



Japan International Cooperation Agency

November 2023

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What is JICA?



- *One of the World's Largest Bilateral Development Agencies*
- *Plays a core role in Japan's ODA*
- *Supports developing countries for Sustainable Development*

- JICA at a Glance
- Business Activities
- Funding Activities
- JICA's Bonds
- Recent Highlights
- Appendix

Objectives	Mission	Profile
<ul style="list-style-type: none"> ■ JICA supports socioeconomic development, recovery and economic stability of developing regions.⁽¹⁾ 	<ul style="list-style-type: none"> ■ JICA will work on human security and quality growth.⁽²⁾ 	<ul style="list-style-type: none"> ■ 100% owned by the Japanese Government ■ Long history as a key development partner since 1961 ■ 96 overseas offices and 15 domestic offices ■ Rated A+ (Stable) by S&P ■ Robust capital ratio of 66.01%⁽³⁾

Note:

In this material, exchange rate is USD/JPY = 145 unless otherwise stated.

References in this document to Japanese fiscal years ("JFYs") are to 12-month periods commencing in each case on April 1 of the year indicated and ending on March 31 of the following year.

(1) Legal foundation: Act of the Incorporated Administrative Agency - Japan International Cooperation Agency ("JICA Act")

(2) Development Cooperation Charter: development cooperation activities guidelines approved by the Cabinet in 2015 and revised in 2023. See Appendix—Japanese Development Cooperation Charter for details.

(3) Capital ratio = net assets / assets as of 2023 March end

Three Main Arms of Operation

Strategically synthesize three arms to maximize development impacts

JICA at a Glance

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Finance and Investment

*Proceeds of JICA Bonds are allocated to the Finance and Investment Account

ODA Loan

Sovereign-based lending with **concessional conditions**

Private-sector Investment Finance

Lending or equity investment to **private-sector entities**



[Delhi Metro Project \(video\)](#)

Grant Aid

Assistance in the form of grants with no repayment obligations to provide goods and services



[Cooperation on clean water and sanitation \(video\)](#)

Technical Cooperation

Hands-on cooperation and policy advisory services to improve institutional frameworks and human resource development

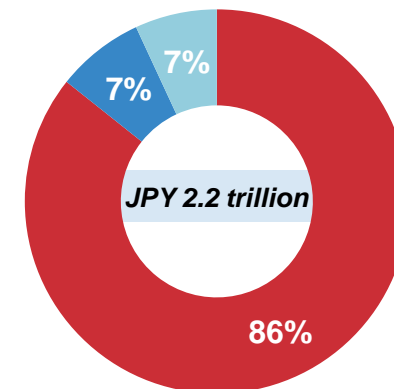


[Global Maternal Child Health Handbook projects \(video\)](#)

Operation Shares (JFY2023 Budget)

*Initial Budget

- Financial and Investment JPY 1,894bn (USD 13.1bn)*
- Grant Aid JPY 163.4bn (USD 1.13bn)*
- Technical Cooperation JPY 152.7bn (USD 1.05bn)*



Photos by JICA

JICA's Mission Aligned with SDGs

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“Human Security”

Pursuit of individual rights to be free from fear and want

“Quality Growth”

Realize inclusive, sustainable, and resilient growth



“Leave no one behind”

“End poverty, improve health and education, reduce inequality, and spur economic growth”

Human Security

Peacebuilding



Turkey

- Improving living conditions of Syrian refugees and hosted communities



Universal Health Coverage (UHC)



Kenya

- Implementation of the Free Maternity Services and the Health Insurance Subsidy Program



Gender Equality



Mexico

- Financing support to women entrepreneurs



Quality Growth

Sustainable Energy



Vietnam

- Building renewable power generation facilities



Resilience



Bangladesh

- Enhancement of resilience against climate change and coastal disaster

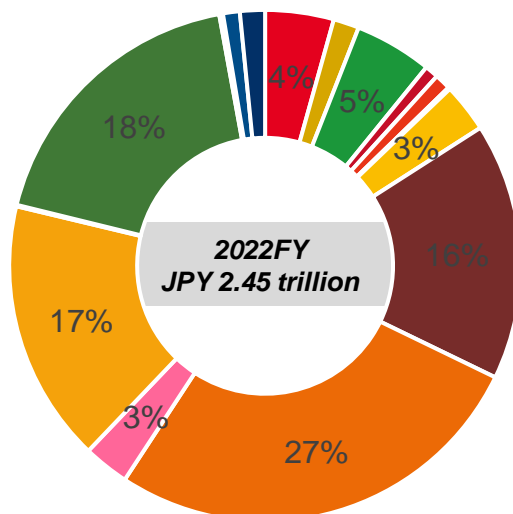


Impact and Achievement

139 developing countries and regions received various assistance from JICA during JFY2022

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Diversified Contribution to SDGs⁽¹⁾



- 1 No Poverty
- 2 Zero Hunger
- 3 Health
- 4 Education
- 5 Gender Equality
- 6 Water and Sanitation
- 7 Energy
- 8 Economic Growth
- 9 Infrastructure and Industry
- 10 Reduced Inequalities
- 11 Sustainable Cities
- 12 Sustainable Production
- 13 Climate Actions
- 14 Oceans
- 15 Forests and Biodiversity
- 16 Peace and Governance
- 17 Partnerships

Major Impacts achieved



Access to Safe Water
72.8 million people



Access to Roads
23,490 km
Clean Transportation
1.71 billion people



Access to Energy
20.8 million people



Disaster Risk Reduction
388 million people



Afforestation
2,850,000 ha

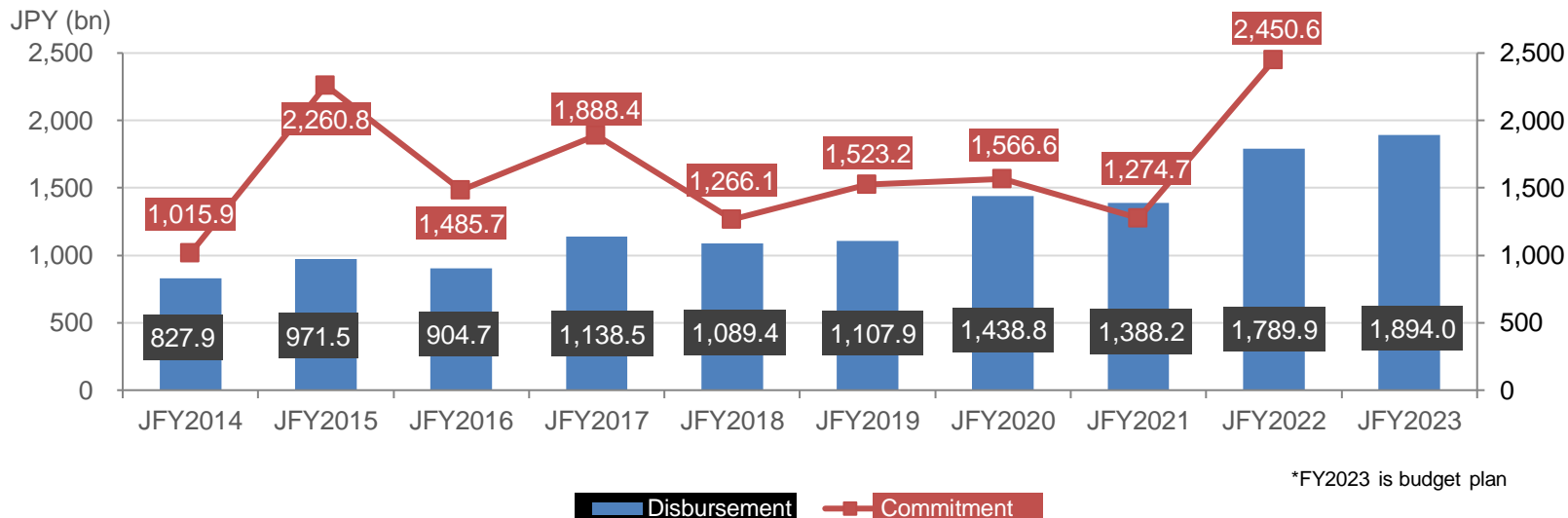
Source: JICA

(1) Expected contribution to SDGs under new finance and investment projects is identified through ex-ante evaluation conducted by JICA. For projects identified as contributive to more than one SDGs, commitment amount is divided equally across the identified SDGs by the number of Goals.

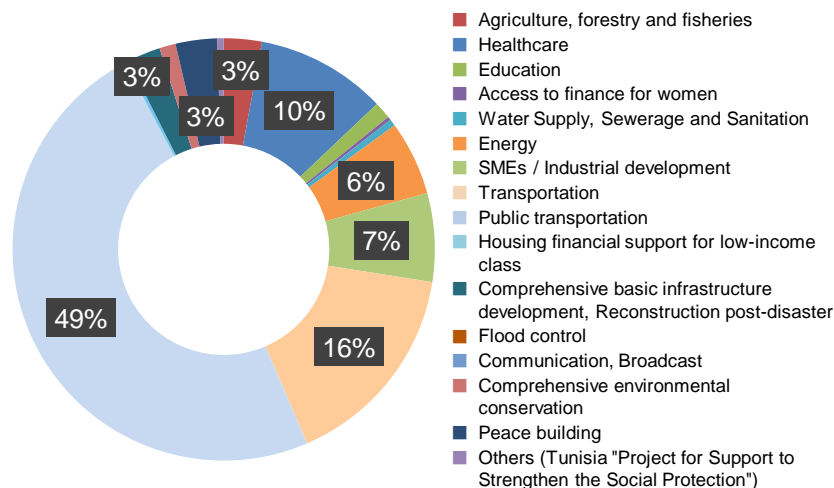
(2) Impact figures indicated are aggregated impact of Finance and Investment projects whose ex-ante evaluation had been conducted during 2011FY-2020FY.

JFY 2022 Finance and Investment Activities

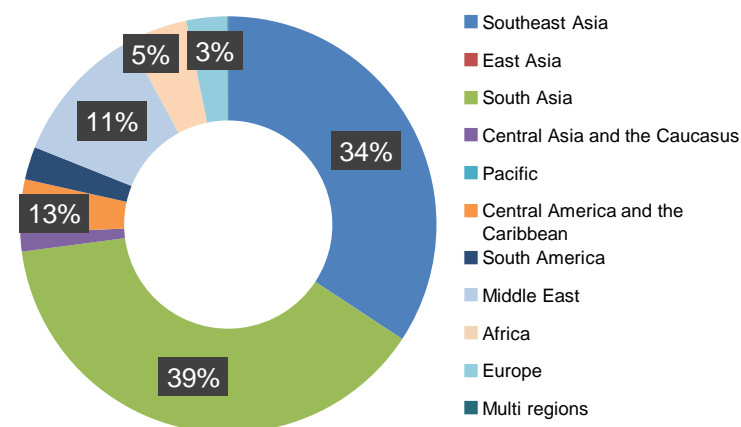
JFY 2014 - 2022 Disbursement and Commitment Amount



Distribution by Eligible Sector⁽²⁾



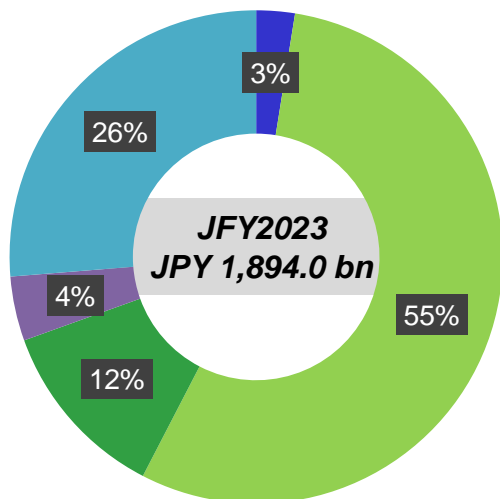
Distribution by Region⁽²⁾



(1) The distribution by eligible sector are classified by JICA Treasury department based on JFY 2022 new commitments.

