



**MIGA**

**Multilateral Investment  
Guarantee Agency**  
WORLD BANK GROUP

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**Innovating To Mobilize Private Capital**

**September 2018**

# World Bank Group

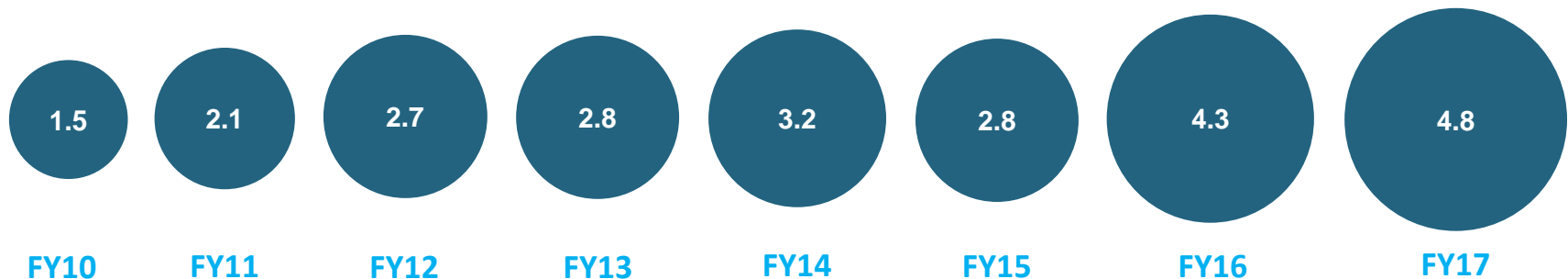
Shared Twin Goals: Eliminate Extreme Poverty and Boost Shared Prosperity

	<b>IBRD</b> International Bank for Reconstruction and Development Est. 1945	<b>IDA</b> International Development Association Est. 1960	<b>IFC</b> International Finance Corporation Est. 1956	<b>MIGA</b> Multilateral Investment Guarantee Agency Est. 1988
Role:	Support countries' economic and institutional development		Promote private sector development	Increase foreign direct investment
Clients:	Governments of Part II member countries with annual per capita income <i>over</i> \$1,215	Governments of Part II member countries with annual per capita income <i>under</i> \$1,215	Investors in member countries	Debt and equity investors in member countries
Products:	<ul style="list-style-type: none"> <li>- Technical Assistance</li> <li>- Policy Advice</li> <li>- Loans with Interest</li> <li>- Interest Free Loans</li> </ul>		<ul style="list-style-type: none"> <li>- Equity/Quasi-Equity</li> <li>- Long-Term Loans</li> <li>- Advisory Services</li> </ul>	<ul style="list-style-type: none"> <li>- Political Risk Insurance</li> <li>- Credit Enhancement</li> </ul>

