

# 2018 Annual Report



**MIGA**

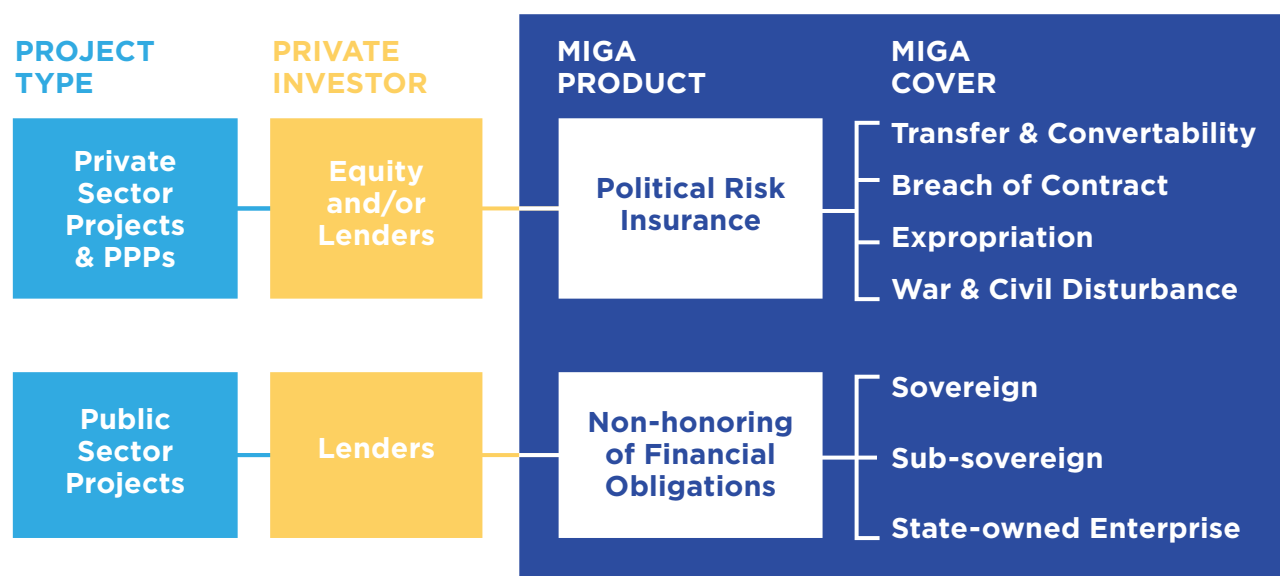
Multilateral Investment  
Guarantee Agency  
WORLD BANK GROUP

# MIGA'S MISSION

**End extreme poverty & boost shared prosperity** by promoting foreign direct investment into developing countries

## MIGA PRODUCTS

MIGA provides political risk insurance and credit enhancement for cross-border private sector investors and lenders, in support of projects in developing member economies across the world.



Learn more at [www.miga.org](http://www.miga.org)

# 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.

## \$66.9 BILLION

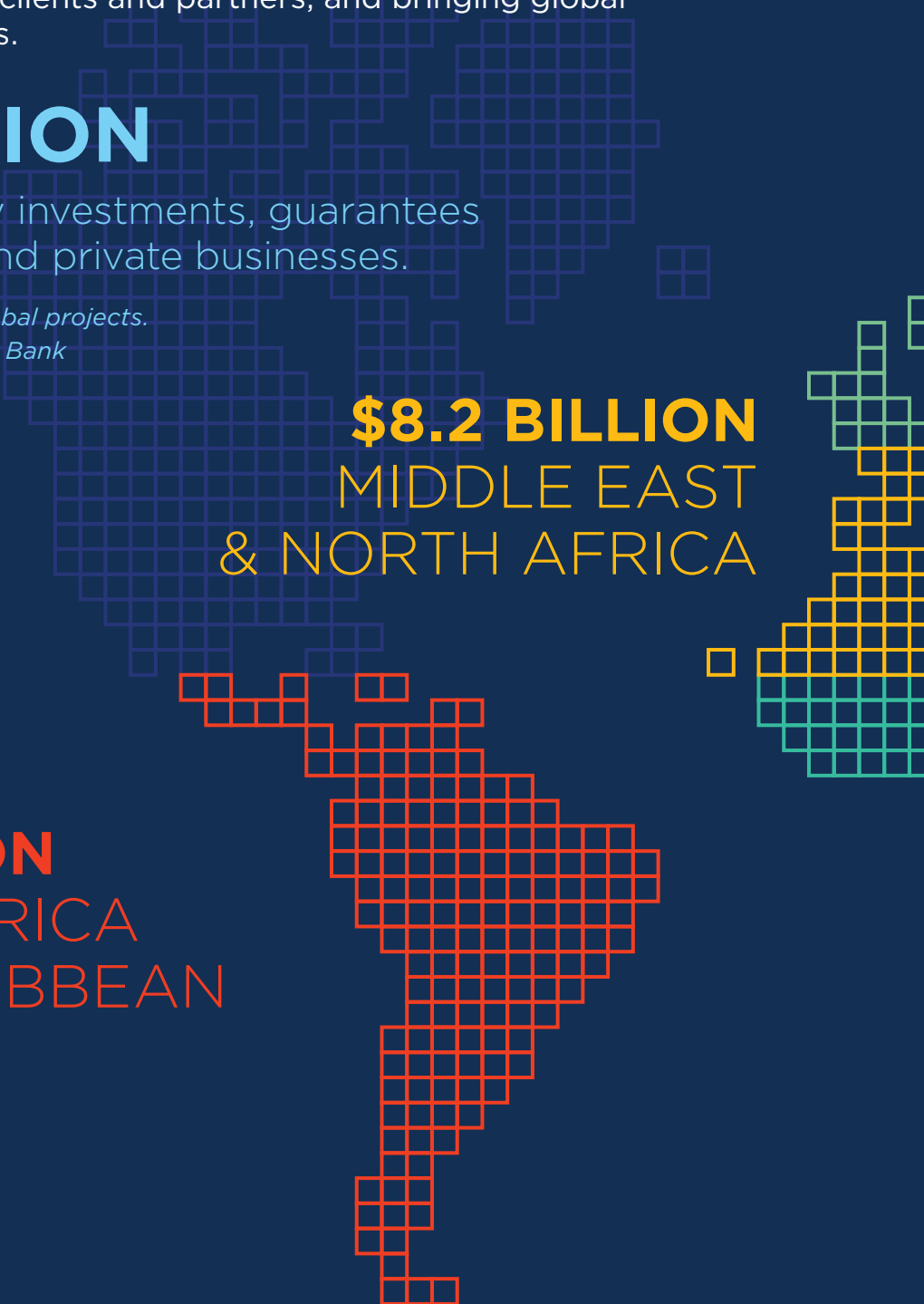
in loans, grants, equity investments, guarantees to partner countries and private businesses.

