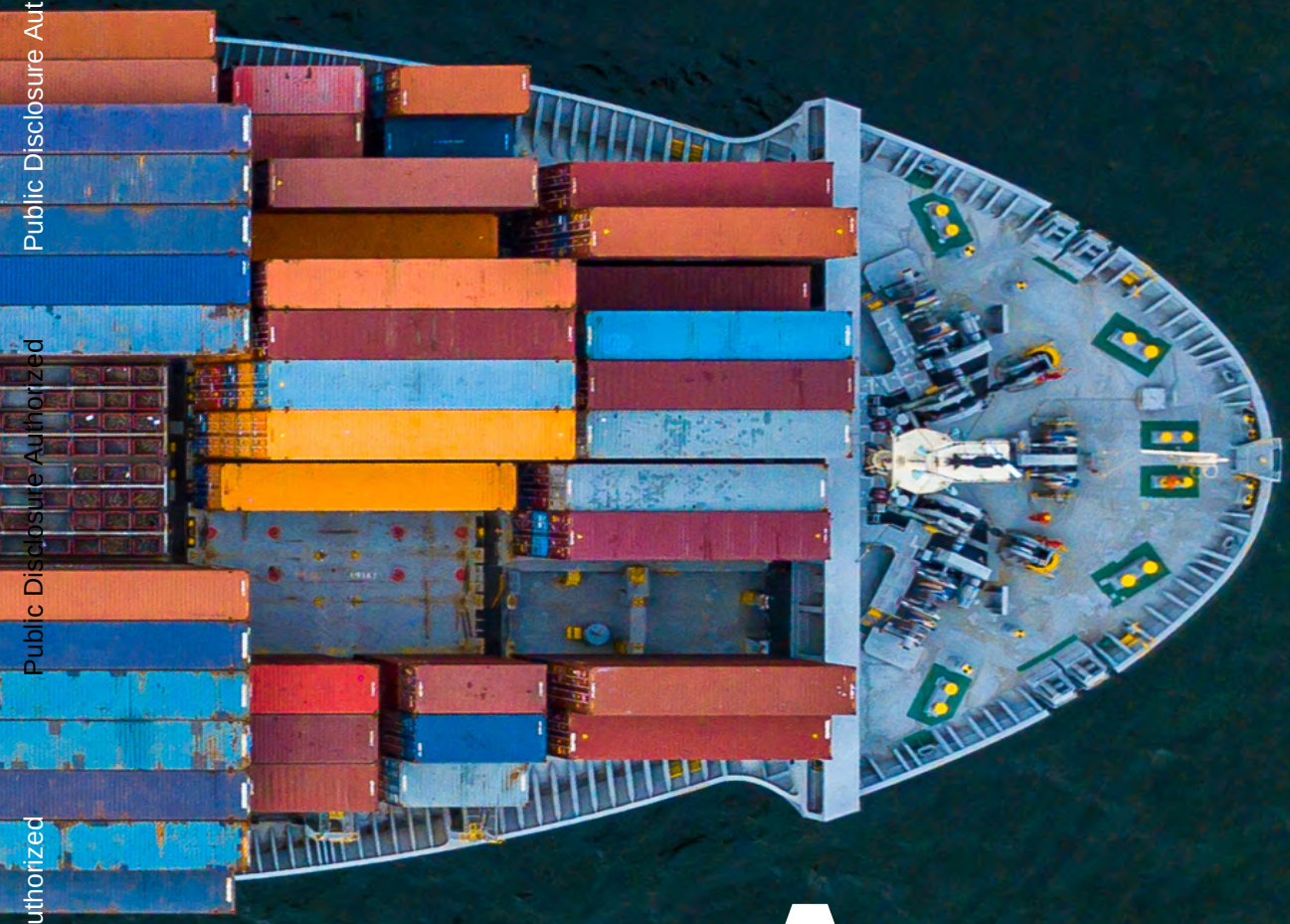
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MIGA
Multilateral Investment Guarantee Agency
WORLD BANK GROUP



Annual Report 2022



About MIGA

Our mandate is to drive impactful foreign direct investment to developing countries by providing guarantees (political risk insurance and credit enhancement) to investors and lenders.

In FY22, MIGA issued $4.9 billion in new guarantees across a record 54 projects. Through the projects we supported, we remained focused on encouraging private investors to work with host governments by helping manage and mitigate political risks. Working with our clients and partners, we supported $6.5 billion in total financing (from private and public sources). Almost a third of our gross issuances supported projects in IDA (lower-income) countries; 12 percent went to fragile and conflict-affected countries; and 28 percent of the total guaranteed investment of the projects supported contributed to climate finance.

As a result, our FY22 issuances are expected to help provide access to power to some 15 million people, support nearly 20,000 jobs, and enable $1.9 billion in loans, including those for small and medium enterprises and climate-related activities. Since its inception in April 2020, the Agency has also issued $7.64 billion of guarantees through its COVID-19 Response Program, a testament to the countercyclical role that MIGA can play in mobilizing private investment in the face of the pandemic.

An institution of the World Bank Group, MIGA is committed to strong development impact and promotion of 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, as well as offering credit enhancement on sovereign obligations.

WBG



World Bank Group Global Commitments

In fiscal 2022, the World Bank Group delivered record levels of financing at an unprecedented pace; conducted in-depth analysis and research; and partnered with governments, the private sector, and other institutions to help developing countries address the wide-ranging impacts of the COVID-19 pandemic and work toward a green, resilient, and inclusive recovery.



$38.5 billion
Sub-Saharan Africa

$6.7 billion
Middle East & North Africa

$15.3 billion
Europe & Central Asia



$17.4 billion
Latin America & the Caribbean

$13.5 billion
South Asia

$12.7 billion
East Asia & Pacific

Total $104.4 billion

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

* Total includes multiregional and global operations.
In fiscal 2022, IFC changed its mapping of countries to regions. Regional totals reflect IFC commitments that were recalculated to match the World Bank's regional classifications by aggregating country-level commitments within each World Bank region.

Message from the President



The world is facing dangerous crises that are hammering developing countries, hitting the poor and vulnerable, and worsening global inequality.

High inflation, war in Ukraine, large macroeconomic imbalances, and shortages of energy, fertilizer, and food have caused the sharpest global economic downturn in 80 years, compounding the death tolls, economic shut-downs, and school closures of the COVID-19 pandemic. Low- and middle-income countries now face surging prices for natural gas and fertilizer and the worst food crisis in a decade, as they work to achieve progress on long-term development needs—including clean water, electricity access, reading skills, quality infrastructure, and climate-related investments.

In the global fight to alleviate poverty and raise living standards, 2022 is likely to be one of the worst years in decades. Real median income has declined further in many countries, and the tragic reversals in development during the pandemic have worsened. Our June Global Economic Prospects report highlighted the risk of stagflation and the concentrated harm to the poor. Inequality is a prominent destabilizer, with global capital and income allocated primarily to high-income countries through their fiscal, monetary, and regulatory policy choices. Inequality is expected to worsen in coming years, leaving development goals out of reach for many.

The World Bank Group is responding to these challenges with speed, clarity, scale, and impact. We've committed two consecutive surges of financing, analytical work, advocacy, and policy advice to support people, preserve jobs, and restore growth—first, $150 billion in response to the COVID-19 pandemic, and now a 15-month $170 billion response to the food crisis as well as the war in Ukraine and its spillover effects. Since the start of the pandemic through fiscal 2022, the Bank Group has provided over $14 billion to help more than 100 countries respond to the health impacts of COVID-19 and vaccinate their people.

The World Bank Group is responding to these challenges with speed, clarity, scale, and impact. We've committed two surges of financing, analytical work, advocacy, and policy advice to support people, preserve jobs, and restore growth.

In fiscal 2022, IBRD committed $33.1 billion, including support for more than 45 middle-income countries. This includes $300 million to help Türkiye scale up private sector investment in geothermal energy. IDA committed $37.7 billion for grants and highly concessional loans to over 70 countries, including $645 million to support food system resilience and emergency response in Burkina Faso, Cameroon, Mali, Mauritania, Niger, and Togo. I welcomed our IDA partners' agreement in December 2021 to advance the IDA20 replenishment by one year. Their record three-year contributions of $23.5 billion will anchor IDA's financing of $93 billion for fiscal 2023–25 and help the poorest countries address urgent priorities—including jobs and economic transformation, human capital, the reversal in learning and literacy, gender, climate change, and fragility, conflict, and violence (FCV)—and move toward restoring growth.

Despite challenging economic headwinds, IFC provided strong support to the private sector with commitment volumes totaling $32.8 billion (including mobilization) in fiscal 2022, building on $31.5 billion of investments in fiscal 2021 and focusing on maximum impact. As banks cut back on trade finance, IFC is stepping in to keep import/export businesses operating despite the constraints they face. In fiscal 2022, IFC's commitments reached $9.7 billion in trade finance, the highest level ever; nearly 75 percent of this was invested in IDA countries and countries affected by FCV. In one example, Coris Bank in Burkina Faso received IFC trade finance to import rice from various countries.

MIGA issued $4.9 billion in guarantees to help countries achieve their development goals. These efforts will provide some 15 million people with new or better electricity service and enable $1.9 billion in loans, including to local businesses. MIGA remained focused on its strategic priorities, with 85 percent of its projects in fiscal 2022 dedicated to countries affected by FCV, IDA countries, and climate mitigation and adaptation.

Fragility, conflict, and violence are rising in much of the world, including Afghanistan, Ethiopia, the Sahel, and Yemen. In Ukraine, the war has led to lives, homes, and livelihoods being lost, millions of refugees, and infrastructure destroyed. The costs of reconstruction are already in the hundreds of billions. As of August 2022, we have mobilized and facilitated the transfer of $13 billion in emergency financing, with more than $9 billion already disbursed to help Ukraine finance critical government services and lessen the human and economic impacts. This includes a $1.5 billion World Bank package, including $1 billion in exceptional support from IDA, to help pay wages for government and school employees. Bank Group support also extends to countries that are hosting Ukrainian refugees.

With the increase in energy and food costs and Europe's huge unmet demand for natural gas, developing countries are facing new strains on people and economies. The sudden spike in food prices threatens to worsen political and social tensions in many developing countries, with devastating impacts on the poorest and most vulnerable. In parts of Eastern and Southern Africa, for example, about 66 million people are at risk of a food emergency or famine. In May 2022, we announced support for a global response to the food security crisis, with up to $30 billion in financing through August 2023, including $12 billion in new projects, to cushion the effect of higher prices and boost agricultural production and supply. The response builds on our experience from the last food price crisis

and incorporates our data and analytical work, including the *Commodity Markets Outlook*. And in July 2022, I joined leaders of the IMF and UN agencies in calling for urgent action to improve global food security by providing quick support to the vulnerable, facilitating trade and international food supplies, boosting production, and investing in climate-resilient agriculture.

The disruption of energy supplies is lowering growth, especially for economies that depend on fuel imports. Higher prices for natural gas and shortages are putting fertilizer supplies and crop yields at risk, destabilizing electricity grids, and increasing the use of heavily polluting fuels. The world urgently needs to increase the supply of energy and massively expand reliable access to electricity in poorer countries. This will require major new investments in cleaner energy, energy efficiency, and electricity grids and transmission. The fundamental realignment of Europe's energy sources away from dependence on Russia requires major increases in electricity generation from natural gas, hydropower, geothermal, and nuclear power to provide a less carbon-intensive baseload to maintain and expand electricity grids.

Climate change and extreme weather are steadily increasing their pressure on economies and societies, particularly in fragile settings. The Bank Group's Climate Change Action Plan 2021–25 seeks to integrate climate and development, identify and develop the most impactful projects to reduce greenhouse gas emissions and adapt to climate change, increase direct financing throughout the Bank Group. It will provide avenues for the global community to provide the huge flow of new grant funding needed for global public goods in poorer countries. Innovative financial tools, such as green bonds and the Wildlife Conservation Bond we launched in March 2022—the first of its kind—will need to expand. The Climate Change Action Plan has also introduced a new core diagnostic: Country Climate and Development Reports. As of the end of July 2022, we had published the first of these reports for Türkiye, Vietnam, and the G5 Sahel region. I'm also pleased that, with this annual report, we are introducing much greater transparency in the Bank's climate disclosures.

