

	RISK COVERAGE	ELIGIBLE BORROWER	PROJECT TYPE	BENEFICIARY	PRICING AND INDEMNITY REQUIREMENTS
World Bank (IBRD & IDA)	<p><b>Credit Risk:</b> Default on payment obligations on bonds, loans, and non-loan related government obligations regardless of cause of default</p>	<ul style="list-style-type: none"> <li>• <b>For Development Policy Financing:</b> Sovereign governments</li> <li>• <b>For Investment Policy Financing:</b> Sovereign governments and sub-national entities such as states, municipalities and state-owned enterprises</li> <li>• <b>For non-loan related government obligations in relation to Investment Policy Financing:</b> Private and foreign public entities</li> </ul>	<ul style="list-style-type: none"> <li>• <b>For Development Policy Financing:</b> Public sector program of policy and institutional reforms</li> <li>• <b>For Investment Policy Financing:</b> Public sector projects</li> <li>• <b>For non-loan related government obligations in relation to Investment Policy Financing:</b> Private sector projects and public-to-public cross-border transactions</li> <li>• <b>For IBRD Enclave Investment Project Financing:</b> <ol style="list-style-type: none"> <li>Project with strong financial flows in local currency in an IDA-only country that has sufficient alternative non-project related foreign exchange to cover the country's obligations to IBRD;</li> <li>Export-oriented, foreign exchange-generating project with private sector participation in IDA-only country</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>For Development Policy Financing:</b> Private lenders and bond investors</li> <li>• <b>For Investment Policy Financing:</b> Private lenders and bond investors</li> <li>• <b>For non-loan related government obligations in relation to Investment Policy Financing:</b> Private and foreign public entities</li> </ul>	<p>Priced similar to IBRD loans or IDA credits</p> <p>Government must sign indemnity agreement with the World Bank</p>
	<p><b>Political Risk:</b> Default on payment obligations on loans caused by failure of government to meet specific performance obligations, including but not limited to:</p> <ul style="list-style-type: none"> <li>- Contractual performance of public counterparties</li> <li>- Change of laws and regulations</li> <li>- Expropriation</li> <li>- Non-convertibility and transferability of currency</li> <li>- War and civil disturbance, etc.</li> </ul>	Private implementing entity in public private participation (PPP) projects	<ul style="list-style-type: none"> <li>• Projects with private sector participation such as build-operate-transfer and concession projects; public private participation (PPP) projects; privatizations</li> <li>• <b>For IBRD Enclave Investment Project Financing:</b> <ol style="list-style-type: none"> <li>Project with strong financial flows in local currency in an IDA-only country that has sufficient alternative non-project related foreign exchange to cover the country's obligations to IBRD</li> <li>Export-oriented, foreign exchange-generating project with private sector participation in IDA-only country</li> </ol> </li> </ul>	Private entity	
IFC	<p><b>Credit Risk:</b> Default on payment obligations on bonds, loans, asset portfolios, derivative contracts, trade finance, and other financial instruments</p>	Private sector entity	Corporate, project, structured and trade financing	Private lenders, bond investors and other providers of credit to the private sector	<p>Priced on a commercial basis</p> <p>No indemnity agreement required</p>
MIGA	<p><b>Credit Risk:</b> Default on payment obligations on any form of private commercial debt (non-honoring of financial obligations)</p>	Sovereign or sub-sovereign government or state-owned-enterprise	Public sector project involving cross-border financing	Commercial lenders providing credit to the public sector	Priced on a commercial basis
	<p><b>Political Risk:</b> Losses on equity/quasi-equity or other forms of direct investment caused by:</p> <ul style="list-style-type: none"> <li>- Expropriation</li> <li>- Breach of contract</li> <li>- Currency inconvertibility and transfer restriction</li> <li>- War and civil disturbance</li> </ul>	Private sector entity or government-owned company operating on a commercial basis	Private sector project involving cross-border investment	Private investor or lender or government-owned company operating on a commercial basis	Requires host country approval, but no indemnity agreement