2019 ANNUAL REPORT

MIGA
Multilateral Investment Guarantee Agency
WORLD BANK GROUP

About MIGA

Private investors provide not just financing, but also solutions, for projects in developing countries. Yet, non-commercial risks can make them hesitant to invest in developing countries.

A member of the World Bank Group, MIGA is committed to strong development impact and promoting projects that are economically, environmentally, and socially sustainable. MIGA helps investors mitigate the risks of restrictions on currency conversion and transfer, breach of contract by governments, expropriation, and war and civil disturbance, and also offers credit enhancement.

Over the last six years, MIGA has doubled its portfolio, resulting in approximately 50 million people gaining access to power, and $3.9 billion in annual taxes and fees paid to host governments through MIGA-supported projects.

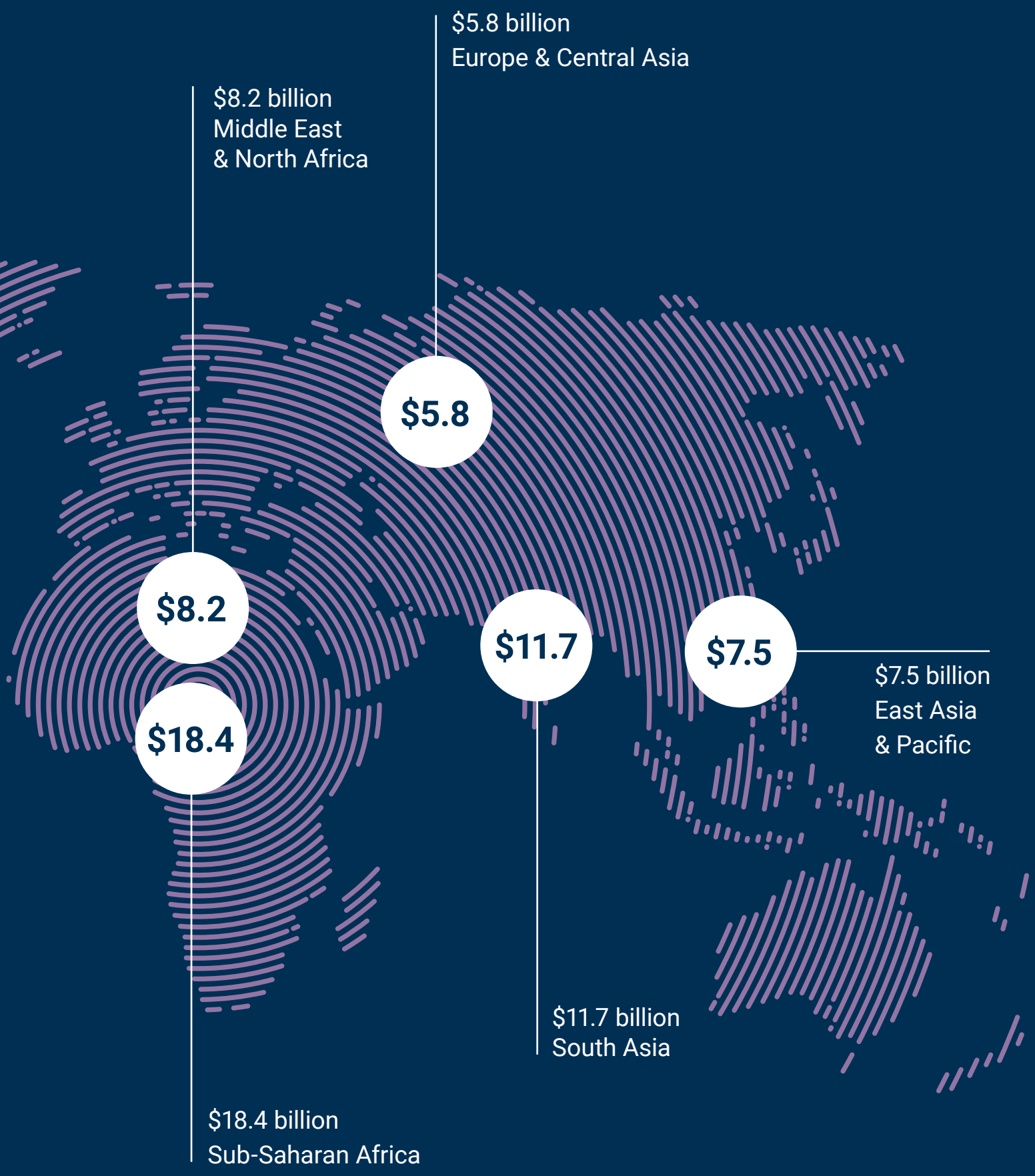
World Bank Group Global Commitments

The World Bank Group maintained its support for developing countries over the past year as the organization focused on delivering results more quickly, increasing its relevance for clients and partners, and bringing global solutions to local challenges.

$62.3 billion

in loans, grants, equity investments, guarantees to partner countries and private businesses.*

*Total includes multiregional and global projects.
Regional breakdowns reflect World Bank country classifications.


$5.8 billion
Europe & Central Asia
$8.2 billion
Middle East
& North Africa
$5.8
$8.2
$18.4
$11.7
$7.5
$7.5 billion
East Asia
& Pacific
$11.7 billion
South Asia
$18.4 billion
Sub-Saharan Africa

A Message from the President

Our development mission is clear: to advance shared prosperity and end extreme poverty. The challenges remain urgent. For many countries, poverty reduction has slowed or even reversed, while investment and growth will not be enough to raise living standards. Poorer countries face many challenges in achieving basic development gains, including severe deficits in clean water, electricity, health, education, jobs and private sector competitiveness; barriers to the full inclusion of women in economies and societies, alongside policies that too often favor elites rather than creating work opportunities and support for those most in need; the urgency of environmental and climate challenges; and the surge in debt that is not bringing true benefits.

Economic growth has been the key engine of poverty reduction around the world. However, in many countries, especially resource-based economies, the benefits of growth weren't allowed to spread—growth helped increase average incomes, yet it did not increase median incomes or lift the poorest 40 percent of the population. With global growth slowing, median income growth is sluggish in much of the world and declining in many poorer countries. In middle-income countries slower growth erodes the living standards of the middle class, with many joining the ranks of the poor. This adds to the challenges facing the 2030 Sustainable Development Goals, and the key poverty reduction goal is at risk of not being met.

World Bank Group commitments to help countries achieve better development outcomes were nearly $60 billion in the fiscal year that ended on June 30, 2019. With weak investment prospects in many developing countries and recession risk in Europe, it has become even more urgent for the Bank Group—IBRD, IDA, IFC, and MIGA—to step up our effectiveness and impact.