## MIGA has doubled its issuances to deliver development impact at scale

Annual Gross Issuance, USD billions

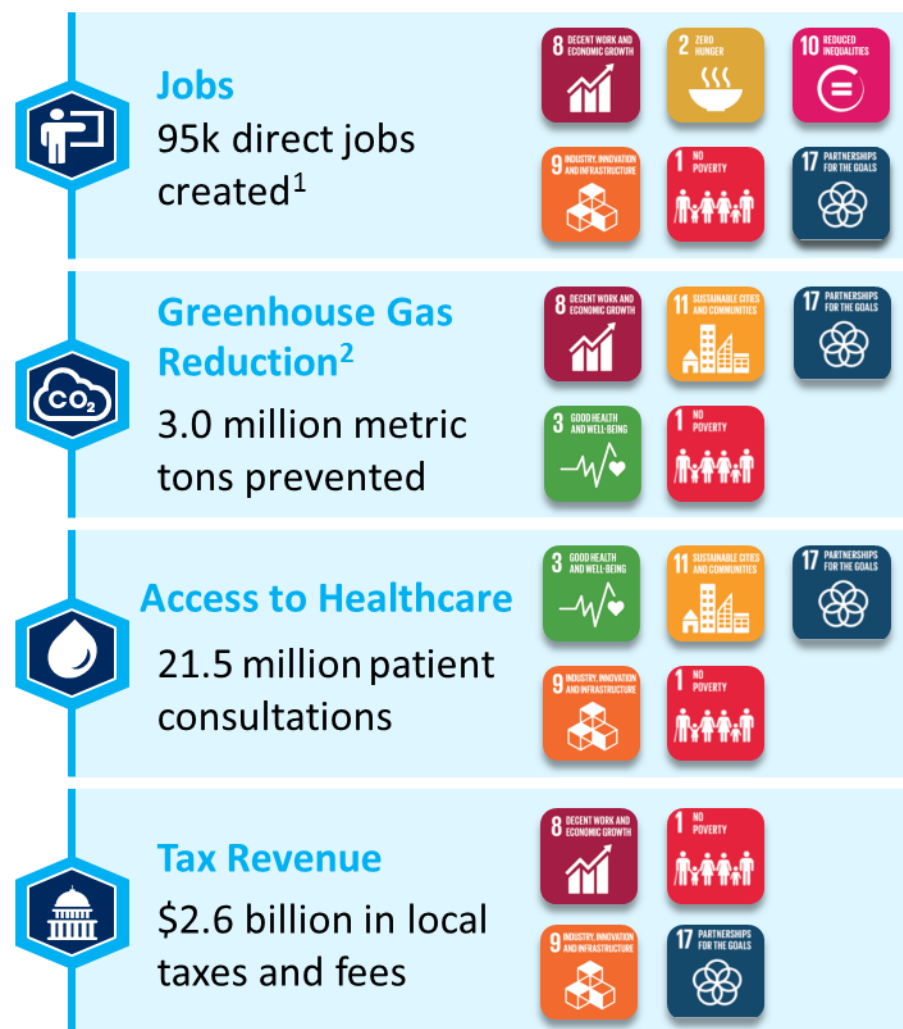
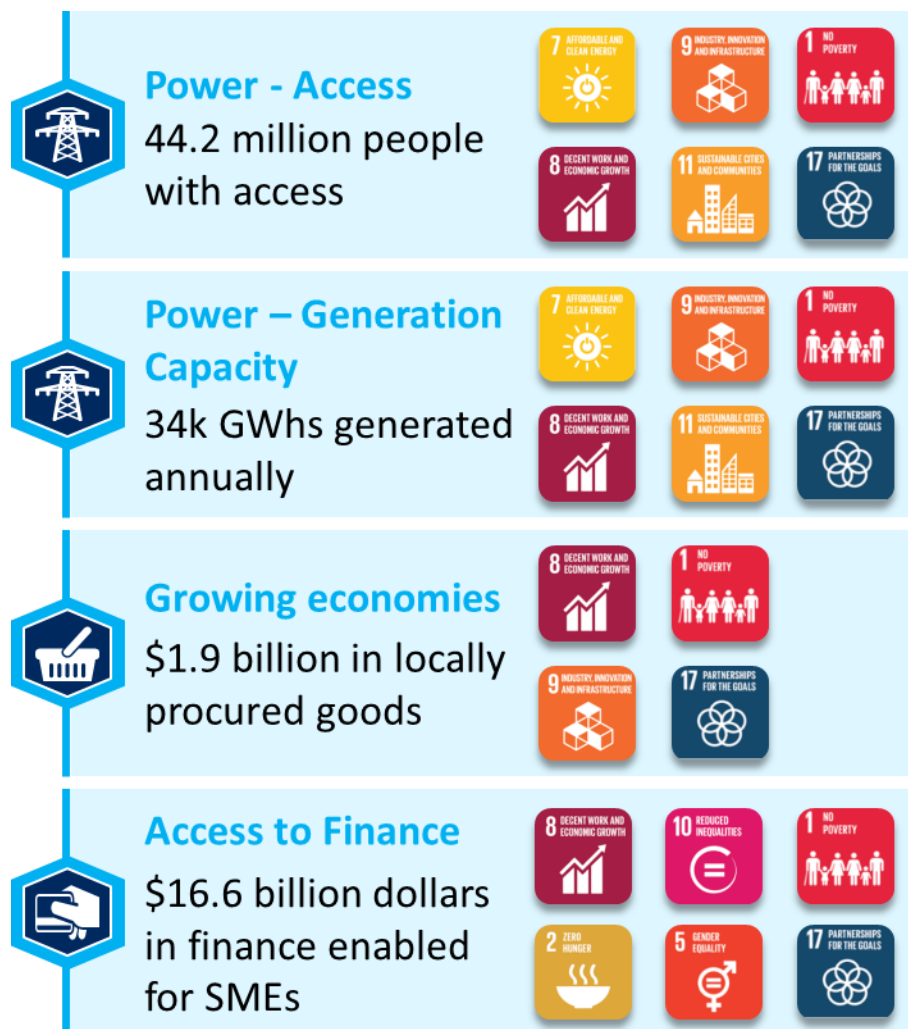
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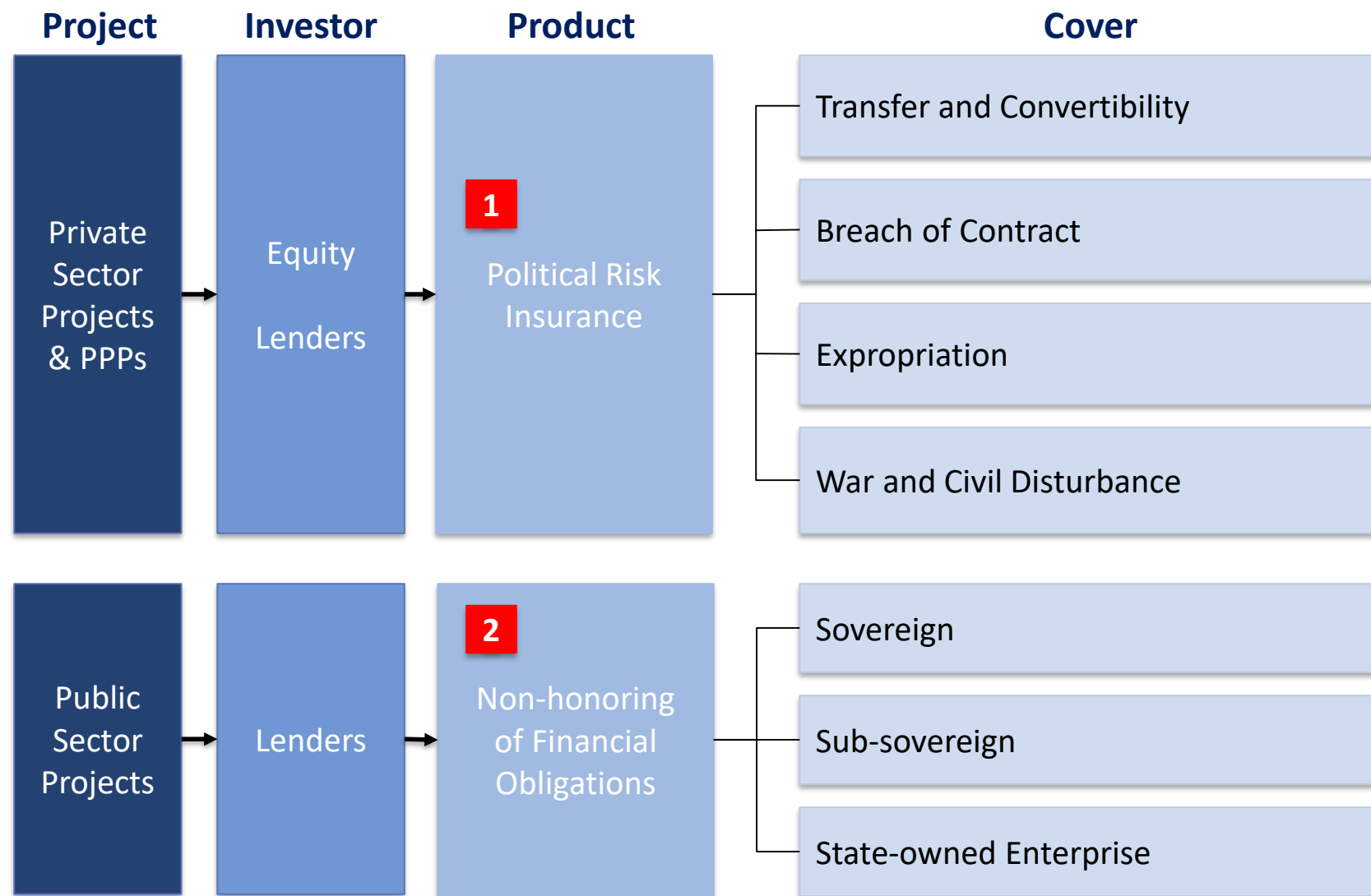
Supported **830+ projects** in **110 countries**

