

 Early Warning System

MIGA-15429

Coverage of a Multilateral Development Bank's Country Exposure



Quick Facts

Countries	Brazil
Specific Location	Uninformed
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	U
Voting Date	2024-12-12
Borrower	Inter-American Development Bank
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 100.00 million



### Project Description

#### PROJECT DESCRIPTION

This summary covers an application made by the Inter-American Development Bank (IDB) to MIGA for coverage of one of its loans which is guaranteed by the Federative Republic of Brazil. MIGA's coverage is a guarantee of Non-Honoring of Sovereign Financial Obligations to a Multilateral Development Bank (NHSFO-MDB) for up to US\$100 million and a tenor of up to 11 years.

In September 2023, MIGA's Board of Directors approved the new NHSFO-MDB program. This cover enables Multilateral Development Banks to manage country limits and concentration and be a supportive factor in the rating assessment of MDBs, thereby supporting their strategy to lend more. The transaction contemplated is a pilot in this program.

IDB's Board of Governors approved a new institutional strategy for 2024-2030, to increase the impact and scale of the IDB Group's work in the Latin American and Caribbean region. The IDB Group aims to double its current outstanding loan portfolio and enable this growth by unlocking US\$50 billion via balance sheet optimization. The strategy integrates key elements from the G20 Capital Adequacy Frameworks review for multilateral development banks, notably resource mobilization that generates greater leverage.

#### ENVIRONMENTAL CATEGORIZATION

This NHSFO-MDB cover is intended to help MDBs manage country concentration on their balance sheet, and as such, MIGA's Sustainability Policy and related categorization do not apply. IDB loans are processed per IDB E&S policies, which include environmental and social risk categorization and disclosure.

#### DEVELOPMENT IMPACT

The executed loan under the MIGA guarantee was assessed for development impact by the IDB at the time of its implementation and has been monitored by the IDB to date. As a leading MDB in the Latin American and Caribbean region, the IDB institutional strategy is closely aligned with that of the World Bank Group.



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### Investment Description

- Multilateral Investment Guarantee Agency (MIGA)



### Contact Information

#### WORLD BANK

#### ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>.

#### ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing [ipanel@worldbank.org](mailto:ipanel@worldbank.org). Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>.