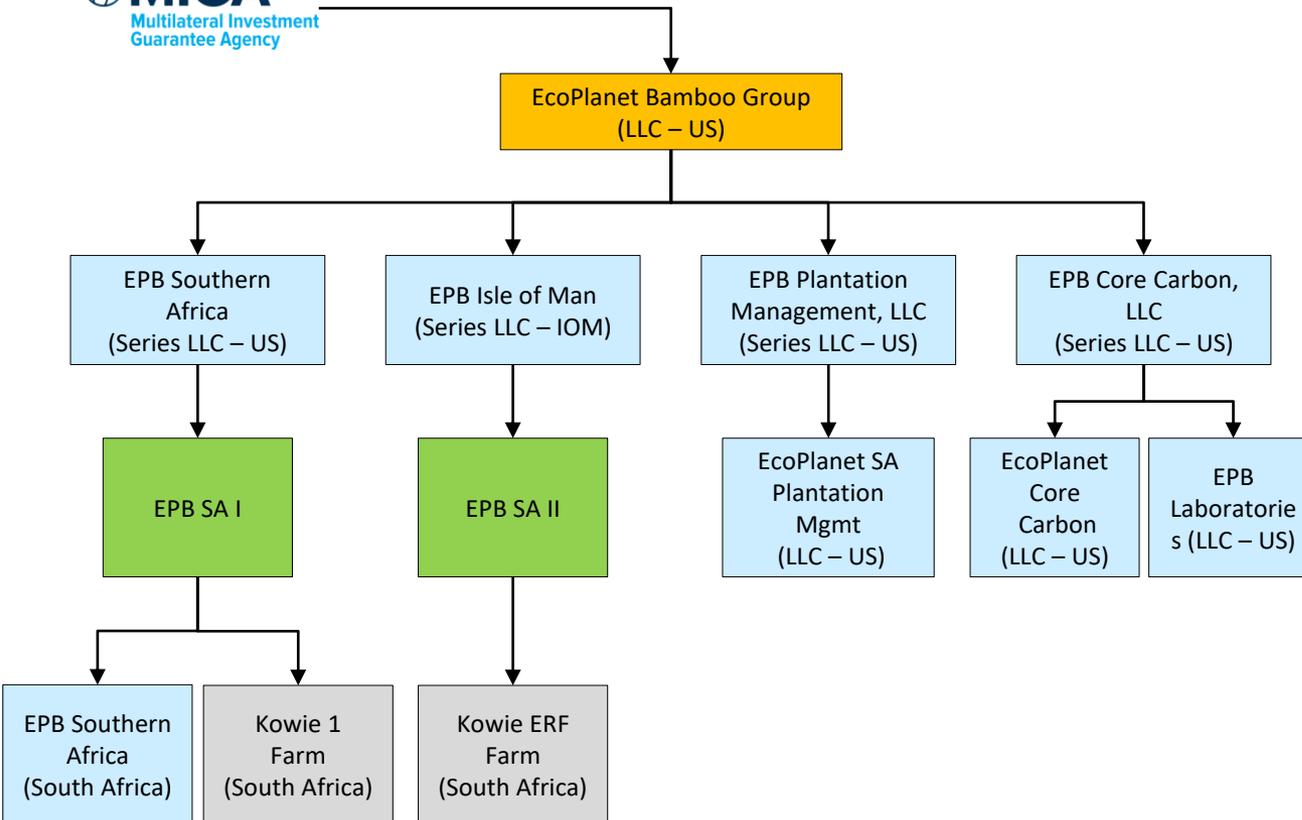
- Amount: \$5.6m (equity, shareholder loan)
- Tenor: 10 years
- Risk(s): Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
- Issued: February 2017

# Supporting conversion of degraded land in South Africa

## EcoPlanet Bamboo, South Africa

### Project Structure

### Project Overview



- Guarantee holder
- Project enterprise

- Description:**
  - Purchase of degraded land for conversion into fully-functioning bamboo plantations for the sale of raw bamboo to be converted into activated carbon and related products

**Guarantee Holder(s):**

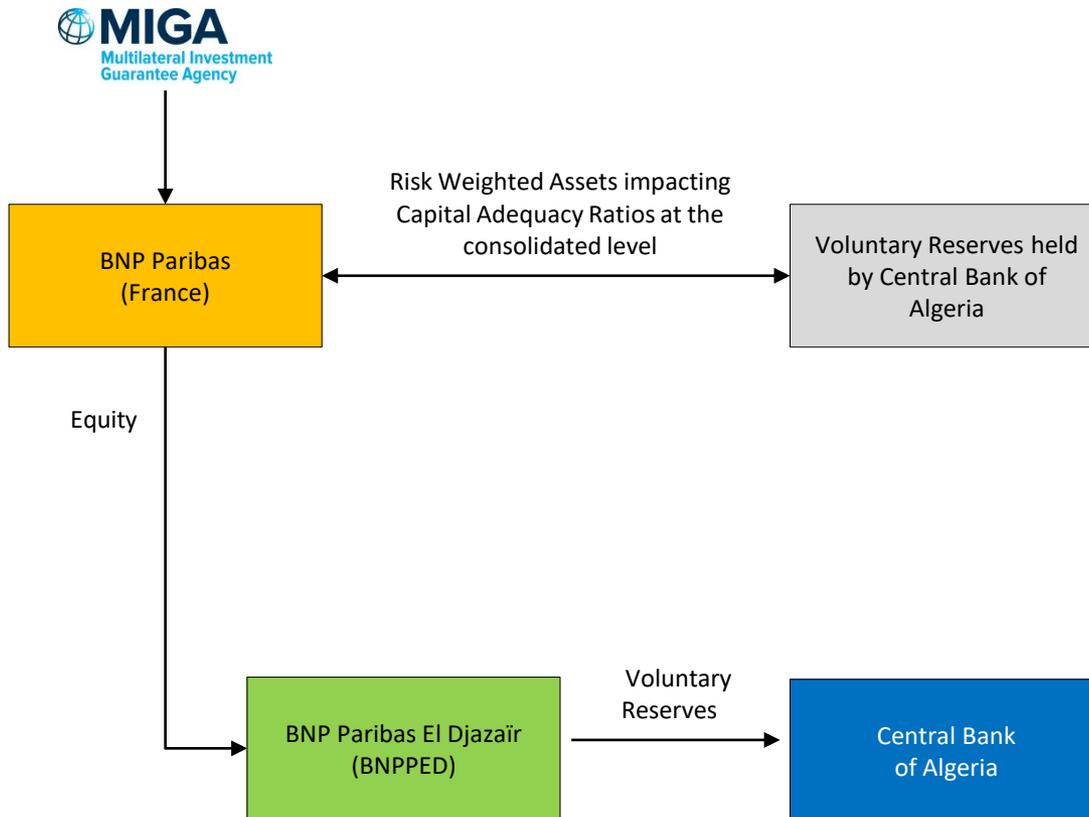


- MIGA cover:**
  - Amount: \$8.6m (equity)
  - Tenor: 15 years
  - Risk(s): Expropriation, War and Civil Disturbance
  - Issued: January 2015