A major consequence of the current crises is the huge buildup in government debt. For many of the poorest countries, the debt burden is unsustainable or at high risk. Deep debt reduction will be necessary to allow new investment and growth. We work closely with the IMF and other partners to help countries strengthen their transparency, governance, and accountability—all key steps in debt sustainability. We also continue to call on official and private sector creditors to participate quickly and fully in efforts to reduce debt stocks. Under current creditor-country policies, expected debt payments by the poorest countries to their creditors in 2022 and 2023 will greatly exceed all the development assistance available to these countries. Our *World Development Report 2022* examines polices to mitigate interconnected financial risks and steer the world toward a sustainable and equitable recovery.

I was pleased to welcome many colleagues back to our offices this year. We continue to adapt our work model to protect staff health and well-being while recognizing the value of physical interaction in delivering high-quality results for clients and career development. The Bank Group's anti-racism task force continues our important work to fight racism and racial discrimination within our institution and in countries where we work. I remain committed to fostering a culture of openness and trust and improving diversity and inclusion across the organization, also through our task force on workplace culture.

The crises affecting our client countries are deep-seated, but I am confident we can make a difference. To meet these challenges, we must draw on the innovation and dedication of our staff, the strength of our partnerships, and the resolve of the global community. The World Bank Group remains committed to helping countries overcome these challenges and work toward a more resilient and sustainable future.



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





Message from the Board of Directors

Seated (From Left to Right):
Katharine Rechico, Canada; Koen Davidse, The Netherlands—Co-Dean; Monica E. Medina, Peru; Abdulmuhsen Saad Alkhalaf, Saudi Arabia; Merza Hussain Hasan, Kuwait—Dean; Matteo Bugamelli, Italy; Nigel Ray, Australia; Lene Lind, Norway; Richard Hugh Montgomery, United Kingdom; Rajesh Khullar, India

Standing (From Left to Right):
Alphonse Ibi Kouagou, Benin; Katarzyna Zajdel-Kurowska, Poland; Roman Marshavin, Russian Federation; Mohd Hassan Ahmad, Malaysia; Abdelhak Bedjaoui, Algeria; Takashi Miyahara, Japan; Adriana Kugler, United States; Arnaud Buissé, France; Eva Valle Maestro, Spain; Nathalie Francken, Belgium (MIGA Director and Bank/IFC Alternate Director); Michael Krake, Germany; Taufila Nyamadzabo, Botswana; Erivaldo Gomes, Brazil; Armando Manuel, Angola; Junhong Chang, China

Over the last year, our shareholders asked the World Bank Group to provide exceptional support in response to the compounding crises of the COVID-19 pandemic and the war in Ukraine, in addition to its ongoing and extensive portfolio of work. This resulted in unprecedented levels of financing by the Bank Group in fiscal 2022, including $70.8 billion by IBRD and IDA, $32.8 billion (including mobilization) by IFC, and $4.9 billion in guarantees by MIGA.

By financing health operations, vaccine procurement, and other initiatives, the Bank Group has helped developing countries and their people and businesses continue to address the impacts of the pandemic on poverty, health care, human and economic development, and well-being. The Bank Group has also rapidly addressed the far-reaching consequences of a new crisis, the war in Ukraine. The spillover effects are many—beyond the impacts related to refugees, food security, and energy, the conflict poses uncertain and potentially lasting consequences on trade channels, foreign investment, global confidence, and financial stress. Anchored by the Bank Group's twin goals of poverty reduction and shared prosperity, with a focus on fostering green, resilient, and inclusive development, the Board discussed and approved several important initiatives and programs to respond to these crises.

But the needs are many, and more can be done. The Bank Group is working with donor countries to mobilize financial support through diverse channels, including the Fund for

Pandemic Prevention, Preparedness, and Response, as well as special guarantees and grant financing for Ukraine. The Bank Group is also working with stakeholders on the ground to implement important programs, such as the World Bank Group Climate Change Action Plan (CCAP), IFC's Global Health Platform, MIGA's Fast-Track COVID-19 Response Program, and the Bank's COVID-19 Strategic Preparedness and Response Program, as well as efforts to address debt vulnerabilities, boost the resilience of food systems, and support energy access and transition. We continue to stress the need to address the key drivers of fragility and poverty—in Afghanistan, Haiti, Sudan, Yemen, and elsewhere—in order to build human capital, reduce inequality, promote jobs, and foster economic recovery.

Given the immense need for financing, the IDA20 replenishment process was advanced by a year, and a $93 billion replenishment package was agreed to in December 2021. This financing is the largest ever mobilized in IDA's 61-year history and will help low-income countries respond to today's multiple crises and build a greener, more resilient, and more inclusive future. Donor countries also agreed to a review of IDA voting rights, resulting in a significant adjustment to its voting rights framework. This will help ensure fairness among all donors while protecting and enhancing recipients' voting power.

At the 2021 Annual Meetings and 2022 Spring Meetings, the Development Committee asked the Bank to help countries address immediate food security and social protection needs; to help manufacture and deploy vaccines, invest in diagnostics and therapeutics, and strengthen health systems; to continue supporting debt sustainability and transparency; to build on the CCAP to protect natural capital and biodiversity; to promote digitalization; to increase private sector financing mobilization; and, with the IMF, to coordinate actions and orient country engagements toward a green, resilient, and inclusive economic recovery. It urged the Bank to work toward these objectives while remaining focused on the twin goals of ending extreme poverty and boosting shared prosperity as well as helping countries achieve the Sustainable Development Goals.

We strongly support the important efforts undertaken this year by Bank Group senior leadership and staff to address racial injustice and workplace culture through recommendations from the staff task forces. We welcome these improvements as we transition to a hybrid work model. We were also pleased to travel as a group to client countries in fiscal 2022—the first time since the pandemic started—and observe in person the impact of the Bank Group's engagement.

Amid the many current crises, the World Bank Group stands ready to help countries and people across the globe as they work to address human and economic challenges and achieve progress on the path of development.

We sincerely appreciate the ongoing commitment of staff across the institutions, including our own teams, to the Bank Group's mission and their hard work during these exceptional and challenging times. We also extend a special thanks to the Emergency Management Team, who worked tirelessly to bring us back into our offices safely and securely after an extended period of home-based work.

Amid the many current crises, the World Bank Group stands ready to help countries and people across the globe as they work to address human and economic challenges and achieve progress on the path of development.

Message from Hiroshi Matano

Executive Vice President



In times of crisis like this year, MIGA's mission has become even more important and impactful: to promote foreign direct investment (FDI) in developing countries by insuring against political and noncommercial risks.

Amid the uncertainty and turbulence related to the ongoing effects of the COVID-19 pandemic and the war in Ukraine, MIGA delivered a solid program of nearly $5 billion in new guarantees. Working with clients and partners, we leveraged $6.5 billion in total financing (from private and public sources) through guarantees to cross-border private investors in developing countries. Of our gross issuances, 33 percent supported projects in International Development Association (IDA) (that is, lower-income) countries, up from 25 percent in FY21; 12 percent went to fragile and conflict-affected situations (FCS), tripling from 4 percent in FY21; and 28 percent of our guaranteed investment contributed to climate change adaptation or mitigation, up from 26 percent in FY21. In each of those priority areas, MIGA has demonstrated support for investments and lending for the countries that need it most.

As a result, MIGA issuances in FY22 are expected to help provide new or improved access to power to some 15 million people, support nearly 20,000 jobs, and enable $1.9 billion in loans, including for small and medium enterprises (SMEs) and climate-related activities.

Although FDI and demand for MIGA's political risk insurance (PRI) decreased because of the COVID-19 and Ukraine crises, demand for our financial sector products increased, showing how useful MIGA is during times of crisis. Through the projects we supported, we remained focused on encouraging private investors to work with host governments by helping manage and mitigate political risks.

In addition, MIGA has used its convening power to host several events promoting FDI. A public event in December 2021 focused on "Driving Foreign Direct Investment to Africa," and a high-level dialogue in March 2022, cohosted with the government of Togo, promoted FDI into West Africa. The multicountry roundtable brought together foreign investors with government representatives from Togo, Côte d'Ivoire, Guinea, and Senegal, among other countries.

On the climate front, global carbon dioxide (CO_2) emissions continue unabated, with infrastructure in developing countries particularly vulnerable to extreme weather events. By some estimates, solar and wind power capacity needs to grow from 1,400 gigawatts (GW) today to 17,000 GW by 2040—with two-thirds of this new capacity coming in developing countries. At the same time, investing in climate resilience presents an enormous economic opportunity: on average, a dollar invested in resilient infrastructure yields $4 in benefits. Over a lifetime, this results in a total net benefit of $4.2 trillion of new infrastructure assets in low- and middle-income countries.

Although the challenges are real, so are the opportunities, and MIGA did its part to take advantage of them:

- *To support climate adaptation,* we ensured that highways in Serbia as well as Kenya will be resilient to flooding brought on by climate change. We also supported power projects in Bangladesh and Gabon and a port in Colombia to ensure that they will be resilient to the impacts of extreme weather.

- *To ensure alignment with the Paris Agreement,* we began screening our real sector projects for alignment with the Agreement's low-carbon and climate-resilient goals. We are also starting to mainstream Paris Alignment requirements across MIGA to ensure that all stages of the project cycle factor into climate considerations.

- *To expand private investment,* we also launched two climate-related trust funds this year. The Fund for Advancing Sustainability supports investor efforts to boost impact in priority areas such as climate and gender and achieve enhanced standards on environmental, social, and governance (ESG); corporate governance; and integrity. The Renewable Energy Catalyst Multi-Donor Trust Fund aims to catalyze additional private sector investment into this critical area and help developing countries hasten their transition to climate-friendly, green energy. These two trust funds, along with two previously established funds, are now housed under MIGA's Strategic Priorities Facility, which aims to significantly increase the share of low-income and fragile economy-based projects as well as guarantees in support of climate change projects.

The COVID-19 Response Program, which we launched in April 2020, has delivered some $7.6 billion in guarantees issued across 47 projects since inception—$2.1 billion of which were issued this fiscal year. The program has been a testament to the countercyclical role that MIGA can play in mobilizing private investment in the face of global crises.

Last year, MIGA launched its first Gender Strategy Implementation Plan, reinforcing its commitment to integrate gender into all aspects of MIGA's business. At the corporate level, MIGA awarded its seventh annual Gender Leadership Award to Lucy Heintz, partner and head of energy infrastructure at Actis, for her work on gender in the energy sector. At the project level, MIGA worked with its clients to integrate actions to narrow gender gaps. For example, MIGA signed a guarantee with the National Bank of Canada, supporting its Cambodian subsidiary, ABA, for lending to women-owned SMEs. The project was MIGA's first with gender commitments in an IDA country.

MIGA also continued to innovate. In Colombia, we issued our first guarantee on a local currency loan offered by a sub-sovereign government entity, the District of Bogotá. Our support was a critical enabler of the district's COVID-19 response and will enhance emergency health care response capacity. In the Arab Republic of Egypt, we worked with the European Bank for Reconstruction and Development (EBRD) to enhance the first climate-certified project bond being issued in the country. The bond was offered to refinance six operational solar power plants, and with our support, secured a credit rating six notches above the sovereign rating, paving the way for institutional investors to support climate projects in developing countries.

Although we are living through challenging times, I am heartened that, working with our clients, we are helping deliver impact on the ground.

I am particularly proud of our staff, who came together under difficult circumstances to meet the challenge. I am delighted that Junaid Ahmad joined MIGA this year as Vice President of Operations. With deep experience in international development and an exemplary track record working across the World Bank Group (most recently as the World Bank's country director for India), Junaid will lead the effort to pursue meaningful, impact-driven projects and deliver on mobilizing private finance for development projects.

Reflecting his dedication to greater equality, Ethiopis Tafara, MIGA's Vice President and Chief Risk, Legal and Administrative Officer, assumed the important role of chair of the World Bank Group Anti-Racism Task Force. And as FDI continues to wane, Ethiopis recognized a need to facilitate conversation between governments and investors so they can learn from each other. Under his leadership, MIGA and the government of Togo hosted the first MIGA FDI Roundtable Dialogue, aimed to encourage investors to take on projects that serve the public interest and are supported by the private sector. With this continued effort, I am confident that governments and investors will find effective ways to attract investment to those countries most affected by the economic downturn.

I extend my thanks to our clients and Board, who have remained steadfast partners and helped us deliver results through the pandemic.

While the challenges ahead are many, we have the capacity to tackle them head-on. I remain hopeful that the work we do day in and day out will help us not only to withstand the challenges of our current times but also to deliver long-term results.