(2) Shares do not indicate the actual allocation of bond proceeds to each sector/region. Allocations are made based on disbursements and reported in our impact reports.

Funding needs are increasing as our Finance and Investment Activities expand



- Capital added by government
- Borrowing from government
- Government-guaranteed bonds
- FILP Agency Bonds
- Own funds, etc.

In JPY unless otherwise stated

	JFY2021	JFY2022	JFY2023
Capital added by government	47.0bn	47.1bn	47.8bn
Borrowing from government	614.4bn	1,024.7bn	1,043.1bn
Government-guaranteed bonds (USD dominated)⁽¹⁾	64.0bn (580mn USD)	118.0bn (900mn USD)	225.5bn (1.25bn USD)
FILP Agency Bonds (JPY) ⁽²⁾	140.0bn	80.0bn	80.0bn
Own funds, etc.	634.6bn	651.2bn	497.6bn
Total	1,500.0bn	1,921.0bn	1,894bn

(As of September 2023)

Note: The JPY denominated amount is the budget for the corresponding year. Numbers less than a hundred million yen have been rounded off.

(1) The actual issued amount in USD for Government-guaranteed bonds is shown in the brackets. The payments for principal and interest in respect of Government-guaranteed bonds are unconditionally and irrevocably guaranteed by the Government of Japan.

(2) FILP Agency Bonds are bonds issued under Japanese Government's Fiscal Investment and Loan Program (FILP), without explicit government guarantee. Selected agencies including JICA, DBJ, etc., issue bonds under this program.

Track Record – Government Guaranteed Bonds (USD)



■ Explicit Government Guarantee

JICA's foreign bonds are unconditionally and irrevocably guaranteed by the Government of Japan.
(Only eligible for JICA, JBIC and DBJ*)

* JBIC: Japan Bank for International Cooperation, DBJ: Development Bank of Japan



■ Growing Issuance Volume

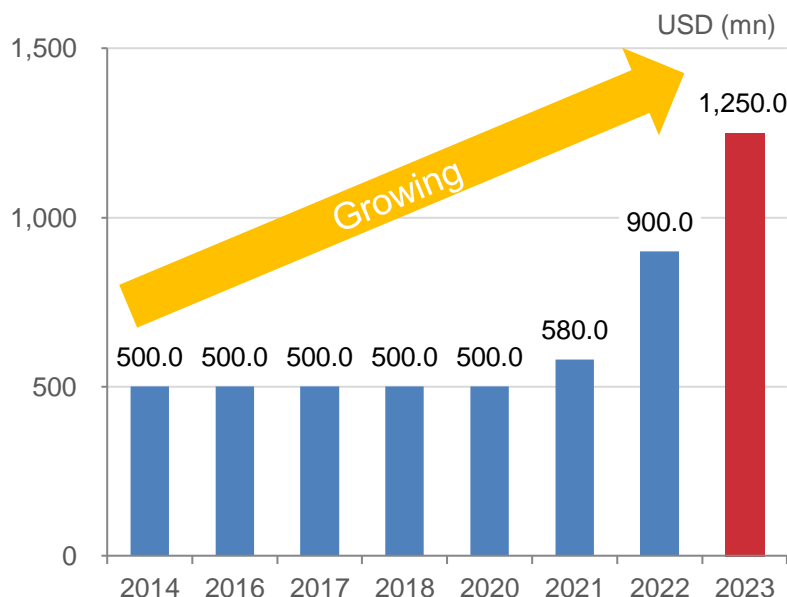
JICA has been increasing USD government guaranteed bonds to meet rapid growth of our portfolio.
In May 2023, JICA succeeded in its first transaction over the *1bn-benchmark size*.



■ Japan Sovereign Exposure with SEC-registered format

JICA's foreign bonds provide investment opportunities for 'Japan Sovereign Exposure' in the international market.

New Issuances for JICA's USD bonds



No.	Issue Date	Format	Volume	Issue Price	MS Spread	Coupon	Tenor
1	Nov 2014	Reg S	USD 500 mn	99.588	+17bps	1.875%	5 yrs
2	Oct 2016	SEC-registered	USD 500 mn	99.580	+59bps	2.125%	10 yrs
3	Apr 2017	SEC-registered	USD 500 mn	99.480	+61bps	2.750%	10 yrs
4	Jun 2018	SEC-registered	USD 500 mn	100.000	+41bps	3.375%	10 yrs
5	Jul 2020	SEC-registered	USD 500 mn	99.612	+46bps	1.000%	10 yrs
6	Apr 2021	SEC-registered	USD 580 mn	98.982	+30bps	1.750%	10 yrs
7	May 2022	SEC-registered	USD 900 mn	99.657	+63bps*	3.250%	5 yrs
8	May 2023	SEC-registered	USD 1,250 mn	99.628	+76bps*	4.000%	5 yrs

Total USD 5,230 mn

*SOFR MS

Comparison with Peer Japanese Institutions

JICA at a Glance




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Issuer	Japan International Cooperation Agency	Japan Bank for International Cooperation	Development Bank of Japan ⁽¹⁾
Type	Agency	Agency	Agency
Purpose	Finances projects to <u>support socioeconomic development, recovery and economic stability of developing regions</u> to promote international cooperation as well as the sound development of Japanese and global economy.	Finances projects that promote overseas development and securement of resources which are important for Japan, maintain and improve the international competitiveness of Japanese industries, promote the overseas business aiming at preserving the global environment, and prevent disruption to international financial order or take appropriate measures with respect to damages caused by such disruption.	Finances projects aiming to continue to expand financial frontiers, provide the best solutions for customers and society, pursue sustainable development for Japan and the world.
Ownership	100% owned by GOJ (Government of Japan)	100% owned by GOJ	100% owned by GOJ
Guarantee	Explicitly guaranteed by GOJ	Explicitly guaranteed by GOJ	Explicitly guaranteed by GOJ Not guaranteed by GOJ
Rating (M/S/F)	-/A+/-	A1/A+/-	A1/A+/- (GG ⁽²⁾) A1/A/- (Non-GG ⁽²⁾)
Latest USD Bonds Issued	JICA 4.000% US\$1.25 bn due May 2028	JBIC 4.875% US\$500 mn due Oct 2028	DBJ 3.250% US\$1.0 bn due Apr 2027 DBJ 5.125% US\$600 mn due Sep 2026
Format	SEC Registered	SEC Registered	RegS / 144A RegS / 144A

Source: Issuers' public disclosures (as of Sep 2023)

(1) DBJ issues two types of USD bonds in the international market: government guaranteed and non-government guaranteed bonds.

(2) GG refers to government guaranteed bonds.

Details of JICA's Latest International Bond Issuances

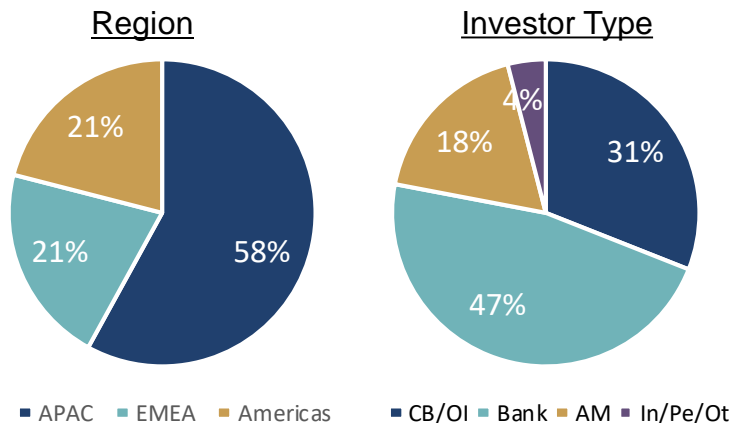
■ May 2023: USD 5yr 1.25bn (ESG)

- **Inaugural Sustainability Bond for JICA**
- High quality investors with 31% allocations to CB/OI, and Inaugural benchmark size (1bn~) for JICA

■ Issue Details

Pricing Date	2023.5.16
Format	Global
Issue Amount	USD 1,250mn
Tenor	5yr
Coupon(%)	4.000%
Launch Spread (vs MS)	SOFR MS+76bp
Ratings	A+(S&P)
Listing	SGX

■ Distributions



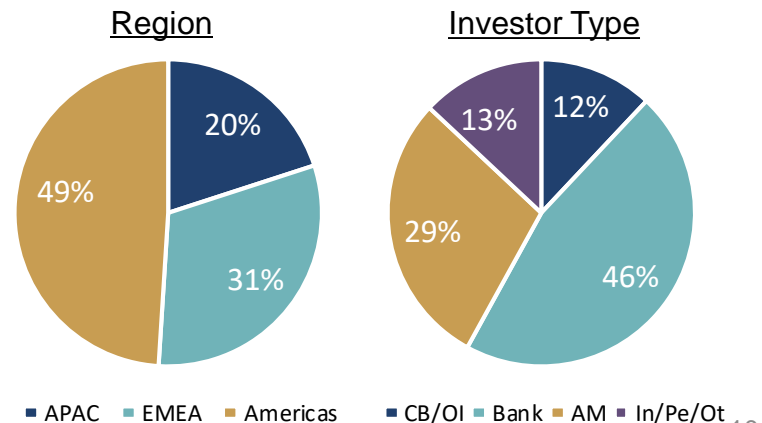
■ May 2022: USD 5yr 900mn

- **First 5yr bond for JICA**
- Distribution centered on Non Asian investors with 49% allocations into Americas, 31% allocations into EMEA

■ Issue Details

Pricing Date	2022.5.18
Format	Global
Issue Amount	USD 900mn
Tenor	5yr
Coupon(%)	3.250%
Launch Spread (vs MS)	SOFR MS+63bp
Ratings	A+(S&P)
Listing	SGX

■ Distributions



Track Record – Non government-guaranteed Bonds (JPY)

FILP Agency Bonds (JPY)



- JICA issued its first Fiscal Investment and Loan Program (FILP) Agency bonds in the domestic market in December 2008.



- JICA is recognized as one of the major bond issuers in the Japanese market, its bonds serving as the benchmark for the government agency sector. Accumulated issuance amount is JPY 927 billion (eq. USD 6.4 billion) as of September 2023.

