

JAPAN INTERNATIONAL  
COOPERATION AGENCY

Brochure on  
Special Account Procedure for Japanese ODA Loans

November 2019

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Section 1. Introduction

- 1.01. Unless otherwise defined in this brochure, the capitalized words not defined herein have the same meanings as defined in the relevant Loan Agreement and/or the General Terms and Conditions to which this brochure applies.
- 1.02. If any provision of this brochure is inconsistent with any provision of the Loan Agreement, of which this brochure constitutes an integral part, such provision of the Loan Agreement shall govern.
- 1.03. Headings of Sections herein are inserted for convenient reference only, are not part of this brochure and do not affect the construction of, or be taken into consideration in interpreting this brochure.

Section 2. Procedure

- 2.01. This brochure provides for an initial disbursement from the proceeds of the Loan to be deposited in a special account, opened by the Borrower and maintained in a bank, from which payments for eligible expenditures are made (such account hereinafter referred to as the “**Special Account**”). The Special Account is replenished by sending requests for replenishment to JICA. Towards the end of loan disbursements, JICA initiates a recovery procedure to obtain full documentation for the total amount disbursed including that for the initial disbursement.
- 2.02. The Borrower shall request JICA to make disbursement to a non-resident yen account (hereinafter referred to as the “**Loan Account**”), which shall be opened, in accordance with the relevant laws and regulations of Japan, in advance with a bank in Tokyo

(hereinafter referred to as the “**Paying Bank**”), as stipulated in the Loan Agreement, from which the Borrower transfers the amount to the Special Account.

- 2.03. The Special Account should be stated and maintained in Japanese Yen. Amount requested to JICA shall also be expressed in Japanese Yen.
- 2.04. All amounts deposited or replenished for the Special Account and amounts withdrawn therefrom shall be made in accordance with the relevant provisions of the Loan Agreement and be recorded independently in accordance with consistently maintained sound accounting principles. JICA may require submission of relevant documents, including, but not limited to, monthly statements evidencing the expenditures paid out of the Special Account.

### Section 3. Initial Disbursement

- 3.01. The Borrower shall submit to JICA the Request for Initial Disbursement in accordance with the attached Form RFD(S-IN) with a document evidencing the opening of the Special Account, to receive disbursement up to the amount of the initial disbursement stipulated in the Loan Agreement.
- 3.02. When JICA finds the Request for Initial Disbursement in order and in conformity with the relevant provisions of the Loan Agreement, JICA shall make initial disbursement in Japanese Yen, in principle, within fifteen (15) business days from the date of receipt of the Request for Initial Disbursement by paying into the Loan Account.
- 3.03. The Borrower shall make the request mentioned in Section 3.01 above so that JICA can receive the necessary documents, in principle, not less than fifteen (15) business days prior to (i) the expiration date of the Disbursement Period and (ii) the date that

the Borrower requests JICA to make disbursement, only if so requested.

#### Section 4. Replenishment

- 4.01. The Borrower shall submit to JICA the Request for Replenishment in accordance with the attached Form RFD(S-RP) to receive replenishment. Such replenishment shall be allowed up to, but excluding the actual amount disbursed for the initial disbursement, the total disbursement for the Special Account stipulated in the Loan Agreement. Each Request for Replenishment shall be accompanied by the following documents:
- (a) Summary Sheet of Payments made substantially as per Form SSP (S); and
  - (b) supporting documents evidencing each payment and its usage, as stipulated in the Loan Agreement.
- 4.02. When the currency used for the payment is not Japanese Yen, the amount stated in the Request for Replenishment shall be the equivalent in Japanese Yen converted at the exchange rate used when such amount was drawn from the Special Account, which shall be quoted by a foreign exchange bank authorized as such by the authority in the territories of the Borrower. The amount paid and the exchange rate used for conversion to Japanese Yen shall be described in the Summary Sheet of Payments and submitted together with the evidence of the conversion rate.
- 4.03. When JICA finds the Request for Replenishment in order and in conformity with the relevant provisions of the Loan Agreement, JICA shall make replenishment in Japanese Yen, in principle, within fifteen (15) business days from the date of receipt of the Request for Replenishment by paying into the Loan Account.
- 4.04. The Borrower shall make the request mentioned in Section 4.01 above so that JICA can receive the necessary documents, in

principle, not less than fifteen (15) business days prior to (i) the expiration date of the Disbursement Period and (ii) the date that the Borrower requests JICA to make disbursement, only if so requested.