Hiroshi Matano
Executive Vice President
Multilateral Investment Guarantee Agency

Annual Report



The Institutions of the World Bank Group

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

1. MIGA
Multilateral Investment Guarantee Agency (MIGA) provides political risk insurance and credit enhancement to investors and lenders to facilitate foreign direct investment in emerging economies.



2. IFC
International Finance Corporation (IFC) provides loans, guarantees, equity, and advisory and project development services and mobilizes additional capital from other sources to stimulate private sector investment in developing countries.

3. ICSID
International Centre for Settlement of Investment Disputes (ICSID) provides international facilities for conciliation and arbitration of investment disputes.

4. IBRD
International Bank for Reconstruction and Development (IBRD) lends to governments of middle-income and creditworthy low-income countries.

5. IDA
International Development Association (IDA) provides financing on highly concessional terms to governments of the poorest countries.

World Bank Group Financing for Partner Countries

World Bank Group Commitments, Disbursements, and Gross Issuance

By fiscal year, millions of dollars	2018	2019	2020	2021	2022
World Bank Group					
Commitments[a]	74,265	68,105	83,574	98,830	**104,370**
Disbursements[b]	45,724	49,395	54,367	60,596	**67,041**
IBRD					
Commitments[c]	23,002	23,191	27,976	30,523	**33,072**
Disbursements	17,389	20,182	20,238	23,691	**28,168**
IDA					
Commitments[c]	24,010[d]	21,932[d]	30,365[d]	36,028[d]	**37,727[d]**
Disbursements	14,383	17,549	21,179[d]	22,921[d]	**21,214[d]**
IFC					
Commitments[e]	19,027	14,684	17,604	20,669	**22,229**
Disbursements	11,149	9,074	10,518	11,438	**13,198**
MIGA					
Gross Issuance	5,251	5,548	3,961	5,199	**4,935**
Recipient-Executed Trust Fund					
Commitments	2,976	2,749	3,641	6,411	**6,407**
Disbursements	2,803	2,590	2,433	2,546	**4,461**

a. Includes IBRD, IDA, IFC, Recipient-Executed Trust Fund (RETF) commitments, and MIGA gross issuance. RETF commitments include all recipient-executed grants; hence, 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. Amounts are net of full terminations and cancellations relating to commitments approved in the same fiscal year.

d. Commitments and disbursements exclude IDA-IFC-MIGA Private Sector Window (PSW) activities.

e. Includes long-term commitments for IFC's own account and short-term finance commitments. Does not include funds mobilized from other investors.

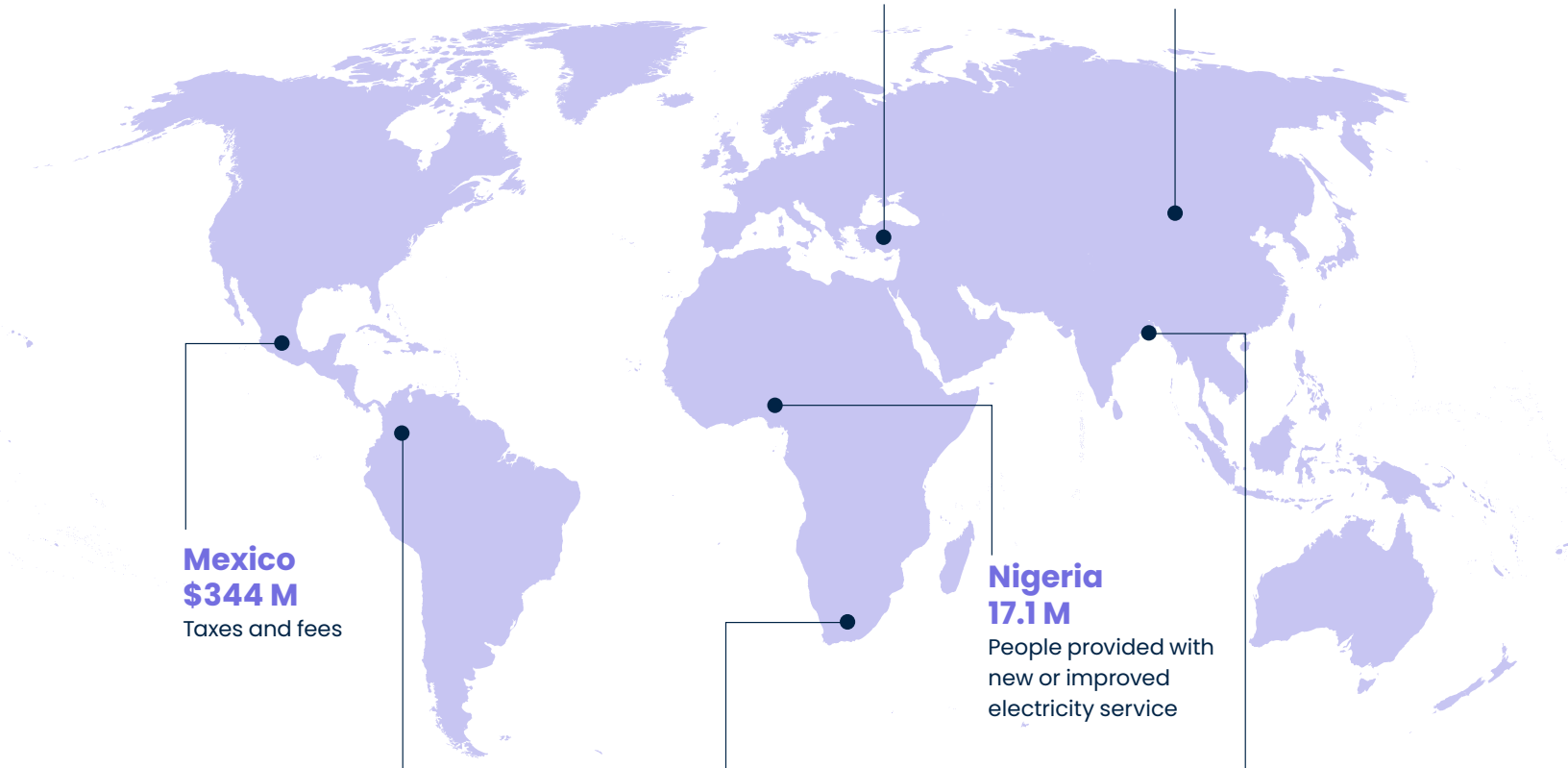
MIGA





MIGA's Global Reach and Country Results

Results for Selected Countries*



Türkiye
$14.9 M
Total loans supported

Mongolia
$390 M
Locally procured goods

Mexico
$344 M
Taxes and fees

Nigeria
17.1 M
People provided with new or improved electricity service

Colombia
11,760
Jobs supported (permanent and temporary)

South Africa
4.2 M
GHG avoided (tCO_2e/yr)

Bangladesh
14.3 M
People provided with new or improved electricity service

FY22 Gross Issuance: $4.9 Billion

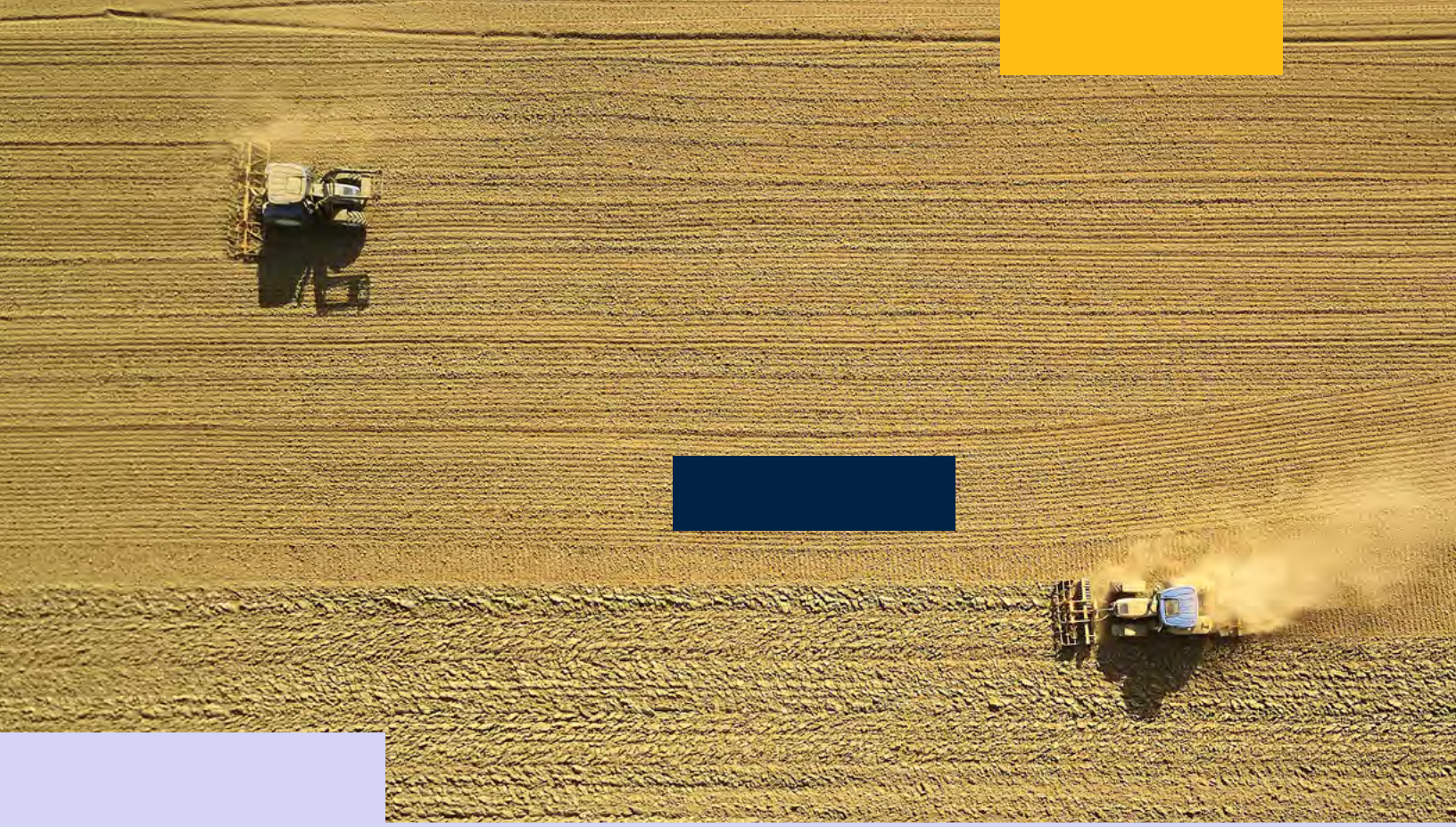
$11 Billion
Latin America & the Caribbean

$10 Billion
Europe and Central Asia

$3 Billion
East Asia and Pacific

$7 Billion
Sub-Saharan Africa

*Figures reflect projects signed in FY15–22



MIGA's Expected Development Results from Projects Signed in FY22

19,519 Million
Total employment supported (permanent + temporary)

$15.7 Million
Locally procured goods per year

$679 Million
Taxes and fees paid per year to host governments

5,721 GWhs
Expanded power generation per year

15 Million
People provided with new or improved electricity service

485 MW
Power—installed capacity

1.6 Million
GHG emissions avoided (tCO_2e/year)

$1.9 Billion
Volume of loans supported

$6.5 Billion
Private financing mobilized

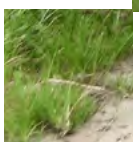




MIGA's Global Crisis Response

With steeply declining global economic growth, rising inflation, deepening food insecurity, and ongoing war and fragility as well as the continued negative effects of the COVID-19 pandemic, the combined impact of these crises on emerging markets and developing economies (EMDEs) is expected to be severe. World Bank projections show growth slowing for EMDEs from 6.6 percent in 2021 to 3.4 percent in 2022. The World Bank's most recent *Global Economic Prospects* report estimates that global growth will decline to 2.9 percent in 2022 and 3 percent in 2023-24 (down from 5.7 percent in 2021) owing to the overlapping global crises.





Amid these global challenges, MIGA stands ready to implement and refine its response to the multiple crises that face developing countries. As the impacts increase fragility and political risks across these countries, MIGA's role to encourage and help facilitate investment becomes even more crucial.

In particular, the COVID-19 pandemic has worsened an ongoing decline of FDI in all EMDEs. The crisis is presenting a new, unprecedented source of investor risk that is depressing business confidence to historic lows. Although global FDI rebounded in 2021 to $1.58 trillion, the outlook is negative given the ongoing impact of COVID-19 and the other crises affecting EMDEs.

