

JICA Bonds as Social Bonds

A Financial Instrument That Helps to Achieve the SDGs

In 2016, JICA issued Japan's first Social Bonds in the domestic market. Since then, JICA has issued all of its domestic bonds as Social Bonds, bringing the total amount of issue by fiscal 2020 to ¥280 billion.

Social Bonds refer to bonds where the proceeds will be exclusively applied to finance Social Projects that address social issues. As Social Bonds, JICA Bonds have attracted the attention of many investors as instruments that contribute to the SDGs or as an ESG investment.

Proceeds of JICA Bonds are used for operations of Finance and Investment Cooperation

Amid growing calls for the promotion of the SDGs in recent years, an increasing number of investors value social and environmental contributions through investment. The proceeds of JICA Bonds are used for JICA's Finance and Investment Cooperation, aimed at the sustainable development of developing countries. Specific purposes include the development of transportation infrastructure such as roads and railways, the development of renewable energy sources, clean water supply and sewer improvement, education for children, and the empowerment of women.

Furthermore, JICA's Social Bonds are referred to as one of the instruments for mobilizing private capital to achieve the SDGs in the SDGs Implementation Guiding Principles set by the Japanese government. Many investors have supported these characteristics of JICA's Social Bonds, and JICA has received investment announcements from 174 investors by the end of fiscal 2020.

JICA COVID-19 Response Social Bonds

In fiscal 2020, JICA issued JICA COVID-19 Response Social Bonds as a part of its efforts to address the COVID-19 crisis.

Proceeds of the bonds are exclusively put to use for strengthening health systems and mitigating economic impacts of the crisis in developing countries. A number of investors have supported the concept of the JICA COVID-19 Response Social Bonds. Also during fiscal 2020, JICA issued its Social Bonds in the retail market so that individual investors could invest in the pilot



Part of the funds raised by JICA Bonds are used for enhancing women's economic empowerment through better access to finance in developing countries. The photo shows a woman who works in a market in Nigeria.

issuance of the bonds. This was something it had suspended since fiscal 2016. A wide range of individuals and businesses invested in JICA's Social Bonds with strong support for JICA's mission.

Financial markets in Japan and overseas deal in an increasing variety of bonds that incorporate environmental and social contributions in product designs. Among them are Social Bonds as issued by JICA, Green Bonds, Sustainability Bonds, and Transition Bonds.

Going forward, JICA will continue to issue JICA Bonds as a more accessible instrument that contributes to promoting international cooperation and achieving the SDGs so that investors and other stakeholders will opt for investment in JICA Bonds.

For details about JICA Bonds, see [JICA's Web page](#) "Investor Relations" <https://www.jica.go.jp/english/ir/index.html>.



¥280 billion

Total amount of Social Bonds JICA issued in fiscal 2016–2020

Number of pledges to invest in JICA Bonds (Cumulative total)