# Support lending to SMEs and climate finance related projects

## BNP Paribas El Djazaïr (BNPPED), Algeria

### Project Structure



- Obligor
- Guarantee holder
- Project enterprise

### Project Overview

#### □ Description:

- Support the subsidiary's lending operations in Algeria across its corporate borrower segment, which includes SMEs and climate finance-related projects, with a target towards new climate finance lending in the amount of US\$15.0 million (7.5% of the MIGA guarantee) and a Climate Finance Action Plan (CFAP), which contributes to MIGA's additionality.

#### □ Guarantee Holder(s):



#### □ MIGA cover:

- Amount: US\$192.85 million (equity)
- Tenor: 3 years
- Risk(s): Expropriation of funds
- Issued: June 2023

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## Credit Enhancement Solutions – Overview



### Non-Honoring of Financial Obligations

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

## Credit Enhancement Solutions – Comparative Advantage

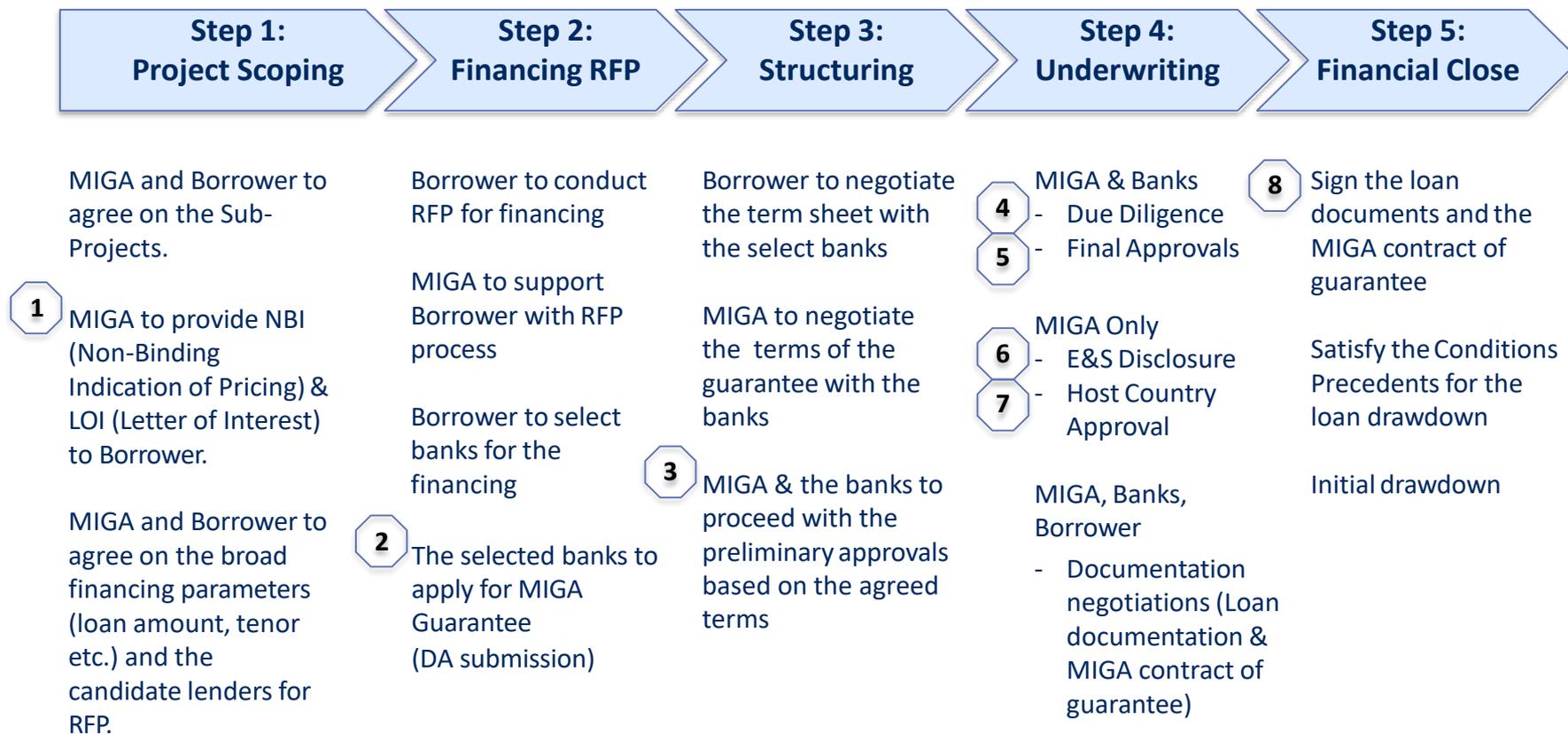
### MIGA mitigates risks to support borrowings:

- 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

# Indicative Process and Timeline for MIGA Supported Financing



**1** - **8** : MIGA Process

# Eligible Countries for Credit Enhancement

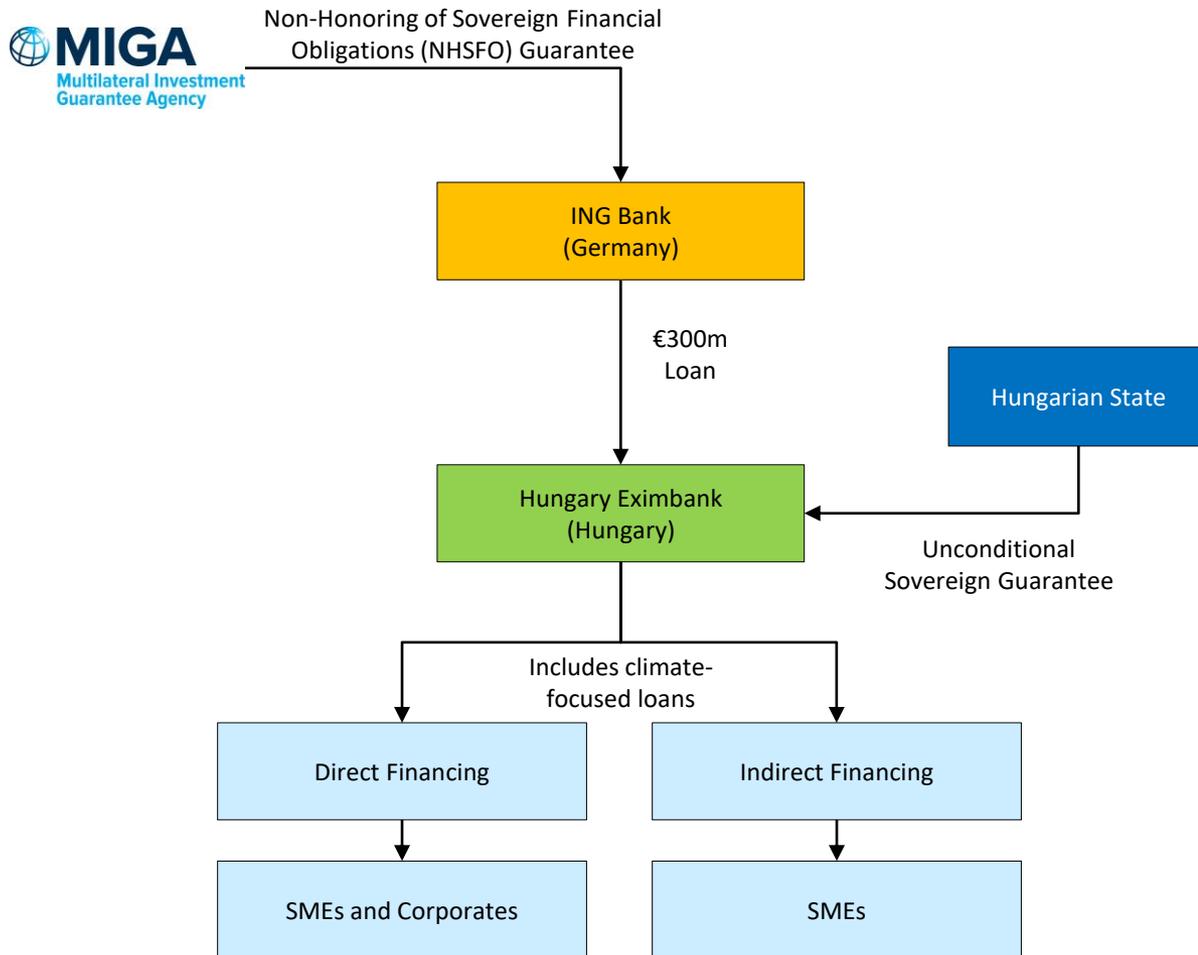
	MIGA's high-priority countries for Credit Enhancement	Eligible high-income countries
<b>Africa</b>	Botswana Mauritius Namibia	
<b>Asia</b>	India Indonesia Malaysia Philippines Thailand Vietnam	China South Korea Singapore
<b>Europe &amp; Central Asia</b>	Azerbaijan Bulgaria Croatia Georgia Kazakhstan North Macedonia Romania Serbia Uzbekistan	Cyprus Hungary Malta Poland Slovak Republic
<b>Latin America &amp; Caribbean</b>	Brazil Colombia Guatemala Dominican Republic Mexico Panama Paraguay Peru Trinidad & Tobago Uruguay	Chile
<b>Middle East &amp; North Africa</b>	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 access to finance, including climate finance, to meet national climate goals

## Magyar Export-Import Bank III, Hungary (Sovereign)

### Project Structure



- Obligor
- Guarantee holder
- Project enterprise

### Project Overview

#### Description:

- The loan proceeds will be used to support Hungary Eximbank's plans to increase its affordable green finance initiatives to export-oriented SMEs and companies.
- Hungary Eximbank has set a target commitment to disburse € 300 million of financing toward eligible climate finance projects in Hungary by the end of 2028.