Launched in April 2020, MIGA's COVID-19 Response Program consists of three stages: (1) the first response, to address the immediate needs of the public and financial sectors; (2) a recovery phase, to support the restoration of economic activity in the real sectors and private enterprise in the short and medium term; and (3) long-term resilience, to support investment across the public and private sectors.

As of June 2022, the program has delivered some $7.6 billion in guarantees across 47 projects throughout Latin America and the Caribbean, Sub-Saharan Africa, East Asia and Pacific, and Europe and Central Asia—$2.1 billion of which was issued this fiscal year. These projects have been highly impactful, helping host countries to bolster their medical response to the COVID-19 crisis and helping governments and private sector clients to mitigate the economic impact of the crisis by providing working capital support to micro, small, and medium enterprises (MSMEs), corporates, and individuals. The COVID-19 Response Program runs through June 2023 with an approved indicative facility amount of $10—12 million in the aggregate.

Pillars of MIGA's COVID-19 Response Program



Pillar 1

Procuring Urgent COVID-19 Medical Supplies and Services

Supporting host governments in purchasing needed medical goods and services (for example, COVID-19 testing kits, hospital gowns, masks, ventilators, and medicines).



Pillar 2

Countering Adverse Economic Impacts during the COVID-19 Crisis

2A. Credit enhancement program: Supporting governments at eligible sovereign, sub-sovereign, or state-owned enterprise levels to provide short-term funding and working capital support to SMEs, corporates, and individuals during the crisis.

2B. Capital optimization: Supporting financial institutions in extending lending in host countries by freeing up risk-weighted assets locked up in maintaining their mandatory reserves with central banks.



Pillar 3

Complementing IFC Trade Finance

Supporting trade finance to enhance the flow of goods and services through global supply chains, including for critically needed commodities, especially in IDA-eligible and FCS countries.

MIGA COVID-19 Response Program Projects, FY22



Colombia
Capital District of Bogotá

MIGA provided a Non-Honoring of a Sovereign Financial Obligation (sub-sovereign) guarantee for a non-shareholder loan from Banco Bilbao Vizcaya Argentaria S.A. of Spain to the Capital District of Bogotà. Colombia has a publicly funded and highly decentralized health care system that offers comprehensive health insurance to nearly 98 percent of the population. The COVID-19 pandemic has exposed vulnerabilities in the health system, ranging from outdated infrastructure and lack of intensive care unit (ICU) beds to shortages of laboratories and reagents to analyze COVID-19 tests. Support from MIGA will bolster the city of Bogotá's COVID-19 emergency and post-pandemic response aimed at upgrading, equipping, and expanding its health care facilities.



Peru
Fondo MiVivienda S.A.

MIGA provided a Non-Honoring of a Financial Obligation by a State-Owned Enterprise guarantee for a non-shareholder loan from J.P. Morgan Chase & Co. of the United States to Fondo Mivivienda S.A. (FMV). MIGA support for FMV will foster and support a green economic recovery from the negative effects of the COVID-19 crisis and enable FMV to obtain long-term financing at competitive pricing. FMV will use the funds to support the "My Green House" program, a mortgage program within FMV's portfolio that provides financing for the acquisition of certified sustainable green housing by vulnerable middle-income households.



Colombia
Financiera de Desarrollo Nacional

MIGA provided a Non-Honoring of a Sovereign Financial Obligation (sub-sovereign) guarantee for a non-shareholder loan from J.P. Morgan Chase & Co. of the United States to Financiera de Desarrollo Nacional S.A. (FDN), a development bank that is majority-owned by the government of Colombia. The MIGA-covered loan will be used to finance FDN's lending operations in Colombia with a focus on climate and road infrastructure projects that will foster and support economic recovery following the negative economic effects caused by the COVID-19 crisis. MIGA's support will also allow FDN to obtain long-term local currency financing at competitive pricing.



Paraguay
Agencia Financiera de Desarrollo

MIGA provided a Non-Honoring of a Financial Obligation by a State-Owned Enterprise guarantee for a non-shareholder loan from Citibank N.A. to Agencia Financiera de Desarrollo, a wholly government-owned and controlled financial institution. The loan facility will support the government of Paraguay's COVID-19 response initiatives aimed at ensuring financing to MSMEs and the housing sector. The project will also incorporate a gender action plan that will set the foundations for further financing to women-owned MSMEs.



Serbia
NLB/Komercijalna Banka a.d. Beograd

MIGA issued a guarantee that will provide capital relief to Nova Ljubljanska banka d.d., Ljubljana (NLB), a leading regional financial institution, in support of its operations in Serbia. At a time of continued pressure and uncertainty due to the COVID-19 crisis and following NLB's recent acquisition of Komercijalna Banka A.D. Beograd from the government of Serbia, MIGA's guarantee will provide support toward a green and inclusive recovery. NLB will use the MIGA-enabled capacity to support SMEs, lending up to €65 million in new climate finance initiatives.



Cambodia
National Bank of Canada

MIGA's issued guarantee will support the National Bank of Canada in obtaining capital relief on its risk-weighted assets at the consolidated parent level and use the regulatory capital relief to support continued growth of the Advanced Bank of Asia (ABA) loan portfolio, which is principally made up of loans to MSMEs, particularly women-led MSMEs. This capital relief is particularly important now in view of the anticipated economic impacts associated with the COVID-19 crisis. Given the vast unmet demand for lending to MSMEs (including women-owned MSMEs) in Cambodia, ABA expects rapid growth in the segment despite the ongoing uncertainties stemming from the pandemic.



Montenegro
NLB/NLB Banka AD Podgoric

MIGA issued a guarantee to NLB to support NLB Banka AD Podgorica of Montenegro in covering general banking operations that provide credit and other financial services to Montenegro. Continued pressure and uncarainty due to the ongoing COVID-19 crisis increases regulatory risk weighting on excess reserves. With MIGA's guarantees, NLB subsidiaries will strengthen the resilience of the MSMEs in their lending markets. They will also be able to pursue more robust, greener financing activities.



Kosovo
NLB/NLB Banka Prishtina Sh.A.

MIGA issued a guarantee to NLB to support NLB Banka Prishtina Sh.A. of Kosovo for general banking operations that provide credit and other financial services to Kosovo at a time of continued pressure and uncertainty due to the ongoing COVID-19 crisis. MIGA's guarantees will reduce the regulatory risk weighting applied to excess reserves on an NLB-wide consolidated basis, freeing up capital to provide financing to MSMEs as well as support for climate finance initiatives.



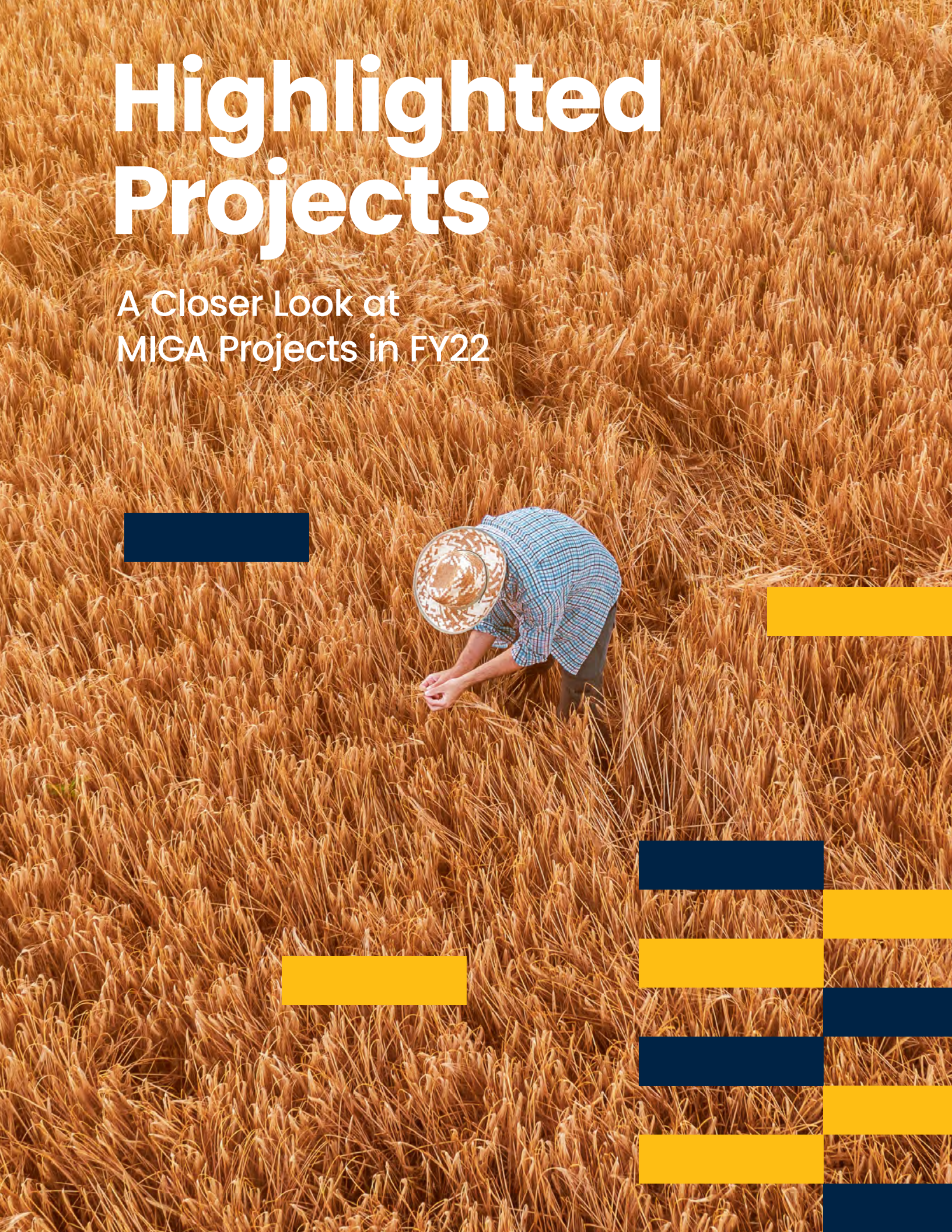
Argentina
Banco Santander S.A. /
Banco Santander Argentina, S.A.

MIGA's issued guarantee to Banco Santander S.A. will support the operations of its subsidiary in Argentina, increasing the lending capacity of Banco Santander Argentina S.A. At a time of significant domestic economic stress, compounded by uncertainties due to the ongoing effects of the COVID-19 crisis, MIGA's guarantee will support Banco Santander Argentina in enhancing economic activity through lending to SMEs (particularly WSMEs) and corporates in key sectors of the economy, including exporters.



Highlighted Projects

A Closer Look at MIGA Projects in FY22

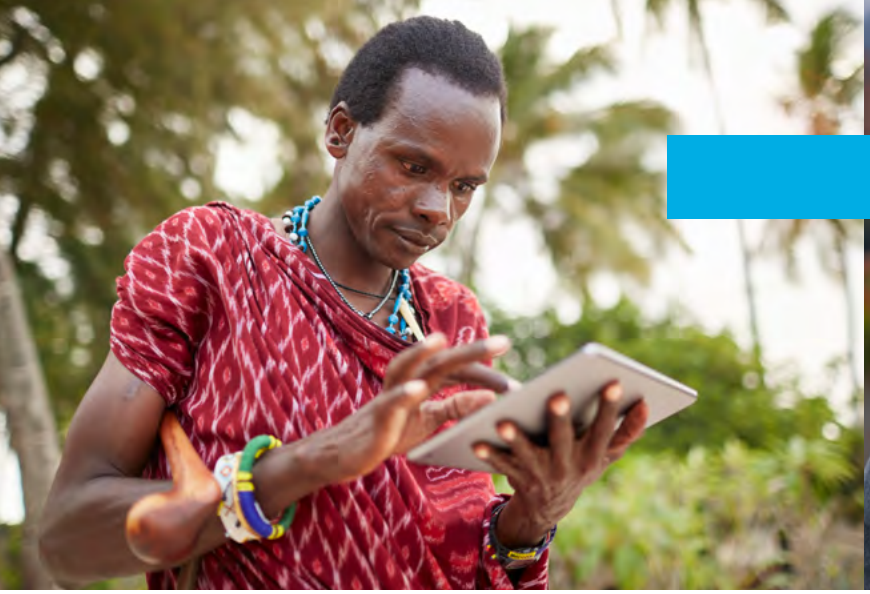




Increasing Investment in Egypt

Together, MIGA and EBRD created a new credit enhancement mechanism that boosted the sustainable refinancing of six operational solar power plants in Egypt. This credit enhancement is essential for attracting private capital investment—especially from major institutional investors that were mobilizing investment contributions for the first time in Egypt. This backing, along with other transaction features, also earned the bonds an investment-grade rating from European credit rating agency Scope.