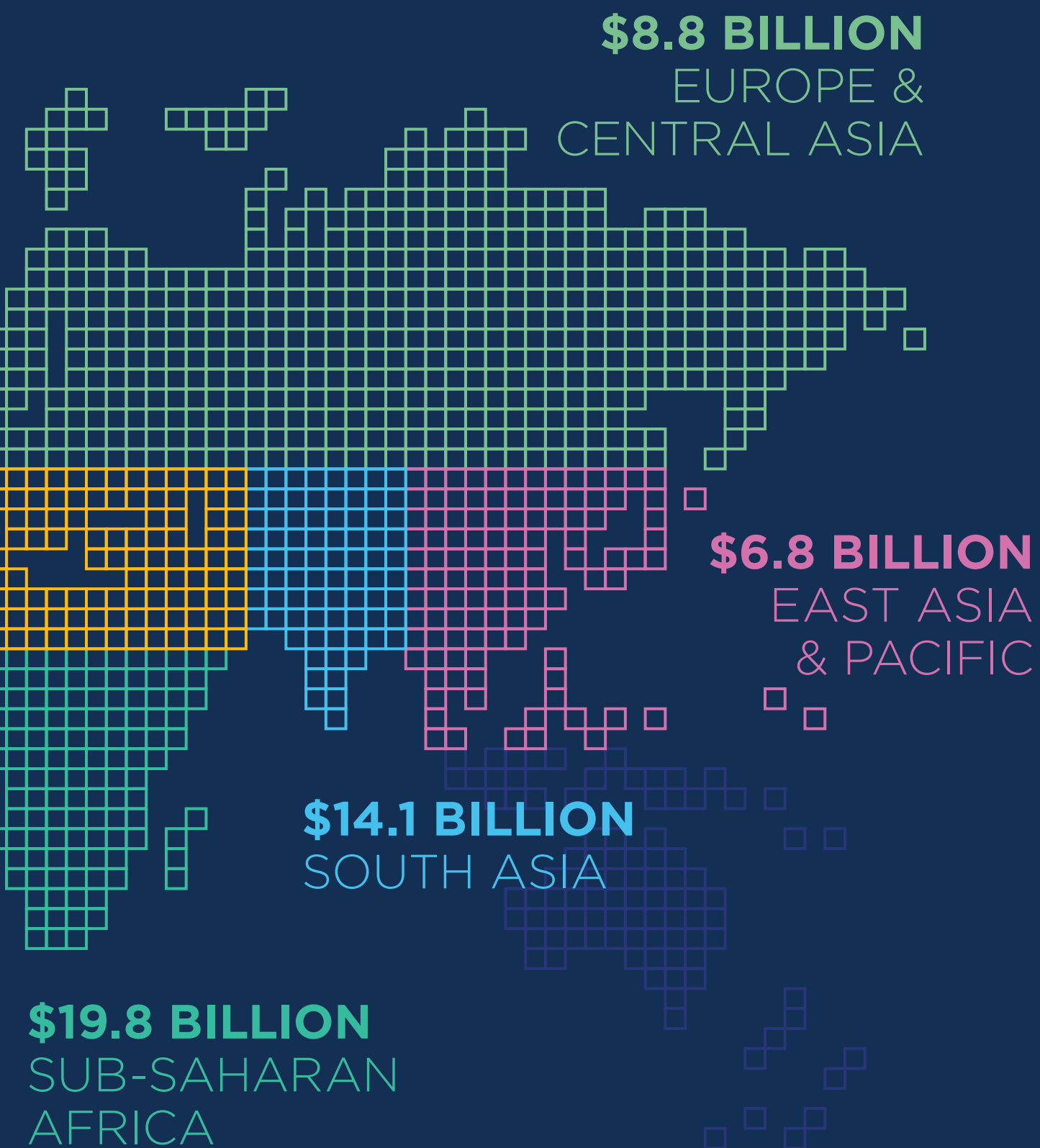
*Total includes multiregional and global projects.*

*Regional breakdowns reflect World Bank country classifications.*

**\$8.2 BILLION**  
MIDDLE EAST  
& NORTH AFRICA

**\$8.7 BILLION**  
LATIN AMERICA  
& THE CARIBBEAN







A MESSAGE FROM

# THE PRESIDENT

It's not an exaggeration to say that today's challenges can seem overwhelming. In our work around the world, we're facing overlapping crises such as climate change, conflict, pandemics, natural disasters, and forced displacement. We must simultaneously help our client countries address immediate crises, build resilience against challenges on the horizon, and make enduring investments to prepare for an uncertain future.

But even in difficult times, I have never been more optimistic that we can achieve our twin goals: to end extreme poverty by 2030, and to boost shared prosperity among the poorest 40 percent around the world. Across the World Bank Group, we are harnessing new technologies and developing financial innovations to drive progress on the three parts of our strategy to get there: accelerate inclusive, sustainable economic growth; build resilience to shocks and threats; and help our client countries invest in their people.

First, to accelerate inclusive, sustainable economic growth, we need a new vision for financing development—one that helps make the global market system work for everyone and the planet. In a world where achieving the Global Goals will cost trillions every year, but official development assistance is stagnant in the billions, we cannot end poverty without a fundamentally different approach.

With the adoption of the Hamburg Principles in July 2017, the G-20 endorsed an approach that we call the Cascade, which will lead to our goal of Maximizing Finance for Development. The World Bank, IFC, and MIGA are working more closely together to create markets and bring private sector solutions in sectors such as infrastructure, agriculture, telecommunications, renewable energy, and affordable housing. [\(Read more on page 16.\)](#)

Second, to build resilience to shocks and threats—even as we continue developing climate-smart infrastructure and improving response systems—we need innovative financial tools to help poor countries do what wealthy ones have long done: share the risks of crises with global capital markets. This spring, we saw the first impact of the Pandemic Emergency Financing Facility (PEF) with a rapid grant to support the Ebola response surge in the Democratic Republic of Congo. With this facility—and a similar one we are developing to improve responses to and prevent famine—we are finding new ways to help the poorest countries share risks with financial markets, helping break the cycle of panic and neglect that often occurs with crises.

But resilience must start with the existential threat of climate change. When we returned to Paris in December 2017 to celebrate the two-year anniversary of the Paris Climate Agreement, we put more than a dozen deals on the table to finance significant climate action such as preventing coastal erosion in West Africa and scaling up renewable energy worldwide. It was critical to lead by example, and we announced that after 2019, we will no longer finance upstream oil and gas while helping countries find sustainable ways to achieve their development goals.