#### Guarantee Holder(s):



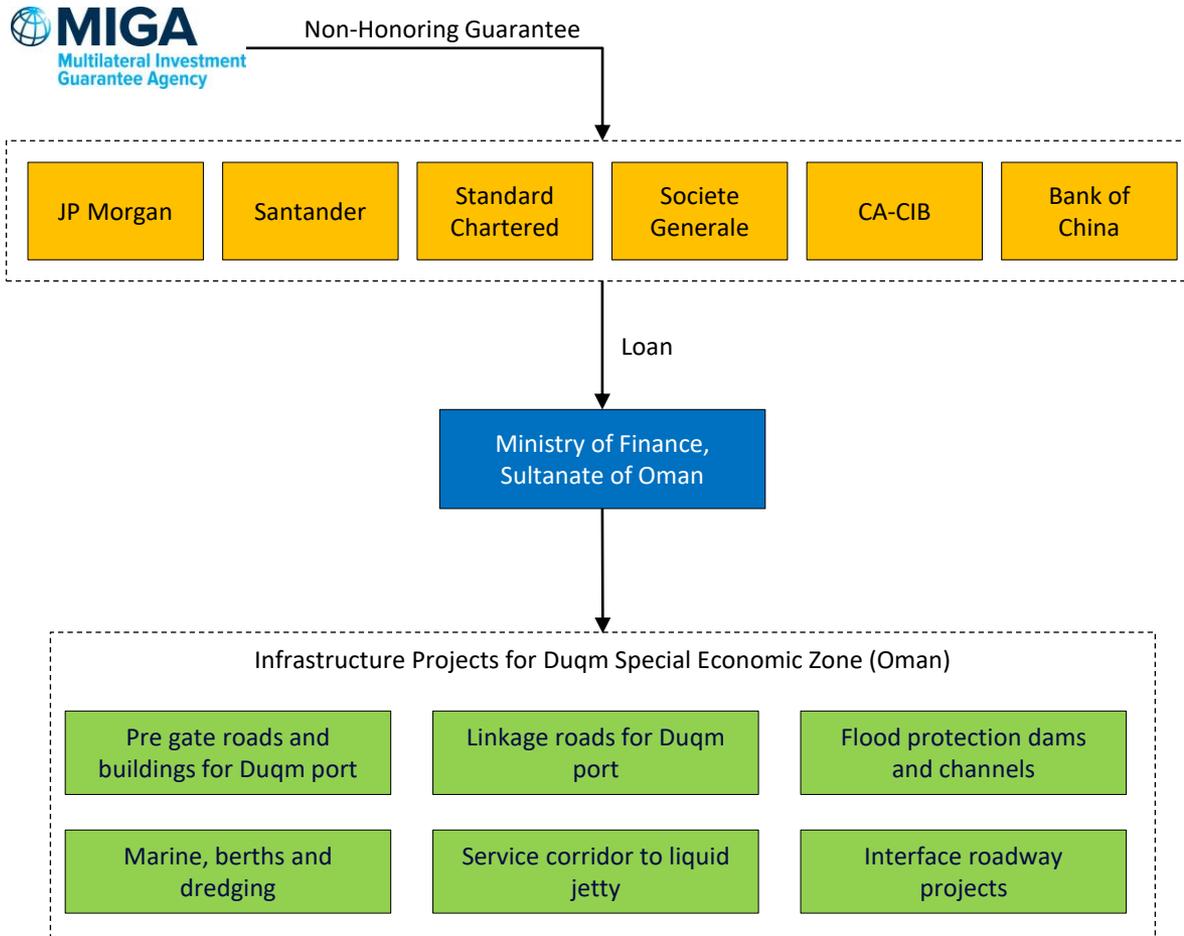
#### MIGA cover:

- Amount: €386 (loan including principal and future interests)
- Tenor: 12 years
- Risk(s): Non-Honoring of **Sovereign Financial Obligations (NHSFO)**
- Issued: June 2023

# Promoting economic diversification away from hydrocarbons

## Special Economic Zone at Duqm, Oman (Sovereign)

### Project Structure



- Obligor
- Guarantee holder
- Project enterprise

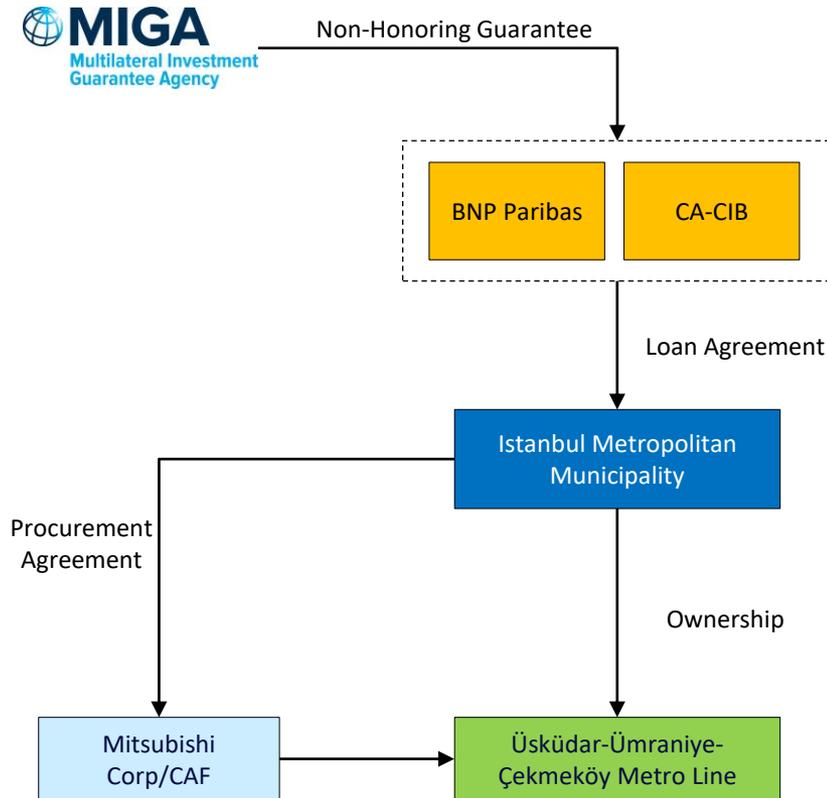
### Project Overview

- **Description:**
  - Design and construction of infrastructure projects for the development of the Special Economic Zone at Duqm
- **Guarantee Holder(s):**
  -  
  -  
  -  
- **MIGA cover:**
  - Amount: \$1,700m (loan)
  - Tenor: 15 years
  - Risk(s): Non-Honoring of **Sovereign** Financial Obligations
  - Issued: June 2019