MIGA's support facilitated lower project costs and improved overall financial viability, enhancing resilience to financial shocks and preserving the project's ability to generate greenhouse gas (GHG) emissions savings. In addition, the reduced cost of financing is generating ongoing cost savings that enable the project sponsors to share this benefit with the government of Egypt through a cash transfer. The rating upgrade provides a positive signal and serves as a model to countries as well as investors, helping motivate a new class of private institutional investors to engage in similar financial structures in other sectors.





Supporting Financial Inclusion Through Mobile Money in Sub-Saharan Africa

Mobile money, which provides access to basic financial services through mobile networks, is an important enabler of financial inclusion, particularly for low-income populations who may lack access to formal bank accounts. In Sub-Saharan Africa, the growth and impact of mobile money services has been particularly profound: the region has over 180 million active accounts, and total transaction values reached $700 billion in 2021, representing 70 percent of global mobile money transactions.

To support the development of mobile money services, MIGA issued guarantees to cover investments made by The Rise Fund into Airtel Money, one of the region's leading mobile money service providers. Originally a subsidiary of Airtel Africa, Airtel Money, with presence in 14 different countries across Sub-Saharan Africa, was spun off as a separate entity to help bring in outside investors such as The Rise Fund and Mastercard to foster growth and innovation. These investments, many of which are targeted to IDA and FCS countries, will help push forward the World Bank Group's Digital Economy for Africa initiative, and MIGA is proud to play a role in mobilizing private investment to deepen financial services in the region.

Increasing COVID-19 Response Capacity in Bogotá

The COVID-19 pandemic has adversely affected Colombia and its capital, Bogotá. The country has reported over 6 million confirmed COVID-19 cases and 138,000 deaths as of late February 2022. Bogotá, a densely populated urban metropolis of more than 8 million people, has experienced major outbreaks and a greater incidence of COVID-19 than the country at large. Colombia's economy has also suffered, with gross domestic product (GDP) falling an estimated 6.8 percent in 2020 before rebounding to precrisis levels in 2021. The country's publicly funded and highly decentralized health care system offers comprehensive health insurance to nearly 98 percent of the population. However, the COVID-19 pandemic has exposed health system vulnerabilities, ranging from outdated infrastructure and lack of ICU beds to shortages of laboratories and reagents to analyze COVID-19 tests. In Bogotá, COVID-19 surges have stressed the health care system significantly, with ICU occupancy rates at times approaching 100 percent.

The MIGA-guaranteed loan supported Bogotá's response to the pandemic by funding COVID-19 testing and the purchase of ambulances, personal protection equipment, and other materials to support COVID-19 mitigation efforts. The loan also supported improvements in Bogotá's health care services through the expansion and upgrading of its health infrastructure, provision of equipment for primary care and specialized clinics, and strengthening of Bogotá's Medical Emergency Information System.





Supporting the Tourism and Hospitality Sector in Sub-Saharan Africa

Few industries have been hit harder by the COVID-19 pandemic than hospitality. Hotels in Sub-Saharan Africa were no exception as many nations closed borders, blocking the international visitors who sustain the industry there. When a hotel closes for an extended period, management cannot simply open its doors and welcome guests back. Pipes must be cleared of lead and copper that accumulate in stagnant water; surfaces must be examined for mold; and showerheads, toilets, and hot tubs must be tested for bacteria. All of that costs money—and in developing economies, capital can be hard to come by.

MIGA guarantees will help ensure that hotels are built or redeveloped in Sub-Saharan African countries and will help to preserve jobs in hotels that are being remodeled to improve energy efficiency. In January 2022, MIGA issued a master contract to Kasada Hospitality Fund LP. MIGA's support to Kasada, whose operations span 10 countries, has already materialized through a subproject bringing guarantees to eight hotels acquired by the fund in 2021 in Cameroon, Côte d'Ivoire, and Senegal.

Upgrading Roads and Connecting People in Kenya

Roads are the primary mode of transport in Kenya, accounting for over 80 percent of the country's total passenger traffic and 76 percent of freight. The transport sector is relatively underdeveloped in some regions of Kenya, limiting economic development and climate change resilience and contributing to regional disparities. Although the road network is extensive, only a limited portion is paved and in good condition; the rest consists of gravel and earth roads. The government of Kenya has therefore prioritized the improvement of the country's road network through selected public-private partnership programs, including the country's Roads Annuity Programme.

The MIGA guarantees supported improvements to the road network that resulted in shorter travel times by enabling faster driving speeds and the potential of some roads to become traffic bypasses away from densely populated areas or to provide shortcuts between other roads. Road upgrades have also reduced vehicle operating costs given the improvement in road quality and greater fuel efficiency. Furthermore, they contributed to flood resilience as a result of improved road drainage. The initiative is consistent with a low-carbon, climate-resilient development path for Kenya.

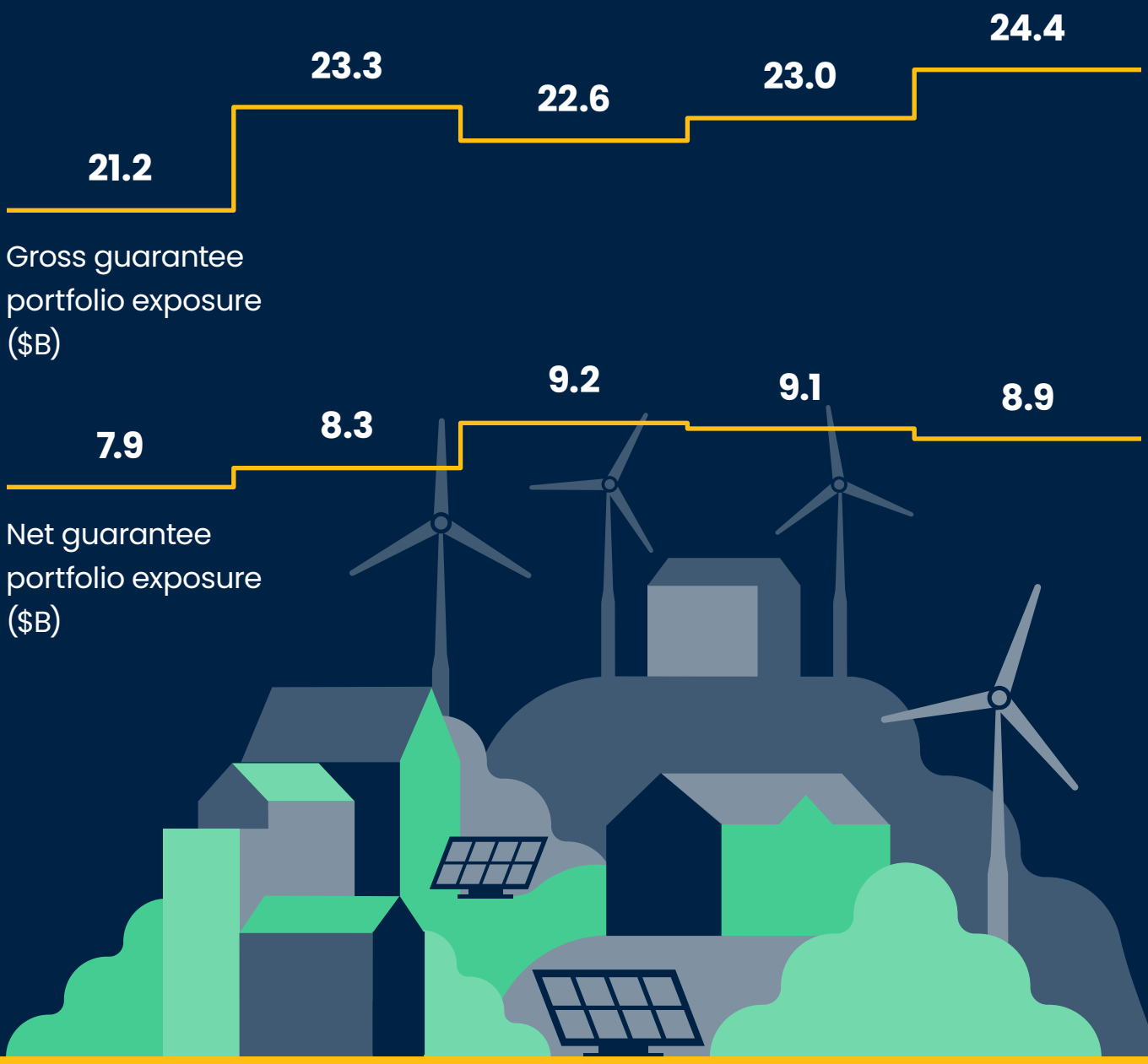
Business and Operational Review



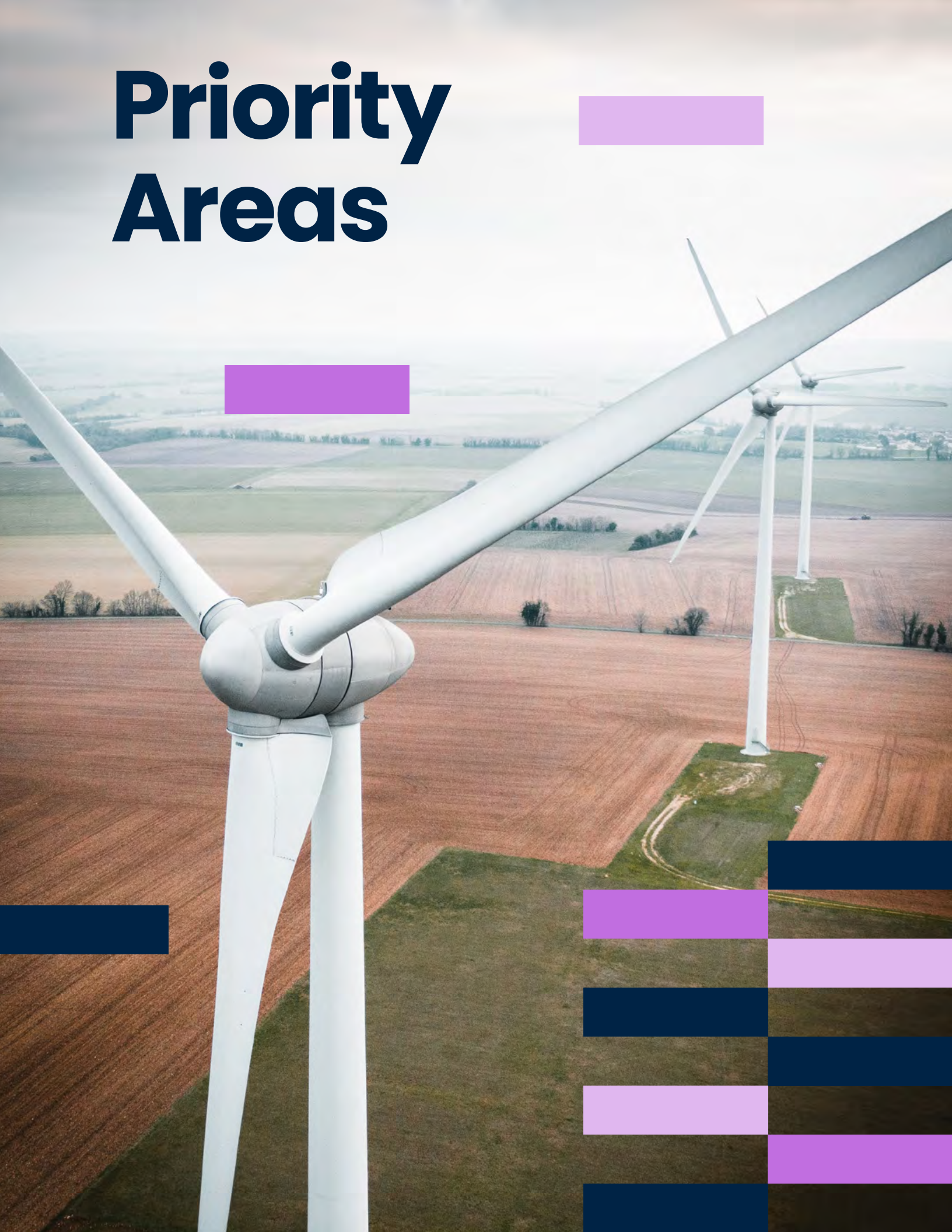
Guarantee Portfolio Exposure

Both the lingering effects of the COVID-19 pandemic and the war in Ukraine are reducing FDI into EMDEs. Despite some pickup in FDI in 2021 versus 2020, the recovery seems unlikely to last given the prevailing multiple global crises.

