



MIGA

**Multilateral Investment
Guarantee Agency**

WORLD BANK GROUP

Promoting and De-risking Investments into Ukraine

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

2. Key Terms, Product Lines and Value Added

3. Ukraine's Reconstruction and Economy Trust Fund

4. MIGA's Political Risk Insurance

5. MIGA's Process and Contacts

The World Bank Group Operating Model

**WORLD BANK
GROUP**



Public Sector Focus

IBRD

**International Bank
for Reconstruction
and Development**

Est. 1945

**Financing for middle-
income and creditworthy
low-income countries**

Technical assistance

Policy advice

IDA

**International
Development
Association**

Est. 1960

**Financing for the world's
poorest countries**

Technical assistance

Policy advice

Support countries' economic and institutional
development

Private Sector Focus

IFC

**International
Finance
Corporation**

Est. 1956

**Investment
(Equity/Debt)**

**Advisory
Services**

Encourage private
sector development

MIGA

**Multilateral
Investment Guarantee
Agency**

Est. 1988

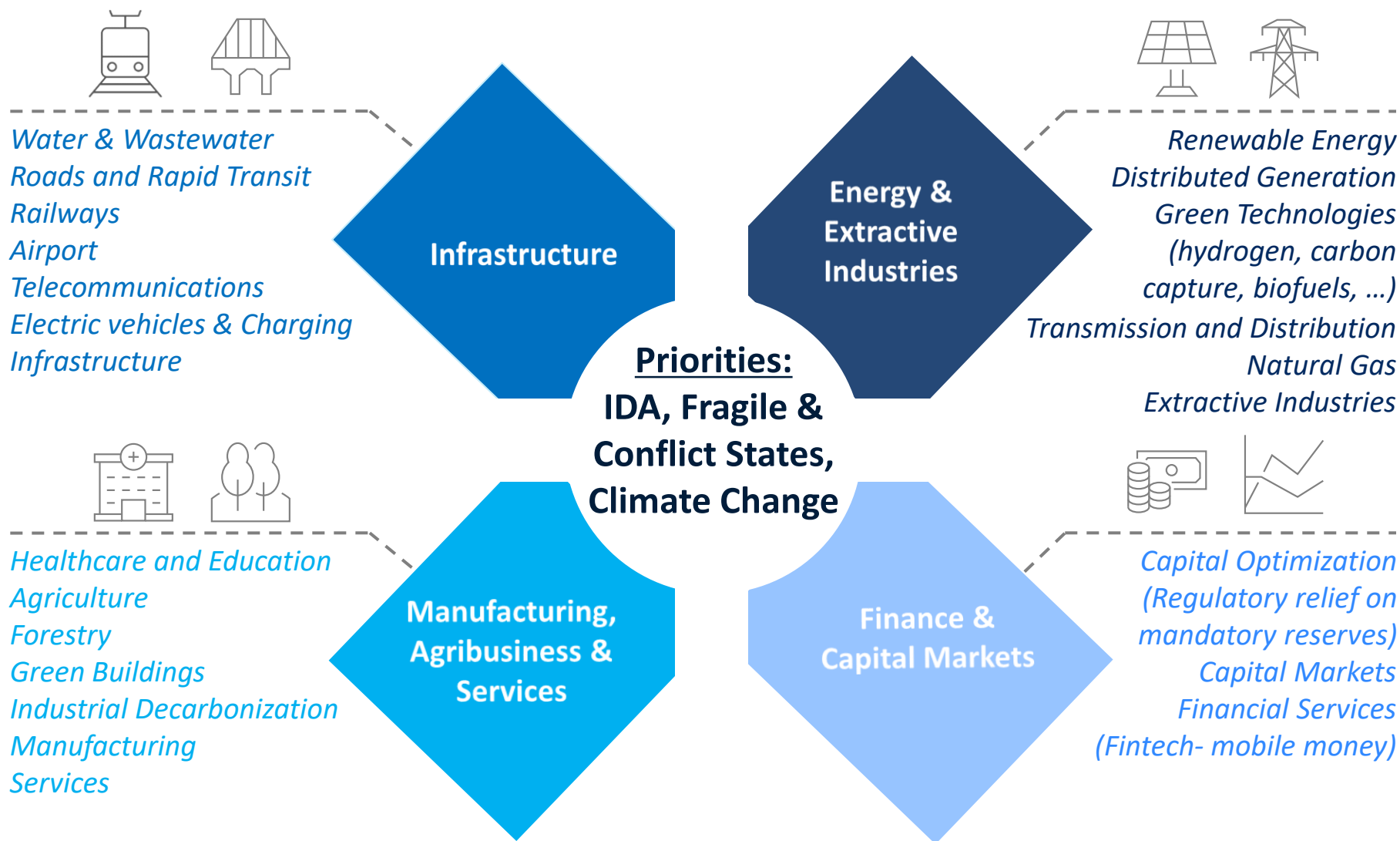
**Political Risk
Insurance**

**Credit
Enhancement**

Promote foreign
direct investment

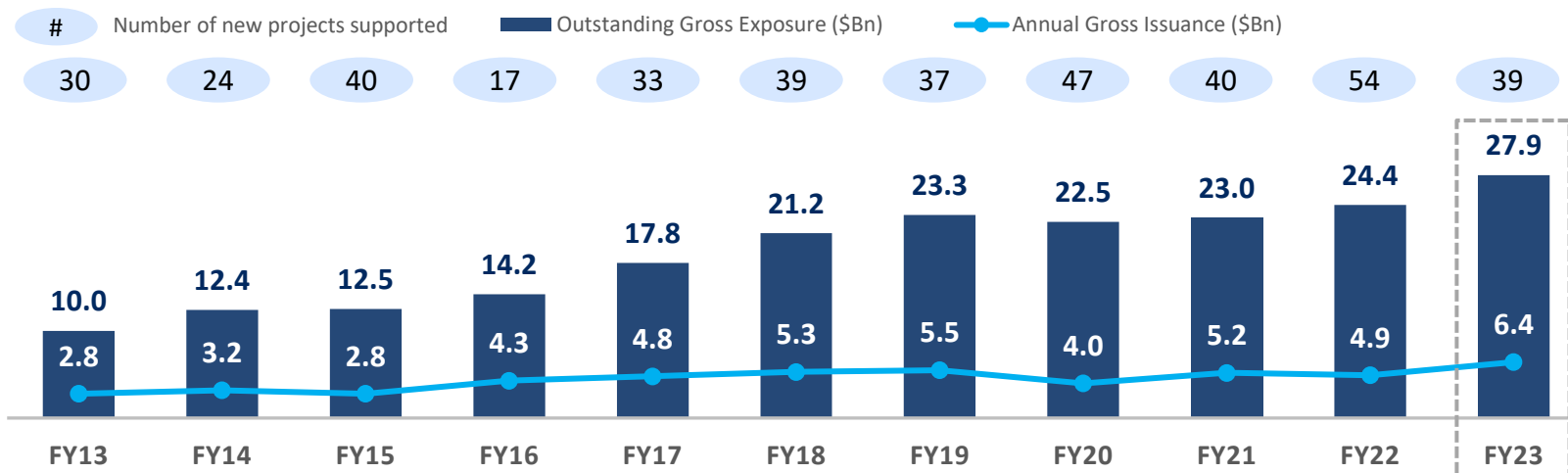
Shared Twin Goals: Eliminate Extreme Poverty and Boost Shared Prosperity