# MIGA projects support WBG's Twin Goals as well as multiple SDGs

Core areas of expected development results, FY14-FY18Q3



## MIGA's Product Line



# 1 Political Risk Insurance – Breach of Contract

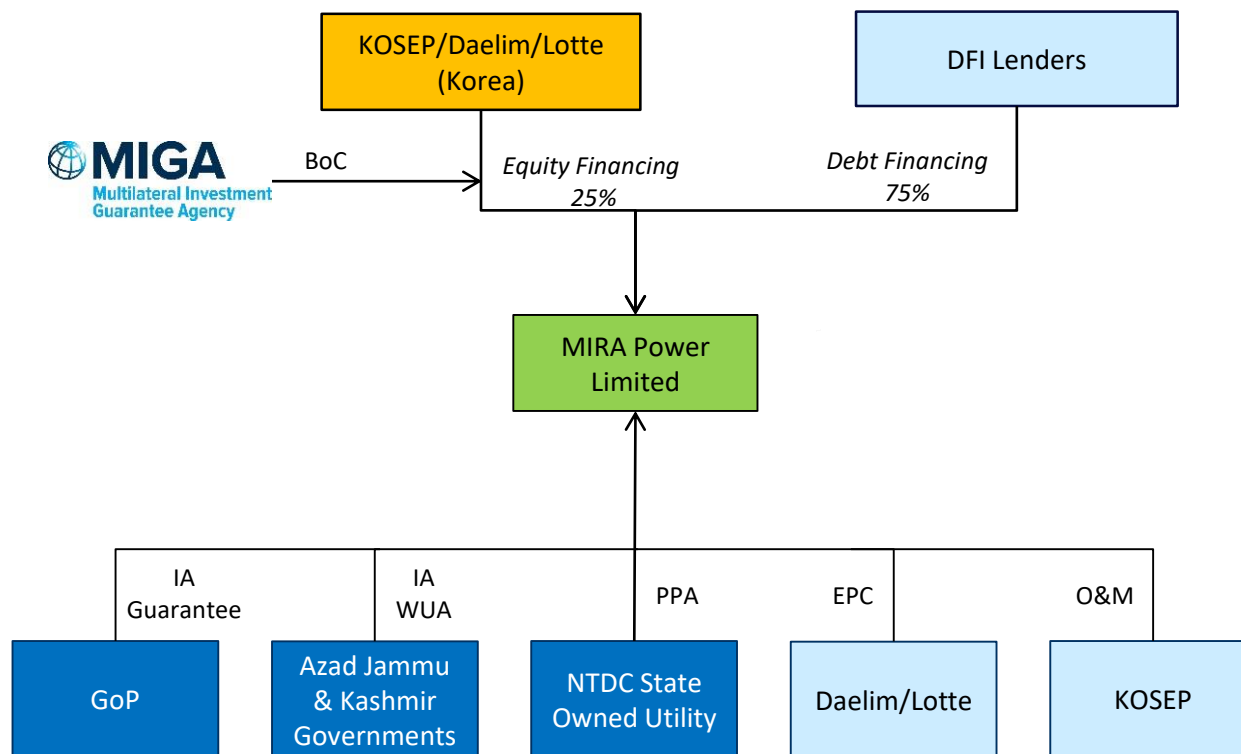
## Gulpur Hydropower, Pakistan

❖ **Project:** Construction, operation, and maintenance of a 102 MW run-of-the-river hydropower plant under BOOT

❖ **MIGA cover:**

- \$83m
- 15 years
- 2015
- BOC covers Pakistan IA and Pakistan Guarantee, triggered by breaches under AJK IA, WUA & PPA