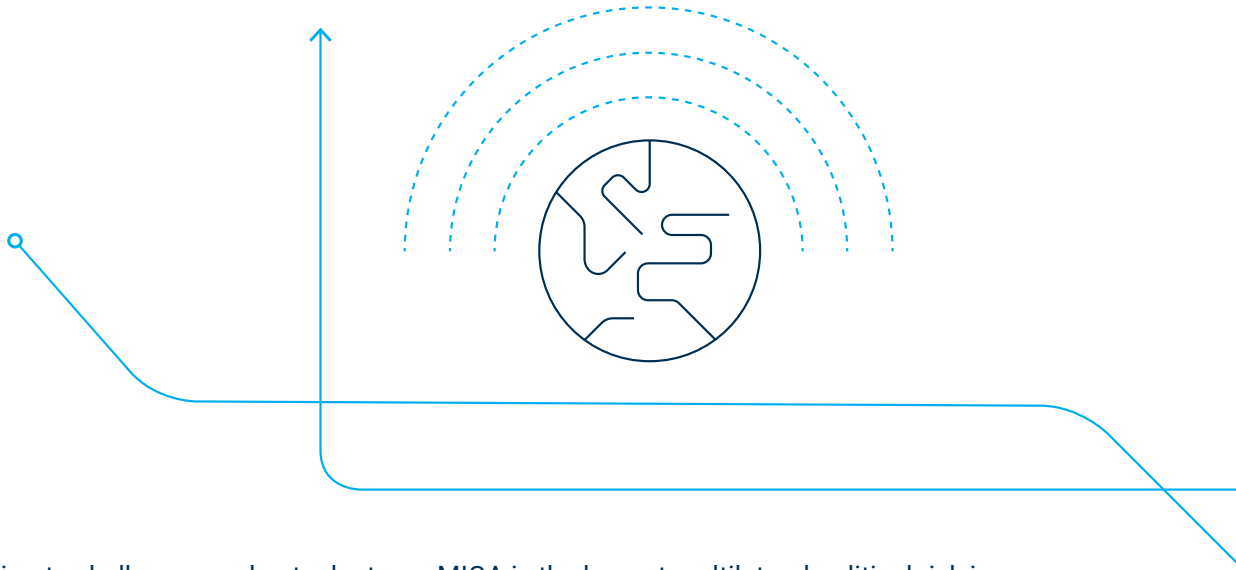
Working together, these institutions have the tools to help address the challenges emerging around the world. The IBRD-IFC capital package, approved by the Board of Governors in October 2018, will provide additional lending capacity along with institutional and financial reforms designed to ensure IBRD's long-term financial sustainability. IBRD has further strengthened its financial management by introducing a Financial Sustainability Framework, including a sustainable annual lending limit. A strong IDA19 replenishment in December 2019 will extend our ability to support good development outcomes and better lives for the poorest people around the world.

We are sharpening our focus on selective and impactful country programs to improve growth and development outcomes. IBRD commitments exceeded $23 billion this year. Commitments by IDA, which provides grants and low-interest loans to the world's 75 poorest countries, were $22 billion, of which nearly $8 billion were grants. Together, these Bank programs helped more countries come closer to achieving their development priorities.

Demand for human capital investments continued to grow over the fiscal year—reflecting the significant role this financing can play in promoting long-term inclusive growth and alleviating poverty. Over 60 percent of Bank operations helped address gender gaps and encouraged full incorporation of women in economies and societies. Several once-closed societies are allowing welcome improvements in the legal, economic, and social conditions for girls and women. Much more progress is absolutely necessary.

The need for the rule of law and greater transparency is an increasingly accepted development priority. In development finance, transparency in sovereign debt and debt-like contracts is vital to improve the quality and profitable allocation of capital and new investment.

For fiscal 2019, 31 percent of IBRD/IDA commitments contained climate co-benefits, exceeding the Bank's target of 28 percent by 2020. In December 2018, the Bank announced a $200 billion five-year mobilization target to



help countries address climate challenges and put adaptation finance on a par with mitigation.

Our goal is for countries to achieve economic success and broad improvements in living conditions. As they advance, our relationship with them should evolve so that a growing share of our IBRD lending is available to countries in lower-income thresholds. For example, China achieved major increases in GDP, median income, and prosperity, so our interactions are becoming more technical as lending declines. China's policies are changing rapidly to improve global public goods, address environmental and climate change problems, and reduce plastic and micro-plastic in its rivers. China has evolved from a large-scale borrower to an important voice in the development dialogue and a key contributor to IDA.

We are working in fragile areas, such as the Sahel and the Horn of Africa, to help countries build stronger foundations so that young people are more able to stay rather than seeking to migrate. IDA commitments to countries affected by fragility, conflict, and violence reached $8 billion in fiscal 2019.

Many countries will need a much bolder agenda for boosting private sector growth to generate more and better jobs. This entails major changes in the business climate so that the private sector can compete with the state on a level playing field—critical for generating jobs, profit, and innovation.

The World Bank Group is increasing financing for economic and institutional reforms to enhance private investment and job creation in developing countries. As the largest global development institution focused on the private sector, IFC creates markets and opportunities for sustainable private investment where they are needed most. IFC is shifting its focus to working upstream to create a pipeline of bankable projects that will increase private investment in the world's poorest countries.

MIGA is the largest multilateral political risk insurance provider, with a mandate of creating development impact by helping attract foreign direct investment to developing countries. Nearly 30 percent of MIGA's guarantee program over the fiscal year supported projects in IDA countries and fragile settings, and almost two-thirds contributed to climate change adaptation or mitigation.

Across IBRD/IDA, IFC, and MIGA, we are working to increase our commitments to lower-income countries as they improve their development outlook and to shift resources toward countries suffering from fragility, conflict, and violence. We will be improving our effectiveness and budget discipline throughout the year to make more resources available to meet client needs and challenges.

I am deeply optimistic that courageous, enlightened leadership and strong policies can work to improve living conditions for those most in need. I saw first-hand the scope and urgency of the development challenges during my trip to Sub-Saharan Africa in April. I am hopeful there is a path forward, having seen Prime Minister Abiy and his team launching ambitious reforms in Ethiopia, the potential of the world's largest solar energy plant in Egypt, the resilience of the people of Mozambique after the devastation of twin cyclones, and the inspiration for the people of Madagascar after its first peaceful leadership transition.

The people in developing countries are facing immense challenges. The World Bank Group and all our personnel and resources are committed to working with our partners around the world toward policies and solutions that improve their lives.

David Malpass
President of the World Bank Group and
Chairman of the Board of Executive Directors

A Message from the MIGA Board of Directors

Standing (Left to Right):
Erik Bethel, *United States (Bank/IFC Alternate Director and MIGA Director)*; Masanori Yoshida, *Japan*; Werner Gruber, *Switzerland*; Adrián Fernández, *Uruguay*; Nathalie Francken, *Belgium (Bank/IFC Alternate Director and MIGA Director)*; Kunil Hwang, *Korea*; Jean-Claude Tchatchouang, *Cameroon*; Richard Hugh Montgomery, *United Kingdom*; Jorge Alejandro Chávez Presa, *Mexico*; Koen Davidse, *The Netherlands*; Susan Ulbaek, *Denmark*; Guenther Schoenleitner, *Austria (Bank/IFC Director and MIGA Alternate Director)*; Yingming Yang, *China*; Roman Marshavin, *Russian Federation*; Armando Manuel, *Angola (Alternate)*

Seated (Left to Right):
Juergen Karl Zattler, *Germany*; Shahid Ashraf Tarar, *Pakistan*; Aparna Subramani, *India*; Hesham Alogeel, *Saudi Arabia*; Anne Kabagambe, *Uganda*; Merza Hussain Hasan, *Kuwait (Dean)*; Kulaya Tantitemit, *Thailand*; Patrizio Pagano, *Italy*; Christine Hogan, *Canada*; Hervé de Villeroché, *France (Co-Dean)*; Fabio Kanczuk, *Brazil*

Fiscal 2019 saw a change in leadership and notable achievements for the World Bank Group. The Board unanimously selected David Malpass as President for a five-year term, which began on April 9, 2019. We actively engaged with management, and with the President upon his joining, on carrying out key deliverables in the *Forward Look* vision for the Bank Group.