No.	Issue Date	Volume	Issue Price	JGB Spread	Coupon	Tenor
60	Jun 2021	JPY 10 bn	100.000	+3.0bps	0.457%	20 years
61	Sep 2021	JPY 10 bn	100.000	+7.5bps	0.110%	10 years
62	Sep 2021	JPY 10 bn	100.000	+2.5bps	0.439%	20 years
63	Jan 2022	JPY 10 bn	100.000	+6.5bps	0.194%	10 years
64	Jan 2022	JPY 7 bn	100.000	+1.0bp	0.533%	20 years
65*	Feb 2022	JPY 3 bn	100.000	+6.5bps	0.194%	10 years
66	July 2022	JPY 11 bn	100.000	+14.0bps	0.374%	10 years
67	July 2022	JPY 13 bn	100.000	+1.5bps	0.910%	20 years
68	Sep 2022	JPY 7.5 bn	100.000	+15.0bps	0.399%	10 years
69	Sep 2022	JPY 13 bn	100.000	+10.0bps	1.032%	20 years
70	Dec 2022	JPY 10 bn	100.000	+31.0bps	0.559%	10 years
71*	Feb 2023	JPY 5 bn	100.000	+14.0bps	0.517%	5 years
72	Mar 2023	JPY 20.5 bn	100.000	+15.1bps	0.090%	2 years
73	Jun 2023	JPY 15.0 bn	100.000	+25.0bps	0.681%	10 years
74	Jun 2023	JPY 10.0 bn	100.000	+8.0bps	1.110%	20 years
75	Sep 2023	JPY 10.0 bn	100.000	+12.0bps	0.349%	5 years
76	Sep 2023	JPY 12.0 bn	100.000	+10.0bps	0.747%	10 years
77	Sep 2023	JPY 10.0 bn	100.000	+4.0bps	1.404%	20 years

*Retail bond

JICA's Bonds - Highlights

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1

Strong Ties with the Japanese Government



- Strategically important as the **sole agency implementing ODA** (Official Development Assistance) for the Japanese Government

2

Financial Soundness



- JPY8.3trn (USD57.2bn)*** capital received from the Japanese Government, ensuring **sound capital ratio of 66.01%** as of March 31, 2023
- Continues to record positive annual net profit*** since JFY2003. Retained earnings can be accumulated and retained internally up to equivalent of the share capital
- Receives additional capital from the Japanese Government when necessary (Article 5, paragraph 2 of the JICA Act)

3

Contribution to SDGs/ESG Investment



- Support socio-economic development in developing countries**
- New JICA Social / Sustainability Bond Framework** to promote finance for sustainable development

Finance and Investment Account – Financial Statement

Balance Sheet

In JPY bn unless otherwise stated

	JFY2020	JFY2021	JFY2022	JFY2022 (USD, mn)
Total assets	13,603.8	14,241.2	15,473.2	106,712
Loans	13,428.8	14,140.2	15,212.6	104,314
Investment securities	6.6	17.4	18.1	1,248
Total liabilities	3,572.9	4,131.9	5,259.0	36,269
Borrowings from FILP	2,622.8	3,042.8	3,970.6	26,405
Bonds	907.7	1,044.2	1,233.3	8,505
Total net assets	10,030.9	10,109.3	10,214.3	70,443
Government investment	8,202.2	8,249.2	8,296.3	57,216
Reserve fund	1,799.5	1,832.5	1,855.3	12,795
Capital Ratio (Net assets / Assets)	73.74%	70.99%	66.01%	

Statement of Income

In JPY bn unless otherwise stated

	JFY2020	JFY2021	JFY2022	JFY2022 (USD, mn)
Ordinary revenues	133.4	152.4	167.2	1,152.9
Total ordinary revenues	134.1	152.4	167.2	1,152.9
Ordinary expenses	101.1	129.5	112.8	778.1
Total ordinary expenses	101.1	129.5	112.8	778.1
Extraordinary income and loss	0	-0.1	-0	(0.0)
Total income	33.0	22.8	54.3	374.8

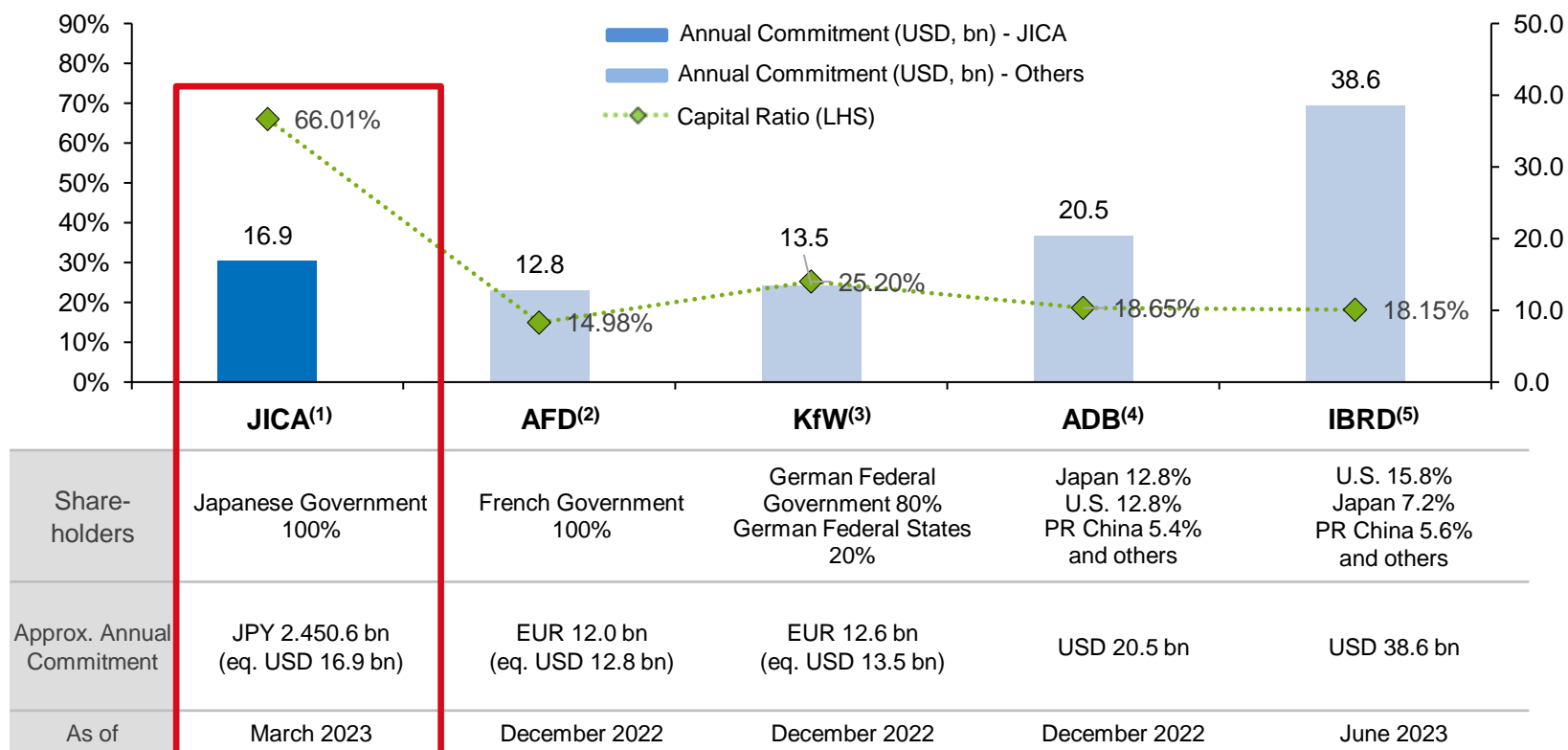
Note: Totals may not correspond to the sum of each item, as numbers less than a hundred million yen have been rounded off.

Comparison with Peer Institutions

JICA maintains a high capital ratio while keeping a high level of annual commitment equivalent to that of peer institutions

Bilateral Development Agencies

Multilateral Development Agencies



Note: Capital Ratio = Net Assets / Assets

Exchange rate used: USD/JPY=145, EUR/USD=1.07

Source: Prepared by JICA based on the annual reports and other materials published by each organization

(1) For Finance and Investment Account.

(2) AFD Group: <https://www.afd.fr/en/ressources/afd-presentation-investors>

(3) KfW Group: https://www.kfw.de/PDF/Download-Center/Finanzpublikationen/PDF-Dokumente-Berichte-etc/3_Finanzberichte/Financial-Report_2022.pdf (Annual commitment is based on activities under "Promotion of developing countries and emerging economies")

(4) <https://www.adb.org/sites/default/files/institutional-document/872636/adb-annual-report-2022.pdf> (Shareholder distribution is from share of voting power)

(5) <https://thedocs.worldbank.org/en/doc/66512fcff3c06766d0bd85f5042d4101-0040012023/original/IBRD-Financial-Statements-June-2023.pdf> (Shareholder distribution is from share of voting power)

JICA Social / Sustainability Bond Framework Overview

1. Use of Proceeds

- Allocation to Finance and Investment Cooperation projects (ODA Loans and Private-Sector Investment Finance)
- All of these projects are eligible for Social Bonds
- Some projects also address environmental issues (Social – Environmental projects)
- Use of Proceeds for Sustainability Bonds are composed of Social projects and Social-Environmental projects
- 15 Eligible Sector (see the next slide)

Characteristics of JICA's Finance and Investment Cooperation Projects



Exclusion Criteria

- **Coal-fired thermal power projects**, weapons, drugs, alcohol, tobacco, nuclear related projects and others stipulated in the Development Cooperation Charter of Japan Government

Allocation Period

- Within **24 months** of issuance of bonds

JICA Social / Sustainability Bond Framework Overview

Eligible Sector	Social Objectives	Environmental Objectives	Related SDGs
Agriculture, Forestry and Fisheries	✓	✓	1 NO POVERTY, 2 ZERO HUNGER, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
Healthcare	✓		3 GOOD HEALTH AND WELL-BEING
Education	✓		4 QUALITY EDUCATION
Improvement of access to finance for women	✓		5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
Water, sewerage and Sanitation	✓	✓ (excl. desalination)	6 CLEAN WATER AND SANITATION, 11 SUSTAINABLE CITIES AND COMMUNITIES
Energy	✓	✓ (Renewable energy [solar; wind; geothermal; and hydropower excl. large-scale], energy efficiency)	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Small and medium-sized enterprises / Industrial development	✓		8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Transportation	✓		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES
Public transportation	✓	✓ (Electrified public transportation)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
Housing financial support for low-income class	✓		1 NO POVERTY, 11 SUSTAINABLE CITIES AND COMMUNITIES
Comprehensive basic infrastructure development, Reconstruction post-disaster	✓		11 SUSTAINABLE CITIES AND COMMUNITIES
Flood Control	✓	✓	11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
Communication, broadcast	✓		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES
Comprehensive environmental conservation	✓	✓	13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
Peace building	✓		16 PEACE, JUSTICE AND STRONG INSTITUTIONS

2. Project Evaluation and Selection Process

Project Evaluation Criteria

- **Evaluate projects by 6 criteria: Relevance, Coherence, Effectiveness, Impact, Efficiency and Sustainability**
JICA follows the OECD-DAC* evaluation criteria.
- Assess **effectiveness and impact** both **from quantitative and qualitative perspectives**.

*Please see page 34 for details of evaluation criteria.