- Guarantee holder
- Project enterprise
- Obligor



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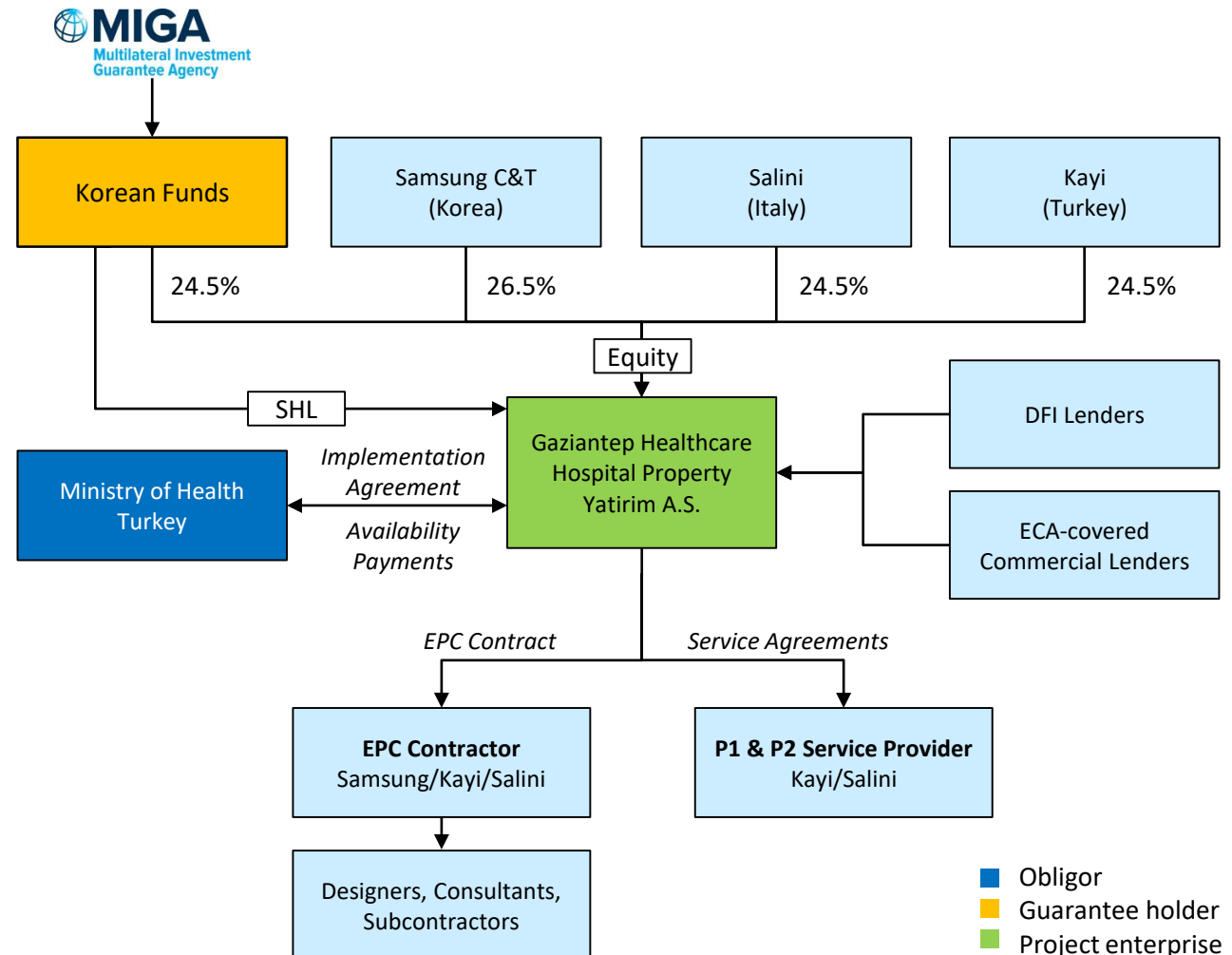
## Political Risk Insurance – Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance, Breach of Contract Cover

Gaziantep Integrated Health Campus, Turkey

❖ **Project:** 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 (PPP).

❖ **MIGA Cover:**

- Amount: €59.8M
- Tenor: 20 years
- Issued: April 2017



# Political Risk Insurance – One of the First Indonesian PPAs Without Sovereign Support

## Guaranteeing JBIC & Mizuho

### Rajamandala Hydropower Project, Indonesia

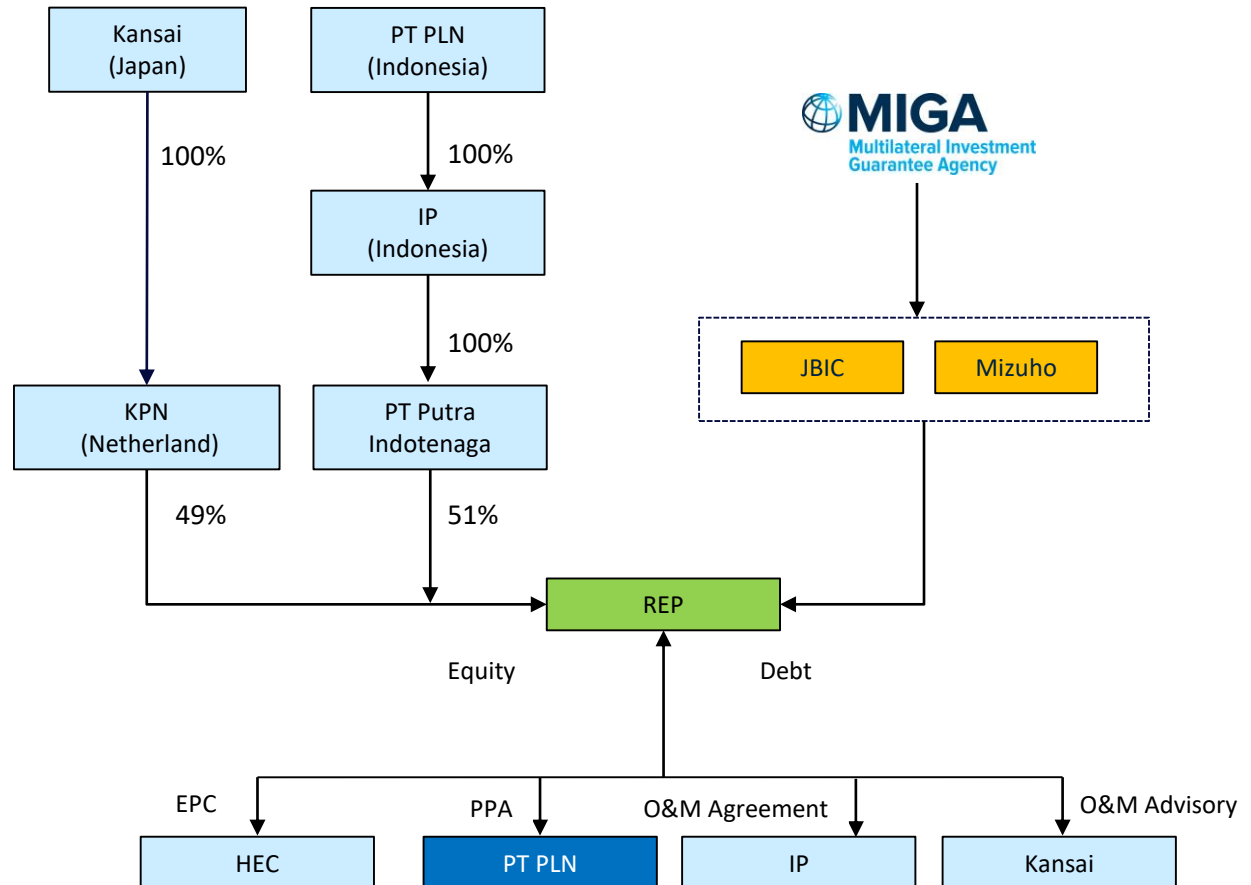
❖ **Project:** Development and operation of a 47 MW run-of-the-river hydropower plant on a BOT basis