We discussed the Bank Group's leadership role on issues such as debt sustainability, disruptive and transformative technology, human capital development, the future of work, regional integration and trade promotion, and gender equality. We stressed the importance of collaboration in mobilizing finance for development across the Bank Group. We also encouraged advancing partnerships with the private sector, financial institutions, governments, and others on reforms to improve productivity and invest in human capital and infrastructure, which are key to delivering on our twin goals and the Sustainable Development Goals by 2030.

We continued engaging with management on its underwriting and guarantee facilities, the new Impact Measurement & Project Assessment Comparison Tool, implementation of the strategy and business outlook, exposure limits, and portfolio approach.

We noted MIGA's mission of creating development impact through increased foreign direct investment, particularly in IDA countries and Fragile and Conflict—Affected Situations, and in taking on climate change. Within the framework of MIGA's FY18—20 strategy, we welcomed the focus on these challenging environments, as well as deeper collaboration within the World Bank Group and elsewhere in order to deliver strong developmental results.

World Bank Group Financing for Partner Countries

World Bank Group Commitments, Disbursements, and Gross Issuance

By fiscal year, millions of dollars	2015	2016	2017	2018	2019
WORLD BANK GROUP					
Commitments[a]	59,776	64,185	61,783	66,868	62,341
Disbursements[b]	44,582	49,039	43,853	45,724	49,395
IBRD					
Commitments	23,528	29,729	22,611	23,002	23,191
Disbursements	19,012	22,532	17,861	17,389	20,182
IDA					
Commitments	18,966	16,171	19,513[c]	24,010[d]	21,932[e]
Disbursements	12,905	13,191	12,718[c]	14,383	17,549
IFC					
Commitments[f]	10,539	11,117	11,854	11,629	8,920
Disbursements	9,264	9,953	10,355	11,149	9,074
MIGA					
Gross Issuance	2,828	4,258	4,842	5,251	5,548
Recipient-Executed Trust Fund					
Commitments	3,914	2,910	2,962	2,976	2,749
Disbursements	3,401	3,363	2,919	2,803	2,590

a. Includes IBRD, IDA, IFC, Recipient-Executed Trust Fund (RETF) commitments, and MIGA gross issuance. RETF commitments include all recipient-executed grants, and therefore total World Bank Group commitments differ from the amount reported in the Corporate Scorecard, which includes only a subset of trust-funded activities.

b. Includes IBRD, IDA, IFC, and RETF disbursements.

c. Figures include the commitment and disbursement of a $50 million grant for the Pandemic Emergency Financing Facility.

d. Figure does not include $185 million in approved IDA18 IFC-MIGA Private Sector Window instruments, of which IDA has exposure of $36 million in guarantees and $9 million in derivatives.

e. Figure does not include $393 million in approved IDA18 IFC-MIGA Private Sector Window instruments, of which IDA has exposure of $106 million in guarantees, $25 million in derivatives, and $1 million through funding of IFC-PSW related equity investment.

f. Long-term commitments for IFC's own account. Does not include short-term finance or funds mobilized from other investors.

The Institutions of the World Bank Group

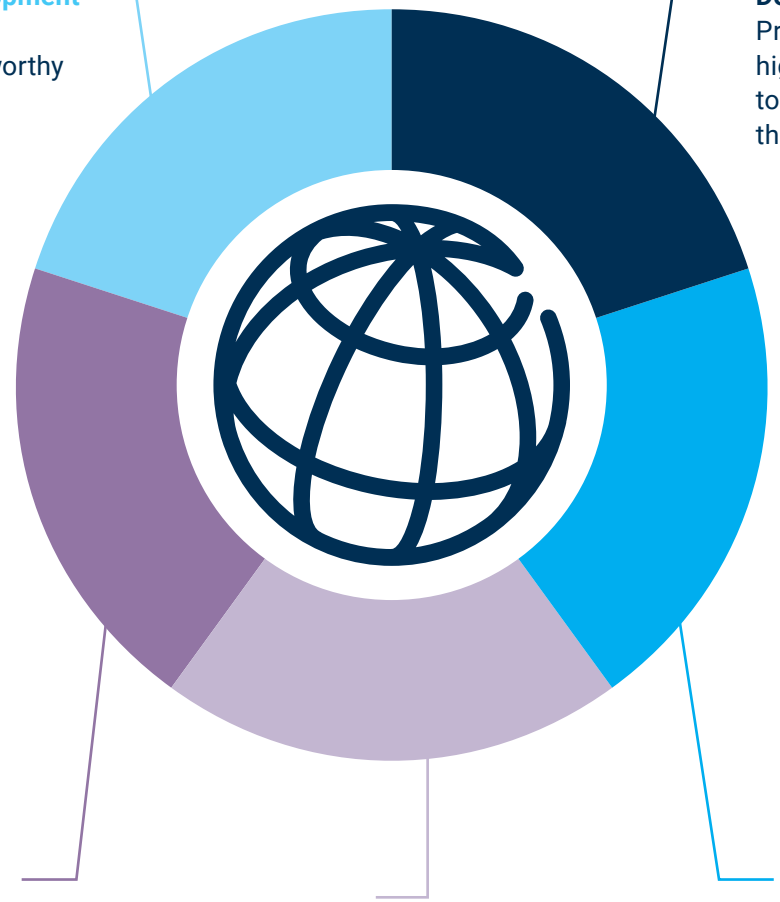
The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. It consists of five institutions with a common commitment to reducing poverty, increasing shared prosperity, and promoting sustainable growth and development.

IBRD

International Bank for Reconstruction and Development
Lends to governments of middle-income and creditworthy low-income countries.

IDA

International Development Association
Provides financing on highly concessional terms to governments of the poorest countries.



ICSID

International Centre for Settlement of Investment Disputes
Provides international facilities for conciliation and arbitration of investment disputes.