MIGA's Sectors and Priority Areas

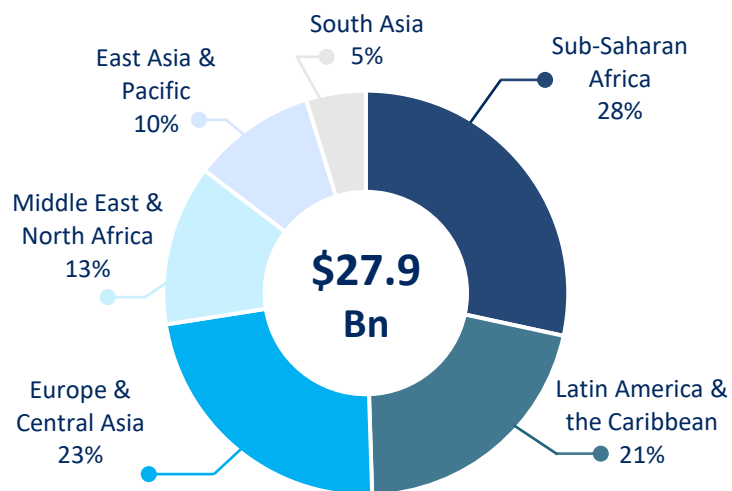


MIGA's Activity & Portfolio Overview

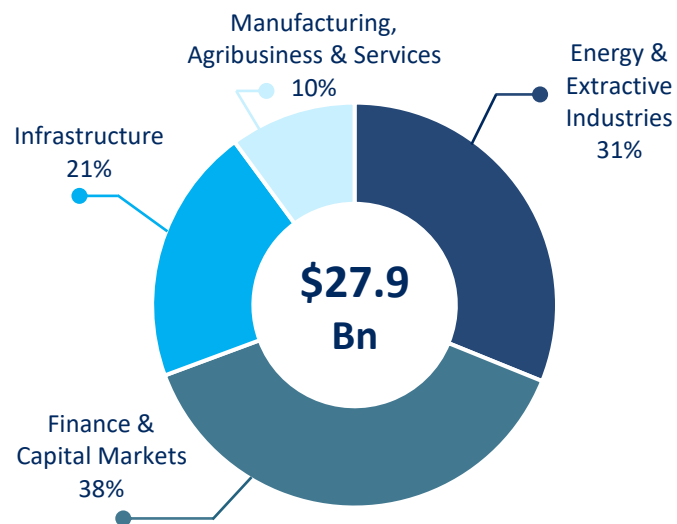
Outstanding Exposure & New Issuance



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

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Support for Ukraine's Reconstruction and Economy Trust Fund (SURE TF)

- **MIGA uses the SURE TF to enable its guarantee issuance in Ukraine.**
- MIGA blends donor financing from the SURE TF with risk exposure on its own books, and crowds in public and private reinsurance where available, to deploy guarantees in support of Ukraine.



- **Trade Finance guarantees** for Ukraine to import vital goods and equipment for infrastructure repairs, or agricultural production.
- **Political Risk Insurance** for international banks to facilitate access to finance, as well as liquidity support to Ukrainian businesses.



- The SURE TF was established with Japan as the anchor Donor, and together with its other Donors, the UK (FCDO), Norway (Norad), Belgium, and the U.S.A., it grew to nearly \$110 million.
- MIGA expects the SURE TF to grow to \$300 million through contributions from additional donors.
- MIGA is also actively fundraising towards this end.

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MIGA's Product Lines

Instrument	Cover
Political Risk Insurance	 Transfer Restriction and Currency Inconvertibility
	 Expropriation
	 War and Civil Disturbance
	 Breach of Contract by Governments and State-Owned Entities
Trade Finance	 Non-Payment by a Public Authority or Government-Owned Entity of its Obligations Relating to a Cross-Border Trade Transaction

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:

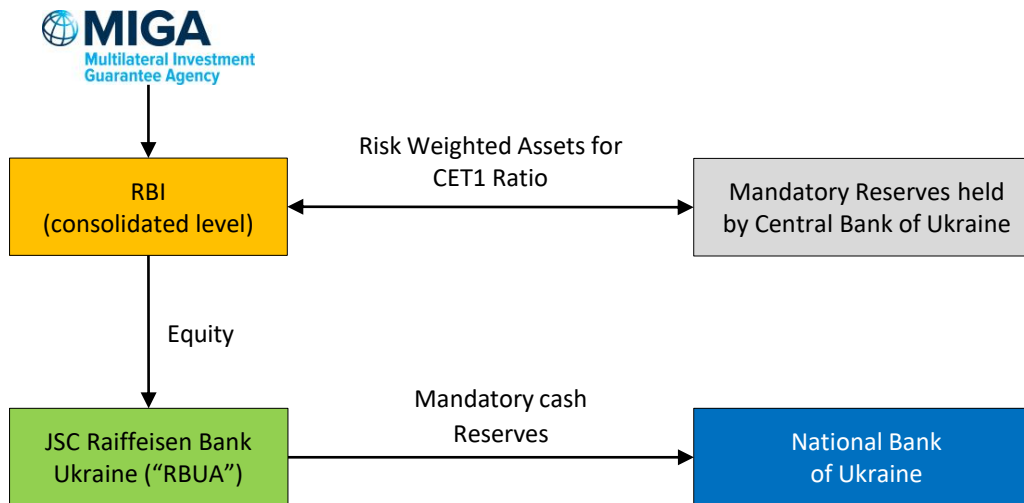
- Three forms of coverage:
 - ✓ Loss of assets
 - ✓ Temporary business interruption (for equity)
 - ✓ Permanent loss of use
- Loss has to be a direct and immediate result of acts of war, revolution, rebellion, insurrection, coup d'état, civil war, civil commotion, riots
- Acts of sabotage or terrorism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

Capital optimization generating additional headroom for lending to SME's during war

Raiffeisen Bank Ukraine, Ukraine

Project Structure

Project Overview



- Obligor
- Guarantee holder
- Project enterprise

Description:

- MIGA's cover will help RBUA navigate through the short-term impacts of Russia's war in Ukraine, which is resulting in strong deleveraging pressures on banks and restricting existing and new lending into the economy
- RBUA intends to use the MIGA-enabled capacity to support its ongoing operations in the country, particularly towards critical industries such as agriculture, food, and healthcare

Guarantee Holder(s):