## Section 5. Recovery Procedure during Replenishment

- 5.01. In principle, when the amount remaining undisbursed for the total disbursement for the Special Account stipulated in the Loan Agreement reaches twice the amount of the initial disbursement, JICA shall be entitled to initiate a recovery procedure, under which replenishment will be partially made at a recovery ratio of two-thirds (2/3) against the amount for the supporting documents submitted, so as to obtain full documentation for the total disbursement including that for the initial disbursement upon completion of disbursements under the Special Account. That is, for every three (3) yen requested, JICA shall replenish two (2) yen until the total disbursement from JICA reaches the amount stipulated in the Loan Agreement.

## Section 6. Closure of the Special Account and Refund

- 6.01. The Special Account shall be closed promptly after JICA has confirmed all necessary procedure including the following has been completed.
- 6.02. Upon request by the Borrower, and when JICA finds it necessary, withdrawals from the Special Account may be allowed after the Disbursement Period expires, to make payments for services or supplies incurred on or before such date has expired, in accordance with the relevant provisions of the Loan Agreement. The Borrower shall submit all supporting documents to JICA within four (4) months after the Disbursement Period has expired, unless otherwise agreed by JICA.

### 6.03. Ineligible or Unjustifiable Amount

- (1) If JICA has determined at any time that payments stipulated as follows are outstanding, the Borrower shall, promptly upon notice from JICA, deposit into the Special Account or, if JICA shall so request, refund to JICA such ineligible or unjustifiable amount in Japanese Yen:
  - (a) any payment made for an expenditure not eligible under the Loan;
  - (b) any payment not justified by supporting documents. Such unjustifiable amount shall be determined to be the balance between the cumulative disbursement for the Special Account and the cumulative amount of satisfactory supporting documents in Japanese Yen received by JICA; or
  - (c) any amount deposited into to the Special Account that will not be required to cover further payments in accordance with the relevant provisions of the Loan Agreement.
- (2) When the ineligible or unjustifiable amount in Japanese Yen is refunded to JICA, the Borrower shall refund such amount together with the interest accrued thereon. Notwithstanding the above, if such refund is made before the Disbursement Period expires, the interest accrued thereon shall be paid to JICA on the Payment Date immediately following the date the refund is made.
- (3) No further disbursement by JICA shall be made until the Borrower has made such deposit into the Special Account or refund to JICA. However, this stipulation does not affect Section 6.01 of JICA's General Terms and Conditions for Japanese ODA Loans applied to the Loan Agreement.

## Section 7. Banking Arrangement

- 7.01. The Borrower shall designate a foreign exchange bank in the territories of the Borrower (hereinafter referred to as the “**Agent Bank**”), as stipulated in the Loan Agreement, as its agent for the

purposes of taking any action or entering into any arrangement or agreement, on behalf of the Borrower, required or permitted under this brochure. Any action taken or arrangement or agreement entered into by the Agent Bank pursuant to the authority conferred on the Agent Bank shall be fully binding on the Borrower and shall have the same force and effect as if such action was taken or such arrangement or agreement was entered into by the Borrower. The Borrower may revoke or modify the authority conferred on the Agent Bank if consent of JICA is obtained.

- 7.02. The Borrower shall cause the Agent Bank to make necessary arrangement with the Paying Bank, including, but not limited to, the following for this brochure:
- (a) to open a Loan Account on behalf of the Borrower with the Paying Bank; and
  - (b) to confirm necessary arrangements for transaction of funds after the proceeds of the Loan is credited to the Loan Account.