During FY22, the Agency directed its efforts toward helping clients address the severe and growing impacts of these crises and issued $4.9 billion in new guarantees in support of 54 projects. Although MIGA remained committed to the COVID-19 response during FY22, it also started redirecting its efforts toward facilitating FDI into developing countries and was able to support several highly impactful projects in its core strategic priority areas. Additionally, taking into account the war in Ukraine, inflation, and rising interest rates, in response to market demand, MIGA shifted its focus during the last quarter of FY22 toward assisting the financial sector.



Priority Areas



Strategic Priority Areas

In its FY21–23 strategy, MIGA set out a goal to deepen its commitment across two critical areas:

1. Increasing engagement in IDA and FCS countries
2. Increasing its support for projects that address climate change



1

IDA and FCS

IDA (low-income) countries and fragile and conflict-affected situations (FCS) continue to be severely affected by the COVID-19 pandemic. In FCS in particular, COVID-19 threatens to reverse hard-won advancements in poverty reduction and development. As a result of the pandemic, rising food inflation, and the war in Ukraine, compared with pre-pandemic projections, 20–22 million more people in FCS are estimated to live in extreme poverty in 2022. Moreover, GDP growth in such countries is projected to average 4.4 percent a year in 2022–23—0.6 percentage points below previous forecasts.

Before and throughout the crisis, MIGA has continued to support projects in IDA countries and FCS—accounting for 65 percent of all FY22 projects. Guarantees totaling $1.6 billion were issued to support projects in IDA-eligible countries, and guarantees totaling $570 million backed investments in IDA countries affected by fragility, conflict, and violence, such as the Democratic Republic of Congo, Ethiopia, Kosovo, and Mozambique.

MIGA leverages the IDA Private Sector Window (PSW) to further expand operations into IDA-eligible countries, many of which are also FCS. In FY22, MIGA issued 16 IDA PSW-supported guarantees in 10 countries—Burkina Faso, Chad, the Democratic Republic of Congo, the Republic of Congo, Ethiopia, Malawi, Mozambique, Niger, Uganda, and Zambia—for a total of $457 million, of which $97 million was ceded to IDA using a shared first-loss structure.

2

Climate Change

MIGA is leveraging the use of its guarantees to mobilize financing for projects that support climate mitigation or adaptation. In FY22, the Agency issued $1.1 billion of guarantees supporting climate adaptation and mitigation projects in 28 projects across 17 countries, representing 28 percent of the total guaranteed investment of the projects supported. The projects signed in FY22 will help avoid an estimated 1.6 million metric tons of CO_2 emissions annually.

Notable climate projects this year included those ensuring that highways in Kenya and Serbia will be resilient to flooding caused by climate change. In power projects in Bangladesh and Gabon and a major port project in Colombia, MIGA clients incorporated measures to make the projects resilient to the impacts of extreme weather in those regions.

To increase its climate action, the World Bank Group announced a new Climate Change Action Plan (CCAP) to guide its interventions from 2021 through 2025. The CCAP provides a bold strategic road map for tackling climate change and helping client countries to fully integrate their climate and development goals. MIGA's products have helped cross-border investors protect their long-term investments in climate mitigation and adaptation activities across diverse markets and regions. As one of the few institutions that provides long-maturity guarantees, MIGA will be instrumental in fostering the lock-in of transformational climate action.

The CCAP also sets forth MIGA's goal to align its future portfolio with the Paris Agreement: 85 percent of Board-approved real sector operations will be aligned starting July 1, 2023, and 100 percent by July 1, 2025.

As part of its ongoing effort to help countries integrate climate and development objectives, the Bank Group recently launched its series of Country Climate and Development Reports (CCDRs). CCDRs are a new core diagnostic to help countries prioritize the most high-impact actions that can reduce GHG emissions and boost adaptation. A summary of the preliminary findings of these reports will be published in the coming months to foster action-oriented discussion in the global community.

Innovation



Innovation makes it possible for MIGA to do more with its products, broaden its development impact, and evolve alongside a dynamic investment market in developing economies. While keeping a finger on the pulse of these markets, the Agency has cultivated new innovations that will help to deliver the best possible development outcomes for countries and help its clients further their investment potential.

MIGA Strategic Priorities Facility

The MIGA Strategic Priorities Facility, established in FY22, is a programmatic approach that integrates and manages MIGA's various trust funds under a common framework and governance structure. Its broad objective is to streamline trust fund operations and enhance administrative efficiencies for MIGA's trust funds. MIGA establishes special guarantee facilities and trust funds to encourage investment and build capacity in targeted areas. The MSP Facility provides a consistent approach for strategy formulation, review, direction, and monitoring of all constituent trust funds. Within this broader program objective, each trust fund delivers its respective development objectives.

In particular, two trust funds under the MSP Facility, both climate related, were launched this year. The Fund for Advancing Sustainability (FAS) supports investor efforts to boost impact in priority areas such as climate and gender and achieve enhanced standards on ESG performance, corporate governance, and integrity.

The Renewable Energy Catalyst Multi-Donor Trust Fund (RECTF) is a trust fund that aims to enhance MIGA's ability to catalyze private sector investment into renewable energy projects. It will directly support climate finance



investment by backing additional renewable energy projects that will assist host governments in their transition to a climate-friendly, green energy sector. The fund will be available for use in all MIGA member countries, but it will emphasize support of projects in the poorest (IDA-eligible) countries, particularly those in Sub-Saharan Africa.

The RECTF offers a variety of risk sharing and technical assistance solutions that provide flexibility and support innovative problem solving. The intended uses include first-loss layer, reinsurance, liquidity support, project development, and business origination, all as related to renewable energy projects. The trust fund will provide risk mitigation or reinsurance for projects that are not eligible for either Conflict-Affected and Fragile Economies Facility (CAFEF) or IDA-PSW support or where its assistance is complementary to the use of the CAFEF or IDA-PSW facilities. The RECTF will also provide liquidity support to address financial and cash flow risks for renewable energy projects in all MIGA member countries, covering both foreign and local investments. In addition to supporting the climate agenda, these projects will bring other important developmental benefits including increasing electricity access and promoting economic growth. The anchor donor for this trust fund is the government of Norway, through the Norwegian Agency for Development Cooperation (Norad).

This year, in the first project to benefit from the RECTF, MIGA signed a €3.5 million guarantee with MIHIA Holding SAS of France for the Zano project in Burkina Faso, which consists of the construction, ownership, operation, and maintenance of a 24 megawatt solar photovoltaic (PV) energy-generating facility. With one of the lowest electrification rates in Sub-Saharan Africa and high unmet demand, Burkina Faso is striving to address its energy access challenges and enhance its energy security. MIGA covers MIHIA's equity and quasi-equity investments into Quadran Burkina Faso SAS (Zano) against the risks of transfer restrictions and breach of contract.

Regulatory Relief

As part of its COVID-19 Response Program, MIGA continued using its capital optimization product in FY22 to provide regulatory relief to banks. Delivery of this product allowed banks to maintain lending during the challenging economic times caused by the COVID-19 pandemic. In addition, MIGA has made significant progress during the year in using its capital optimization product to scale up climate finance by our client financial institutions, and MIGA plans to further expand this approach. The Agency is also looking into whether a similar product can be tailored for the needs of institutional investors and insurance companies.

MIGA has issued guarantees to Nova Ljubljanska banka d.d., Ljubljana (NLB) of Slovenia, covering up to €41 million in support to subsidiaries NLB Banka AD Podgorica of Montenegro and NLB Banka Prishtina Sh.A. of Kosovo. The guarantees, lasting three years, cover against the risk of expropriation of excess cash reserves held at the subsidiaries' central banks. This is the first time MIGA's capital optimization product has been used to cover excess cash reserves, marking an innovative application of the product beyond coverage on mandatory reserves held with central banks. Banks may hold excess cash reserves for precautionary purposes, and NLB's subsidiaries are holding excess cash reserves in Kosovo and Montenegro as an additional liquidity buffer. MIGA's guarantees will reduce the regulatory risk weighting applied to these excess reserves on an NLB-wide consolidated basis, freeing up capital to provide financing to MSMEs and for climate projects. NLB's subsidiaries in Kosovo and Montenegro are the second largest banks in their respective countries as measured by their respective percentages of market share by total assets. With MIGA's guarantees, NLB subsidiaries will contribute to the resilience of the MSMEs in their lending markets. They will also be able to pursue more robust, greener financing activities.

MIGA also signed a guarantee for Col$1.37 trillion (about $350 million) with BBVA of Spain, providing sub-sovereign Non-Honoring of a Financial Obligation coverage on its Col$1 trillion loan to the Bogotá Capital District in Colombia. Proceeds of the loan facility will be used by Bogotá's Health Secretariat to finance projects related to the city's COVID-19 health responses and to improve its overall health care infrastructure and services. This transaction represents MIGA's first Non-Honoring (NH) guarantee in a local currency (Colombian pesos) and MIGA's first NH guarantee covering an embedded swap. These innovations in MIGA's guarantee contract enabled an international lender with euro-funding costs to provide a fixed-rate loan in Colombian pesos, giving Bogotá critical access to longer-tenor financing to improve the quality of health care as the system remains stressed by the ongoing COVID-19 pandemic.

Application to New Technologies

To support the development of mobile money services, MIGA issued guarantees to cover investments made by The Rise Fund into Airtel Money, one of Sub-Saharan Africa's leading mobile money service providers. Airtel Money—originally a subsidiary of Airtel Africa, with presence in 14 different countries across the region—was spun off into a separate entity to help bring in outside investors such as The Rise Fund and Mastercard to foster growth and innovation. These investments, many of which are targeted to IDA and FCS countries, will help advance the World Bank Group's Digital Economy for Africa initiative.

Cutting-Edge Finance

In addition, MIGA issued a guarantee of $98.3 million to Virtuo Finance S.a.r.l. (Virtuo), boosting the sustainable refinancing of six operational solar power plants in Egypt's Benban Solar Park in Aswan, the largest PV solar park in Africa. The refinancing will reduce financial costs, improve overall financial viability, and generate cost savings to be shared with the government of Egypt. The power plants will be refinanced through issuance of a first-of-its-kind green bond by Virtuo. Scope Ratings assigned the bond a rating of BBB+, a higher rating than Egypt's sovereign debt rating. The issuance was arranged by MUFG Securities EMEA. The bond also benefits from certification by the Climate Bonds Initiative and has been independently verified by DNV, a leading technical consultancy. Furthermore, the bond meets MIGA's Performance Standards on Environmental and Social Sustainability— an international benchmark for identifying and managing environmental and social risks.