Third, to prepare for a future where innovations will only accelerate, we must find new ways to help countries invest more – and more effectively – in their people. The jobs of the future will require specific, complex skills, and human capital will become an increasingly valuable resource. With the Human Capital Project, which we launched this year, we are developing a rigorous and detailed measure of human capital in each country.

At the Annual Meetings in Indonesia in October 2018, we will unveil the Human Capital Index, which will rank countries according to how well they are investing in the human capital of the next generation. The ranking will put the issue squarely in front of heads of

“ **We need a new vision for financing development—one that helps make the global market system work for everyone and the planet.** ”

state and finance ministers so they can accelerate investments in their people and prepare for the economy of the future.

Around the world, demand continues to rise for financing, expertise, and innovation. The needs are great—but the costs of failure are simply too high. Our shareholders are helping us meet that challenge with their approval of a historic \$13 billion capital increase, which will strengthen the World Bank Group’s ability to reduce poverty, address the most critical challenges of our time, and help our client countries – and their people – reach their highest aspirations.

This year, the World Bank Group committed nearly \$67 billion in financing, investments, and guarantees.

The International Bank for Reconstruction and Development (IBRD) continues to see strong demand from clients for its services, with commitments rising to \$23 billion in fiscal 2018. Meanwhile, the International Development Association (IDA) provided \$24 billion to help the poorest countries—the largest year of IDA commitments on record.

This year, we leveraged IDA's strong capital base and launched the inaugural IDA bond. Investor demand for the \$1.5 billion bond reached more than \$4 billion. By combining IDA's traditional donor funding with funds raised in the capital markets, this financial innovation will expand IDA's ability to support the world's poorest countries, including efforts to prevent conflict.

The International Finance Corporation (IFC) provided more than \$23 billion in financing for private sector development this past year, including \$11.7 billion mobilized from investment partners. Of this, nearly \$6.8 billion went to IDA countries, and more than \$3.7 billion was invested in areas affected by fragility, conflict, and violence.

Marking its 30th year of operation, the Multilateral Investment Guarantee Agency (MIGA) has become the third leading institution among the MDBs in terms of mobilizing direct private capital to low- and middle-income countries. This year, MIGA issued a record \$5.3 billion in political risk insurance and credit enhancement guarantees, helping finance \$17.9 billion worth of projects in developing countries. New issuances and gross outstanding exposure—at \$21.2 billion this year—almost doubled as compared to fiscal 2013.

We know that the 2018 World Bank Group capital increase was a strong vote of confidence in our staff, who work tirelessly to end poverty around the globe. I am inspired every day by their dedication and their ability to deliver on our ambitious commitments to meet the aspirations of the people we serve.

But we also know that the capital increase represents an enormous challenge to operate more efficiently and effectively, to drive innovation, and to accelerate progress towards a world that is finally free of poverty. In the year ahead, we will step up once again to meet that challenge every day.

Jim Yong Kim

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





# MIGA BOARD OF DIRECTORS



Over the fiscal year 2018 the Board was actively involved in the discussion with management on implementation of the Forward Look Vision for the World Bank Group (WBG). An integral part of this discussion included a proposed capital package that would allow the WBG to more effectively deliver development results in a financially sustainable manner. The transformative financial and policy package is the largest injection of capital to the World Bank and IFC to date, and represents a major shift in approaches to address today's toughest development challenges. Together with a commitment by management to implement necessary internal reforms, the package of initiatives will help support achievement of the 2030 development agenda, the IDA18 vision, Maximizing Finance for Development, and will help the Bank Group continue to lead on global public goods and scale up its support in fragile and conflict-affected situations. The Board has also provided guidance and direction on initiatives that

Image (above):

Standing (Left to Right):

Werner Gruber, Switzerland; Frank Heemskerk, The Netherlands; Turki Almutairi, Saudi Arabia (Alternate); Andrei Lushin, Russian Federation; Yingming Yang, China; Jean-Claude Tchatchouang, Cameroon (Alternate); Hervé de Villeroché, France; Otaviano Canuto, Brazil; Kazuhiko Koguchi, Japan; Andin Hadiyanto, Indonesia; Erik Bethel, United States (Alternate); Fernando Jimenez Latorre, Spain; Omar Bougara, Algeria; Aparna Subramani, India

**The Board provided guidance and direction on widened use of reinsurance in the MIGA2020 #impact@scale FY18-20 strategy**

enable the Bank Group to continue to improve its business model, including through simpler and more agile processes; strengthened strategic frameworks and an expansion of MIGA's overall capacity through widened use of reinsurance in its MIGA2020 #impact@scale FY18-20 strategy; efficiency measures in compensation and other expenses; and frameworks and mechanisms to ensure financial sustainability.

Seated (Left to Right):

Melanie Robinson, United Kingdom; Christine Hogan, Canada; Máximo Torero, Peru; Jason Allford, Australia; Bongzi Kunene, South Africa; Merza Hasan, Kuwait (Dean); Franciscus Godts, Belgium; Patrizio Pagano, Italy; Juergen Zattler, Germany; Susan Ulbaek, Denmark; Andrew N. Bvumbe, Zimbabwe



## WORLD BANK GROUP FINANCING FOR

# PARTNER COUNTRIES

By fiscal year, millions	2014	2015	2016	2017	2018
<b>WORLD BANK GROUP</b>					
Commitments <sup>a</sup>	58,190	59,776	64,185	61,783	66,868
Disbursements <sup>b</sup>	44,398	44,582	49,039	43,853	45,724
<b>IBRD</b>					
Commitments	18,604	23,528	29,729	22,611	23,002
Disbursements	18,761	19,012	22,532	17,861	17,389
<b>IDA</b>					
Commitments	22,239	18,966	16,171	19,513 <sup>c</sup>	24,010 <sup>d</sup>
Disbursements	13,432	12,905	13,191	12,718 <sup>c</sup>	14,383
<b>IFC</b>					
Commitments <sup>e</sup>	9,967	10,539	11,117	11,854	11,629
Disbursements	8,904	9,264	9,953	10,355	11,149
<b>MIGA</b>					
Gross Issuance	3,155	2,828	4,258	4,842	5,251
<b>Recipient-Executed Trust Fund</b>					
Commitments	4,225	3,914	2,910	2,962	2,976
Disbursements	3,301	3,401	3,363	2,919	2,803

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 WBG commitments differ from the amount reported in the WBG 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 to 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. Long-term commitments for IFC's own account. Does not include short-term finance or funds mobilized from other investors.

# THE WORLD BANK

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

## IBRD

**International Bank for  
Reconstruction and  
Development**

Lends to governments of middle-income and creditworthy low-income countries.