Project Selection and Management Process

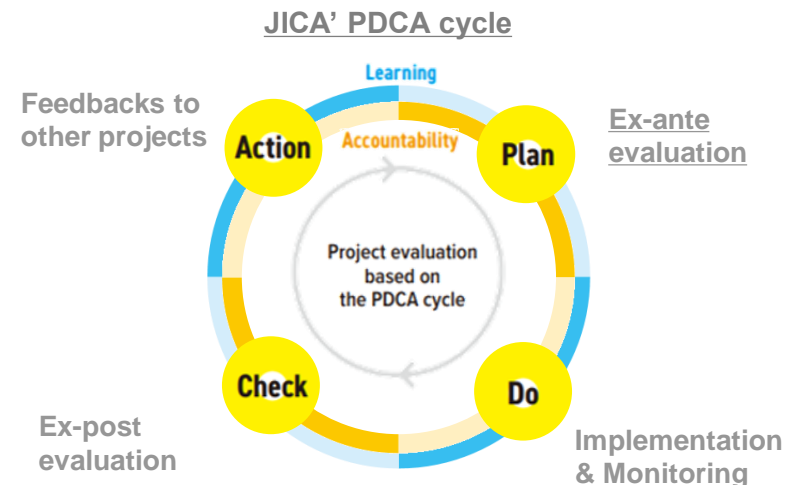
- **Transparent and rigorous process** from appraisal/selection stage to implementation/monitoring stage
- **Reviewed by Japanese government and external experts during project selection process**
- Appraisal results are **publicly disclosed** in the form of **ex-ante evaluation reports**
- Close monitoring by JICA both on-site and off-site during project implementation
- Ex-post evaluation by independent evaluators after project completion and publicly disclosed. Results utilized under the PDCA cycle (see below).

>> Environmental and Social Consideration**

- 'JICA Guidelines for Environmental and Social Consideration (ESC)' identify negative environmental and social impacts and incorporate mitigation measures from the project formulation stage and ensure compliance to 'do no harm' during project implementation

>> Assess and Address Climate Risks - JICA Climate-FIT**

- Incorporate climate measures into all projects
- Assess and address climate risks by the 'Climate Finance Impact Tool (JICA Climate-FIT)' for both mitigation and adaptation.



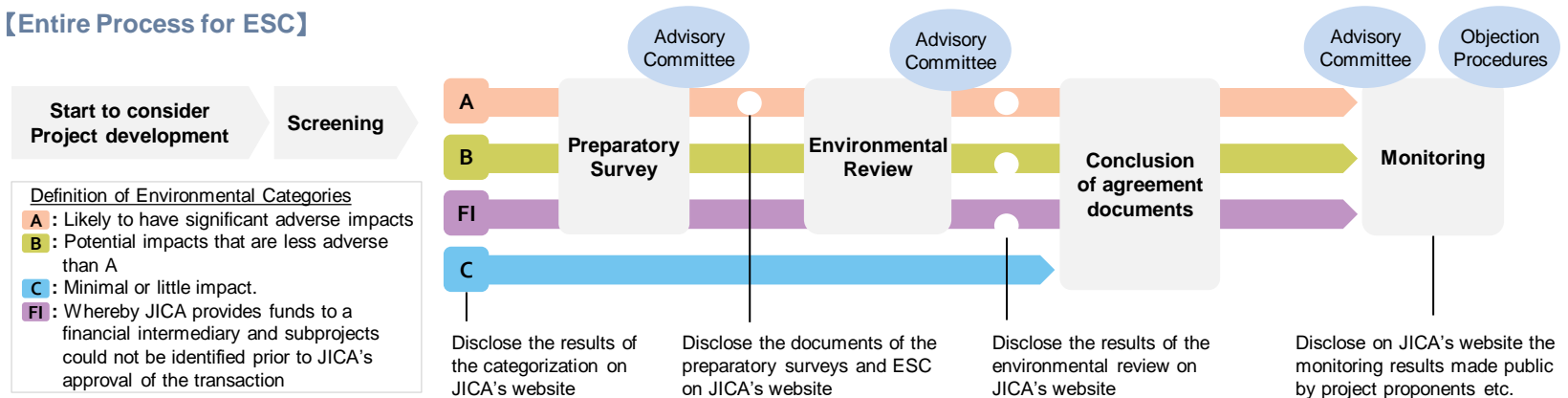
**Please see next slide for details of Environmental and Social Consideration and climate risk assessment.

Environmental and Social Considerations through the Entire Process

Environmental and Social Considerations throughout the entire process

- **JICA Guidelines for Environmental and Social Consideration (JICA Guidelines for ESC)** to examine negative environmental and social impacts as well as avoidance/mitigation measures

【Entire Process for ESC】

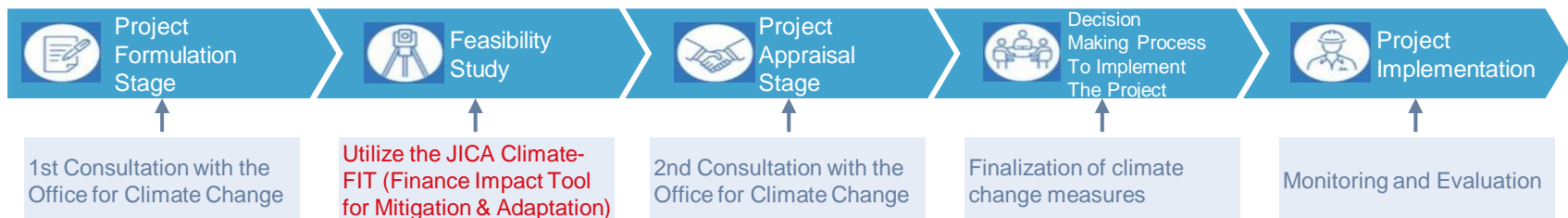


■ Governance in JICA ESC

- ✓ **Screening and monitoring:** an independent Advisory Committee consisting of external experts and NGOs
- ✓ **Objection procedures:** independent Examiners (external experts) to inspect filed cases
- ✓ JICA obligates the recipient countries to comply with the guidelines and disclose related information

Incorporating climate change measures into ALL projects

■ Mainstreaming climate change Mitigation / Adaptation in the planning stages of ALL projects in various Sectors



3. Management of the Proceeds

- Treasury, Finance and Account Department will track and monitor the amount of net proceeds to be allocated to Eligible Projects
- Manage unallocated proceeds in cash or cash equivalents until the full amount of the proceeds are allocated

4. Reporting

- Report allocation and impact of Bonds on an annual basis until the net proceeds are fully allocated
- Disclose information in a timely manner in case of material events



Allocation Reporting

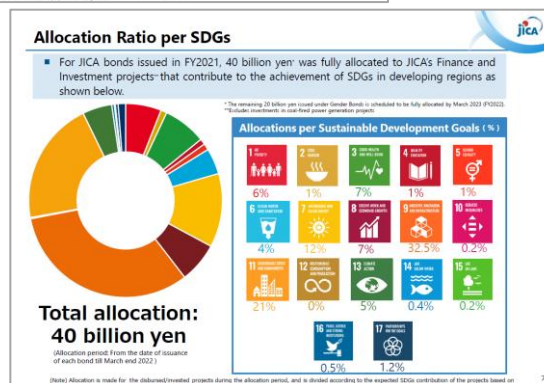
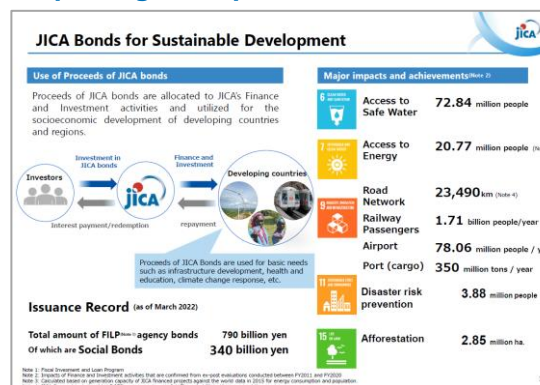
- The amount of net proceeds allocated to Eligible Projects, and remaining balance if any
- The allocated amount for each Eligible Project Category
- The ratio of new / refinanced projects



Impact Reporting

- Publish impact reports on social and environmental contribution (impacts) of eligible projects to the extent practically possible
- Ex-ante evaluation reports set quantitative and qualitative indicators to measure development effects for each project and are disclosed upon signing.
- In the Impact report, JICA plans to report project effects of eligible projects to which proceeds have been allocated based on the ex-ante evaluation report of respective projects

Reporting Examples



5. Second Party Opinion from Moody's Investors Service

Summary

We have assigned an SQS2 Sustainability Quality Score (Very good) to Japan International Cooperation Agency's ('JICA' or 'the agency') social and sustainability bond framework dated 4 April 2023. JICA's use-of-proceeds framework has been established with the aim to finance projects across nine social categories and six categories with combined social and environmental objectives. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles 2021 (including June 2022 Appendix 1), Social Bond Principles 2021 (including June 2022 Appendix 1) and Sustainability Bond Guidelines 2021. The framework also demonstrates a significant contribution to sustainability.

Sustainability quality score (SQS)

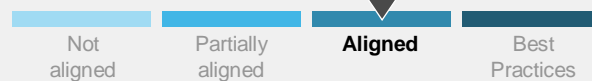
SQS2



Alignment with principles

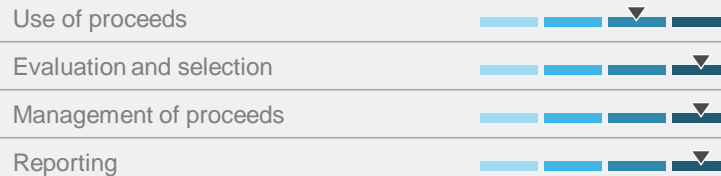
USE OF PROCEEDS

Overall alignment



FACTORS

ALIGNMENT



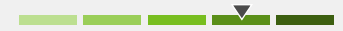
Contribution to Sustainability

Overall Contribution



Expected impact

Relevance and magnitude



ADJUSTMENTS

ESG risk management








No adjustment

Coherence

No adjustment

Theme Bonds

Focuses on JICA's key development agendas

Year	Type	Use of Proceeds	
2019 Social Bond	TICAD Bonds	Finance and investment projects which assist the African region's sustainable development	
2020 Social Bond	COVID-19 Response Bonds	Finance and Investment projects which strengthen healthcare systems and mitigate economic impacts of COVID-19	
2021 Social Bond	Gender Bonds	Finance and Investment projects which enhance gender equality and women's empowerment	
2022 Social Bond	Peace-building Bonds	Finance and Investment projects which assist the targeted countries affected by violent conflicts to build resilient and peaceful societies	
2023 Sus. Bond New	Disaster Resilience Bonds	Finance and Investment projects which contribute to disaster risk reduction and reconstruction from natural disasters	  

(Note) The theme bonds above were FILP Agency Bonds issued in the Japanese domestic market. The bonds issued before FY2022 are in line with JICA's former Social Bond framework. After FY2023, the bonds are issued under the new Social/Sustainability Bond Framework.

Theme Bonds - 'Disaster Resilience Bonds'

Background

- Natural disasters such as earthquake, tsunami, flood and volcanic eruption threaten human security and sustainable growth in developing countries. JICA has been working on disaster risk reduction (DRR) and reconstruction / rebuilding from natural disasters in developing regions over decades.
- "Build Back Better" is emphasized especially in post-disaster recovery and reconstruction.

Use of Proceeds	Allocated to JICA's Finance and Investment cooperation projects which contribute to disaster risk reduction and reconstruction/rebuilding from natural disasters in developing regions
Currency	Japanese Yen (non-government guaranteed)
Size/Tenor	10bn JPY/5-year, 12bn JPY/10-year, 10bn JPY/20-year
Lead Managers	Nomura/Daiwa/SMBC Nikko/Mizuho/Tokai Tokyo/Shinkin
ESG label	Sustainability Bond

Eligible Projects*

*Indicative purpose only and allocation of the bond proceeds are subject to progress of eligible projects.

(Tunisia)

Mejerda River Flood Control Project



Improving infrastructures to strengthen flood control and reduce risks from flood damages

(Indonesia)

Infrastructure Reconstruction Sector Loan in Central Sulawesi



Reconstructing infrastructures, devastated by the 7.5 magnitude quake in 2018, with the concept of 'Build Back Better'.