❖ 30 year PPA with PT Perusahaan Listrik Negara (PT PLN), a state-owned enterprise

❖ **MIGA cover:**

- \$200m
- 19 years
- 2014
- Expropriation, Currency Inconvertibility & Transfer Restriction, War & Civil Disturbance, Breach of Contract of SOE

- Guarantee holder
- Project enterprise
- Obligor



## 2 Non-Honoring of Sovereign Financial Obligations

Bank Syndicate Loan Rehabilitating Critical Highway

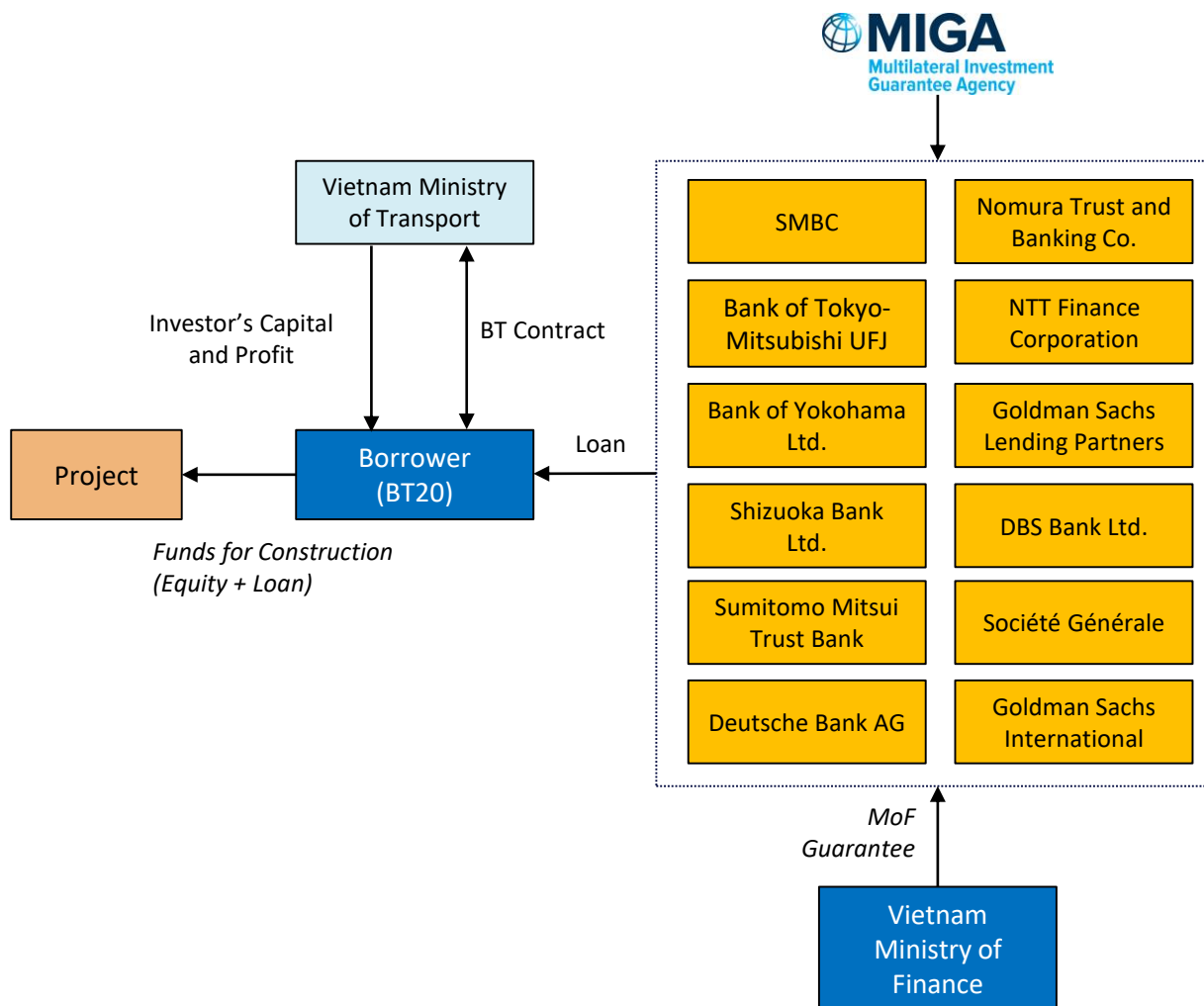
BT20 National Highway 20, Vietnam

❖ **Project:** Upgrading highway connecting Ho Chi Minh City to Central Highlands