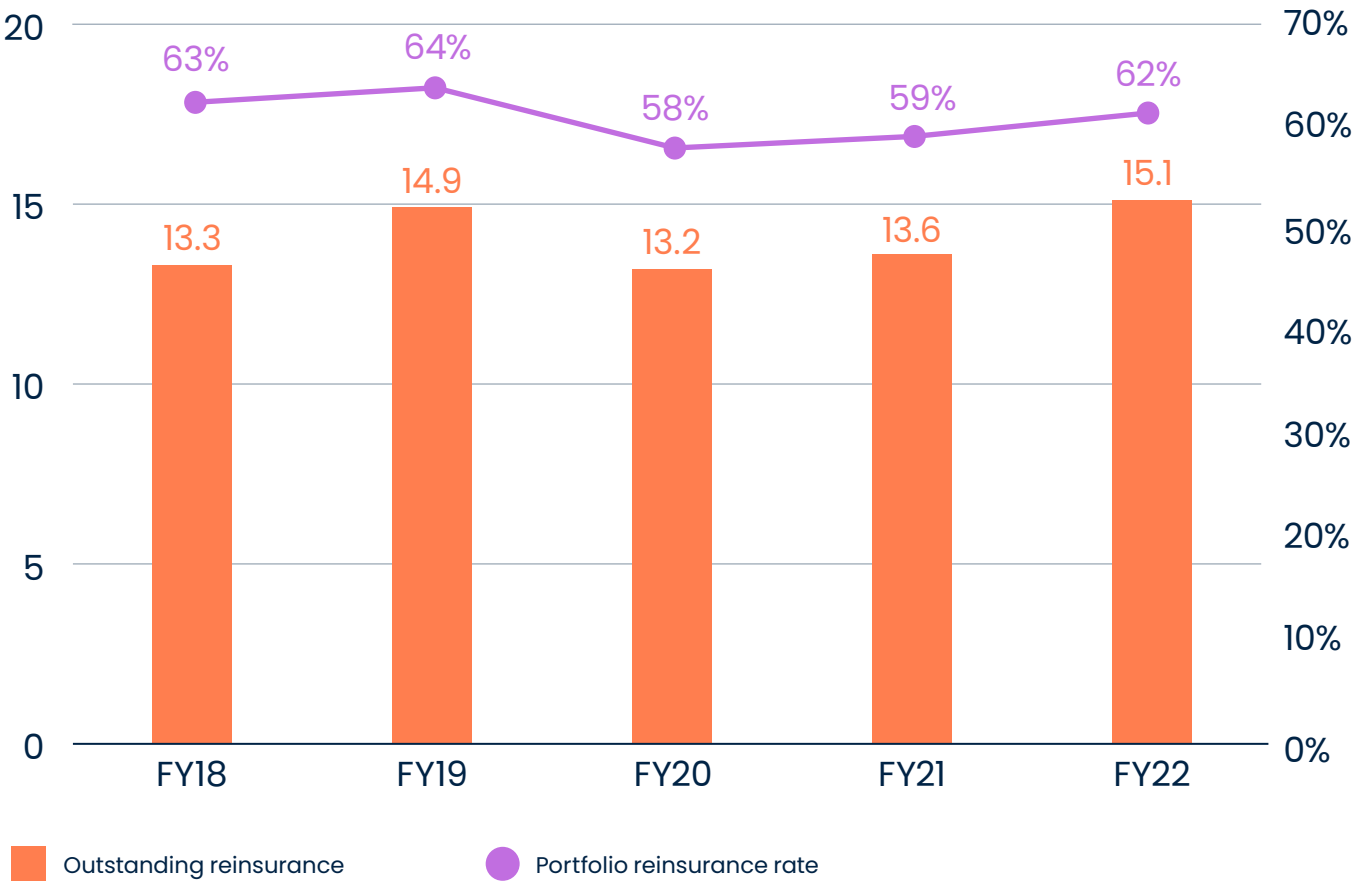


Reinsurance

Since 1997, MIGA has successfully leveraged reinsurance as a tool to use its capital efficiently and manage the risk profile of its portfolio. The primary benefits of reinsurance accrue to MIGA's clients—first, to the investors, who gain access to increased capacity to insure eligible projects in developing countries; and second, to client countries that benefit from higher FDI.

The Agency continued to use reinsurance capacity, ceding $3.4 billion of new business to the reinsurance market during FY22 in line with the strategy of preserving capital to support growth. As of June 30, 2022, 62 percent of the outstanding gross portfolio was reinsured, up from 59 percent as of end FY21. Over the past five years, MIGA has increased the use of reinsurance in its guarantee portfolio, allowing the Agency to support its growth trajectory through increased guarantee capacity without the need for additional capital from its shareholders.

Portfolio Reinsurance ($B) and Rate (%)



Leveraging MIGA's Partnerships for Greater Development Impact

Expanding collaboration that encourages productive use of political risk insurance (PRI) is essential for unlocking material private capital, which in turn contributes to achieving the Sustainable Development Goals, boosting shared prosperity, and ending extreme poverty.

To this end, MIGA works to enhance coordination with international finance institutions (IFIs), industry partners, and across the World Bank Group.



Partnerships with International Finance Institutions

MIGA works with IFIs and multilateral development banks (MDBs) to leverage PRI and mobilize private capital for development. In 2018, the G20 Eminent Persons Group on Global Financial Governance recommended that MIGA apply its position as a global risk insurer in development finance to work with other IFIs. Since then, the Agency has taken key steps with other MDBs and IFIs to help realize these recommendations.

As part of MIGA's outreach to promote more FDI in developing member countries, MIGA is convening stakeholders on a regional basis for candid roundtable conversations, with a view to improving investment conditions and increasing cross-border investments. The in-person roundtables are cohosted with a member country in various regions in Africa, Asia, and the Caribbean. The first roundtable, held March 2022 in Lomé, was cohosted with the government of Togo, represented by the Minister of Commerce, Industry and Private Sector Development. Also attending were senior government officials representing the Democratic Republic of Congo, Côte d'Ivoire, Gabon, Guinea, and Senegal. High-level executives from MIGA clients, development partners including the IFC, and local Togolese enterprises provided private sector perspectives. Governments outlined current opportunities while investors emphasized the importance of a robust regulatory framework. MIGA also facilitated bilateral meetings between governments and investors.

Industry Partnerships

Partnering with others in insurance and development finance is essential to deliver results on the ground. MIGA serves as cochair of the Insurance Development Forum (IDF), a public-private partnership that brings together private and public insurance companies to optimize the use of insurance to build greater resilience. The agency is also a member of the Berne Union of global export credit and investment insurance providers. The Berne Union actively facilitates cross-border trade by supporting international acceptance of sound principles in export credits and foreign investments.

In addition this year, MIGA and the German Investment Corporation (DEG, the private sector-focused subsidiary of KfW) agreed to cooperate more closely to leverage each other's toolkits and structure comprehensive solutions or product applications to de-risk and support joint projects in emerging economies worldwide. They also committed to periodic consultations and systematic engagement to help develop a pipeline of investable projects and deepen ties between the two institutions. This signals the value that DEG and MIGA management place on the effort necessary to identify opportunities and to structure solutions.

Knowledge Partnerships

MIGA and the International Law Institute, a capacity-building and technical assistance institute, signed a memorandum of understanding (MOU) to train stakeholders from developing countries on PRI products; optimal structures for public-private partnerships requiring MIGA products; and other issues that arise in the context of PRI, cross-border transactions, dispute resolution, and governance. A key component focuses on jointly developing and conducting a legal, economic, and policy capacity-building curriculum and certificate program related to PRI. The collaborative effort will increase the institutional capacity of government officials, legal practitioners, private sector officers, and members of multilateral and other international development organizations.

Partnerships with external organizations serve an essential role in furthering MIGA's Gender Strategy Implementation Plan (discussed under Gender Initiatives) and expanding the knowledge base on gender-related issues. In FY21 MIGA became a founding member of the 2X Collaborative, a new global industry body that convenes the entire spectrum of investors to promote gender lens investing, with the opportunity to share information from a broad group of private sector actors in gender.[1]

1 The mission of the 2X Collaborative is "to convene and equip investors with the resources they need to increase the volume and impact of capital directed towards women's economic empowerment." For more information, see https://www.2xcollaborative.org/.



Environmental and Social Sustainability at MIGA



MIGA believes that an important component of achieving positive development outcomes is the environmental and social sustainability of its projects, which MIGA expects to achieve through the application of the MIGA Policy on Environmental and Social Sustainability and a comprehensive set of environmental and social performance standards widely accepted in the financial sector, known as the Equator Principles.[2]



Actions to Ensure E&S Sustainability Integration at MIGA:

- Prescreening all projects for social and environmental impact
- Gathering development effectiveness indicators from clients
- Applying MIGA's Impact Performance Assessment and Comparison Tool (IMPACT) framework to assess a project's expected development impact
- Ensuring that projects meet the MIGA Performance Standards on Environmental and Social (E&S) Sustainability
- Verifying E&S impact through ex post evaluations
- Assessing climate risk

MIGA helps investors raise the bar on E&S objectives:

- Ensuring that investments meet vigorous and internationally recognized standards
- Working with clients to continually monitor and report on E&S impacts
- Allowing clients to enter markets they otherwise would not have been able to reach, which can bring high development returns.

2 https://equator-principles.com/about-the-equator-principles/

Measuring and Evaluating Development Impact



Assessing impact is critical to understanding the reach and results of the projects we support. From project origination to project close and after, MIGA implements several frameworks and tools that measure, track, monitor, and evaluate E&S performance.

Despite COVID-19 restrictions, MIGA was able to perform project assessments, monitoring work and evaluations.

IMPACT Framework

The Impact Performance Assessment and Comparison Tool (IMPACT) assesses expected project-specific outcomes as well as beyond-the-project effects on foreign investment. The framework complements the agency's broader results measurement system. IMPACT has the following objectives:

- Perform ex ante assessments of development impact for individual projects
- Enable comparative analysis
- Inform project prioritization based on assessment of expected development impact
- Align with IFC's Anticipated Impact Measurement and Monitoring (AIMM) framework and coordinate development impact ratings for IFC-MIGA joint projects
- Follow an agile approach to integrate IMPACT efficiently with MIGA's existing guarantee processes.

Development Effectiveness Indicator System

MIGA's Development Effectiveness Indicator System (DEIS) helps measure and track the development impact of projects that the agency insures. Through this system, MIGA measures a common set of indicators across all projects: investment support, direct employment, locally procured goods, and taxes and fees paid to host governments, among others. It also measures sector-specific indicators and puts into place a process to measure projects' development outcomes three years from the time of contract signing.

Evaluation

Since FY12, all projects have been evaluated by MIGA and the World Bank Group's Independent Evaluation Group (IEG), an independent evaluation body. The evaluations assess the achievement of the development outcomes of MIGA-supported projects through Project Evaluation Reports (PERs). MIGA conducts self-evaluations that are then validated by the IEG. Project evaluations are useful not only for assessing the results but also for generating lessons for future projects. MIGA actively uses evaluation findings in staff learning events.

Integrity



Integrity and reputational risk management are key to MIGA's role as a development partner. MIGA considers integrity and reputational risk in its clients and projects, subscribing to the World Bank Group's Anti-Corruption Guidelines, which identify fraud, corruption, collusion, coercion, and obstruction as major impediments to development and are considered sanctionable practices.

MIGA's integrity team conducts due diligence as part of business development and underwriting and monitors projects in the portfolio for potential emerging integrity or reputational risk flags. In this work, MIGA uses on-site evaluations; market soundings; experience with the client; World Bank and IFC local knowledge; and desktop resources, including proprietary databases. In FY22, MIGA continued to share integrity best practices through collaboration with other World Bank Group members and development partners as well as through participation in various integrity-focused forums.

MIGA Climate-Related Financial Disclosure



In June 2021, the World Bank Group Climate Change Action Plan 2021–2025 was adopted. As part of MIGA's efforts under the Action Plan, MIGA has adopted the disclosure recommendations of the international Financial Stability Board's Task Force on Climate-Related Financial Disclosures.

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

Gender Initiatives



MIGA continues to deliver on its commitment to advancing gender equality through its first Gender Strategy Implementation Plan FY21–23 (GSIP), launched in FY21. The GSIP identifies opportunities for increased gender actions aligned with three strategic pillars: corporate, client engagement, and partnerships.

Under the corporate pillar, MIGA has focused on building staff gender knowledge and skills. This year, the Agency rolled out a training program to enhance the capacity and knowledge of MIGA staff on gender-based violence (GBV), gender in private sector operations, and gender and climate change. MIGA continued to work on increasing gender parity and equality as part of its diversity, equity, and inclusion (DE&I) efforts. This year, all staff were invited to participate in small group discussions on DE&I, offering a platform for transparent and open discussion. MIGA, as part of the World Bank Group, achieved Gender EDGE Level 2 Certification.[3]

Under the client engagement pillar, MIGA further intensified its efforts to engage its clients on gender—specifically on identifying, managing, and monitoring GBV risks—by implementing new toolkits on GBV risk management processes and guidance. In addition, to support the World Bank Group's twin goals, MIGA implemented the Gender Flag approach to identify opportunities to narrow gender gaps on projects.[4] Gender Flag highlights include the following:

- In June 2021, MIGA signed its first Gender Flag project with a financial sector client in Chile. The client committed to lending a portion of its MIGA-enabled capital to WSMEs.
- In June 2022, a client in Argentina committed to a significant year-on-year increase in its lending to WSMEs.
- Also in June, a client in Paraguay committed to developing a new product or service targeting the women's segment and to establishing a corporate training program on gender.

Under the partnerships pillar, MIGA strengthened its close collaboration with IFC and the World Bank, benefiting from their expertise and leveraging lessons learned and best practices. MIGA actively participated in gender initiatives such as the IFC's "Gender-Smart Investing: Private Sector Approaches to Advance Gender Equality" event under the World Bank Group's yearlong Accelerate Equality initiative.[5] In addition, MIGA deepened its partnership with the 2X Collaborative, a global industry body that convenes the entire spectrum of investors to promote gender-focused investments.