(India) Uttarakhand Forest Resource Management Project



Reduction of natural disaster risks by eco-restoration of forest areas and socio-economic development of communities by Joint Forest Management.

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— Social / Sustainability Bond Framework

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Climate Change



Gender Equality & Women's Empowerment



Peacebuilding



Better Health for All



JICA's Cooperation to Address Climate Change

Leading sustainable development through support for partner countries on transitioning to a decarbonized and climate-resilient society



JICA's Action 1

- Promoting implementation of the Paris Agreement by **supporting developing partner countries** in planning and implementation of **climate change policies and measures**, as well as **access to climate finance**



Photos by RENOVA, Inc. (the center photo) and JICA

JICA's Action 2

- Advancing co-benefit climate change solutions** through projects that contribute to **both addressing development challenges** and **combating climate change** (energy & urban development, clean transportation, forestry, agriculture, environmental management, disaster prevention, water resource management, and healthcare)

The Japanese Government Policy toward de-carbonization in ODA

As indicated by the G7 Leaders' Communiqué from the June 2022 meeting of the Leaders of the G7, Japan has ended new direct government support for unabated international thermal coal power generation by the end of 2021. In addition, recognizing the importance of national security and geostrategic interests, Japan has committed to end new direct public support for the international unabated fossil fuel energy sector by the end of 2022, except in limited circumstances clearly defined by each country consistent with a 1.5° C warming limit and the goals of the Paris Agreement. JICA operates in accordance with such Japanese government policies.

JICA's Holistic Support for Addressing Climate Change

India

MITIGATION / ADAPTATION

Orissa Forestry Sector Development Project (ODA loan)

- ✓ The planting resulted in **213,315ha total afforestation**
- ✓ Induced **42 million days of wage workers**
- ✓ The project supported **women's empowerment**



2,471,763 t-CO₂ / year

- estimated reduction amount of CO₂ emission from Finance and Investment Cooperation commitment approved in 2022

Bangladesh

ADAPTATION

Haor Flood Management and Livelihood Improvement Project



Vietnam

MITIGATION

Ninh Thuan Province Onshore Wind Power Project



Indonesia

ADAPTATION

Urban Flood Control System Improvement in Selected Cities (Phase 2)

- ✓ Target to **reduce flooded area to 0km² in 2026 from 10.9km² in 2016**



Kenya

MITIGATION

Olkaria V Geothermal Power Development Project

- ✓ Expected **GHG reduction** will be **803,903 t-CO₂ /year**



Clean Transportation Gallery



India



Bangladesh



Indonesia



Vietnam



Philippines



Egypt

*Image for Illustration

Focuses on social stability by providing equitable public services

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Support for Syrians and host communities in Turkey

Agreement Date: August 2021 (expected completion date: July 2028)

Loan Agreement Amount: JPY 45 billion (USD 341 million)

Background

- Since the outbreak of Syria's civil war in 2011, Turkey has hosted and temporarily protected more than 3.6 million Syrians, and became the world's largest host country.
- The increase in number and duration of stay of such Syrians has led to greater development needs for social infrastructure such as clean water supply, wastewater and solid waste management.

Objective

- To improve living condition of the Syrians and host communities by developing basic infrastructure including clean water supply, waste water management and solid waste management in target provinces affected by influx of the Syrians

Expected Outcomes

- Increase population served with water supply, waste water treated and solid waste collection
- Improvement of Water Quality (BOD⁽¹⁾)
- Social stability in host communities



Sewage System (image by JICA)

JICA's Response to the Ukrainian Crisis

- Emergency Economic Recovery Development Policy Loan: 78 bn JPY in total
- Support for displaced people in Ukraine, neighbor countries and Japan
- Various technical & grant cooperation for recovery and reconstruction of damaged infrastructure (e.g. capacity strengthening for demining, for waste management of damaged infrastructures)



Photo by JICA

On-site training on mining detection for the State Emergency Service of Ukraine (SESU) . The training was conducted in Cambodia and CMAC (Cambodian authority of demining) , whom JICA has supported for decades for demining, were mobilized as trainers..

Source: Press Release (https://www.jica.go.jp/english/news/press/2021/20210823_41_en.html)

Ex-Ante Evaluation (https://www2.jica.go.jp/en/evaluation/pdf/2021_TK-P22_1_s.pdf)



[More about JICA's Cooperation for peacebuilding \(video\)](#)

JICA's approach to "Better Health for ALL"



Strengthen health systems and Universal Health Coverage (UHC)

- Support development and access to vaccines
- Improve sanitation (clean water & sewage systems)

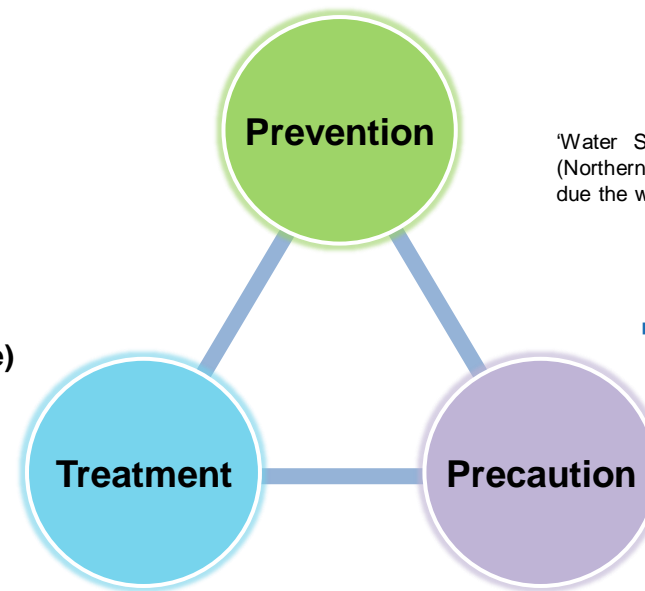


'Water Supply Improvement Project in Kurdistan Region' (Northern Iraq) where access to clean water had been limited due the wars (ODA Loan project)

- Establishing 100 hospitals
- Enhancing case management (diagnosis, treatment and care)
- Better access and care by DX



East-West Medical College Hospital in Bangladesh that JICA supported has been the center for extensive care for COVID cases (Private Sector Investment and Finance project)



- Improving research and surveillance capacity for infectious diseases



Noguchi Hideyo Institute, in Ghana, established by JICA's support in 1970s, has been the key hub in Africa for PCR testing to diagnose COVID-19 (Grant aid and Technical Cooperation)

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Gender equality and women's empowerment: a key for sustainable development

JICA's Approaches ~ Five Priorities

1 Women's Economic Empowerment

2 Women's Peace and Security

3 Women's Education and Lifetime Health

4 Gender-Equal Governance

5 Gender Responsive Infrastructure

Case Studies

1 Women's Economic Empowerment

Improve financial access for women in developing countries

Countries : India, Brazil, Columbia, Costa Rica, Georgia, Palestine, Vietnam, etc.

- Financial support for women and women entrepreneurs of small and medium-sized enterprises in developing countries



Project in Vietnam (photo by VP Bank)

5 Gender Responsive Infrastructure

Name of Project : Dhaka Mass Rapid Transit Development Project (I)~(V)

Country : Bangladesh

- Contribute to women's social and economic empowerment with safe public transportation in Dhaka – the capital of Bangladesh
- Components for better gender responsiveness: Women-only car, CCTV, Sari-guard, touchless electric prepaid card (no need of physical contact for ticketing)
- The country's first female train operators



(photos above) Dhaka Metro Line 6 started operation in December 2022
(photo right bottom) Female passengers' first ride with touchless electric prepaid ticket
(photo left bottom) The first female train operators in Bangladesh
(Photos by JICA)

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Project showcase ① Clean Transportation x Gender Equality

Development of clean and safe public transportation to address climate change and women's empowerment in India



Name of Project

Country

ODA Loan Amount

Project Outline

Delhi Mass Rapid Transport System Project (Phase 4) (1)

India

120 billion JPY (Estimated total project cost: 384 bil JPY)

- The project aims to cope with the increasing traffic demand by developing 3 new lines in Delhi.
- Expected outcomes are mitigation of traffic pollution, relief of traffic congestion, convenience in travel times, regional economic development and women empowerment.
- Since 1997, JICA has been supporting the development of the entire Delhi Metro System. Other major cities including Bengaluru, Kolkata, Chennai, Mumbai, and Ahmedabad have followed similar paths with the support from JICA.

Expected reduction of
CO2 emission
138,172 ton/year

Safe travel for women passengers
(women-only cars and CCTVs)

Equality in
employment



Women-only car of Delhi Metro



Ensure women passengers safety with CCTV and emergency alarms installed in metro stations



Promote employment of women train operators

Project showcase ② Access to energy x Climate Change



Development of renewable energy in Kenya



Geothermal Power plants (Orkaria I)

- JICA has been supporting Kenya for the development of geothermal energy to cope with increasing energy demand. Other expected outcomes are improving livelihoods, regional economic development, and reducing emission of air pollutants and carbon dioxide.
- JICA also has been assisting in KenGen's capacity development through Technical Cooperation.
- **With JICA's support, Kenya has become the 6th largest geothermal energy producer in the world.**

ODA loan projects (Power plants and transmission lines)

- Oklaria I Geothermal Power Development Project

Construction of new geothermal power plants (70MW x 3 units), Loan Amount: 29.5 billion JPY

- Olkaria V Geothermal Power Development Project

Construction of new geothermal power plants (70MW x 2 units), Loan Amount: 45.7 billion JPY

- Olkaria 1 Units 1, 2 and 3 Geothermal Power Plant Rehabilitation Project

Rehabilitation of 3geothermal power plants (15MW x 3 units), Loan Amount: 10.1 billion JPY

- Olkaria-Lessos-Kisumu Transmission Lines Project

Development of 290 km transmission lines, Loan Amount :12.4 billion JPY

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Project showcase ③

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No poverty x Zero hunger

230thousand ton/year

Increase in harvest for farmers around project areas in Kenya and Tanzania where JICA supported the development of irrigation systems



Irrigation systems developed through 'Small Scale Irrigation Development Project' in Tanzania



Access to clean energy

2.76million MW/year

Increase in clean energy supply from the Olkaria Geothermal Power Plants in Kenya and the Harghada Solar Power Plant in Egypt



Access to safe water

1.27million people

Number of people with new access to safe water in Tunisia, Morocco and Cabo Verde



'Fez and Meknes Regions Water Supply Project' in Morocco



Power plants developed through 'Olkaria I Unit 4 and 5 Geothermal Power Project' in Kenya

Strengthening regional connectivity in Africa

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Corridor development in Western Africa



 **11 thousand cars**

Increase in daily traffic volume western Ghana with the new bridge across the Volta river



New bridge across the Volta river (image picture)

Corridor development in Eastern Africa



 **1,817 tons**

Increase in cargo volume after completion of 'New Bridge Across River Nile' in Uganda

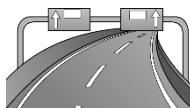


New Bridge Across River Nile



Map: MOFA

Road networks throughout Africa



520km

Total distance of newly constructed or rehabilitated roads with JICA's support in Kenya, Rwanda, Mozambique, Burkina Faso and Cameroon

24 hours

Time saved for crossing border of Botswana and Zambia with the new Kazungula bridge

