

# Executive Brief

## MIGA, OPIC and Private Sources of **Political Risk Insurance**

Prepared by PRI Originator In3 Group for project  
developers and investors

# In3, Certified & Registered Consultants

## In<sup>3</sup> is Certified in Emerging Markets Finance: **MOODY'S<sup>®</sup>** ANALYTICS

- ✓ Financial models per IFRS (international accounting standards)
- ✓ Registered and experienced with development banks



- ✓ Designated loan packagers / originators
- ✓ De-risking: Designated Political Risk Insurance originators



# Political Risk Insurance Policy Coverage

## Insurance against these types of risks\*

1. **Expropriation** –where the government tries to take over
2. **Political Violence** – war, terrorism, civil disturbance
3. **Currency Inconvertibility** and/or transfer restriction
4. **Breach of Contract**
5. **Non-Honoring of Financial Obligations**

**Terms:** Can cover up to \$250 million per project  
Up to 20-year terms  
Up to 90% of an eligible investment

**Benefits:** De-risking makes projects more bankable = better rates  
Opens additional markets worldwide  
Acts as a deterrent ... fends off problems.



\* See [miga.org/Pages/Investment%20Guarantees/Overview/TypesOfCoverage.aspx](http://miga.org/Pages/Investment%20Guarantees/Overview/TypesOfCoverage.aspx)  
or [opic.gov/what-we-offer/political-risk-insurance](http://opic.gov/what-we-offer/political-risk-insurance) for an overview

# What is MIGA?

A Member of World Bank Group

**IBRD**  
International Bank  
for Reconstruction  
and Development

Est. 1945

**Role:** To promote  
institutional, legal &  
regulatory reform

**Clients:** Governments with  
per capita income of  
up to \$6,055 (2014)

**Products:** •Technical assistance  
•Loans  
•Policy Advice

**IDA**  
International  
Development  
Association

Est. 1960

To promote  
institutional, legal &  
regulatory reform

Governments of  
poorest countries  
(see IDA's definition)

Technical assistance  
Interest Free Loans  
Policy Advice

**IFC**  
International  
Finance  
Corporation

Est. 1956

To promote private  
sector development  
in emerging markets

Private companies  
working in WB Group  
member countries  
- Equity/Quasi-Equity  
- Long-term Loans  
- Risk Management  
- Advisory Services

**MIGA**  
Multilateral  
Investment and  
Guarantee Agency

Est. 1988

**To reduce political  
investment risk**

**Foreign investors  
in member  
countries**

**Political Risk  
Insurance**

**Shared Mission: To Promote Economic Development and Reduce Poverty**

# MIGA & OPIC sometimes underwrite PRI policies together

- In 2017, MIGA issued guarantees of \$4.8 billion against nearly \$16B in investments:



The image shows a close-up of a gold coin with the letters 'OPIC' visible. Below the coin, on a black background, is the text 'We're working with OPIC to reduce risk' in white and yellow.

We're working  
with **OPIC** to  
**reduce risk**





*Inspire*  
*Innovate*  
*Invest*



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