# Reducing traffic congestion through metro extension

## Üsküdar-Ümraniye-Çekmeköy Metro Line, Türkiye (Sub-sovereign)

### Project Structure



- Obligor
- Guarantee holder
- Project enterprise

### Project Overview

#### Description:

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

#### Guarantee Holder(s):



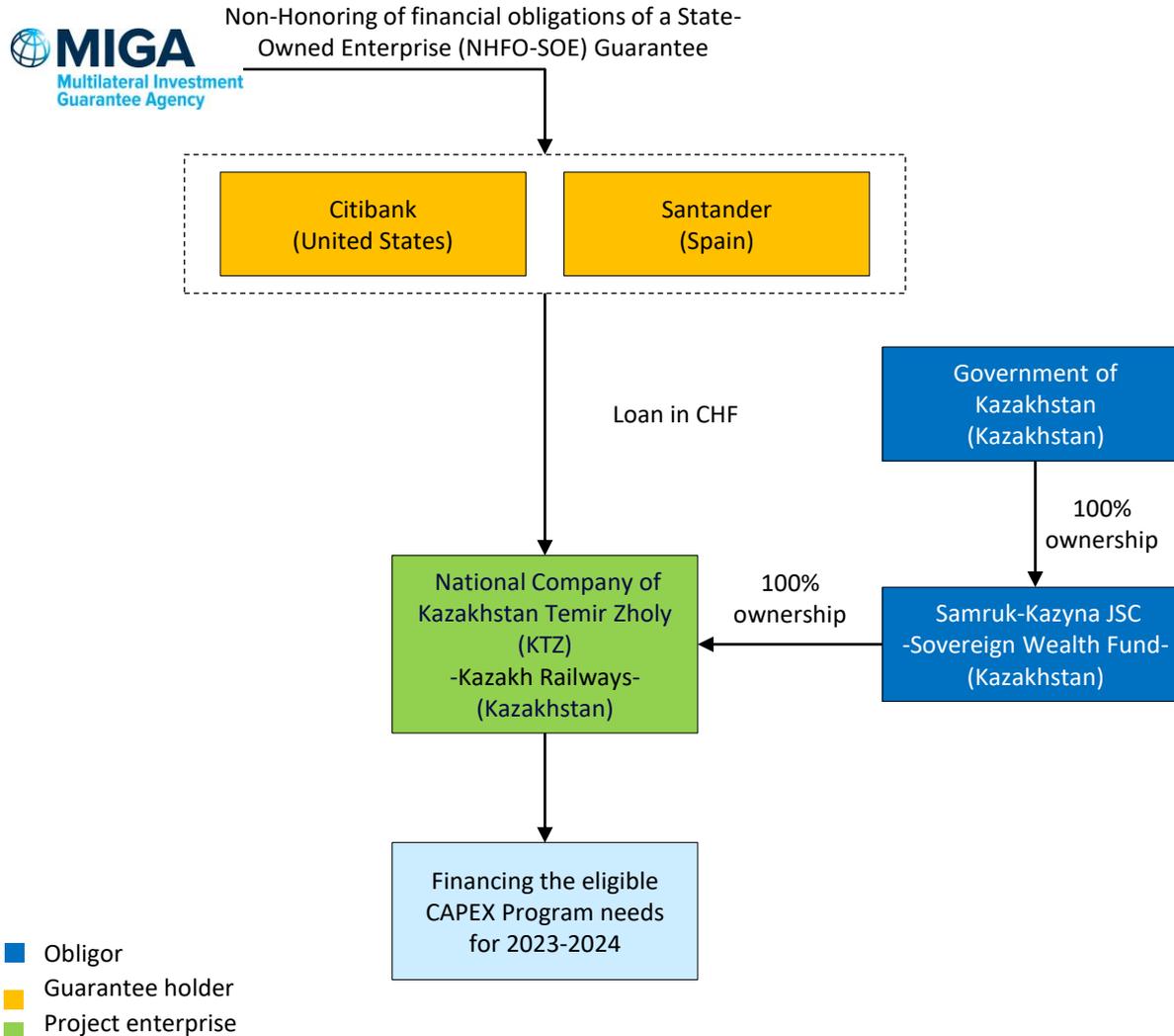
#### MIGA cover:

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

# 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):



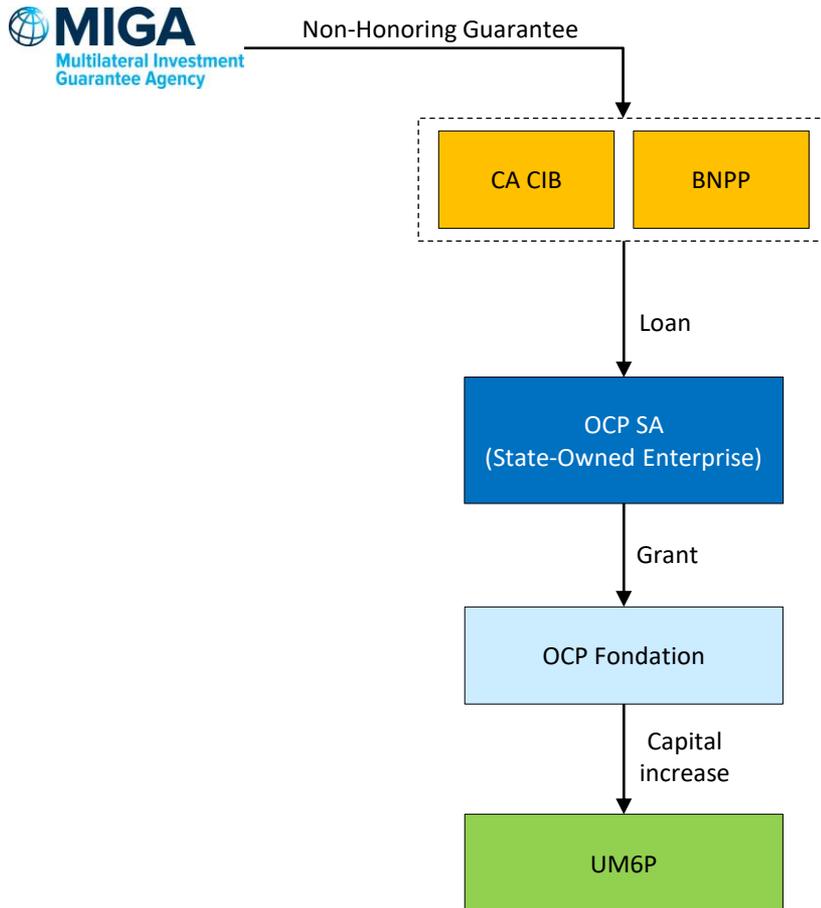
#### MIGA cover:

- Amount: CHF 554.7 (including the loan principal amount, future interest, and MIGA's premium)
- Tenor: 10 years
- Risk(s): Non-Honoring of Financial Obligations of a **State-Owned Enterprise**
- Issued: September 19, 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):