IFC

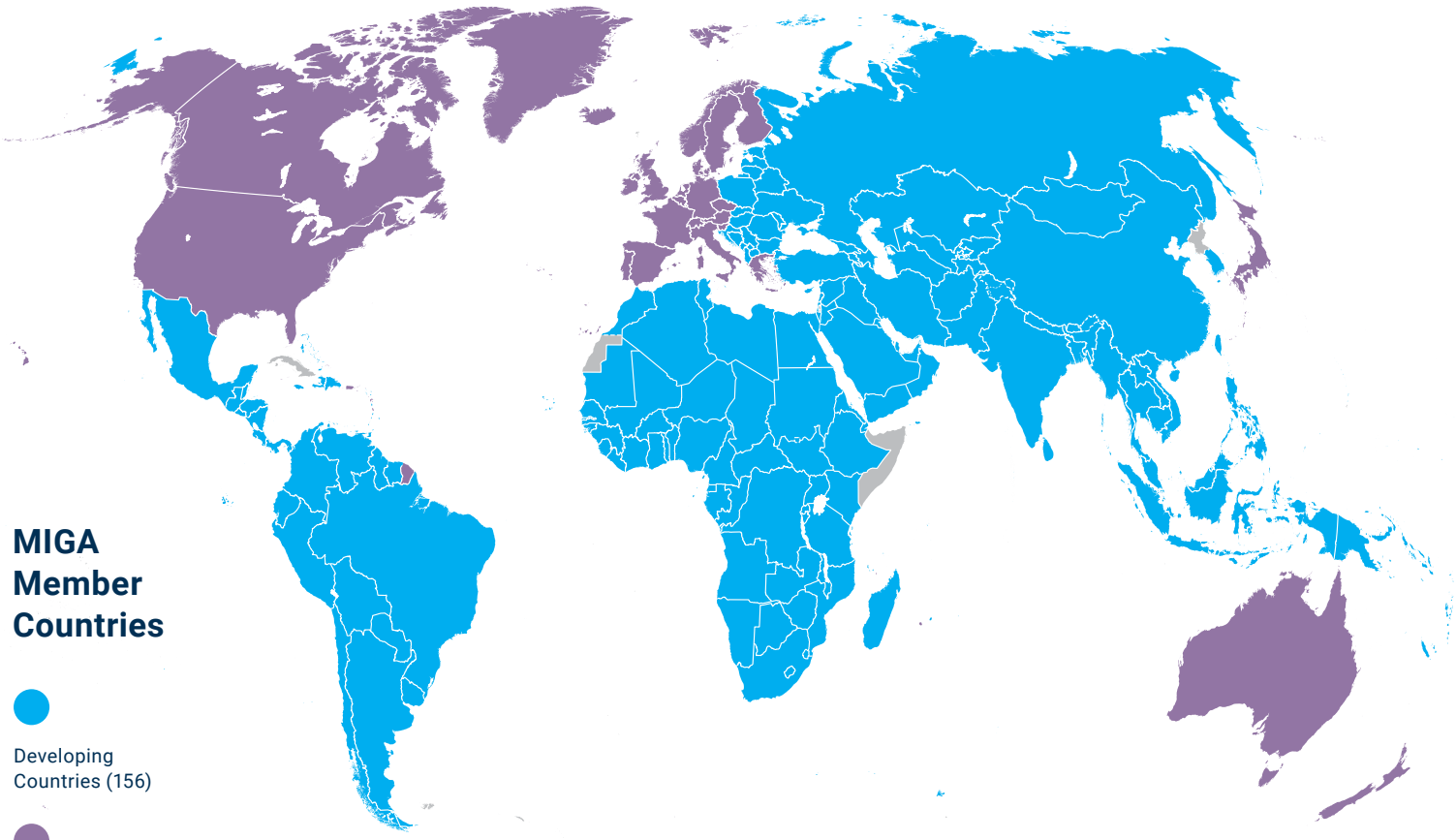
International Finance Corporation
Provides loans, equity, and advisory services to stimulate private sector investment in developing countries.

MIGA

Multilateral Investment Guarantee Agency
Provides political risk insurance and credit enhancement to investors and lenders to facilitate foreign direct investment in emerging economies.

MIGA's Global Reach

Projects supported by MIGA are expected to deliver high-impact results across sectors around the world.[1]



MIGA Member Countries

Developing Countries (156)

Industrialized Countries (25)

Afghanistan
3,000
Farmers reached

Armenia
290,000
People provided with new or improved electricity services

Bangladesh
9.7 million
People provided with new or improved electricity services

Cameroon
1.2 million
People provided with new or improved electricity services

Egypt
1 million
Tons of CO_2 equivalent emissions avoided per annum[2]

Jordan
7.4 million
Airport passengers carried per year

Lebanon
$24 million
Locally procured goods per year

Namibia
34,000
People provided with new or improved electricity services

Pakistan
$33.6 million
Local taxes and fees paid per annum

Turkey
21.5 million
Patient consultations

[1] Fiscal years 2014–2019.
[2] Calculations of greenhouse gas (GHG) emissions avoided began in FY17.

A Message from Keiko Honda

Executive Vice President and Chief Executive Officer

Delivering development impact is at the heart of what MIGA does. Guided by the World Bank Group mission to end extreme poverty and boost shared prosperity, we are dedicated to ensuring that individuals across the world benefit through the projects we support.

In FY19, we supported $9.3 billion in financing while extending $5.5 billion in new guarantees–double that from six years ago. In addition, we doubled our portfolio in IDA (low-income) countries and fragile settings compared with six years ago. A third of our political risk insurance gross exposure was in IDA countries or fragile settings, enabled by a doubling of our outstanding guarantees to $23.3 billion from six years ago. This was despite a weak global pipeline of investable projects and declining foreign direct investment (FDI) inflows to IDA countries and fragile settings.

Our climate portfolio also doubled over the same period, accounting for 62 percent of the projects we supported this year. Countries we supported through climate projects included Afghanistan, Cameroon, the Arab Republic of Egypt, Malawi, Namibia, South Africa, and Uganda.

The projects we supported over the past six years will help provide access to power for some 50 million people, generate $3.9 billion in taxes and fees annually for host governments, and avoid an estimated 7.4 million tons in CO_2 equivalent emissions.

In FY19, the projects we supported in fragile settings and IDA countries included an agribusiness processing facility in Sierra Leone, which will export produce across the world and lead to the creation of over 3,000 new jobs. In addition, a previously supported, first-of-its-kind green business center in Djibouti was certified in FY19 by the EDGE program.

Successful delivery on our commitments arose from the strong partnerships we cultivated in FY19. We collaborated closely on a joint raisins processing project with IFC in Afghanistan, and with both the World Bank and IFC on power generation in Cameroon and Uganda. We also contributed to numerous World Bank Group Systematic Country Diagnostics, Country Partnership Frameworks, and regional coordination efforts. We will do even more in the coming year on upstream strategic initiatives and downstream projects.

In October 2018—in alignment with the recommendation from the G-20 Eminent Persons Group on Global Financial Governance that multilateral development banks (MDBs) systematically leverage MIGA as a global risk insurer in development finance—we standardized the formats of our guarantee contracts (available on www.miga.org). We also boosted our partnerships with several MDBs by signing memoranda of understanding (MOUs).

Looking ahead, we are well positioned to increase our development impact by staying focused on our work in IDA-eligible countries and fragile settings, and on climate finance while also serving all clients and deepening our work with the World Bank and IFC. Following the successful pilot of our new ex ante development impact system ("IMPACT") this year, we are also working toward a full launch in FY20.

I am proud of MIGA's achievements in FY19 and look ahead to another productive year for the Agency. I thank our Governors, Board, private investors, and partners for continuing to collaborate closely with us.