3 EDGE Certification is a standardized methodology and global certification system for assessing and tracking progress in closing the corporate gender gap.
4 The Gender Flag is the assessment methodology, developed by IFC, to identify projects with gender-related commitments that MIGA has adopted.

5 The Accelerate Equality initiative explores the important progress made and lessons learned over the past 10 years in closing gender gaps and promoting girls' and women's empowerment as well as drives for transformative change in the future.



Gender Leadership Award

MIGA's Gender Leadership Award (GLA), now in its seventh year, recognizes senior managers with a proven track record of furthering the cause of women's advancement and gender equality in business while contributing to the World Bank Group's twin goals of reducing poverty and boosting shared prosperity.

This year's GLA recognized Lucy Heintz, partner and head of energy infrastructure at Actis, for her commitment to further gender equality in the workplace. She co-established and currently chairs Actis's Inclusion and Diversity Committee, which focuses on enhancing the global investment firm's approach and policies. Under her leadership, the company has launched initiatives including creation of female networks, open-door policies, unconscious bias awareness, and inclusive leadership training to promote gender equality and diversity. In addition, she has implemented projects to collect data to establish a baseline on diversity metrics, identifying best practices and showcasing success stories of diverse people from Actis portfolio companies across the world. Furthermore, she initiated an innovative mentoring program for talented women from companies within Actis's African portfolio.



National Bank of Canada's Gender Actions to Support Women-Owned SMEs

In January 2022, MIGA signed a guarantee with the National Bank of Canada (BNC), covering the risk of expropriation of funds related to the mandatory reserves of BNC's subsidiary, ABA, held at the Central Bank of Cambodia. This was one of the agency's first Gender Flag projects and the first in an IDA country. ABA intends to use the MIGA-enabled capacity in support of new lending, of which 75 percent targets WSMEs.

Governance

MIGA's Board

A Council of Governors and a Board of Directors, representing 182 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. MIGA's Board resides in the World Bank Group headquarters in Washington, DC, and meets regularly to 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

Oversight and Accountability

Compliance Advisor Ombudsman

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for MIGA and IFC. The CAO responds to complaints from people affected by MIGA- and IFC-supported business activities, with the goals of enhancing E&S outcomes on the ground and fostering greater public accountability of both institutions.

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

Group Internal Audit

Group Internal Audit (GIA) provides independent, objective, insightful risk-based assurance and advice to protect and enhance the value of the World Bank Group. GIA gives management and the Board reasonable assurance that processes for managing and controlling risks—as well as their overall governance—are adequately designed and functioning effectively. GIA reports to the President and is under the oversight of the Audit Committee.

Visit the GIA website for more information:
http://www.worldbank.org/internalaudit

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 the IEG website for more information:
http://ieg.worldbankgroup.org/

Integrity Vice Presidency

The Integrity Vice Presidency (INT) is an independent unit within the World Bank Group that investigates and pursues sanctions related to allegations of fraud, corruption, collusion, coercion, and obstruction in WBG-financed projects, as well as fraud and corruption by WBG staff and vendors. In addition, through its Integrity Compliance Office, INT engages with parties toward meeting their conditions for release from sanction. INT shares its investigative insights across the institution to help mitigate fraud and corruption risk in projects, playing a fundamental role in supporting the WBG's fiduciary responsibility for the development resources it manages.

Visit the INT website for more information:
www.worldbank.org/integrity

To report suspected fraud, corruption, or other sanctionable practices in WBG-financed projects, visit
www.worldbank.org/fraudandcorruption

MIGA Financial Highlights

Financial Results

By fiscal year ($, millions)	2022	2021	2020	2019	2018
Gross premium income	**$229.4**	$239.3	$232.3	$237.9	$210.1
Net premium income[a]	**$116.3**	$121.3	$117.1	$115.1	$104.1
Administrative expenses[b]	**$65.0**	$58.7	$61.1	$57.8	$51.6
Operating income[c]	**$51.2**	$62.6	$56.0	$57.3	$52.5
Net income	**$27.6**	$81.5	$57.2	$82.4	$40.9
Administrative expenses to net premium income ratio	**56%**	48%	52%	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 post-retirement benefit plans.
c. Operating income equals net premium income minus administrative expenses, including pension costs.

Capital Measures

By fiscal year ($, millions)	2022	2021	2020	2019	2018
Total economic capital[a]	**759**	768	756	717	685
Shareholders' equity	**1,539**	1,474	1,335	1,320	1,261
Operating capital[b]	**1,777**	1,724	1,591	1,542	1,471
Total economic capital/operating capital (%)	**43%**	45%	48%	47%	47%

a. Amount of capital utilized in support of the guarantee portfolio as well as the investment portfolio and operational risk.
b. Comprised of paid-in capital, retained earnings/accumulated other comprehensive loss and Insurance portfolio reserve, net.

Noteworthy in FY22



DECEMBER 2021

Driving Foreign Direct Investment to Africa—Global Virtual Event

FDI in Africa, already ebbing before the COVID-19 struck, tumbled during the pandemic as investors became more cautious. On December 9, MIGA hosted a virtual event that included MIGA staff and FDI experts from other agencies and governments to collaborate on ways to broaden efforts to turn the tide and unlock FDI in emerging markets. Speakers and panelists included David R. Malpass, President, World Bank Group; Amadou Hott, Minister of Economy, Planning and Cooperation, Senegal; Cheryl Buss, CEO, Absa International; David Damiba, Managing Partner and Chief Investment Officer, Kasada Capital Management; Hiroshi Matano, Executive Vice President, MIGA; Ethiopis Tafara, Vice President and Chief Risk, Legal and Administrative Officer, MIGA; Indermit Gill, Vice President, Equitable Growth, Finance, and Institutions Global Practice, World Bank; James Zhan, Senior Director of Investment and Enterprise, United Nations Conference on Trade and Development (UNCTAD); Nkem Onwuamaegbu, Acting Regional Head, Africa, MIGA; and business journalist Esther Awoniyi, Master of Ceremonies.
https://live.worldbank.org/driving-foreign-direct-investment-to-africa



MARCH 2022

Seventh Annual MIGA Gender Leadership Award: Clean Energy for All

MIGA hosted its seventh Annual Gender Leadership Award, titled "Clean Energy for All," on March 8 to coincide with International Women's Day. The award was presented to Lucy Heintz, Partner and Head of Energy Infrastructure at Actis. Speakers included David R. Malpass, President, World Bank Group; Rania Al-Mashat, Minister of International Cooperation, Arab Republic of Egypt; Hiroshi Matano, Executive Vice President, MIGA; Lucy Heintz, Partner, Head of Energy Infrastructure, Actis; Ousmane Diagana, Vice President, Western and Central Africa, World Bank; Emmanuel Nyirinkindi, Vice President, Cross-Cutting Solutions, IFC; and Hana Brixi, Global Director, Gender, World Bank.
https://live.worldbank.org/events/miga-gender-leadership-award-2022_



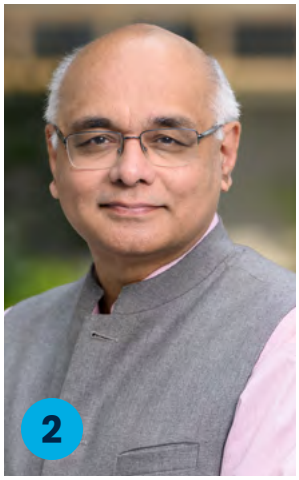
MARCH 2022

MIGA FDI Roundtable Dialogue in Togo

In West Africa, development projects are often financed by government and led by public sector experts, but public money is in short supply because the pandemic has strained state coffers. In a collaboration with the government of Togo, MIGA hosted a two-day event that included key stakeholders from the private sector and government representatives to hold candid discussions about optimizing investment conditions to draw more FDI into the region. Participants included MIGA Vice President Ethiopis Tafara; Ministers from Gabon and Togo; directors and senior advisers from Côte d'Ivoire, Guinea, and Senegal; and private sector participants from Axian, Bechtel Africa, Engie, Infinity Power, Meridiam, Mota-Engil, Qair, Sonatel, Themis, VINCI Highways, and Africa50.
https://www.miga.org/video/miga-fdi-roundtable-dialogue-togo

Who We Are

















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3. **Ethiopis Tafara** — Vice President and Chief Risk, Legal and Administrative Officer
4. **Sarvesh Suri** — Director, Climate, Energy, Extractives, Capital and Financial Markets Operations
5. **Muhamet Fall** — Director, Infrastructure, Manufacturing, Agriculture, Services (MAS) and Trade Operations
6. **Aradhana Kumar-Capoor** — Director and General Counsel
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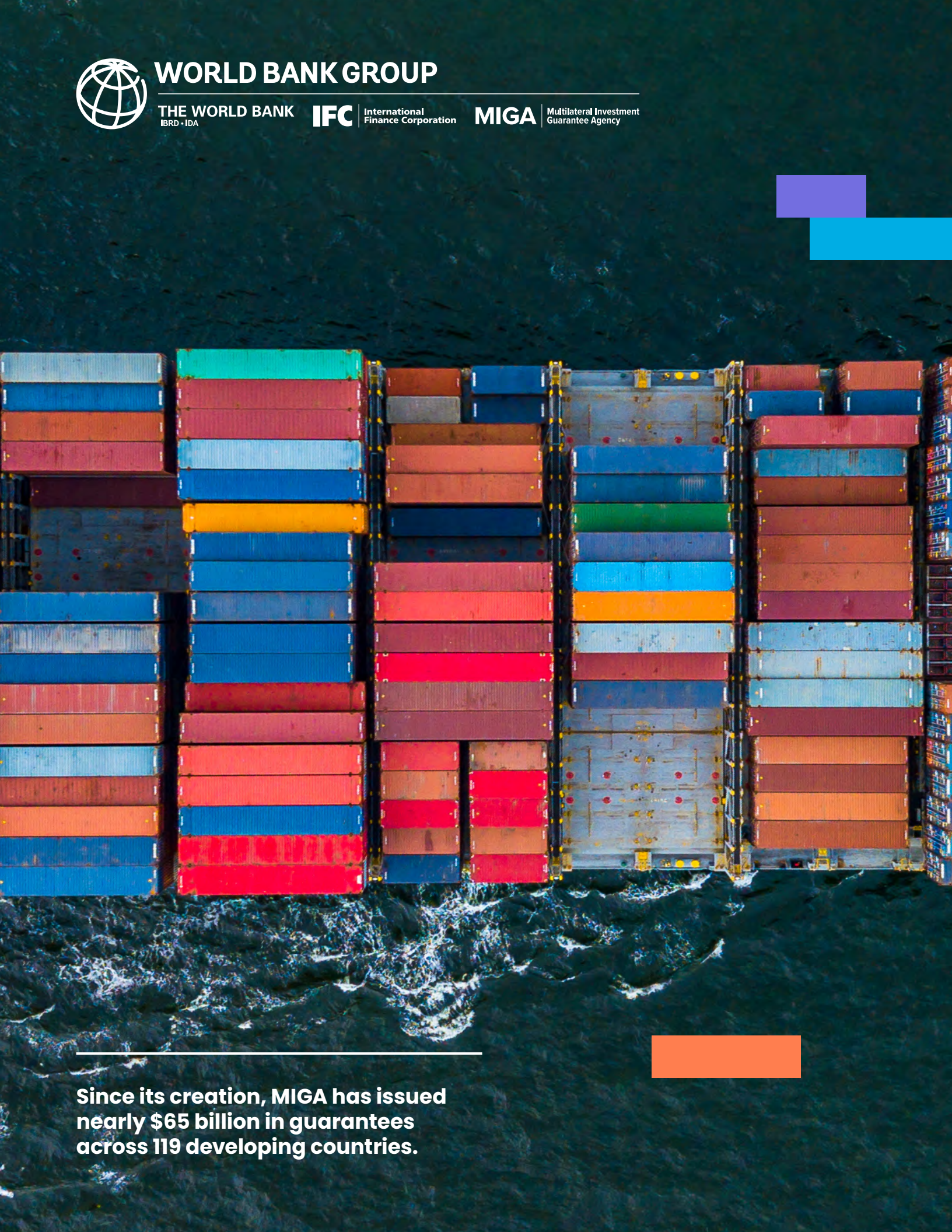
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