❖ Rehabilitation of severely deteriorated section of road, source of significant transportation bottlenecks and accidents

❖ **MIGA cover:**

- \$500m
- 15 years
- 2014
- Non-Honoring of Sovereign Financial Obligations



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## Political Risk Insurance – MIGA's First Project in Myanmar

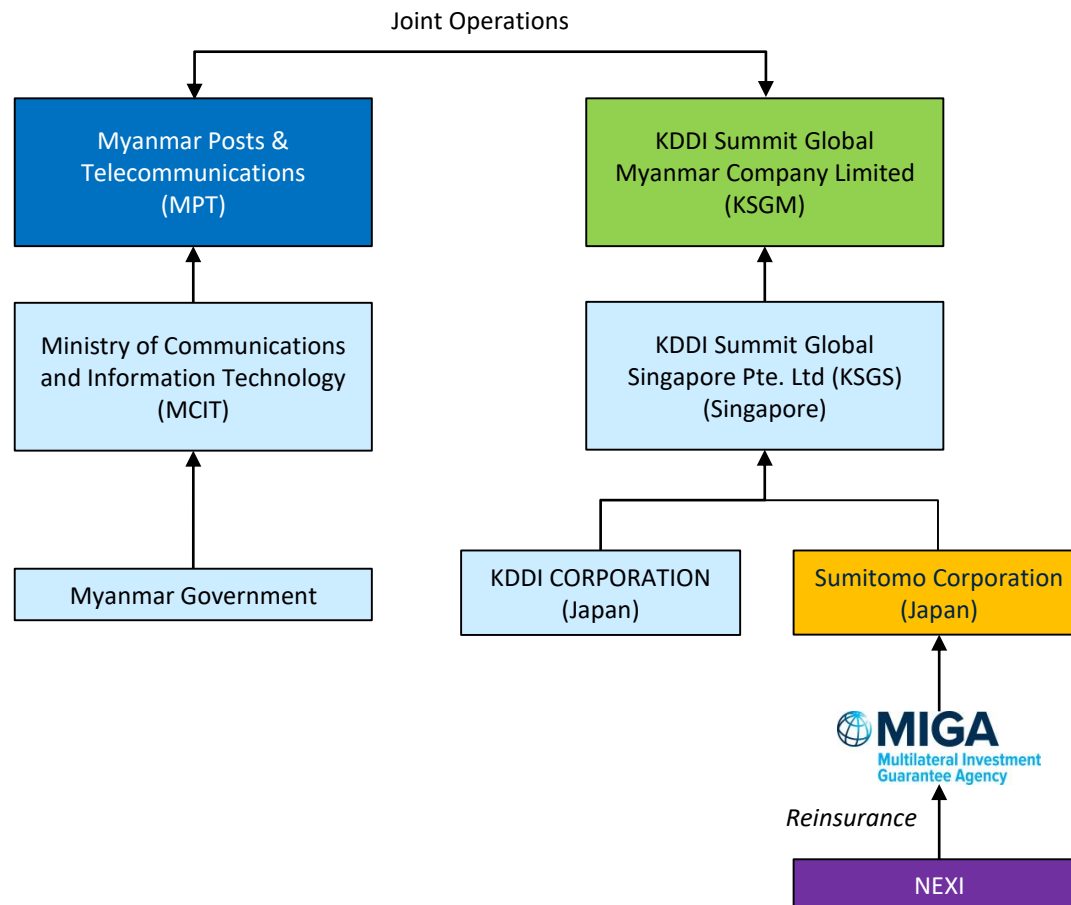
First Reinsurance Structure with NEXI

KDDI Summit Global Myanmar Company Limited (KSGM), Myanmar

❖ **Project:** Joint operation between MPT and KSGM to operate, upgrade, reactivate, and expand MPT's fixed line and wireless telecom network