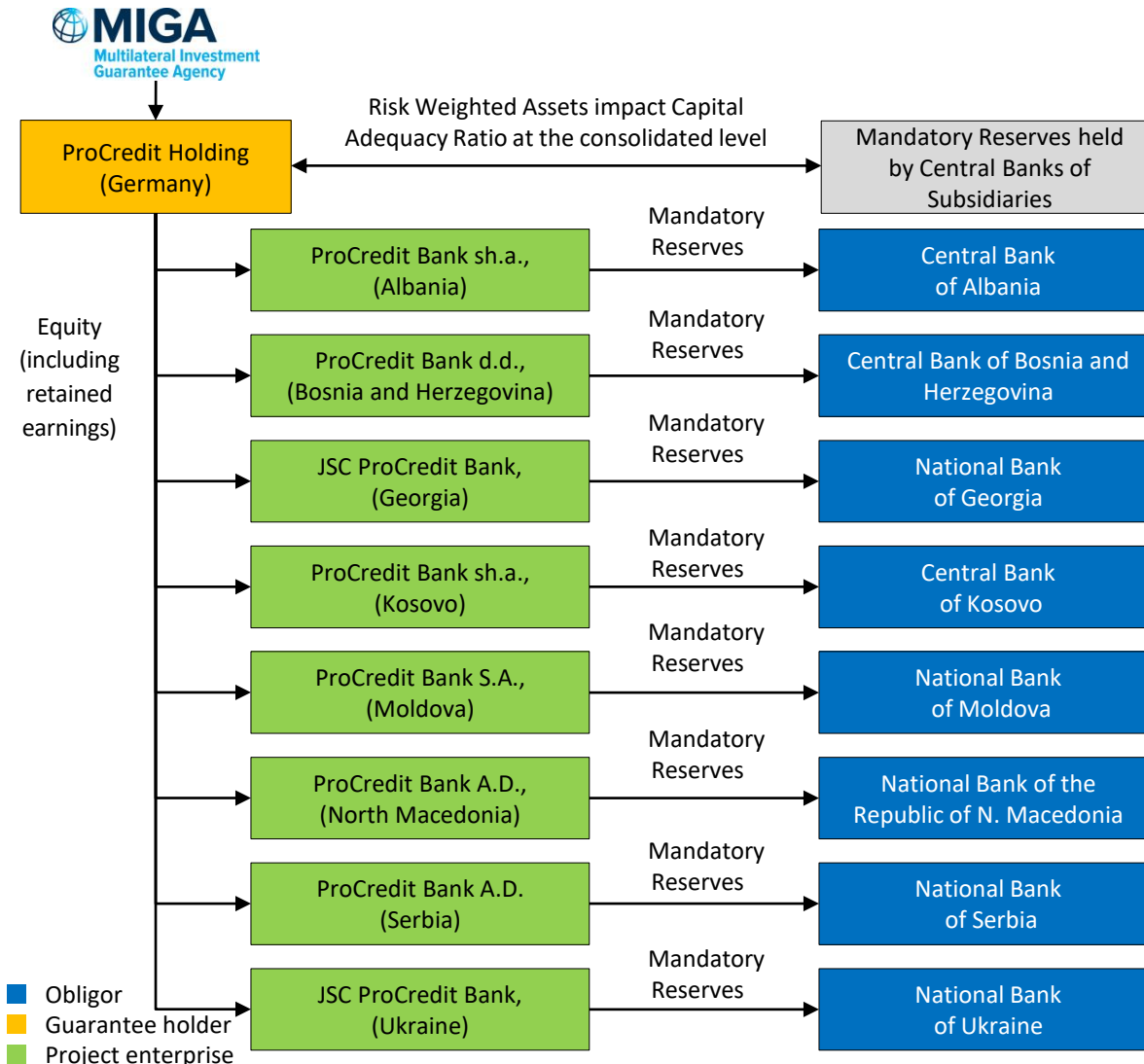
MIGA cover:

- Amount: €100m (equity)
- Tenor: 1 year and 1 day
- Risk(s): Expropriation of funds
- Issued: December 2022

Increased lending through release of regulatory capital

ProCredit, Ukraine and other European countries*

Project Structure



Project Overview

Description:

- Reduction of the risk weighting applicable to the mandatory reserves held by the respective Central Banks of the Subsidiaries
- All freed-up capital from MIGA guarantee deployed towards climate financing

Guarantee Holder(s):

