

**Signing of Japanese ODA Loan with the International Bank for Reconstruction and Development: Using the Global Concessional Financing Facility to contribute to easing the debt burden on countries admitting Syrian refugees**

February 22, 2018

On February 21, the Japan International Cooperation Agency (JICA) signed a loan agreement with the International Bank for Reconstruction and Development (IBRD) in Washington, DC/Tokyo, to provide a Japanese ODA loan of up to 100 billion yen as the Loan for MENA Financing Initiative.

The project will provide a loan to the IBRD to contribute to the Global Concessional Financing Facility (GCFF), which provides financing for highly concessional loans to international agencies for projects in fields such as infrastructure, with the objective of assisting refugees in countries such as Jordan and Lebanon that have been affected by the Syrian refugee crisis.

Since the outbreak of the Syrian Civil War in 2011, a large number of Syrians have fled to nearby countries, with Lebanon taking in one million and Jordan taking in 650,000 (the numbers of refugees registered by the Office of the United Nations High Commissioner for Refugees as of September 2017). To meet the rising need for financing to provide public services to refugees, Lebanon and Jordan requested that the international community provide high-concessional emergency assistance that would not impact their current level of debt burden.

In response, the World Bank Group announced, in October 2015, the MENA Financing Initiative [1], an initiative under the auspices of President Jim Yong Kim, and devised the Concessional Financing Facility (CFF) [2] with the objective of enhancing the mobilization of financing to countries taking in Syrian refugees. The initiative makes it possible to provide loans at rates more concessional than ordinary terms by combining financing, as grants, from national governments and donors, including the IBRD, with loans from international agencies. More specifically, the initiative provides a framework to ease loan terms by providing grant financing from a CFF trust fund operated and managed by the IBRD for projects aligned with CFF objectives.

As the project will enable the IBRD to procure financing at Japanese ODA loan rates lower than market rates, the difference in interest will be allocated to the CFF trust fund, thereby making it possible to allocate additional financing to projects.

1: Referring to the New Financing Initiative to Support the Middle East and North Africa (MENA) Region. In addition to the CFF (footnote 2), the MENA Financing Initiative includes a facility to

guarantee loans from international agencies and the issuance of World Bank bonds to support development of the MENA region.

2: Initially established as a program for countries in the Middle East impacted by the influx of Syrian refugees, the CFF was widened in scope to other countries in September 2016 and renamed the Global Concessional Financing Facility.

### 1. Terms and Amount of Loan

	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Loan for MENA Financing Initiative	100,000	0.1%	N/A	40	10	N/A

### 2. Executing Agency

International Bank for Reconstruction and Development

Address: 1818 H Street, NW Washington, DC 20433 USA

Phone: +1-202-473-1000, fax: +1-202-477-6391

### 3. Planned Implementation Schedule

- (1) Completion of project: February 2023 – **with the end of the loan disbursement period**
- (2) No hiring of consultants is planned for this project.
- (3) Bidding will not take place for construction in this project.