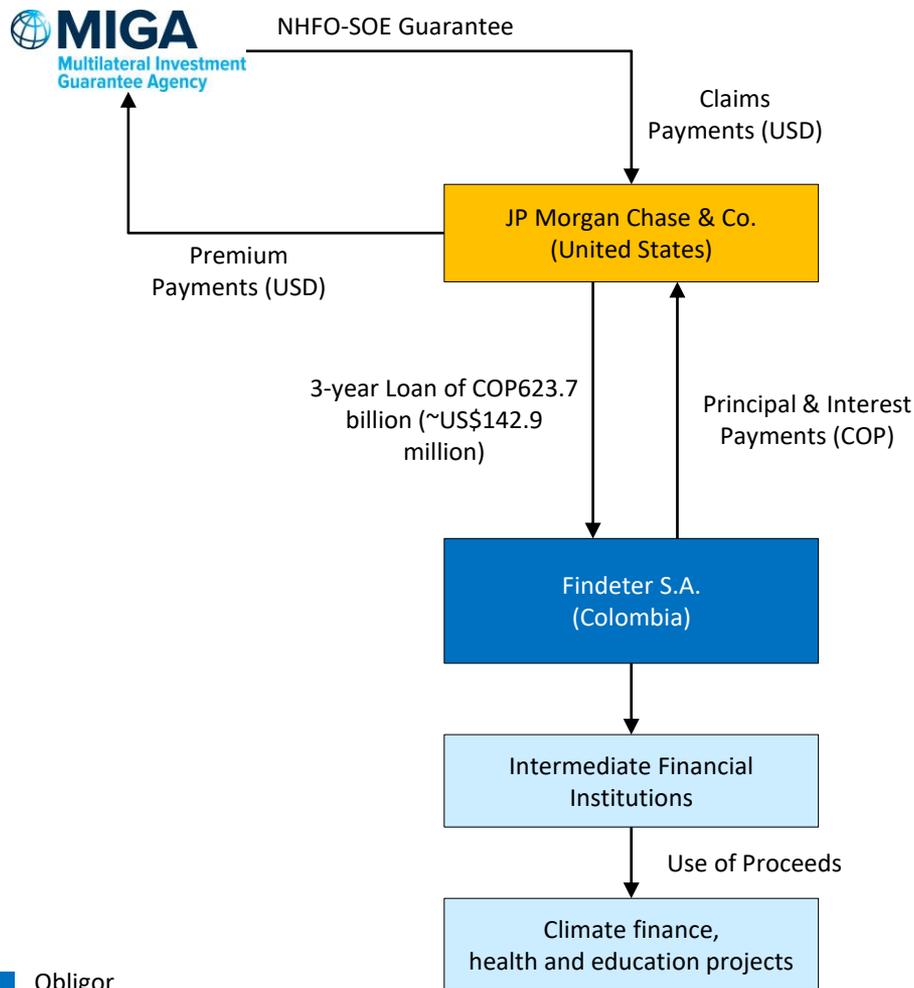
#### MIGA cover:

- 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 (SOE)**
- Issued: May 2022

# Supporting economic recovery following the negative effects caused by the COVID-19 crisis

## Findeter S.A. Climate Facility, Colombia (SOE)

### Project Structure



- Obligor
- Guarantor

### Project Overview

#### Description:

- Local currency financing to support Findeter's on-lending activities
- The MIGA-covered loan facility will be used by Findeter for the financing of climate finance projects in the areas of renewable energy and urban mobility, contributing to Colombia's objective of diversifying its energy mix and fostering its green economic recovery, and in the key strategic social sectors of education and health, that were severely impacted by the effects of the COVID-19 pandemic.

#### Guarantee Holder:



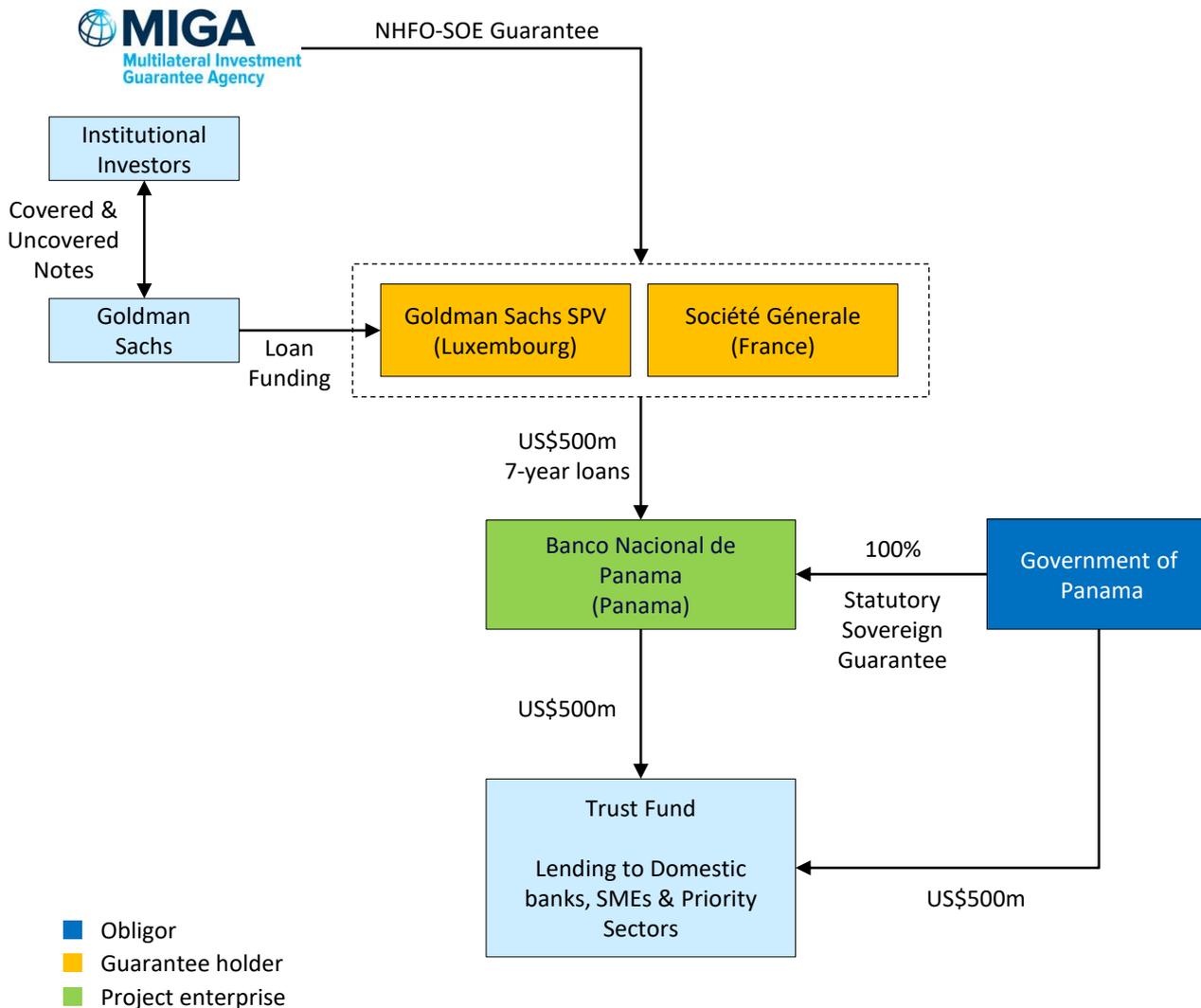
#### MIGA cover:

- Amount: COP 877 billion / ~US\$201 million (loan, interest, premium, embedded cross currency swap breakage and transaction costs)
- Tenor: 3 years
- Risk(s): Non-Honoring of Financial Obligations of a **State-Owned Enterprise (NHFO-SOE)**
- Issued: September 2022

# Providing liquidity to banks and loans to SMEs – COVID-19 Response

## Banco Nacional de Panama, Panama (SOE)

### Project Structure



### Project Overview

#### Description:

- MIGA guaranteed loans to BNP supporting Trust Fund for economic impact of COVID-19 crisis
- Trust Fund provides domestic banks emergency liquidity (Panama's dollarized economy lacks central bank)
- Trust Fund directly supports economy, lending to banks for on-lending to SMEs and other priority sectors
- Trust Fund also financed by Government of Panama with proceeds from IMF Facility

#### Guarantee Holder(s):

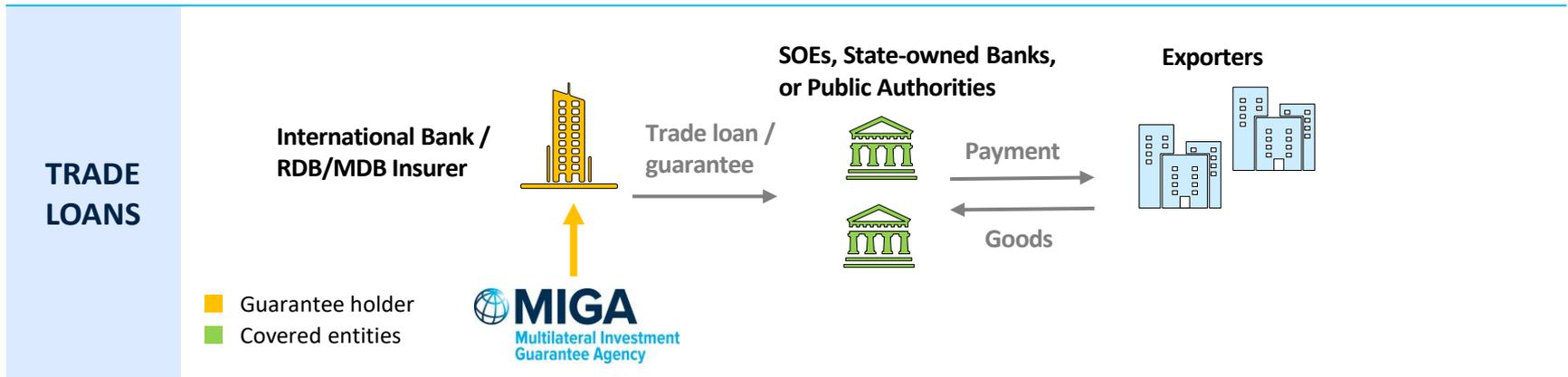


#### MIGA cover:

- Amount: up to \$533m (loan)
- Tenor: 7 years
- Risk(s): Non-Honoring of Financial Obligations of a **State-Owned Enterprise (SOE)**
- Issued: June 2020

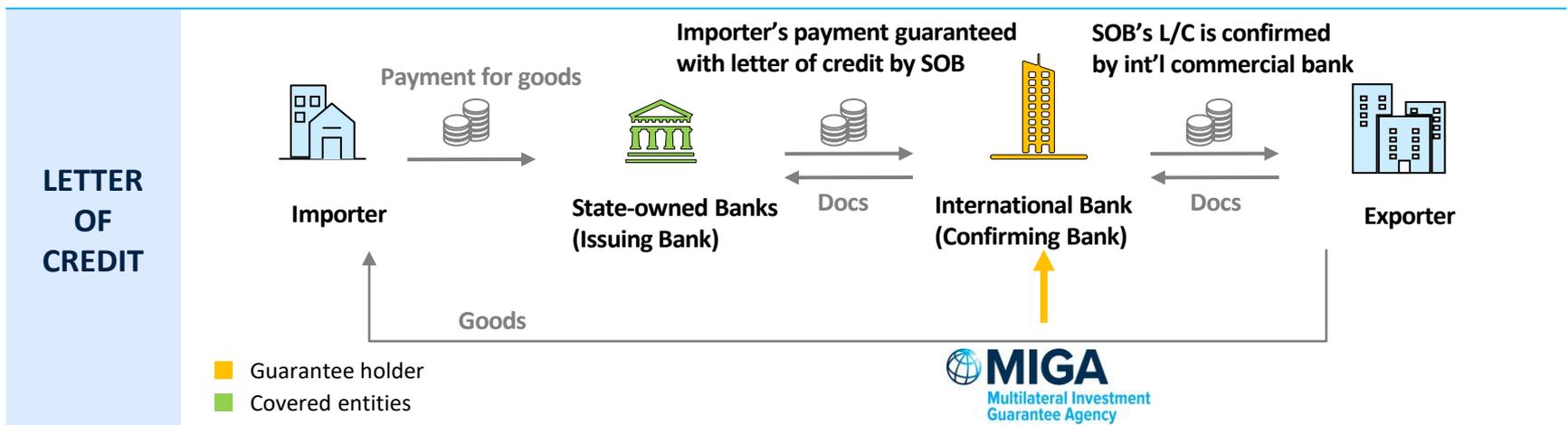
1. MIGA in the World Bank
2. Key Terms, Product Line and Value Added
- 3. MIGA Guarantee Solutions**
  - Political Risk Insurance
  - Credit Enhancement
  - **Trade Finance**
4. MIGA's Process

# MIGA offers two distinct products: Guarantees for Trade Loans and Letters of Credit



## 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 SOE, SOB or public authority
- **Letter of credits:** MIGA covers the international bank against payment default by the SOB (issuing bank)





- 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 would be 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

Contract of guarantee signed in August 2023.