## IDA

**International Development  
Association**

Provides interest-free loans and grants to governments of the poorest countries.

## MIGA

**Multilateral Investment  
Guarantee Agency**

Provides political risk insurance and credit enhancement to investors and lenders to facilitate foreign direct investment to emerging economies.

## IFC

**International Finance  
Corporation**

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

## ICSID

**International Centre for  
Settlement of Investment  
Disputes**

Provides international facilities for the conciliation and arbitration of investment disputes.



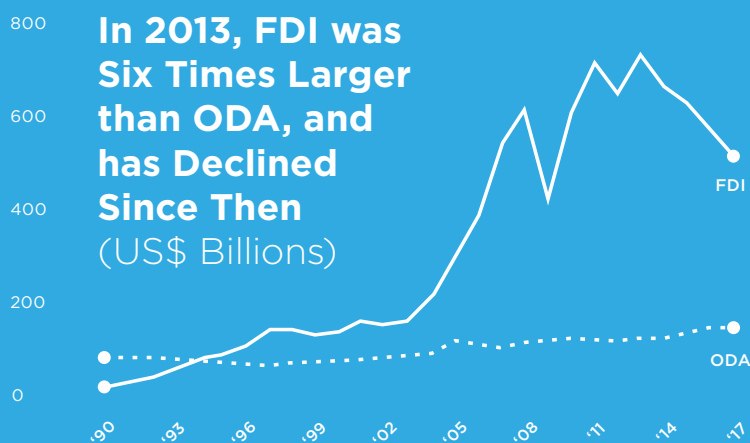
A MESSAGE FROM

# KEIKO HONDA

Executive Vice President and  
Chief Executive Officer

MIGA celebrated its thirty-year anniversary in fiscal year 2018. We were founded in 1988 for the express purpose of increasing FDI to developing countries, and in 1994 for the first time, FDI inflows into Low- and Middle-income countries surpassed Official Development Assistance (ODA). However, after peaking in 2013 (at six times ODA), FDI inflows have been declining. The ongoing tightening of global financial conditions, the escalation of trade

tensions, the volatility of commodity prices, and the rise in the number of conflicts around the globe poses increasing risks to foreign investors. Given these developments and MIGA's goal of mobilizing private investment for development, MIGA's role of supporting investment and job creation is more critical than ever.



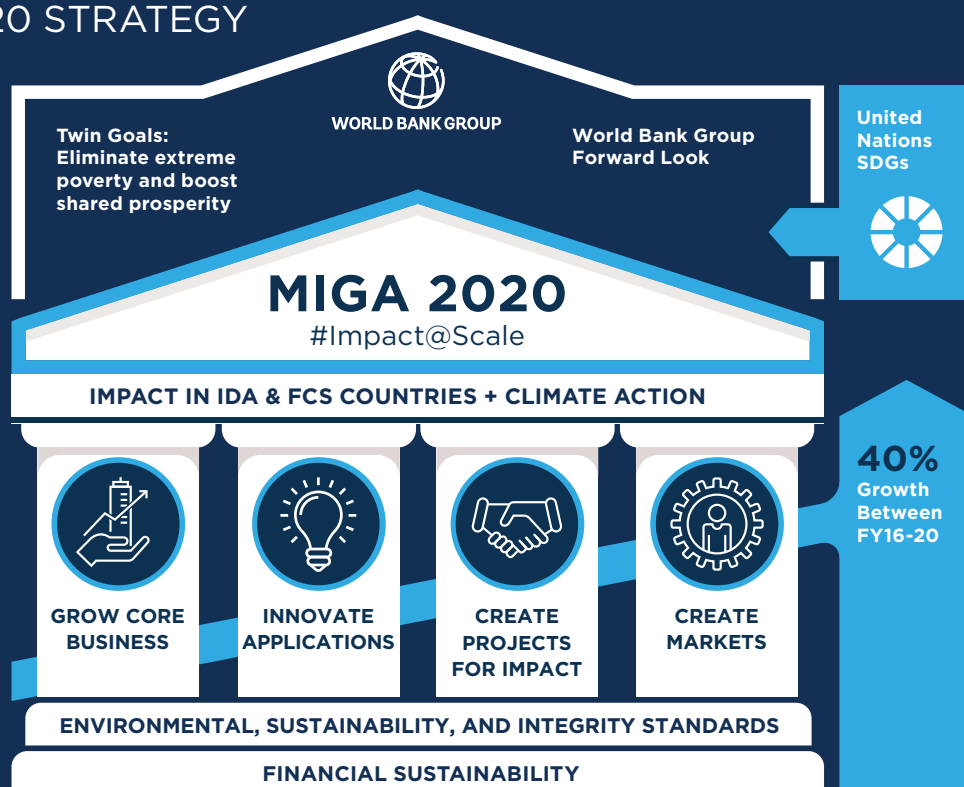
Source: OECD, World Development Indicators

8 million people, provide new telecommunications services for 1.4 million people, generate \$1.4 billion in taxes and fees annually for host governments, and avoid an estimated 3 million tons of CO2 emissions.

The \$5.3 billion we issued, which helped finance projects worth \$17.9 billion in developing countries, is a new record. Our new issuances, along with a gross outstanding exposure of \$21.2 billion, nearly doubled as compared to FY13. MIGA also placed third among MDBs in calendar year 2017 for direct private capital mobilization to low and middle-income countries. This will yield real results on the ground.

Significantly, we made important progress in priority areas that are the cornerstone of our three-year '**MIGA2020 #impact@scale**' strategy.

## MIGA 2020 STRATEGY



For the first time, nearly 60 percent of the projects we issued guarantees for supported climate change mitigation and adaptation activities. Among the projects we supported is the Benban Solar Park in Egypt, which will be the world's largest solar installation once construction is complete.

FY18 also marked the first time we began using the IDA Private Sector Window, which aims to help draw private investment to the most challenging situations in the world. Using this facility and our own resources, we covered an equity investment in a mobile telephone operator in Sierra Leone, backed a project in Myanmar that will install and maintain 4,000km of fiber optic cable across the country, and provided political risk insurance for a new raisin processing plant in Afghanistan that will modernize raisin production, and help improve the lives of local farmers. This could not be done without the support of IDA donors.

FY18 was important also for building on our longstanding relationships with reinsurers to help manage our portfolio concentration and free up capital for additional issuances. We have increased reinsurance from primarily private sector reinsurers by more than \$8 billion over the last three years.