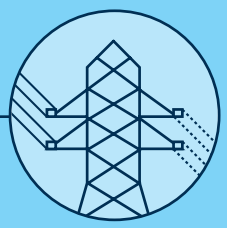
Keiko Honda
Executive Vice President and Chief Executive Officer
Multilateral Investment Guarantee Agency

Expected Development Results FY14–FY19

MIGA's Contribution to the Sustainable Development Goals

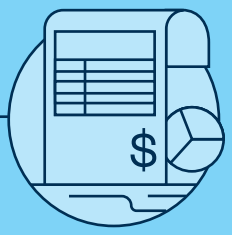
49.8 million
people with access

POWER: ACCESS



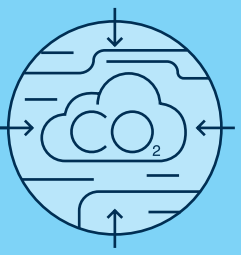
$3.9 billion
in local taxes and fees per annum

TAX REVENUE



7.4 million
metric tons prevented[1] per annum

GREENHOUSE GAS REDUCTION



21.5 million
patient consultations

ACCESS TO HEALTH CARE

$2.1 billion
in locally procured goods per annum

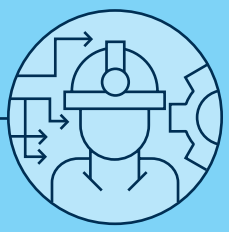
GROWING ECONOMIES

$17.3 billion
dollars in finance enabled for SMEs

SME ACCESS TO FINANCE

116.6 thousand
direct jobs created[2]

JOBS



Note: Expected results as of contract issuance. SMEs are small and medium enterprises.

[1] GHG emissions avoided are being accounted for from FY17 onward.
[2] Permament and temporary jobs.

Highlighted Projects: A Closer Look at MIGA's Development Results in FY19

MIGA is committed to strong development impact through supporting projects that are economically, environmentally, and socially sustainable. Since its inception in 1988, MIGA has issued more than $55 billion in guarantees across 114 developing countries. The Agency has also supported multiple programs at regional and global levels in member countries.

Sierra Leone

Tropical Fruit Production

MIGA issued $36 million in guarantees for the design, construction, and operation of a fruit processing facility in the Southern Province of Sierra Leone that will cultivate, harvest, and process pineapples and other tropical fruit for export throughout the world. The Agency is providing protection from expropriation and breach of contract for up to 10 years to Dole Asia Holdings, a subsidiary of ITOCHU Corporation, for its investments in Sierra Tropical Limited. This "farm to fork" project is expected to help create approximately 13,000 direct and indirect jobs, supporting the local economy and contributing to economic diversification. In addition, the project will provide technical and vocational training to staff along with developing new community infrastructure such as a school and a health clinic. The project illustrates MIGA's support for transformational ventures in IDA countries. In addition to its own resources, MIGA used the IDA Private Sector Window to provide a first-loss layer in support of the project.

Sierra Tropical Ltd. is expected to help create some **13,000 jobs**, supporting the local economy and contributing to economic diversification.

Malawi

Solar Power Generation

FY19 saw MIGA's first engagement in Malawi, with the Agency supporting the development, construction, and operation of a new 60-megawatt solar photovoltaic plant in Salima, a province in the country's central region. $58.6 million of equity contracts of guarantee were signed with JCM Power International and InfraCo Africa Ltd. The plant will become one of the first independent power producers in Malawi and will add a new source of energy supply in the country, where electrification rates are among the lowest in the world and 98 percent of total installed generation capacity is dependent on hydropower, which is increasingly vulnerable to the impacts of climate change. The project is an example of MIGA using the IDA Private Sector Window innovatively as a first-loss layer to help draw private investors to new markets.

Salima Solar will add **140 GWhs** of electricity annually in Malawi, where electrification rates are among the lowest in the world.

Cameroon

Clean Power Generation

Currently, Cameroon's installed generation capacity of 1,200 megawatts is insufficient to meet demand growing at 7 percent per annum, and peak demand is expected to quadruple by 2035. To help the government prepare for this, MIGA issued €164.5 million in guarantee coverage to support the Nachtigal Hydropower Plant. With a capacity of 420 megawatts, Nachtigal will contribute nearly 30 percent of additional installed generation capacity in Cameroon, along with substantial development and climate co-benefits. The plant will provide electricity for over 450,000 customers and contribute to creating an estimated 27,000 direct and indirect jobs. Nachtigal will also help avoid 41 million tons of CO_2 equivalent emissions over next 40 years. The Nachtigal Hydropower Plant is an example of the World Bank Group working in concert to help Cameroon achieve its clean energy goals. World Bank guarantees, MIGA guarantees, and IFC equity and debt financing played an instrumental role for the Nachtigal plant to be realized.

The Nachtigal Hydropower Plant will provide electricity for over **450,000 customers** and support an estimated **27,000 jobs.**

Egypt

Landmark Wind Farm

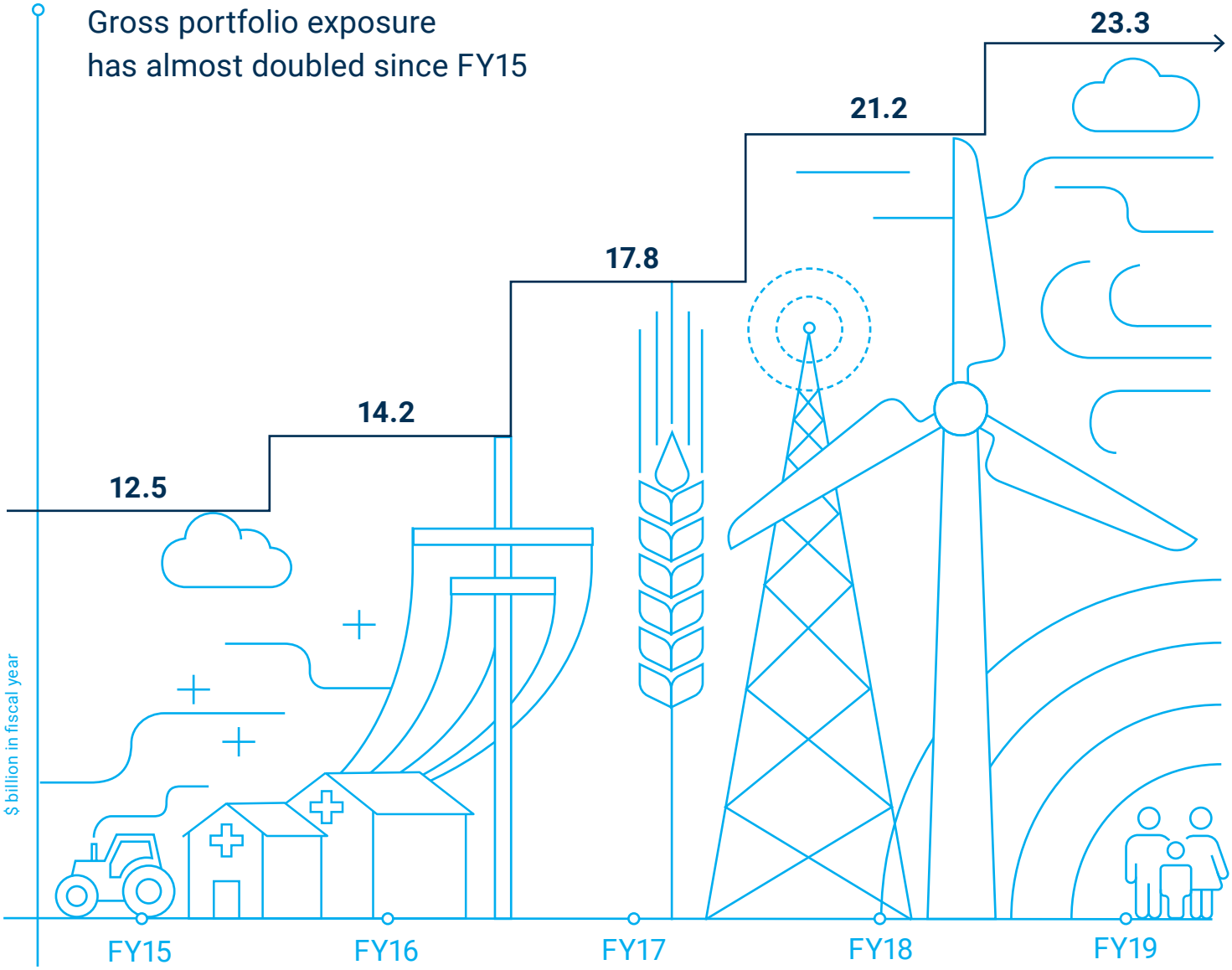
MIGA signed an agreement to provide $122 million in financial guarantees to Lekela for the development of the 252-megawatt West Bakr Wind farm in Egypt's Red Sea Governorate. This project aims to bolster the production of clean energy, lower generation costs, and diversify the country's energy mix. West Bakr Wind is expected to produce over 1,000 gigawatt-hours per year, at a tariff well below the average cost of generation in Egypt. It will deliver power to more than 350,000 homes and avoid more than 550,000 tons of CO_2 equivalent emissions annually. The wind farm is part of the government's build-own-operate framework and a key contributor to supporting the country's renewable energy targets of 20 percent of electricity from renewable energy sources by 2022.