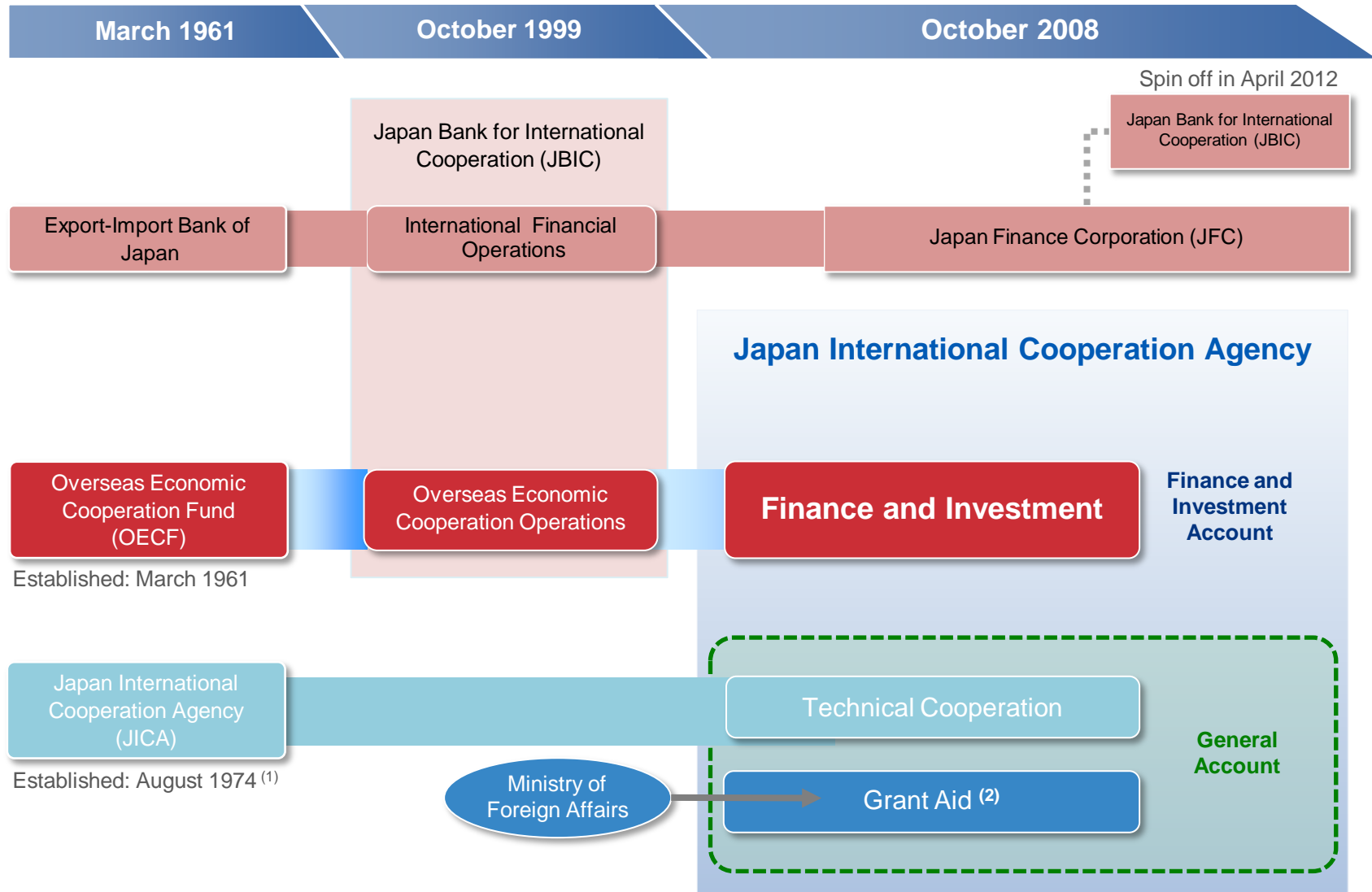


Corridor development in Southern Africa



'New Kazungula Bridge' across Zambezi river bordering Botswana and Zambia

Development of JICA



(1) JICA was reorganized into an Incorporated Administrative Agency in October 2003.

(2) The Ministry of Foreign Affairs continues to directly implement a part of Grant Aid needed for diplomatic policy.

What is ODA?

Official Development Assistance

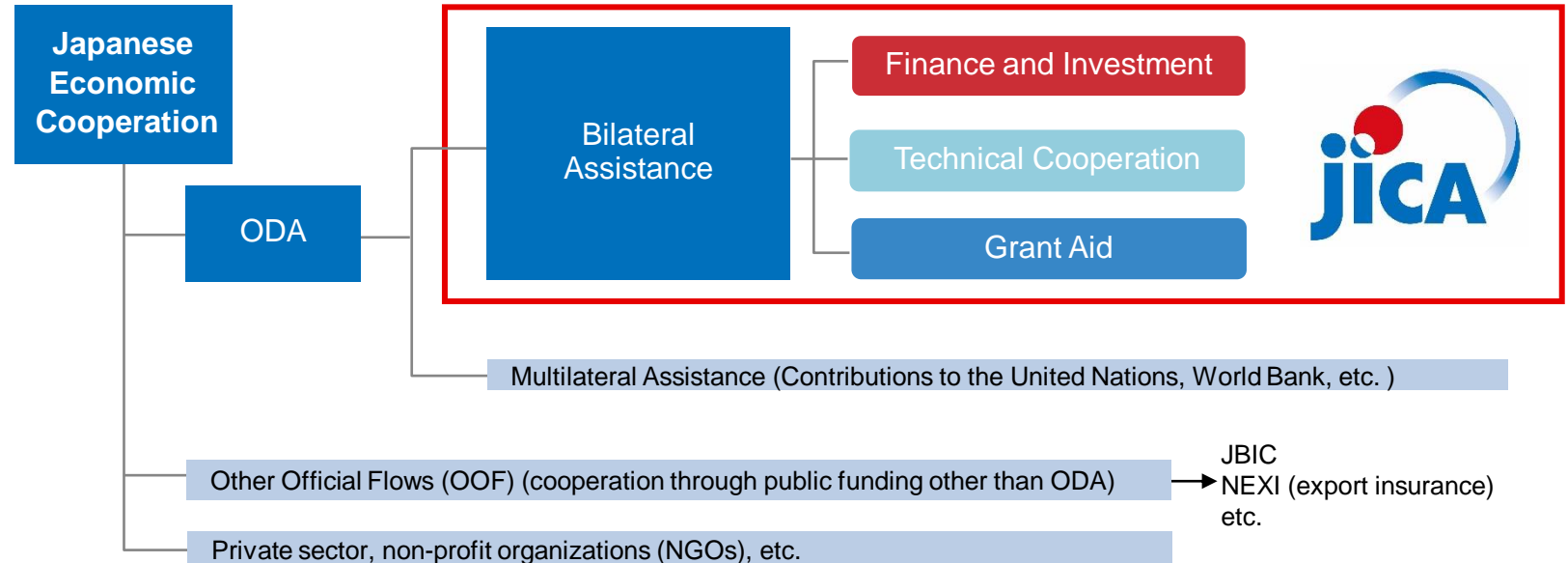
Definition provided by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD);

Definition 1 To be undertaken by governments or government agencies

Definition 2 To promote economic development and welfare in developing countries as the main objective

Definition 3 Loan must have highly concessional financial terms

Japanese ODA and JICA



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Japanese Development Cooperation Charter

- Japan's Development Cooperation Charter was approved by the Cabinet in 2015 to set the guidelines for development cooperation activities for not only public agencies but all participants in tackling ever more diverse and complex development challenges
- The proceeds from JICA bonds are entirely applied to Japan's development cooperation based on the Basic Policies and Priorities as set out below

Basic Policies

- 1 Contributing to peace and prosperity through cooperation for non-military purposes**
- 2 Promoting human security**
- 3 Cooperation aimed at self-reliant development through assistance for self-help efforts as well as dialogue and collaboration based on Japan's experience and expertise**

Priority Issues

- 1 "Quality growth" and poverty eradication through such growth**
Taking advantage of Japan's own experience, expertise and technology to realize inclusive, sustainable, and resilient growth
- 2 Sharing universal values and realizing a peaceful and secure society**
Solidifying the foundations for development by establishing the rule of law, good governance, democracy and respect for basic human rights including women's rights, and also by contributing to peacebuilding, emergency humanitarian relief, and to fight against threats to stability and security
- 3 Building as sustainable and resilient international community through efforts to address global challenges**
Taking full account of the discussions regarding international development goals including SDGs



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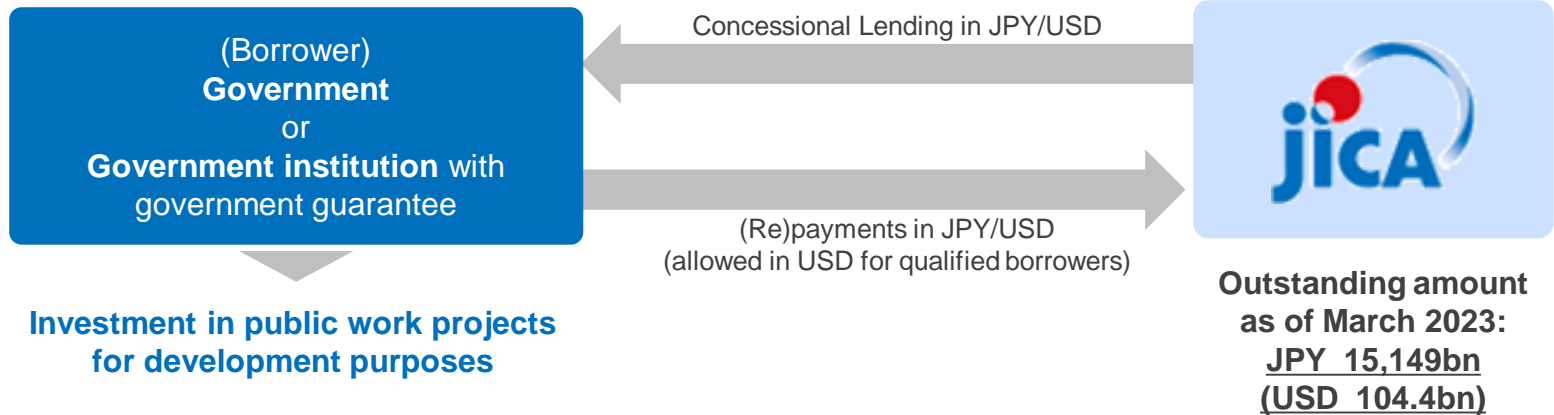
Recent Highlights

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Finance and Investment Activities – Schemes