Our support for women leadership in development and finance was further strengthened. We recognized Julie Monaco, Global Head of the Public Sector at Citigroup as recipient of the Agency's third Annual Gender CEO Award. MIGA also hosted a reception in Madrid to

“

# Our new guarantees will help provide access to power for some 8 million people.

”

recognize the achievements of Spain's top women leaders. We are making good progress on the Diversity & Inclusion front, and need to keep doing more.

From an internal perspective, I am very pleased that Vijay Iyer assumed his role this year as Vice President and Chief Operating Officer for MIGA.

I am proud of where MIGA stands at this juncture, and I thank our partners and clients for supporting our contributions to ending extreme poverty and boosting shared prosperity. Here's to many more exciting years ahead.

Keiko Honda

Executive Vice President and Chief  
Executive Officer, Multilateral  
Investment Guarantee Agency

## DEVELOPMENT RESULTS

Projects MIGA supported between FY14- FY18 are expected to advance the Sustainable Development Goals in powerful ways

### POWER

46.2 million people with access



### HEALTHCARE ACCESS

21.5 million patient consultations per year



## SDGs: FY14-FY18

### GREENHOUSE GAS REDUCTION

4.2 million metric tCO2e prevented



### TELECOM

9.7 million new subscribers



### TAX REVENUE

\$3.1 billion in local taxes and fees per year

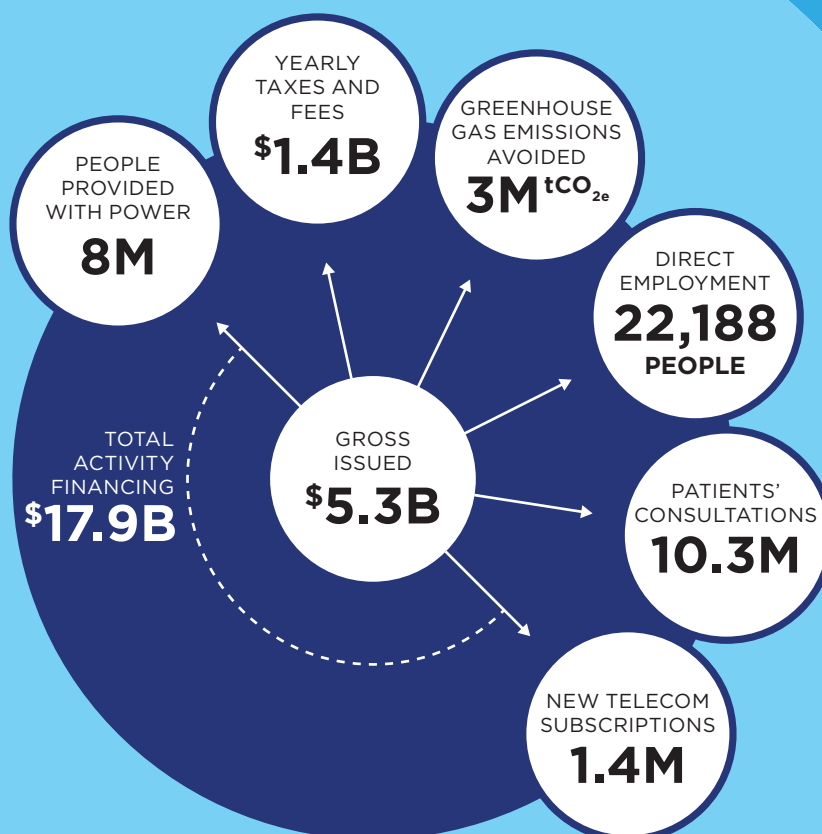


# DEVELOPMENT RESULTS EXPECTED FROM GUARANTEES SIGNED IN 2018

MIGA's ambition is to support economic growth, reduce poverty, and improve people's lives by mobilizing cross-border private capital into developing countries. To monitor if the projects the Agency supports are indeed leading to these outcomes, MIGA has put in place a development outcome results system known as the Development Effectiveness Indicator System (DEIS).

MIGA's \$5.3 billion issuance in fiscal year 2018 is expected to support total project financing of \$17.9 billion in public and private co-investment. Some 65.5 million people will be reached through infrastructure services (new or improved electricity, air and public transport passengers, and new subscribers to telecommunications services) supported by MIGA.

Below are the highlights of the expected development results.



# HIGHLIGHTED PROJECTS

MIGA is committed to strong development impact through promoting projects that are economically, environmentally and socially sustainable. Since its inception in 1988, MIGA has issued more than \$50 billion in guarantees, in support of over 845 projects in 111 of its member countries. The Agency has also supported multiple programs at regional and global levels in member countries.

### SIERRA LEONE

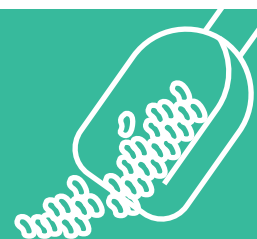
## Mobile Telecom Services



MIGA provided guarantees to cover Sonatel's equity investment in local mobile operator Orange Sierra Leone. MIGA guarantees provide coverage for 90 percent of the investment, amounting to some EUR 84m, for up to 15 years. Importantly, the First Loss facility from the newly-launched IDA18 IFC-MIGA Private Sector Window was utilized to support this investment in this former war-torn country. Although over 73 percent of Sierra Leone's population is connected to mobile services, the sector is plagued with poor infrastructure and chronic under investment. MIGA's support was pivotal in ensuring the investors' foray into this risky but promising market. The project is expected to have significant development impact, including improvements in quality of service, reductions in costs to end-users, increased revenues for the government, direct and indirect employment creation, and a demonstration of new opportunities for other investors.

### AFGHANISTAN

## Raisin Production



Alongside \$3 million in financing from IFC, MIGA provided political risk insurance coverage of up to US\$5.2 million for a new raisin processing plant in Afghanistan, to help develop the country's raisin market and boost its agribusiness sector. The IFC-MIGA package will help the Rikweda Fruit Process Company develop a state-of-the-art raisin processing plant in Istalif. The aim is to double production levels and improve the quality of processed raisins with modern technology and food safety practices, boosting exports and improving the lives of local farmers. MIGA's ten-year coverage was provided against the risk of war and civil disturbance, and was critical for ensuring business continuity and increasing the bankability of the project in a highly volatile operating environment like Afghanistan's. The First Loss facility from the newly-launched IDA18 IFC-MIGA Private Sector Window was utilized to support this investment in the project.