❖ **MIGA cover:**

- \$406m
- 10 years
- 2016
- Transfer Restriction



- Obligor
- Guarantee holder
- Project enterprise
- Reinsurer

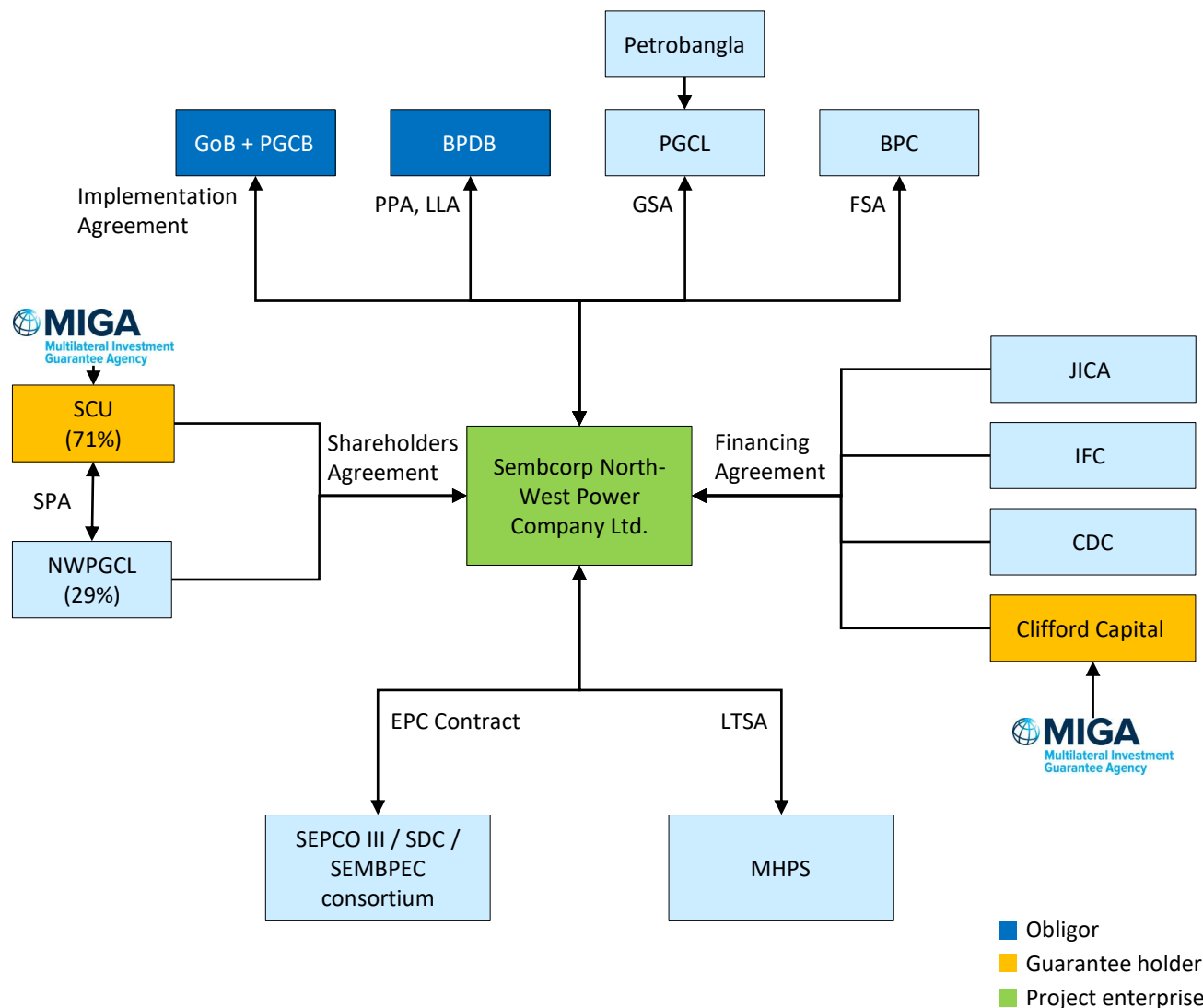
# Political Risk Insurance

Sirajganj 4, Bangladesh

❖ **Project:** The construction and operation of a 414 megawatt (MW) dual fuel-fired combined cycle power project in Sirajganj, Bangladesh on a build-own-operate basis.

❖ **MIGA cover** for equity and debt:

- \$132m
- 14 years
- 2017
- Expropriation, Currency Inconvertibility & Transfer Restriction, Breach of Contract



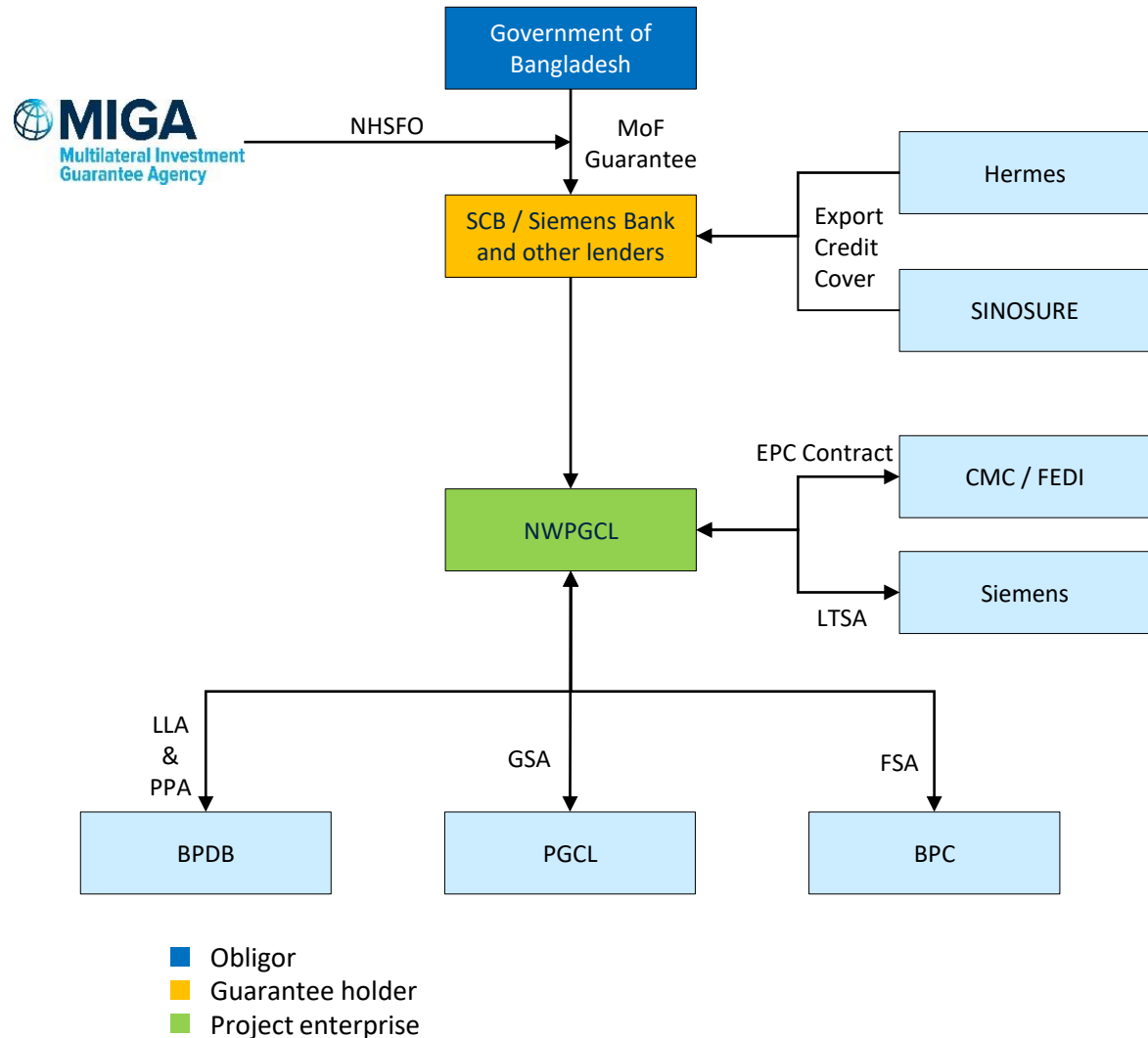
## 2 Non-Honoring of Sovereign Financial Obligations

Sirajganj 2, Bangladesh

❖ **Project:** The construction and operation of a 225 megawatt (MW) dual fuel-fired combined cycle power project in Sirajganj, Bangladesh.