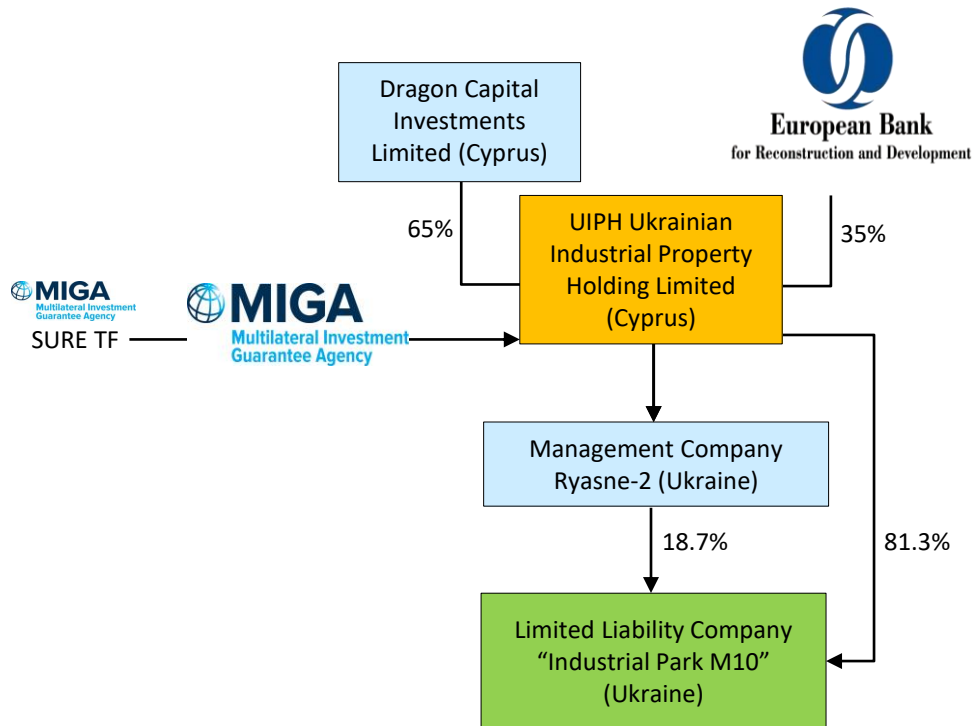


MIGA cover:

- Amount: €218.5m (equity)
- Tenor: 5 years
- Risk(s): Expropriation of funds
- Issued: December 2020

Looking into supporting the development of Lviv Industrial Park in partnership with the EBRD Dragon Capital, Ukraine

Project Structure



Project Overview

Description:

- Development and operation of a new modern multi-tenant warehouse and the supporting infrastructure (utility lines, roads, gate, etc.) located within Lviv's Ryasne-2 industrial zone at the borders of the city of Lviv, Western Ukraine. It provides new industrial and logistics warehouse space that will help the country expand access to vital services and products both during the war and the post-war reconstruction period

Guarantee Holder(s):

UIPH Ukrainian Industrial Property Holding Limited (Cyprus)

MIGA cover:

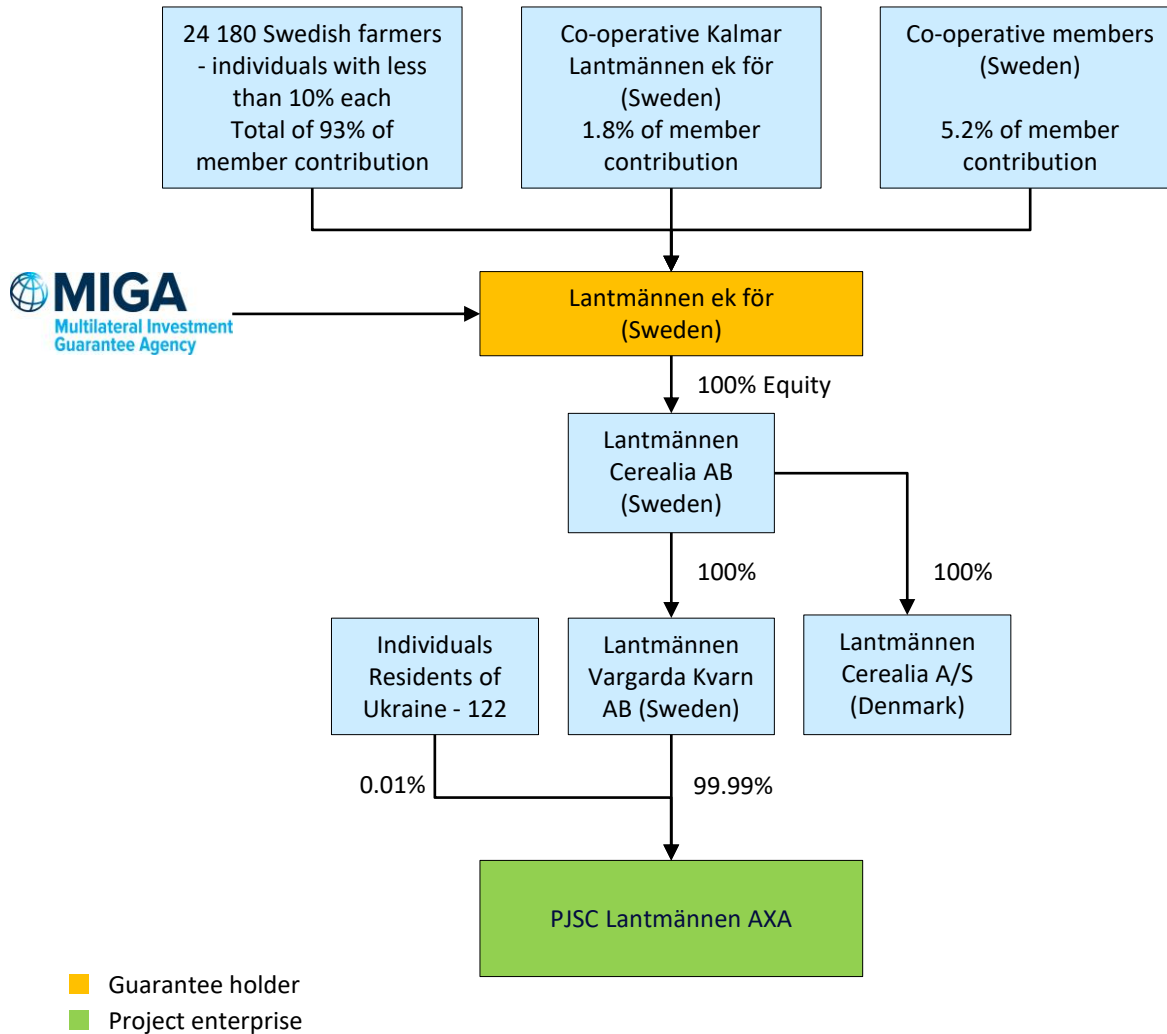
- Amount: \$9.1m (equity and shareholder loan)
- Tenor: 10 years
- Risk(s): War and Civil Disturbance
- Issued: September 2023

