Early Warning System

MIGA-15875

NH-SFO Second-Loss- Togo

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Quick Facts

Countries	Togo
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Bank Risk Rating	C
Borrower	Commercial lenders yet to be identified
Sectors	Agriculture and Forestry, Energy, Industry and Trade, Law and Government
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 140.40 million

Project Description

According to bank provided information, the Project would entail a 10-year commercial loan, with a 3-year grace period, of up to EUR [180] million. It would be made to the Government of Togo (GoT) by lenders to be selected through the GoT's competitive Request for Proposals. Its proceeds will be used to repay existing GoT debt. Disbursement follows the GoT's successful completion of a series of Prior Actions defined, as part of IDA's Second Invest-4-Jobs Development Policy Financing (DPF) operation (P514125). These focus on unlocking critical sectors for structural transformation and on strengthening the business climate and workforce readiness. The commercial loan would benefit from a combination of (i) an IDA Policy-Based Guarantee, provided on a first-loss basis; and (ii) a MIGA Non-Honoring of Sovereign Financial Obligations (NH-SFO) guarantee, provided on a second-loss basis. Together, the guarantees will cover 95% of scheduled principal and interest payments under the commercial loan.

The IDA Concept Program Information Document for this DPF can be accessed through the link below:

The proposed Project, anchored in IDA's Second Invest-4-Jobs DPF (P514125), is expected to improve Togo's public debt profile and reduce investment barriers in various sectors providing signaling effect to investors and facilitating inflows of private capital.

Underpinned by the DPF, the proposed Project will contribute to strengthen the private sector and the investment climate by improving farmers' access to land, financing and export markets, improving the viability of the electricity sector, and supporting digital transformation through affordable services and electronic payments. Reforms also seek to cut trade and business costs by speeding up ship clearance and strengthening governance at the Port of Lome, while aligning technical and vocational training (TVET) with private-sector demand and local economic needs. On the public finance side, reforms aim to strengthen public resource management, improve tax compliance while reducing critical payment to stimulate private investment.

The joint IDA-MIGA guarantee operation aims at maximizing debt service savings, while the use of a Debt for Development swap would provide Togo with an incentive to channel these debt service savings to fund both off-grid and on-grid connections, in line with the Government's universal electricity access and Mission 300 objectives.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Contact Information

Contact information not provided at the time of disclosure

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org