

# WORLD BANK GROUP GUARANTEE PLATFORM

delivering simplicity and access

## OUR AMBITION

Mobilizing private capital for development by boosting World Bank Group annual guarantee issuance to \$20 billion by 2030

## ABOUT THE PLATFORM

The guarantee platform, housed at MIGA, brings together World Bank Group guarantee products and experts for efficiency, simplicity, and speed. With a simplified menu of products, public and private sector clients have access to the best guarantee solutions from the World Bank, IFC, and MIGA. Given the different mandates of each institution, every product will continue to be processed on the relevant institution's balance sheet.

## ADDRESSING GLOBAL CHALLENGES

With all the guarantees in one place under a more streamlined process, the platform provides the best guarantee solutions for clients to meet project needs and development priorities while allowing the World Bank Group to deliver with speed and efficiency. Such guarantees can be deployed for the most difficult challenges of today, including for example:

- Energy access in Sub-Saharan Africa and IDA/FCV countries, such as through mini-grids and off-grids;
- Energy transition in middle-income countries, including through support of transmission assets;
- Development of the nascent carbon credits market.

## FOCUS

**Your interaction with the World Bank Group on guarantees will be easier**



### For Private Sector and Country Clients

- We have a simplified market-friendly menu of guarantee options to choose from.
- The platform (either directly or through your existing contacts) will serve as your point of contact for all World Bank Group guarantee options.



### For Our MDB Partners

- The platform is your single point of contact in collaborating on how guarantees can be coupled with your existing products to support developing countries in addressing an unprecedented set of overlapping global crises.

## New Menu of Products

We now have three groups of guarantees:



**Political Risk Guarantees:** Insuring against non-commercial risks for private sector projects or public-private partnerships



### Expropriation

Protects against losses arising from government actions that may reduce ownership of the insured investment.



### Currency Inconvertibility and Transfer Restriction

Protects against losses arising from an inability to legally convert local currency into hard currency.



### War and Civil Disturbance

Protects against loss from, damage to, or disappearance of tangible assets caused by political acts of war or civil disturbance.



### Breach of Contract

Protects against losses arising from a government's breach or repudiation of a contract with an investor.



### Capital Optimization

Designed for global retail banks with significant exposures to central banks in emerging markets. It insures mandatory reserves held by a parent bank's emerging-market subsidiaries.



### Project-Based Loan Guarantee for Private Sector Projects:

Covers debt service defaults caused by governments failing to meet obligations under private sector project contracts.



### Project-Based Payment Guarantee:

Covers defaults on non-loan-related government payment obligations (e.g., long-term offtake contracts) to private or foreign public entities arising from contracts, laws, or regulations.



**Trade Finance Guarantees for Public Sector Risk:** Short-term guarantees for trade finance transactions involving a public entity



### Trade Loans

Short-term loan facilities involving a borrower and a lender that importers and exporters and domestic traders use to acquire financing.



### Letter of Credit Confirmation

Provides protection against losses resulting from the failure of a state-owned bank or public authority to pay an unconditional financial obligation related to a trade finance transaction.



**Credit Guarantees** for loans to the public or private sector



### Partial/Full Credit Guarantee for Loans

Represents an irrevocable commitment to cover a portion or all of a loan's outstanding principal in case of borrower default, reducing lender risk and enabling increased credit exposure.



### Partial Credit Guarantee for Bonds

Covers corporate bonds by guaranteeing principal and/or interest payments, leveraging our AAA rating to improve issuers' access to capital markets.



### Unfunded Risk Participation

Assumes a portion of credit risk on loans without upfront funding, allowing lenders to offer larger financing amounts for higher-risk projects while benefiting from IFC's expertise.



### Risk-Sharing Facility

Loss-sharing agreements where IFC reimburses originators for a portion of losses on loan/asset portfolios.



### Significant Risk Transfer

Facilitates regulatory capital relief for banks by providing credit protection on specific loan portfolio tranches.



### Non-Honoring of Public Debt

Protects against losses from a failure by a sovereign, sub-sovereign, or state-owned enterprise to make a payment when due.



### Policy-Based Guarantee

Enhances sovereign creditworthiness to secure affordable commercial financing for budget support and policy reforms.



### Project-based Loan Guarantee for Public Sector Projects

Covers debt service defaults to enable public borrowers to access financing for public investment projects.

[www.worldbank.org/wbguarantees](http://www.worldbank.org/wbguarantees)

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