## MYANMAR

# Fiber Optic Communications

Contributing to a nationwide program to lay fiber optic cable across Myanmar, MIGA backed a project that will install and maintain 4,000km of cable – most of it in rural areas. MIGA provided \$114.7 million coverage for a loan from ICBC (Asia) to Myanmar Fiber Optic Communication Network Co., Ltd., for a period of five years. The project is similar to an earlier project MIGA supported in 2017. For many years, Myanmar remained among the least connected countries in the world: in 2013, mobile cellular penetration rate was just 14.6 percent, fixed telephone lines were at 1.1 percent, and broadband internet was almost nonexistent at 0.2 percent. However, by 2017, Myanmar's mobile cellular penetration rate reached 95 percent, leading to a dramatic reduction in costs. The sector is poised to grow substantially, owing to the presence of a large unserved rural market and low-income consumers in urban areas. The First Loss facility from the newly-launched IDA18 IFC-MIGA Private Sector Window was also utilized to support this investment in this former war-torn country. The project is expected to benefit Myanmar significantly by reducing costs for consumers, offering more services through better infrastructure, and generating revenue for government.

## SENEGAL

# Wind Power Generation



MIGA provided guarantees of \$149.1 million in support of the construction, operation and maintenance of a wind farm in Senegal. When completed, it will be the largest wind farm in West Africa, generating 158 MW, and providing about 300,000 households with electricity. At present, the power supply in Senegal is low, and electrification is estimated at 57 percent, with only about 27 percent of the rural population having access. Moreover, the country is highly dependent on imported oil, with thermal power accounting for approximately 90 percent of electricity distributed within the country. This project will help diversify the country's energy mix away from fuel while providing additional, cost effective, clean energy generation capacity. Importantly, while recent oil and gas discoveries have been made in Senegal, they are not expected to come online as a source of energy until 2025. In contrast, wind farms can be deployed relatively quickly while grid capacity is being built for future energy sources.



## MAXIMIZING FINANCE FOR DEVELOPMENT

# A Unique Strategy Helping Egypt to Overcome Power Distress

Four years ago, the Arab Republic of Egypt faced a serious power crisis. Hours-long power cuts affected businesses and the quality of life, while demand for electricity exceeded supply by 20 percent. With scarce public funds needed elsewhere, Egypt needed an alternative way to find the resources needed to solve its power problems. That's where the World Bank Group's emphasis on Maximizing Finance for Development (MFD) came in.

The MFD approach is a continuation of the World Bank Group's efforts to mobilize resources beyond official development assistance to meet countries' development needs. It leverages capabilities across the Bank Group institutions to come up with innovative solutions that will help achieve the Bank Group's twin goals. More importantly, MFD envisages a key role for the private sector—both as financier and a source of knowledge.

In 2014, the Egyptian government began working with the World Bank Group to address its energy problems, bringing together local and global experts to develop a national strategy that prioritized energy sustainability and private sector investment. This clear articulation of policy helped attract over \$30 billion of private investment by March 2015 into Egypt's oil and gas production and in liquefied natural gas. In December 2015, IBRD approved the first of three programmatic loans to deliver the technical and financial support to achieve Egypt's energy sector reform goals, committing more than \$3 billion over 2015–17.

A key part of the reform program was to leverage Egypt's abundant supply of sunshine. In 2015, IFC worked with the government to develop the contracts for the Photovoltaic Solar Feed-in Tariff (FiT) Program. In 2017, IFC finalized a \$653 million debt package to finance the construction of the Benban PV Solar Park, which will be the world's largest when complete. Benban's 32 solar power plants will generate up to 752 megawatts of power, serve over 350,000 residential customers, and generate up to 6,000 jobs during construction. MIGA has received approval to provide up to \$210 million in political risk insurance for 12 projects within the solar park. Overall, the World Bank Group and other lenders will mobilize a total of \$2 billion of private investment under the FiT program to support 1,600 megawatts of power generation.

Egypt's energy sector is on the way to being transformed. Among other reforms, by 2016 the Government of Egypt halved subsidies to the sector—to 3.3 percent of GDP—while keeping electricity tariffs affordable relative to global benchmarks, with help from the World Bank Group. The energy sector has become more efficient and financially sustainable. The government has also improved the enabling environment for the private sector, freeing up more public resources for use in critical social sectors.

**For more information, visit: [www.worldbank.org/mfd](http://www.worldbank.org/mfd)**

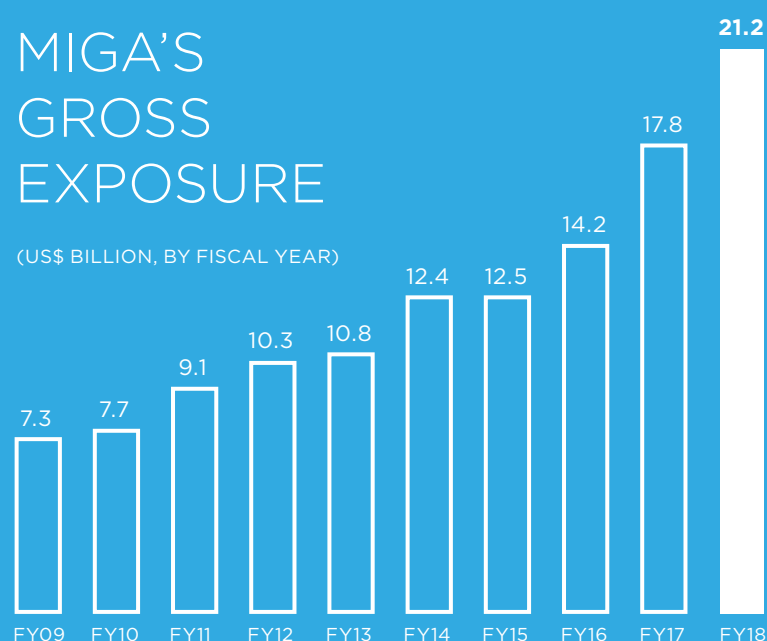
# BUSINESS & OPERATIONAL REVIEW

MIGA aims to draw cross-border investment to developing countries in support of the World Bank Group's mission of ending extreme poverty and boosting shared prosperity. In calendar year 2017, MIGA became the third leading institution among multilateral development banks to mobilize substantial additional private capital for clients and governments.

In fiscal year 2018, MIGA issued \$5.3 billion in guarantees. New issuances, along with gross outstanding exposure of \$21.2 billion, almost doubled compared with FY13. Nearly 60 percent of projects MIGA covered in FY18 supported climate mitigation and adaptation. The Agency also issued its first guarantees using IDA's Private Sector Window (PSW), a facility designed to reduce project risk, and catalyze private sector investment in low-income and conflict-affected countries.

## MIGA'S GROSS EXPOSURE

(US\$ BILLION, BY FISCAL YEAR)



## PRIVATE SECTOR WINDOW

The IDA18 IFC-MIGA Private Sector Window launched in FY18 will play a key role in enabling the next wave of innovation for MIGA. The facility aims to catalyze private sector investment in IDA-only countries, with a focus on fragile and conflict-affected states (FCS), and is based on the recognition that the private sector is central to achieving the Sustainable Development Goals (SDGs) and IDA18 objectives.