West Bakr Wind will deliver power to more than **350,000 homes** and avoid more than **550,000 tons** of CO_2 equivalent emissions annually.

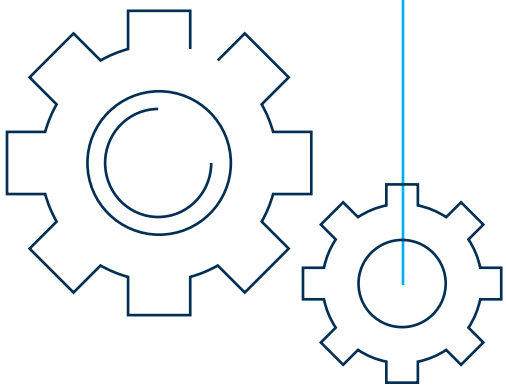
Business and Operational Review

MIGA aims to draw cross-border investment to developing economies in support of the World Bank Group's mission of ending extreme poverty and boosting shared prosperity. In FY19, MIGA continued to facilitate FDI into developing economies by providing its guarantee products to fit the unique needs of each project and sponsor.

During FY19, the Agency issued a record $5.5 billion in new guarantees in support of 37 projects, reflecting a 6 percent growth over the $5.3 billion issued in FY18 and almost double the guarantees issued in FY15 of $2.8 billion. Of the projects supported in FY19, 81 percent addressed at least one of the Agency's strategic priority areas: IDA-eligible countries, fragile and conflict-affected situations (FCS), and climate change.



MIGA's Strategic Priority Areas



IDA and FCS

In FY19 MIGA issued a total of $1.1 billion in guarantees for IDA-eligible countries and FCS. By attracting private investment into these more challenging settings, MIGA was able to create additional development impact and help countries come closer to realizing their development goals. Collectively these projects are expected to support 8,000 direct jobs, provide new or improved electricity to over 2 million people, and help avoid 1 million tons of CO_2 equivalent per year.

For example, $36 million in guarantees were issued to support the operations of a new food processing plant in Sierra Leone, helping to diversify the economy and create domestic jobs. MIGA also extended $35.5 million in guarantees to Butec Utility Services to improve and expand electricity distribution for 2 million people in Lebanon. MIGA also continued to use the Conflict-Affected and Fragile Economies Facility (CAFEF) in FY19 to support a fiber optic cable network project in Myanmar. In addition, MIGA leveraged the IDA Private Sector Window to cover MIGA's exposure in fragile and conflict-affected settings, such as in Afghanistan, Malawi, Myanmar and Sierra Leone.

Climate Change

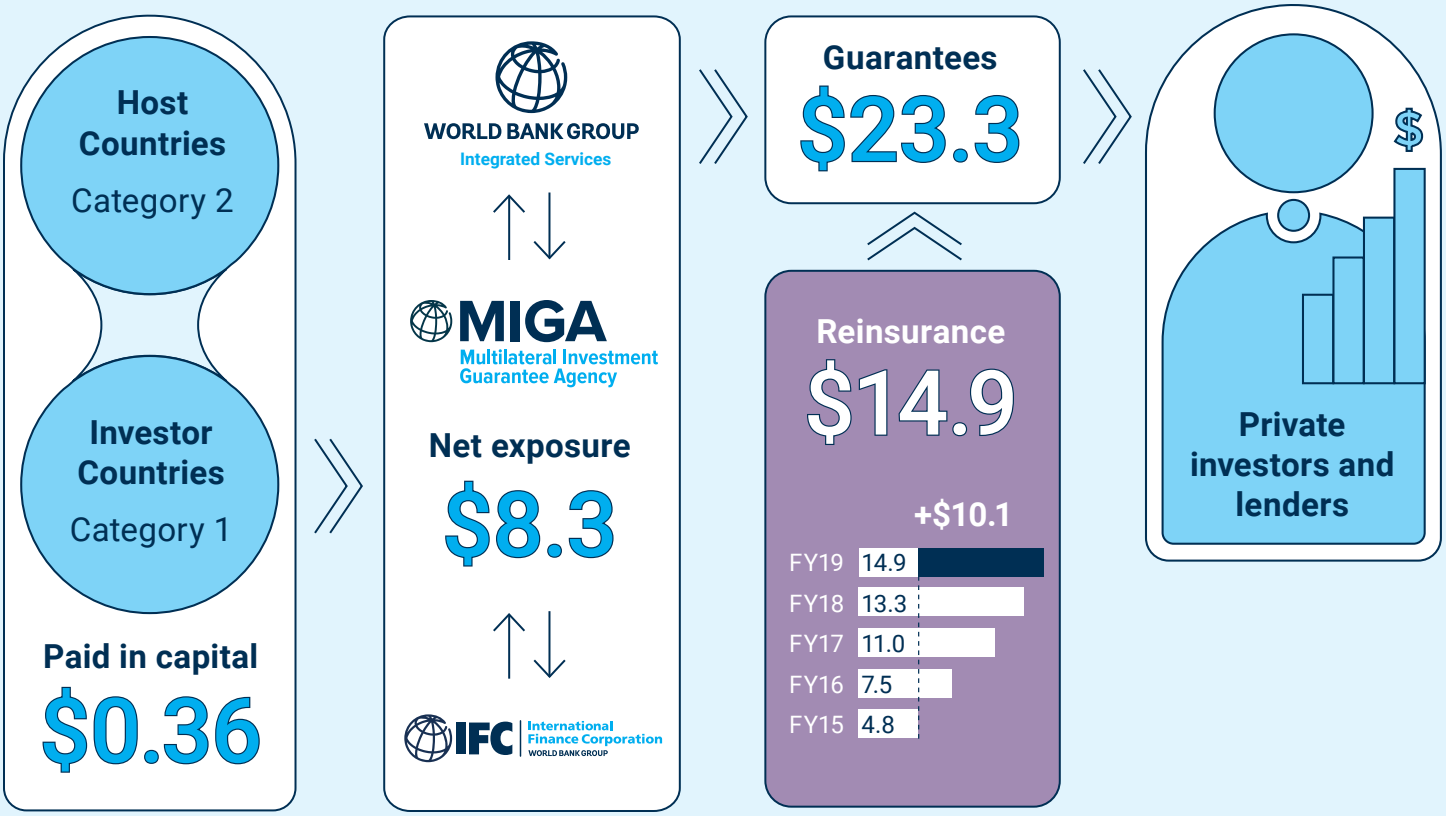
Climate change continues to be a priority, as outlined in the MIGA 2020 strategy. In the past six years, MIGA has doubled the size of its climate portfolio. In FY19, 62 percent of all projects supported climate mitigation and adaptation, and of these, 73 percent were in support of renewables. MIGA's support for renewables focused heavily on Sub-Saharan Africa: We issued $137.1 million in support of 12 solar power plants, including concentrated solar, in Namibia and South Africa; and in Cameroon, MIGA guarantees supported the Nachtigal hydropower project, an example of the World Bank Group coming together to deliver impact on the ground. Also noteworthy in FY19 were climate-friendly projects in IDA countries and FCS, which include a raisin processing plant in Afghanistan and the first solar independent power producer in Malawi. These projects aim to crowd-in climate finance and bring private investment to more challenging markets.