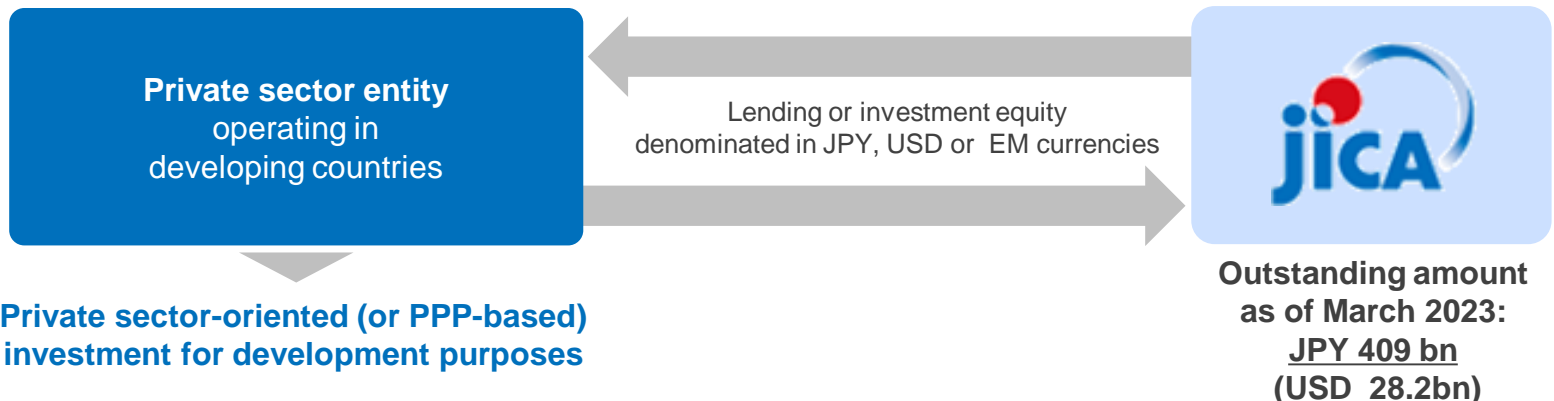
ODA Loans

- **Sovereign-based lending** to developing countries with **highly concessional terms**
- Majority of lending is in JPY, while some qualified borrowers are allowed to choose either JPY or USD for principal/interest (re)payment



Private-sector Investment Finance

- **Lending or equity investment to private-sector entities** operating in developing countries
- Lending or equity investment denominated in JPY, USD or EM currencies



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Budget for Three Main Arms of Operations

Finance & Investment Account

Finance and Investment

68 New Projects

Bond proceeds are allocated to this account

■ ODA Loans

Sovereign-based lending with concessional conditions

■ Private-sector Investment Finance

Lending or equity investment to private-sector entities



Delhi Mass Rapid Transport System Project in India

General Account

Grant Aid

94 New Projects

- Assistance in the form of grants with no repayment obligations to provide the goods and services necessary for economic and social development



Rural water supply in Ethiopia

Technical Cooperation

616 Projects

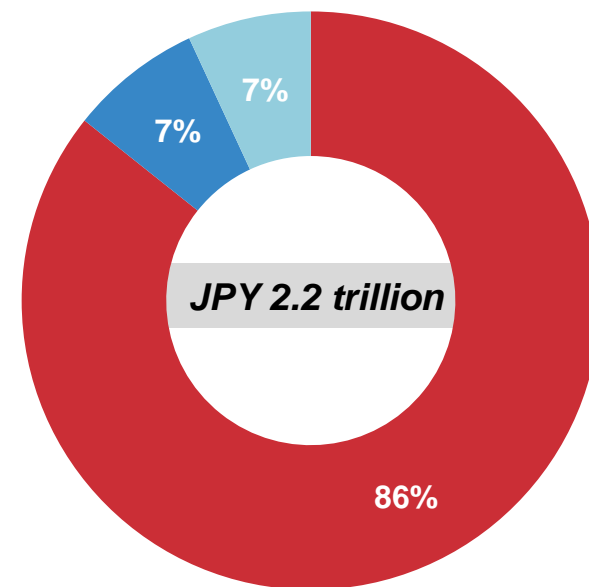
- Support for human resources development, R&D, technology dissemination and the improvement of institutional frameworks required to advance economic and social development



Assistance in agricultural production in Uganda

JFY2023 Budget

*Initial Budget



■ Financial and Investment JPY 1,894bn (USD 13.1bn)*

■ Grant Aid JPY 163.4bn (USD 1.13bn)*

■ Technical Cooperation JPY 152.7bn (USD 1.05bn)*

General Account Financial Statements

Note: Proceeds of JICA Bonds are not allocated to the General Account (Accountings are separated according to the JICA Act).

Budget — Scale of Operations*

Technical Cooperation		JFY 2021 (bn)	JFY 2022(bn)	JFY 2023(bn)	JFY 2023 (USD, mn)
Revenues	Revenues from management grants	150.7	171.3	150.3	1,037
	Other revenues	1.6	44.3	2.4	17
	Total	152.3	215.6	152.7	1,053
Expenditures	Administrative expenses	10.3	10.0	10.0	68
	Operational expenses	140.6	203.3	140.7	970
	Other expenses	1.4	2.3	2.1	15
	Total	152.3	215.6	152.7	1,053

Grant Aid**

	JFY 2021 (bn)	JFY 2022 (bn)	JFY 2023 (bn)	JFY 2023 (USD, mn)
Operation scale	163.2	226.9	163.4	112.7

Balance Sheet

	JFY2021 (JPY bn)	JFY2022 (JPY bn)	JFY 2022 (USD mn)
Total assets	356.6	386.6	2,666
Total liabilities	233.9	330.6	2,280
Total net assets	122.8	56.0	386

Statement of Income

	JFY 2021 (JPY bn)	JFY 2022 (JPY bn)	JFY 2022 (USD, mn)
Ordinary revenues	273.7	218.8	1,508.9
Ordinary expenses	227.1	265.3	1,829.9
Others	25.1	49.2	339.4
Total income for the current business year	71.7	2.7	18.5

Totals may not correspond to the sum of each item, as numbers less than a hundred million yen have been rounded off.

* All figures are based on budget for the fiscal year.

** Inclusive of budget for operations implemented by the Ministry of Foreign Affairs

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JICA' Project Evaluation Criteria

Criteria in accordance with the DAC evaluation criteria, which provide an international ODA evaluation perspective as defined by the Development Assistance Committee (DAC)

Criterion title	
Relevance	<ul style="list-style-type: none"> ■ Validity with project implementation (with the recipient country's development plans, development needs, social needs, and beneficiaries' needs in the target area) ■ Whether the project is designed to focus on "beneficiaries" give consideration to vulnerable people, and ensure fairness and whether the project is adaptable enough to remain relevant if circumstances change during implementation ■ Appropriateness of the project plan and logic of approach
Coherence	<ul style="list-style-type: none"> ■ Consistency with development assistance policies of the Japanese government and JICA ■ Synergistic effects and mutual relations with JICA's other projects (technical Cooperation, ODA Loan, Grant, etc.) ■ Complementarity, harmonization, and collaboration with other assistance/projects in Japan, other development organizations, etc.: consistency with global frameworks (e.g. SDGs and other international targets and initiatives) and international norms and standards; and producing expected achievement in the project plan
Effectiveness	<ul style="list-style-type: none"> ■ The degree of achievement of target level in target year of expected project outcome (including the usage of facilities and equipment) and any differential results across the groups
Impact	<ul style="list-style-type: none"> ■ Positive and negative indirect and long-term effects (systems and norms, people's well-being, human rights, gender equality, and the environment)
Efficiency	<ul style="list-style-type: none"> ■ Comparison of planned and actual project inputs, project period, and project cost
Sustainability	<ul style="list-style-type: none"> ■ Outlook on sustainability of effects that are realized by the project ■ Institutional/organizational sustainability (organizational structures and personnel assignment), technical sustainability, financial sustainability (availability of funds to cover the operation and maintenance costs), environmental and social sustainability, resilience to risks, and operation and maintenance conditions

(Reference Link)

<https://www.jica.go.jp/activities/evaluation/guideline/index.html> (Latest version available in Japanese only)

<https://www.jica.go.jp/english/activities/evaluation/indicators/financial.html>

Collaboration with Other Development Agencies

JICA partners with bilateral and multilateral development agencies including **World Bank, IFC, ADB, AfDB, IDB, AFD, KfW** and **USDFC** in order to maximize the impact of cooperation efforts

Agreement Date	Co-Financer	Project Area	Project Name	Commitment Amount	SDGs
Feb,2020	KfW Bank aus Verantwortung	Africa	Limited Partnership investment in Women's World Banking Capital Partners II	\$11.5mn	
Feb,2021	AFD Agence Française de Développement	Egypt	Development Policy Loan for Power Sector Reform	¥25bn	
May,2021	ADB	Vietnam	Quang Tri Province onshore wind power project	\$25mn	
Jul,2021	IDB	Dominican Republic	Program to Strengthen Public Policy and Fiscal Management in Response to the Health and Economic Crisis Caused by COVID-19	\$200mn	
Oct,2021	DFC	Kenya	Transforming collected organic waste into insect feed and organic fertilizer in Kenya: Impact investing in Sanergy (Private Sector Investment Finance)	\$2.5mn	
Oct,2021	ADB	Vietnam	Project of promoting women's financial inclusion targeting micro, small and medium-sized enterprises	\$75mn	
Dec,2021	IFC	Iraq	New Container Terminal Development Project at Umm Qasr Port	\$40mn	
Dec,2021	IDB	Dominican Republic	Energy Efficiency Program	¥3.888bn	
Jan,2022	THE WORLD BANK	Nepal	Policy Loan for Economic Growth and Resilience	¥10bn	
Feb,2022	AFDB	Tanzania	Arusha-Holili Road Improvement Project	¥24.31bn	
Sep, 2022	ADB IFC European Bank for Reconstruction and Development	Uzbekistan	Zarafshan Wind Farm Project	Not Disclosed	
Nov, 2022	IFC	Egypt	Kom Ombo Solar Power Project	\$160mn	

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Risks related to ODA Loans

- **Sovereign risk**, which constitutes a major part of the credit risk for ODA Loans, is evaluated by **utilizing information from recipient governments**, as well as multilateral institutions **including the IMF and the World Bank**
- Though JICA's exposure can concentrate in a limited number of countries, the ODA Loan portfolio is **well-diversified**
- The ODA Loan portfolio is affected by political and economic changes of borrowing countries especially because of its extended tenors

Credit Risk Management

- Periodical reviews of borrower's credit based on **internal credit rating system**
- **Prudent self-assessment of asset portfolio**
- With the credit risk management above, write-offs and loan loss allowance are managed in a proper manner

Market Risk Management

- Enhanced capacity to absorb interest rate risk on the back of **capital injections from the Government of Japan**
- Market risk hedge includes **interest rate swaps** as well as **cross currency swaps**, securing **collateral** when necessary

Liquidity Risk Management

- Management of its cash flows includes securing multiple sources of funds such as **Agency Bonds** and **borrowing under Fiscal Investment and Loan Program**



Risks Monitored Loans

(Unit: billions of JPY unless otherwise stated)

	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2023 (USD bn)
Loans to Debtor in Legal Bankruptcy	—	—	—	—
Past Due Loans	87	87	87	0.6
Loans in Arrears by 3 Months or More	0	—	378	2.6
Restructured Loans	469	610	676	4.7
Total (A)	556	697	1,142	7.9
Balance of Loans Receivable (B)	13,462	14,173	15,245	105.1
A / B (%)	4.13%	4.92%	7.49%	7.49%

Note ♦Paris Club ♦

- The Paris Club is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced with bilateral-based public debts (including both ODA loans and non-ODA credits). As debtor countries undertake reforms to stabilize and restore their macroeconomic and financial situations, usually through IMF-supported programs, Paris Club creditors provide appropriate debt treatments to debtor countries in the form of:
 - Rescheduling (i.e., debt relief by postponement); or
 - Reduction in debt service obligations
- In principle, **rescheduling is applied to ODA Loans securing principal of their face value.**

Terms and Conditions of ODA Loans (effective from October 1, 2023) (1/2)