MIGA expects to use \$500 million set aside under the MIGA Guarantee Facility (MGF) of the IDA18 IFC-MIGA PSW through structures with first loss and risk participation akin to reinsurance, with the objective of expanding the coverage of MIGA's Political Risk Insurance (PRI) products. The Agency will also administer, on behalf of IDA, the Risk Mitigation

Facility (RMF), to provide project-based guarantees without sovereign indemnity to crowd-in private investment in large infrastructure projects and public private partnerships (PPP's) supported by IFC.

In FY18, MIGA used the PSW in support of three projects (see “Highlighted Projects” section), mobilizing \$824.3 million in private capital.

Learn more about the PSW here:

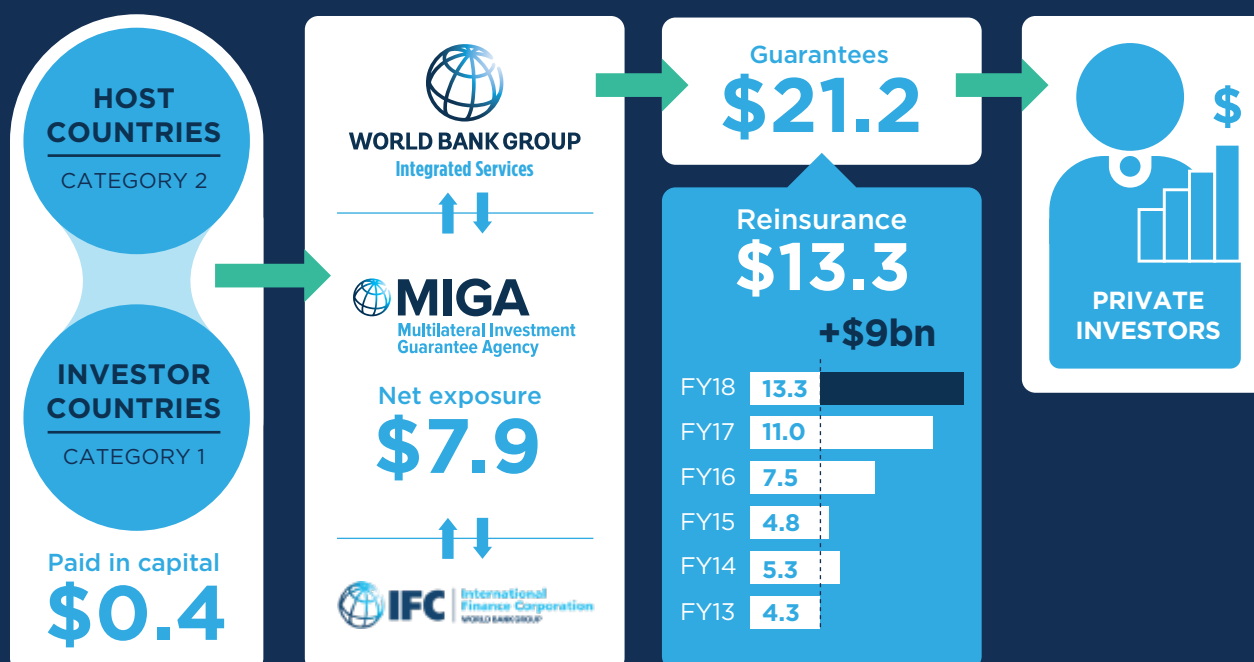
[ida.worldbank.org/financing/ida18-private-sector-window](http://ida.worldbank.org/financing/ida18-private-sector-window)

## REINSURANCE

Reinsurance plays a key role in helping MIGA use its capital efficiently, and minimizing risk concentrations. At the same time, reinsurance contributes to MIGA's revenue in the form of ceding commissions, (i.e. a percentage of the premiums ceded to reinsurers is retained by MIGA). As of June 30, 2018, \$13.3 billion (63 percent) of the gross outstanding exposure was reinsured under facultative and quota share treaty arrangements. Capital mobilized through reinsurance in FY18 rose by \$9 billion compared with FY13.

Shareholders' Equity to Gross Exposure: MIGA's operating model leverages the World Bank Group, along with public and private reinsurers, to multiply the impact of its member countries' investment.

**US\$, Billions (June, 30 2018)**



## CLIMATE CHANGE

Addressing climate change is one of MIGA's strategic priorities, and in FY18, the Agency mobilized a record-breaking \$3 billion in private sector co-financing for climate-related activities. Some 60 percent of new guarantees issued in FY18 supported climate change mitigation and adaptation, including for energy efficiency in buildings, reduction of GHG emissions related to food losses in the food processing supply chain, and climate smart agriculture. Of the total climate finance guaranteed, 75 percent was in support of renewables, and approximately 50 percent went to FCS and IDA countries.

## ENVIRONMENT & SOCIAL SUSTAINABILITY AND INTEGRITY

MIGA's comprehensive environmental and social performance standards and integrity requirements are powerful tools for identifying risks, reducing development costs, and improving project sustainability - ultimately benefiting communities and helping to preserve the environment. By working with MIGA, private sector investors and lenders demonstrate that addressing environment, social and governance concerns are important for them in maximizing risk-adjusted returns.

In FY18, MIGA conducted 81 project site visits for due diligence, monitoring, and self-evaluation on environment and social aspects. The Agency also monitored close to 900 clients and partners for signs of potential governance risks.

Significantly, MIGA advised clients on governance improvements to their operations. For example, MIGA advised a state-owned financial institution on ways to harmonize its existing integrity framework to more closely align with their private sector partners' approaches. For another institution, the Agency recommended a sequencing of proposed governance improvements to help speed its reform process.

“

**In FY18, MIGA conducted 81 project site visits for due diligence, monitoring, and self-evaluation on environment and social aspects.**

”

## 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 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:

**[www.worldbank.org/en/about/leadership/governors](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. IEG is independent of MIGA management and reports its findings to MIGA's Board of Directors and the Board's Committee on Development Effectiveness.