❖ **MIGA cover for debt:**

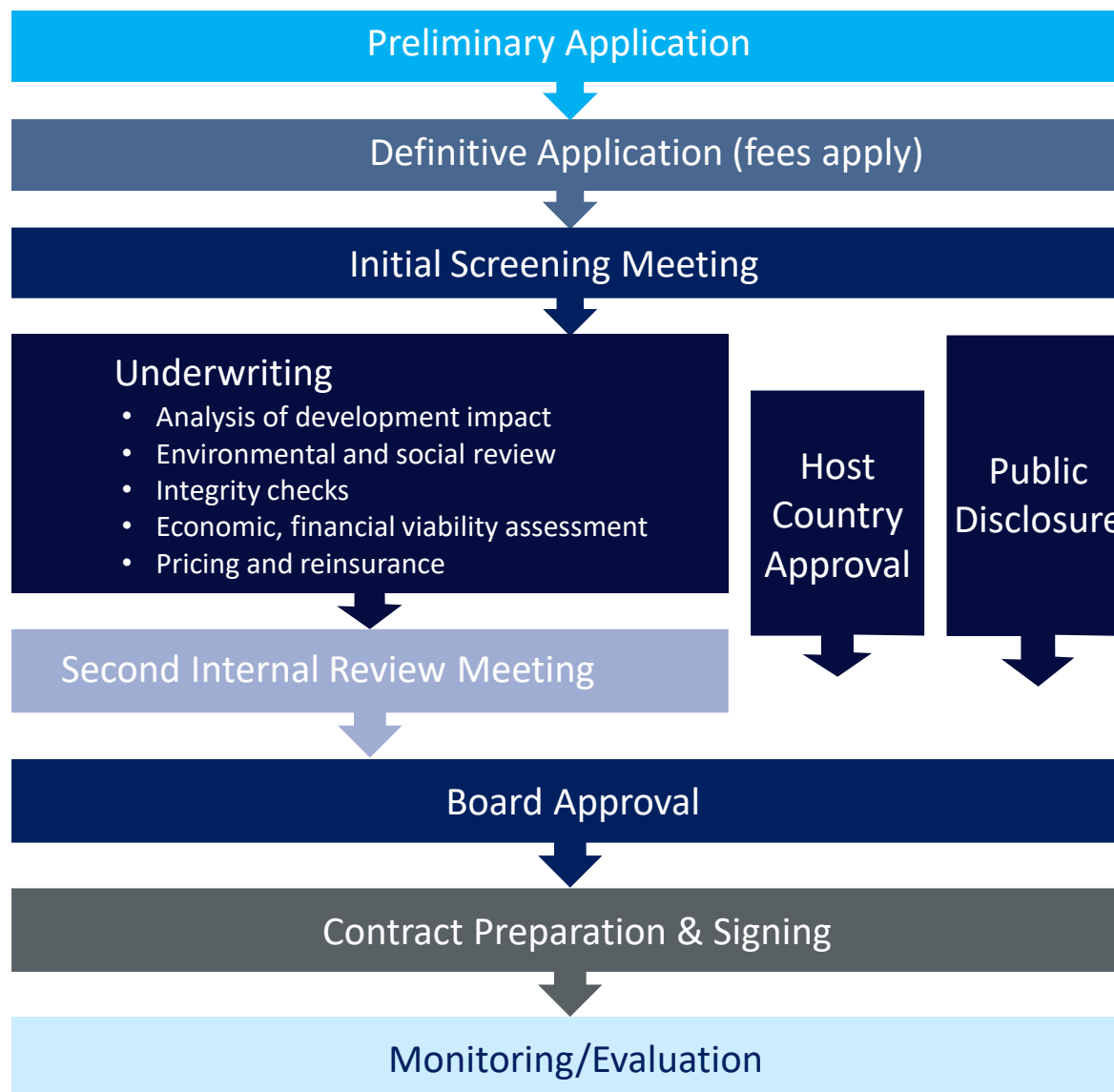
- \$69m
- 15 years
- 2015
- Non-Honoring of Sovereign Financial Obligations



## MIGA's Value Added

Strong pre-claim management	<ul style="list-style-type: none"><li>• Manages risks in pre-claims (100+ pre-claims managed among 830+ projects. Two claims paid for expropriation, eight for war and civil disturbance.)</li><li>• Leverages World Bank network</li></ul>
Highly rated	<ul style="list-style-type: none"><li>• Recognized as highly rated multilateral institution by Basel Committee</li></ul>
Financially stable	<ul style="list-style-type: none"><li>• Efficient economic capital consumption</li></ul>
Strong risk appetite	<ul style="list-style-type: none"><li>• Operates in challenging markets (lower income, conflict affected, and fragile states)</li><li>• Longer tenors (15 years)</li></ul>
Environmental and social risk mitigation	<ul style="list-style-type: none"><li>• Best practices in environmental and social standards</li></ul>

# Underwriting Process





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INSURING INVESTMENTS ■ ENSURING OPPORTUNITIES

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