- Guarantee holder
- Project enterprise

Facilitating investment decision in key market

Lantmännen, Ukraine

Project Structure



Project Overview

Description:

- Operation of a factory, warehouse, and office building of a manufacturing company that produces breakfast cereal foods

Guarantee Holder(s):



MIGA cover:

- Amount: €6.4m (equity)
- Tenor: 10 years
- Risk(s): Expropriation, Currency Inconvertibility and Transfer Restriction, War and Civil Disturbance
- Issued: December 2016

Providing TFGs with EBRD in Ukraine



- ▶ Provision of a **\$10m first loss guarantee** by MIGA would be leveraged to maximize the impact of these contributions and would help EBRD **increase its capacity in Ukraine**
- ▶ MIGA proposed support would be for transactions related to 3 SOBs: **UKRGASBANK, UKREXIMBANK and OSCHADBANK**
- ▶ Underlying trade transactions would be for essential goods and would include fuel, metal and industrial goods, medical equipment and supplies, pharmaceuticals, agricultural related products (equipment, fertilizer, seed). Tenor of underlying trade transactions would be for 395 days or less

BACKGROUND:

- ▶ EBRD launched its Trade Facilitation Programme in 1999 and in 2021 supported 168 TF transactions in Ukraine representing approx. EUR 488m in trade. There are 6 issuing banks in their Ukraine program including the 3 State-Owned Banks mentioned above

