

(Updated in June 2021)

## **Use of Proceeds**

The bond proceeds will be allocated to JICA's Finance and Investment Account dedicated to its ODA Loans and Private Sector Investment Finance activities (not knowingly allocate any proceeds from the sale of bonds, which are issued in June 2021 and later, to activities related to coal-fired power generation).

An amount equal to part or all of such net proceeds may be allocated to investments in one or more "Eligible Projects" in developing countries classified by the United Nations and the World Bank.

"Eligible Projects" means projects selected under the Development Cooperation Charter, which was endorsed by the Japanese government in 2015 with the aim to proactively contribute to peace, stability and prosperity in the international community. Through each Eligible Project, JICA strives to promote socio-economic development of developing countries and address challenges to the Sustainable Development Goals (SDGs) adopted at the UN Sustainable Development Summit, with a particular focus on the below ten goals: zero hunger (Goal 2), health (Goal 3), education (Goal 4), water and sanitation (Goal 6), energy (Goal 7), economic growth (Goal 8), industry and infrastructure (Goal 9), sustainable cities (Goal 11), climate actions (Goal 13), and forests and biodiversity (Goal 15). Eligible Projects will be subject to on-site monitoring by one of JICA's 96 overseas offices located around the world. During the monitoring stage of any project, JICA may confer with the recipient country government or recipient company where necessary, with a view to ensuring the smooth and efficient implementation of the project. Disbursements are often made over a period of time depending on the project's schedule.

Eligible Projects will be subject to periodic progress reports that must be submitted to JICA by the recipient. JICA supervision of an Eligible Project may extend to both implementation of the project (including construction, engineering, institutional development, etc.) and all aspects of the loan process.

In addition, JICA will, in principle, conduct an ex-post evaluation process within three years of the completion of an Eligible Project. Such evaluations are disclosed on JICA's website and an Evaluation Report is issued annually. JICA has obtained a second party opinion from Japan Research Institute to confirm the alignment of JICA's bond framework with the ICMA Social Bond Principles.