In FY19 MIGA also supported clients in the financial sector by helping develop their procedures to track, identify, and report investments in climate projects. Leveraging a MIGA-backed loan, financial intermediaries have committed to investing $50 million toward climate finance.

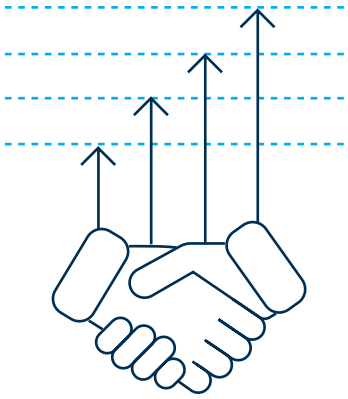
Reinsurance

Reinsurance plays a key role in helping MIGA use its capital efficiently and in minimizing risk concentrations. At the same time, reinsurance contributes to MIGA's revenue in the form of ceding commissions (that is, a percentage of the premiums ceded to reinsurers is retained by MIGA). As of June 30, 2019, $14.9 billion (64 percent) of the Agency's gross outstanding exposure was reinsured under facultative and quota share treaty arrangements. Capital leveraged through reinsurance in FY19 rose by $10.1 billion since FY15.

MIGA Operating Model ($, billions)



Leveraging MIGA's Partnerships for Greater Development Impact



How MIGA works with partners to deliver development outcomes

In FY19, MIGA further deepened its engagements with partners—governments, the private sector, nongovernmental organizations (NGOs), and across the World Bank Group—to deliver the twin goals.

In FY19 MIGA leveraged its country and risk insurance expertise in support of joint projects with the World Bank and IFC. Working in collaboration, all three institutions worked to secure several projects with significant development impact, such as a clean power generation project in Cameroon and the Rikweda raisin processing project in Afghanistan.

Building deeper partnerships with MDBs was also an important focus in FY19. In alignment with the G-20 Eminent Persons Group recommendation that MDBs leverage MIGA as a global risk insurer in development finance, the Agency revised and standardized the formats of its guarantee contracts. MIGA also signed several MOUs, boosting its partnerships with other MDBs, including ICIEC, the investment and export credit insurance arm of the Islamic Development Bank; the Asian Development Bank; and the European Bank for Reconstruction and Development.

Environmental and Social Sustainability and Integrity

MIGA is committed to working with its clients to ensure the environmental and social sustainability and integrity of projects it supports. MIGA's environmental and social due diligence is a comprehensive process whereby potential environmental and social risks and impacts are identified and mitigation measures are agreed upon. Clients can in turn reduce project development costs, improve project sustainability, and create value for business. MIGA Performance Standards are applied to projects in line with the requirements of the MIGA Policy on Environmental and Social Sustainability.

MIGA regularly monitors projects for compliance with environmental and social requirements. Some 88 project site visits were conducted in FY19 for environmental and social due diligence, monitoring, and self-evaluation on environment and social performance. To guard against unforeseen risks, MIGA also monitored the reputation and actions of close to 1,000 clients and partners.

MIGA Performance Standards

MIGA Performance Standards on Environmental and Social (E&S) Sustainability

Performance Standard 1:

ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS
Underscores the importance of identifying E&S risks and impacts and of managing E&S performance throughout the life of a project

Performance Standard 2:

LABOR AND WORKING CONDITIONS
Recognizes that the pursuit of economic growth through employment creation and income generation should be balanced with protection of basic rights for workers

Performance Standard 3:

RESOURCE EFFICIENCY AND POLLUTION PREVENTION
Recognizes that increased industrial activity and urbanization often generate higher levels of air, water, and land pollution and that there are efficiency opportunities

Performance Standard 4:

COMMUNITY HEALTH, SAFETY, AND SECURITY
Recognizes that projects can bring benefits to communities but can also increase potential exposure to risks and impacts from incidents, structural failures, and hazardous materials

Performance Standard 5:

LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT
Applies to physical or economic displacement resulting from land transactions such as expropriation or neglected settlements

Performance Standard 6:

BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES
Promotes the protection of biodiversity and the sustainable management and use of natural resources

Performance Standard 7:

INDIGENOUS PEOPLES
Aims to ensure that the development process fosters full respect for indigenous people

Performance Standard 8:

CULTURAL HERITAGE
Aims to protect cultural heritage from adverse impacts of project activities and support its preservation

Benefits of the Performance Standards

CREATE VALUE FOR BUSINESS
Sustainability has become an important factor in business strategies. Many companies recognize that by addressing E&S issues they can save on costs, improve their brands and reputation, and strengthen stakeholder relations.

REALIZE OPPORTUNITIES AND GUARD AGAINST UNFORESEEN RISKS
Implementing the Performance Standards helps companies identify and guard against interruptions in project execution, brand protection, and/or access to international markets.

IMPROVE FINANCIAL AND OPERATIONAL PERFORMANCE
Implementation of the Performance Standards can help optimize inputs such as water and energy, as well as minimize emissions, effluents, and waste, leading to a more efficient and cost-effective operation.

SOCIAL LICENSE TO OPERATE
The Performance Standards help clients maximize local development benefits and encourage the practice of good corporate citizenship. Enhanced brand value and reputation may also be attractive to new investors or financiers.

GAIN AN INTERNATIONAL STAMP OF APPROVAL
The “Equator Principles,” which have been adopted by over 75 of the world’s leading financial institutions in developed and developing countries, are based on the Performance Standards. These principles are estimated to cover over 70 percent of project finance debt in emerging markets.