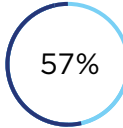
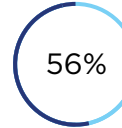
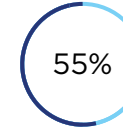

Visit IEG's website for more information: **[ieg.worldbankgroup.org](http://ieg.worldbankgroup.org)**

### 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: **[www.cao-ombudsman.org](http://www.cao-ombudsman.org)**

## FINANCIAL HIGHLIGHTS

By fiscal year, millions	2014	2015	2016	2017	2018
<b>Gross Premium Income</b>	115.6	128.1	139.8	179.7	<b>210.1</b>
<b>Net Premium Income</b>	72.5	79.0	86.4	93.2	<b>104.1</b>
<b>Administrative Expenses</b>	45.5	44.9	48.1	51.3	<b>51.6</b>
<b>Operating Income</b>	26.9	34.1	38.3	41.9	<b>52.5</b>
<b>Administrative Expenses/ Net Premium Income Ratio</b>	 63%	 57%	 56%	 55%	 <b>50%</b>

1. Net premium income equals gross premium income and ceding commissions less premium ceded to reinsurers and brokerage costs.  
 2. Administrative expenses include expenses from pension and other post-retirement benefit plans.  
 3. Operating income equals net premium income minus administrative expenses.

## HIGHLIGHTS

By fiscal year, millions	2014	2015	2016	2017	2018
<b>Total Economic Capital (EC)</b>	620	705	663	592	<b>685</b>
<b>Shareholder's Equity</b>	974	971	989	1,213	<b>1,261</b>
<b>Operating Capital</b>	1,262	1,312	1,329	1,398	<b>1,471</b>
<b>Gross Exposure</b>	12,409	12,538	14,187	17,778	<b>21,216</b>

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



## GREATER GENDER EQUALITY

From support to projects through to recognizing women leaders across the globe, MIGA strengthened its commitment to greater gender equality in FY18. Below are a few highlights.

### FOOD PROCESSING IN COTE D'IVOIRE



Site visit to Azito Attiéké Cooperative

The Azito Attieke Cooperative, supported by the MIGA-backed 430MW Azito Thermal Power Plant, is helping over one hundred local women entrepreneurs produce, sell and export attiéké, a cassava-based dish from Cote d'Ivoire. The owner of the power plant, Azito Energie, and the operator, Azito Operations and Management, are providing the cooperative with training, facilities and equipment to process and package cassava pulp. With an output of two tons per day, the women in the

cooperative earn enough to send their children to school and provide for their families.

The power plant itself employs a sizable number of women, and when asked why it decided to help women in the village, the Azito plant manager responded that his mother earned money in the same way – albeit without the advantage of training and machinery – to send him to college. Azito Village is more than an hour's drive from Abidjan, and the power plant's support is crucial not only for the women, but their families as well.

On the strength of the Azito cooperative experience, Azito Energie and Azito Operations and Management are supporting the development of a similar cooperative in nearby Beago village.

“

**Over one hundred local women entrepreneurs produce, sell and export attiéké**

”

## WOMEN LEADING FINANCE | GENDER CEO AWARD



Dr. Jim Yong Kim (President, World Bank Group), Keiko Honda (EVP & CEO, MIGA), Julie Monaco (Global Head of Public Sector, Citigroup), Arunma Oteh (VP & Treasurer, World Bank), Philippe Le Houverou (CEO, IFC)

MIGA recognized Julie Monaco, Global Head of the Public Sector at Citigroup as recipient of the Agency's third Annual Gender CEO Award. Ms. Monaco has repeatedly been ranked among the Most Powerful Women in Finance, and has been instrumental in shaping Citi's investments

in development projects across the globe, helping improve the lives of millions. MIGA has had a longstanding relationship with Citi, with recent projects including the Panama Metro and Turk EximBank's support for SMEs.

## SPANISH WOMEN IN LEADERSHIP



Women Leading Finance reception in Madrid, Spain

MIGA also hosted a reception in Madrid to recognize the achievements of some of Spain's top women leaders. Projects financed by Spanish investors and lenders that MIGA is working with are expected to provide over 195,000 people with access

to power, generate \$115 million annually in host government revenues, provide \$1.8 billion in loans per annum, and support the creation of approximately 1,700 direct jobs.

## MIGA MANAGEMENT



From left to right:

**Sarvesh Suri**

Director, Operations

**Aradhana Kumar-Capoor**

Director and General Counsel

**Muhamet Bamba Fall**

Associate Director and Chief Underwriter, Operations

**Keiko Honda**

Executive Vice President and Chief Executive Officer

**Santiago Assalini**

Director, Finance and Risk

**Merli Margaret Baroudi**

Director, Economics and Sustainability

**S. Vijay Iyer**

Vice President and Chief Operating Officer

## CONTACT INFORMATION

### Senior Management

**Keiko Honda**

Executive Vice President and CEO  
khonda@worldbank.org

**S. Vijay Iyer**

Vice President and COO  
sviyer@worldbank.org

**Sarvesh Suri**

Director, Operations  
ssuri1@worldbank.org

**Muhamet Bamba Fall**

Associate Director and  
Chief Underwriter, Operations  
mfall3@worldbank.org

**Aradhana Kumar-Capoor**

Director and General Counsel  
akumarcapoor@worldbank.org

**Santiago Assalini**

Director, Finance and Risk  
sassalini@worldbank.org

**Merli Margaret Baroudi**

Director, Economics and Sustainability  
mbaroudi@worldbank.org

### Regional Management

**Hoda Moustafa**

Head, Africa  
hmoustafa@worldbank.org

**Chris Millward**

Head, Europe, Central Asia,  
Middle East, and North Africa  
cmillward@worldbank.org

**Jae Hyung Kwon**

Head, North Asia  
Jkwon@worldbank.org

**Tim Histed**

Head, South and Southeast Asia  
thisted@worldbank.org

**Layali Abdeen**

Senior Underwriter, Middle East and  
North Africa  
Labdeen@worldbank.org

**Lin Cheng**

Representative, China  
Lcheng1@worldbank.org

### Sector

**Nabil Fawaz**

Sector Manager, Agribusiness  
and General Services  
nfawaz@worldbank.org

**Elena Palei**

Sector Manager, Infrastructure-Telecom,  
Transport and Water  
epalei@worldbank.org

**Olga Sclovscia**

Sector Manager, Finance  
and Capital Markets  
osclovscia@worldbank.org

**Marcus Williams**

Sector Manager, Energy  
and Extractive Industries  
mwilliams5@worldbank.org

### Reinsurance

**Marc Roex**

Head, Reinsurance  
mroex@worldbank.org

**Business Inquiries**

**migainquiry@worldbank.org**





This year marks MIGA's 30th Anniversary. Over the last three decades, MIGA has directly supported over \$50 billion in investments for over 845 projects in 111 developing countries.

The motif used in this report reflects the Republic of Indonesia's role as host of the 2018 Annual Meetings of the Boards of Governors of the IMF and the World Bank Group

## Follow MIGA



/miga



/company/multilateral-investment-guarantee-agency-miga



WWW.MIGA.ORG