Expanding the Trade Finance Guarantee (TFG) Initiative with IFC to Ukraine



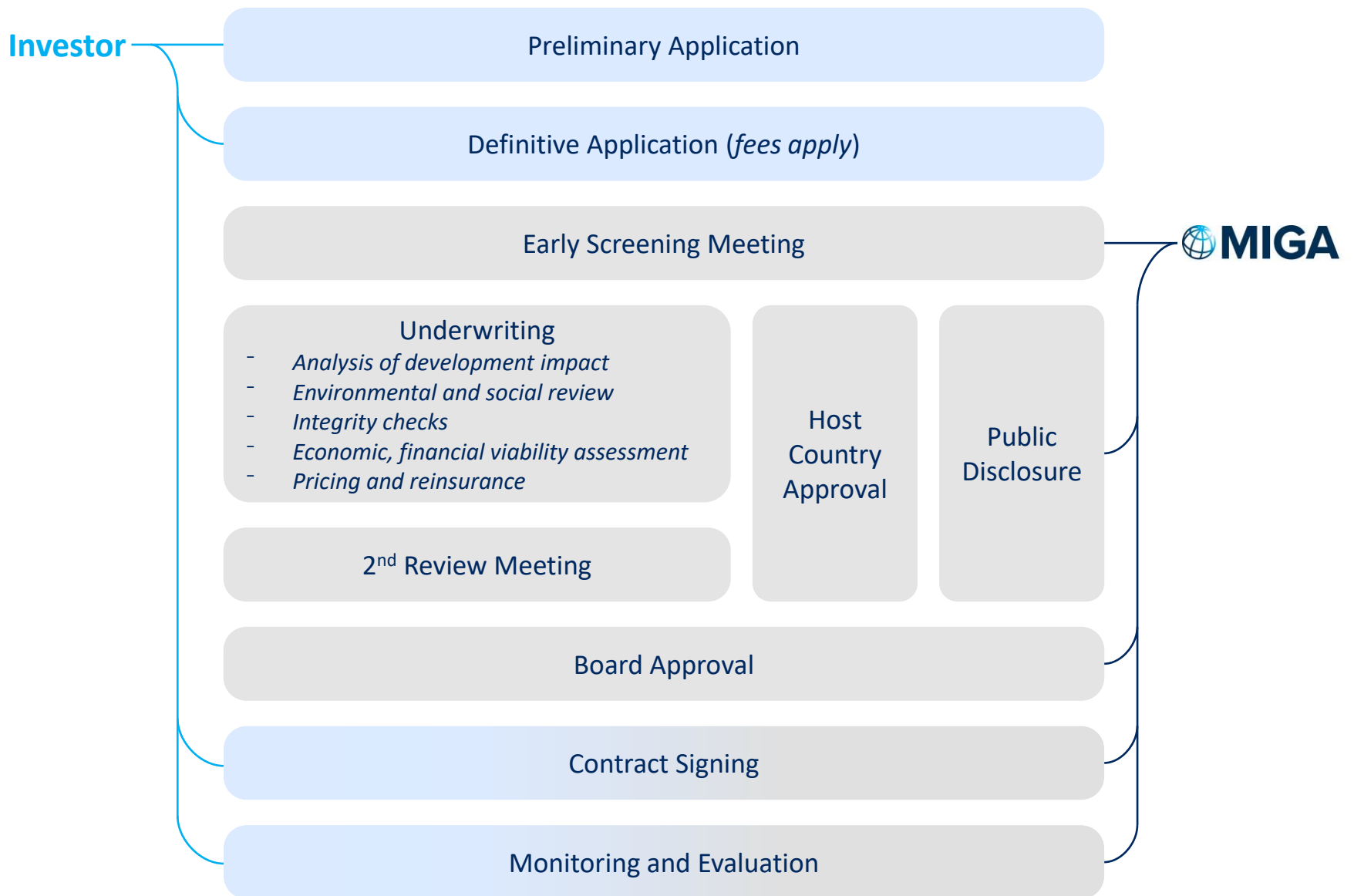
- ▶ **Provision of \$20m** in capacity to IFC under the existing TFG Initiative would allow IFC to support new transactions in Ukraine
- ▶ MIGA proposed support would be for transactions related to two State-Owned Banks: **UKRGASBANK and UKREXIMBANK**
- ▶ Underlying transactions would target critical goods (except products related to oil and gas) and are expected to include emergency equipment/medical supplies, pharmaceuticals, goods for the agricultural sector (equipment, fertilizer, seed). Transactions are expected to have tenors of 90-180 days

BACKGROUND:

- ▶ IFC launched its GTFP program in Ukraine in 2009 and since then has supported approximately \$730m in trade transactions. There are five issuing banks in the program in Ukraine including the two State-Owned Banks mentioned above

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Registration and Underwriting Process



MIGA Contacts

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