Supporting Women Entrepreneurs in Senegal

MIGA's support for the 158.8-megawatt Parc Eolien Taiba N'diaye wind farm will provide 450,000 megawatt-hours of electricity per year to 2 million people and help avoid over 300,000 tons of carbon dioxide emissions per year. Equally important, the environmental and social performance commitments of the project include empowering women in local communities.

Working with over 35 local women's associations, the project sponsor, Lekela Power, is helping to improve the lives of thousands of women through various initiatives: two new marketplaces in the Taiba N'diaye Commune are already up and running, and future projects include improvements to a local cereal mill and development of a women's literacy center that will run on solar power.

As the brainchild of representatives of local women's associations, the marketplaces offer over 100 new vending spaces and serve two villages in the area.

Earlier, women in the community were struggling to earn a living because a portion of their fresh inventories would spoil in dusty and exposed environments. However, the new marketplaces now provide a safe, sheltered space, combining economic and well-being benefits for both vendors and customers. Businesswomen have celebrated being able to enjoy a clean, shaded environment where they can conduct business and that allows them to interact and collaborate with their peers.

Governance

MIGA's Board

A Council of Governors and a Board of Directors, representing 181 member countries, guide MIGA's programs and activities. Each country appoints one governor and one alternate. MIGA's corporate powers are vested in the Council of Governors, which delegates most of its powers to a Board of 25 Directors. Voting power is weighted according to the share of capital that each Director represents. The Directors meet regularly at the World Bank Group headquarters in Washington, DC, where they review and decide on investment guarantee projects and oversee general management policies.

Visit the Board's website for more information:
http://www.worldbank.org/en/about/leadership/governors

Accountability

Independent Evaluation Group

The Independent Evaluation Group (IEG) assesses MIGA's strategies, policies, and projects to improve the Agency's development results. The IEG is independent of MIGA management and reports its findings to MIGA's Board of Directors and the Board's Committee on Development Effectiveness.

Visit IEG's website for more information:
http://ieg.worldbankgroup.org/

Compliance Advisor Ombudsman

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for MIGA and IFC and reports directly to the President of the World Bank Group. The CAO responds to complaints from people affected by MIGA and IFC-supported business activities, with the goals of enhancing social and environmental outcomes on the ground and fostering greater public accountability of both institutions.

Visit the CAO's website for more information:
http://www.cao-ombudsman.org/

MIGA Financial Highlights

By fiscal year, millions of dollars	2015	2016	2017	2018	2019
Gross premium income	128.1	139.8	179.7	210.1	237.9
Net premium income[a]	79.0	86.4	93.2	104.1	115.1
Administrative expenses[b]	44.9	48.1	51.3	51.6	57.8
Operating income[c]	34.1	38.3	41.9	52.5	57.3
Ratio of administrative expenses to net premium income	57%	56%	55%	50%	50%

a. Net premium income equals gross premium income and ceding commissions less premium ceded to reinsurers and brokerage costs.
b. Administrative expenses include expenses from pension and other postretirement benefit plans.
c. Operating income equals net premium income minus administrative expenses.

Highlights

By fiscal year, millions of dollars	2015	2016	2017	2018	2019
Total economic capital[a]	705	663	592	685	717
Shareholder's equity	971	989	1,213	1,261	1,320
Operating capital	1,312	1,329	1,398	1,471	1,542
Gross exposure	12,538	14,187	17,778	21,216	23,327

a. Total economic capital (EC) equals capital consumption from the guarantee portfolio, plus capital required for operational risk and investment risk. Effective FY17, EC is based on a new model and is not comparable with prior periods based on an older EC model.

Spotlight on FY19

From climbing mountains to raise awareness of climate change, to seeing the power of solar energy transform a vast desert, to raising the profile of women leaders, MIGA had a year of fruitful events and memorable moments. Below are highlights from FY19.

The World Bank Group/IMF Annual Meetings in Bali Nusa Dua, Indonesia, October 2018

The 2018 Annual Meetings were held in Bali Nusa Dua, Indonesia, and were an opportunity to highlight MIGA's progress and meet with partners and clients. The event focused on the need to drive more FDI to Indonesia while recognizing the $850 million in guarantees MIGA has issued for projects in the country, which have contributed to delivery of power to over 110,000 people and facilitated over 25 million new telecom subscriptions.

Benban Solar Park

In February 2019, MIGA EVP and CEO Keiko Honda visited the Benban Photovoltaic Solar Park in Aswan, Egypt. MIGA provided a $103 million guarantee for the project alongside IFC financing. The 37-square-kilometer solar park will house 32 power plants. By mid-2019, when all the plants are scheduled to be powered up, they will be capable of producing a combined 1,650 megawatts of clean electricity. Once complete, the site will be the world's largest solar park. In May 2019, World Bank Group President Malpass also visited the site.

MIGA 2019 Gender CEO Award

The MIGA Gender CEO Award honors senior managers (CEOs or equivalent) who have a proven track record of seeking to further the causes of women's advancement and gender equality while contributing to the World Bank Group's twin goals of poverty reduction and shared prosperity.

In March 2019, MIGA presented the Gender CEO Award to Lara de Mesa, Head of Responsible Banking at Banco Santander Group. De Mesa has held that position at Santander since September 2018. Its responsible banking agenda is making Santander one of the most responsible banks across all countries where Santander is present (including Argentina, Brazil, Chile, Germany, Mexico, Poland, the United Kingdom, and the United States).

Mount Kenya and the One Planet Summit

In March 2019, Merli Baroudi, Director of Economics and Sustainability at MIGA, joined a World Bank Group expedition team that climbed Mount Kenya to see firsthand how climate change is impacting communities and how they are adapting and driving opportunities for climate action. They were also joined by a representative from the Government of Kenya—the Chief Meteorologist for the Ministry of Environment and Forestry—and Connect4Climate Youth Ambassador Liatile Putsoa.

Photo credit: Romain Levrault (@romain.levrault on Instagram)

The World Bank Group/IMF Spring Meetings in Washington, DC, April 2019

For the 2019 Spring Meetings, over 250 people attended the MIGA event, "Driving Private Investment to Fragile Settings." The event discussed the unique challenges that countries in fragile settings face in attracting private capital. The MIGA Rikweda Project was showcased as an innovative way that MIGA guarantees have mobilized private finance in the agribusiness sector in Afghanistan. The event featured David R. Malpass, President, World Bank Group; Jacob Jusu Saffa, Minister of Finance, Sierra Leone; Mase Rikweda, CEO, Rikweda Fruit Processing Company; Hartwig Schafer, Vice President, South Asia Region, World Bank; and Keiko Honda, Executive Vice President and CEO, MIGA.

The live broadcast can be found here:
http://live.worldbank.org/driving-private-investment-to-fragile-settings

Who We Are

MIGA MANAGEMENT

Front row, from left to right:

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Director, Economics and Sustainability

Keiko Honda
Executive Vice President and Chief Executive Officer

Aradhana Kumar-Capoor
Director and General Counsel

Back row, from left to right:

S. Vijay Iyer
Vice President and Chief Operating Officer

Santiago Assalini
Director, Finance and Risk

Muhamet Fall
Associate Director and Chief Underwriter, Operations

Sarvesh Suri
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Since its creation, MIGA has issued over $55 billion in guarantees across 114 developing countries.