Category	GNI Per Capita (2021)	Terms	Fixed/ Floating	Standard/Option	Interest Rate (%)	Repayment Period (years)	Grace Period (years)	Conditions for Procurement
Low-Income Least Developed Countries ⁽¹⁾	- US\$ 1,085				0.20	40	10	Untied
Least Developed Countries or Low-Income Countries	- US\$ 1,085	Preferential Terms for high Specification ⁽²⁾	Fixed	Standard	0.60	30	10	Untied
				Option1	0.50	25	7	
				Option2	0.40	20	6	
				Option3	0.30	15	5	
		Preferential Terms ⁽³⁾	Floating ⁽⁴⁾	Longer option	TORF+40bp	40	10	
				Standard	TORF+30bp	30	10	
				Option1	TORF+25bp	25	7	
				Option2	TORF+20bp	20	6	
				Option3	TORF+15bp	15	5	
			Fixed	Standard	1.20	30	10	
				Option1	1.10	25	7	
				Option2	0.95	20	6	
				Option3	0.75	15	5	
		General Terms	Floating	Longer option	TORF+50bp	40	10	
				Standard	TORF+40bp	30	10	
				Option1	TORF+35bp	25	7	
				Option2	TORF+30bp	20	6	
				Option3	TORF+25bp	15	5	
			Fixed	Standard	1.30	30	10	
				Option1	1.20	25	7	
				Option2	1.05	20	6	
				Option3	0.85	15	5	
Lower Middle Income Countries	US\$ 1,086 - US\$ 4,255	Preferential Terms for High Specification	Fixed	Standard	0.85	30	10	Untied
				Option1	0.75	25	7	
				Option2	0.65	20	6	
				Option3	0.55	15	5	
		Preferential Terms	Floating	Longer option	TORF+90bp	40	10	
				Standard	TORF+70bp	30	10	
				Option1	TORF+60bp	25	7	
				Option2	TORF+50bp	20	6	
				Option3	TORF+40bp	15	5	
			Fixed	Standard	1.60	30	10	
				Option1	1.45	25	7	
				Option2	1.25	20	6	
				Option3	1.00	15	5	
		General Terms	Floating	Longer option	TORF+110bp	40	10	
				Standard	TORF+90bp	30	10	
				Option1	TORF+80bp	25	7	
				Option2	TORF+70bp	20	6	
				Option3	TORF+60bp	15	5	
			Fixed	Standard	1.80	30	10	
				Option1	1.65	25	7	
				Option2	1.45	20	6	
				Option3	1.20	15	5	

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Terms and Conditions of ODA Loans (effective from October 1, 2023) (2/2)

Category	GNI Per Capita (2021)	Terms	Fixed/ Floating	Standard/Option	Interest Rate (%)	Repayment Period (years)	Grace Period (years)	Conditions for Procurement
Upper Middle Income Countries and Uppermost Middle Income Countries	US\$ 4,256 -	Preferential Terms for High Specification	Fixed	Standard	1.05	30	10	Untied
				Option1	0.95	25	7	
				Option2	0.85	20	6	
				Option3	0.75	15	5	
		Preferential Terms	Floating	Longer option	TORF+110bp	40	10	
				Standard	TORF+90bp	30	10	
				Option1	TORF+80bp	25	7	
				Option2	TORF+70bp	20	6	
				Option3	TORF+60bp	15	5	
			Fixed	Standard	1.80	30	10	
				Option1	1.65	25	7	
				Option2	1.45	20	6	
				Option3	1.20	15	5	
		General Terms	Floating	Longer option	TORF+130bp	40	10	
				Standard	TORF+110bp	30	10	
				Option1	TORF+100bp	25	7	
				Option2	TORF+90bp	20	6	
				Option3	TORF+80bp	15	5	
			Fixed	Standard	2.00	30	10	
				Option1	1.85	25	7	
Option2	1.65			20	6			
Option3	1.40			15	5			
STEP ⁽⁵⁾			Fixed	Standard	0.30	40	10	Tied
Consulting Services ⁽⁶⁾		For consulting services, the interest rate will be minimal (0.20%) and the repayment, grace periods and conditions for procurement will be the same as those for main components.						
Options for Program Type Japanese ODA Loans ⁽⁷⁾		In case of co-financing, it is possible to apply the same repayment terms as co-financer's lending while maintaining the concessionality of Yen loans.						

¹ For Low-Income LDCs, three-year transition period will be granted to recipient countries that will move from the category of Low-Income LDCs, and, during the period, the terms and conditions for Low-Income LDCs will be applied to the projects of the countries.

² Preferential Terms for High Specification will be applicable to projects promoting quality infrastructure. The applicability of the terms will be decided on a case-by-case basis.

³ Preferential Terms are applied to the following sectors and fields to all countries (except Low-Income LDCs): (i) Issues on Global Environmental and Climate Change, (ii) Health and Medical Care and Services, (iii) Disaster Prevention, and Reduction, (iv) Human Resource Development.

⁴ The base rate of floating rate is the value of the 6-month TORF, and the fixed spread remains constant over the life of the loan. If the base rate plus fixed spread is lower than 0.1%, the interest shall be 0.1%.

⁵ Special Terms for Economic Partnership (STEP) is extended to the projects for which Japanese technologies and know-how are substantially utilized, based on the recipient countries' request to utilize and transfer excellent technologies of Japan. Countries (except LDCs), which are eligible for tied aid under Arrangement on Officially Supported Export Credits issued by OECD, are eligible for STEP terms.

⁶ Irrespective of the income category, the term and condition of 0.20% interest rate and 40-year repayment period including 10-year grace period are applied to projects assisting recoveries from disasters, including Stand-by Emergency Credit for Urgent Recovery (SECURE). For Stand-by Emergency Credit for Urgent Recovery (SECURE), the term and condition of 20-year repayment period including 6-year grace period, or 15-year repayment period including 5-year grace period are also available, in order to apply Currency Conversion Option. In the case of SECURE, the interest rate applicable to the principal of any tranche disbursed after the extension of the disbursement period shall be the interest rate applicable to SECURE effective on the date that is sixty (60) days prior to but including an expiry date of the disbursement period.

⁷ For Contingent Credit Enhancement Facility for PPP Infrastructure Development (CCEF-PPP), only floating rate will be applied irrespective of income category. The terms on conditions are individually set within the following range of interest rate as well as repayment period (In the case of short term financial support, however, the repayment period is 10 years); Interest rate: TORF + 35 ~55bp, Repayment period: maximum 40-year(maximum 30-year drawdown period plus 10 year)

Notes

Under the EPSA (Enhanced Private Sector Assistance for Africa) initiative, the loan for projects co-financed with the AfDB are extended using "Preferential Terms," determined for each income category; in the case for Low-Income LDCs, the term and condition of 0.20% interest rate and 40-year repayment period including 10-year grace period are applied.

For countries complying with ongoing IMF-supported programs or receiving grants from IDA, it is possible to modify the terms and conditions of the ODA Loans so as to meet the IMF's concessionality criteria.

For General terms and Preferential terms, fixed rate for all countries (except Low-Income LDCs) will be revised on a regular basis so that its concessionality will be equal to that of floating rate.

For Upper-Middle-Income Countries and Uppermost-Middle-Income Countries, floating rate will be applied in principle, although fixed rate could be applied.

Countries Classification of ODA Loan Recipient (as of April 2023)

Category	GNI Per Capita	Countries
Low-Income-Least Developed Countries	- \$1,085	Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, Democratic Republic of Congo, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Liberia, Madagascar, Malawi, Mali, Mozambique, Niger, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Togo, Uganda, Yemen, Zambia
Least Developed Countries or Low-Income Countries	- \$1,085	Angola, Bangladesh, Benin, Bhutan, Cambodia, Comoros, Djibouti, Haiti, Kiribati, Lao PDR, Lesotho, Mauritania, Myanmar, Nepal, Sao Tome and Principe, Senegal, Solomon Islands, <u>Syrian Arab Republic</u> , Tanzania, Timor-Leste, Tuvalu
Lower-Middle-Income Countries	\$1,086 - \$4,255	<u>Algeria, Bolivia, Cameroon, Cabo Verde, Republic of Congo, Cote d'Ivoire, Egypt, El Salvador, Eswatini, Ghana, Honduras, India, Indonesia, Iran, Kenya, Kyrgyz Republic, Lebanon, Micronesia, Mongolia, Morocco, Nicaragua, Nigeria, Pakistan, Papua New Guinea, Philippines, Samoa, Sri Lanka, Tajikistan, Tunisia, Ukraine, Uzbekistan, Vanuatu, Vietnam, Zimbabwe</u>
Upper-Middle-Income Countries	\$4,256 -	Albania, Argentina, Armenia, Azerbaijan, Belarus, Belize, Bosnia & Herzegovina, Botswana, Brazil, Colombia, Costa Rica, Republic of Cuba, Dominica, Dominican Republic, Ecuador, Equatorial Guinea, Fiji, Gabon, Georgia, Grenada, Guatemala, Guyana, Iraq, Jamaica, Jordan, Kazakhstan, Republic of Kosovo, Libya, Malaysia, Maldives, Marshall Islands, Mauritius, Mexico, Moldova, Montenegro, Namibia, Nauru, Niue, North Macedonia, Republic of Palau, Panama, Paraguay, Peru, Serbia, South Africa, St. Lucia, St. Vincent and the Grenadines, Suriname, Thailand, Tonga, Turkey, Turkmenistan, Venezuela

*Underlined countries are STEP eligible(as of April 2023).

Source: JICA Website (https://www.jica.go.jp/english/our_work/types_of_assistance/oda_loans/standard/c8h0vm0000aoex8o-att/2023_01_02.pdf)

Budget for Finance and Investment Account, and Capital Markets Division,
Treasury, Finance and Accounting Department
Japan International Cooperation Agency

Address

Nibancho Center Building 5-25,
Niban-cho, Chiyoda-ku Tokyo
102-8012 Japan

TEL

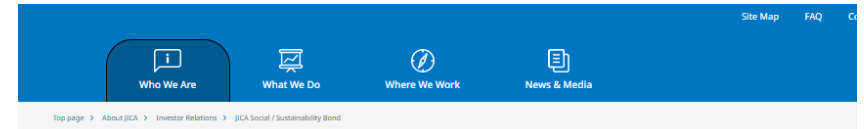
+81-3-5226-9279

E-mail

fatcm@jica.go.jp

URL

<https://www.jica.go.jp/english/about/investor/index.html>



JICA Social / Sustainability Bond

JICA Social / Sustainability Bond Framework

In April 2023, JICA released a new 'JICA Social / Sustainability Bond Framework' based on the International Market Association's (ICMA) Social Bond Principles (SBP), the Green Bond Principles (GBP) and the Sustainability Bond Guidelines (SBG). JICA has obtained a second party opinion from Moody's.

- JICA Social / Sustainability Bond Framework (English) (PDF/2.00MB) 
- Second Party Opinion provided by Moody's (English) (PDF/2.93MB) 

Contribution to the Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs), which is a compass for aligning efforts to realize sustainable development by 2030.

JICA, as the sole agency implementing Official Development Assistance (ODA) of the Government of Japan, has supported projects in developing countries to address challenges to the SDGs. See how JICA is making impacts around the world [here](#).



These materials were prepared solely for the purpose of providing information to investors, and they are not intended to solicit subscriptions to or encourage purchases of bonds. Investors are advised to consider bond purchases only after a careful study of the details of the bond issue as described in the relevant explanatory documents provided by the issuer and in any other relevant and current materials they can obtain. A decision to purchase bonds is solely the responsibility of the investor.