# Increasing capacity for trade finance guarantees through partnerships with MDBs

## MIGA partners with the EBRD and IFC providing TFGs in select markets



- MIGA and IFC have partnered to **leverage the existing trade finance framework arrangement** (Trade Finance Guarantee Initiative, or the TFGI)
- The covered amount reaches **\$1 billion in net balance sheet commitments over a period of 36 months.**
- Out of this envelope, 20 million will be allocated to **provide rapid support for critical goods to Ukraine during the war.**

- MIGA partnered with the EBRD to **support trade transactions conducted through State-Owned Banks (SOBs) in emerging markets and developing economies (EMDEs).**
- MIGA would issue TFGs for **up to US\$200 million over a period of up to 6 years** against the risk of non-payment by SOBs to EBRD with respect to EBRD guarantees issued under its Trade Facilitation Programme (TFP).
- Out of this envelope, 10 million will be allocated to support Ukraine

### *Signed*

- 
- **In Ukraine**, MIGA covers transactions related to 3 SOBs: **Ukrgasbank, Ukreximbank and Oschadbank**.
  - Provision of a **US\$10 million** first loss guarantee by MIGA would be leveraged to maximize the impact of these contributions and would help EBRD **increase its capacity in Ukraine**.
  - Underlying trade transactions would be for essential goods and would include fuel, metal and industrial goods, medical equipment and supplies, pharmaceuticals, agricultural related products. Tenor of underlying trade transactions would be for 395 days or less.

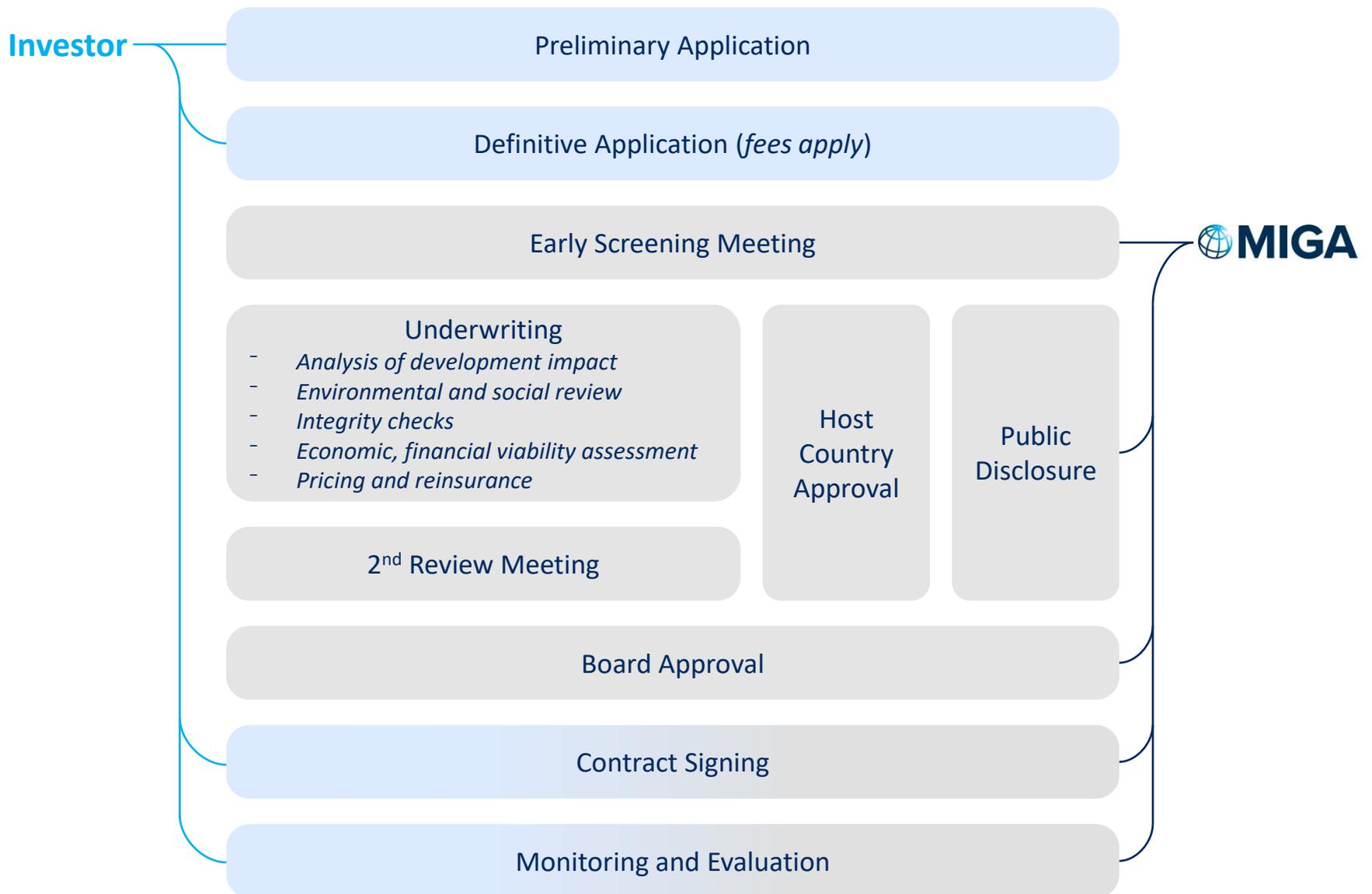
### *Proposed*

- 
- **In Egypt**, the SOBs considered by MIGA for the issuance of TFGs are the **National Bank of Egypt S.A.E. and the Banque Misr, for up to US\$100 million**
  - Through partnering with EBRD, MIGA will facilitate needed trade finance at a time of rising economic pressure and heightened geopolitical risks affecting trade, supply chain and critical imports for countries.
  - Board approval was obtained in December 2022.

1. MIGA in the World Bank
2. Key Terms, Product Line and Value Added
3. MIGA Guarantee Solutions
  - Political Risk Insurance
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  - Trade Finance

## 4. MIGA's Process

# Registration and Underwriting Process





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