## Section 8. Foreign Exchange Risk

- 8.01. The Borrower shall bear all risks associated with foreign exchange fluctuations arising from disbursement and JICA shall not be liable therefor.

Request for Initial Disbursement

Date:  
Loan Agreement No.:  
Application Serial No.:

To: JAPAN INTERNATIONAL COOPERATION AGENCY

[ Name of the Department or JICA Office in charge]

Attention:

Pursuant to the Loan Agreement No. \_\_\_\_\_ dated \_\_\_\_\_, between the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as “JICA”) and (the Borrower) (hereinafter referred to as the “Loan Agreement”), the undersigned hereby requests for Initial Disbursement, under the said Loan Agreement, of ¥ \_\_\_\_\_ (Say Japanese Yen \_\_\_\_\_) by being paid to the Loan Account of (Agent Bank of the Borrower) with (Paying Bank), Tokyo, Japan, from which (Agent Bank of the Borrower) transfers the amount to the Special Account defined in the Loan Agreement.

Very truly yours,

For: (Name of the Borrower)

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By: (Authorized Person’s Signature,  
Name & Title)

encl.: Document evidencing the opening of the Special Account



(Form RFD(S-RP))

Request for Replenishment

Date:

Loan Agreement No.:

Application Serial No.:

To: JAPAN INTERNATIONAL COOPERATION AGENCY

[ Name of the Department or JICA Office in charge]

Attention:

1. Pursuant to the Loan Agreement No. \_\_\_\_\_ dated \_\_\_\_\_ between the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and (the Borrower) (hereinafter referred to as the "Loan Agreement"), the undersigned hereby requests for replenishment to the Special Account under the Loan Agreement, of the sum of ¥ \_\_\_\_\_ (Say Yen \_\_\_\_\_) in disbursement of expenditures as described in the attached Summary Sheet(s) of Payments.
2. The undersigned has not previously requested of any amounts under the Loan Agreement for the purpose of meeting the expenditures described in the attached Summary Sheet(s) of Payments. The undersigned has not obtained nor will obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the undersigned except short-term loans or credits, if any, established in anticipation of the disbursement requested for herein and to be repaid pro-tanto with the funds disbursed hereunder and any charges, commission or interest paid or payable under such anticipatory short-term credits are not included in the amount herein requested to be disbursed.
3. The undersigned certifies that:
  - a) the expenditures, hereby sought to be disbursed were made for the purposes specified in the Loan Agreement;
  - b) the said goods and services have been procured in accordance with the applicable procurement procedures agreed with JICA pursuant to the Loan Agreement and the cost and terms of

purchase thereof are reasonable;

- c) the said goods and services were or will be supplied by the supplier(s) specified in the attached Summary Sheet(s) of Payments and were or will be procured in (or, in the case of services, supplied from) the eligible source country(ies) for the Loan Agreement.
4. Please credit the amount requested herein by paying into the Loan Account of (Agent Bank of the Borrower) with (Paying Bank), Tokyo, Japan, from which the Borrower transfers the amount to the Special Account defined in the Loan Agreement.
  5. Summary Sheet(s) of Payments and other required documents attached to this request shall form an integral part hereof.

Very truly yours,

For: (Name of the Borrower)

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By: (Authorized Person's Signature,  
Name & Title)

Summary Sheet of Payments

■ Special Account Procedure

Date:

L/A No.:		Application Serial No.		Category :		JICA Concurrence No. (if any) : Contract No. :	
					<b>(A)</b>	<b>(B)</b>	<b>(C)=(A) x (B)</b>
Item No.	Supplier	Contract Concurrence Amount (if any), or	Date of payment	Description	Amount Paid (without Tax)	Disbursement Ratio	Amount for JICA Financing
		Contract Amount					
1.						100%	
2.							
3.							
.							

**Total (A)** \_\_\_\_\_

**Total (C)** \_\_\_\_\_

If requested currency is different from (C) above: **Exchange rate <dated YYYY>(E):** 1 JPY = XX

<b>Request Amount (D)</b>	<b>(D)=(C)÷(E)</b>
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*The undersigned certifies that the suppliers, contractors or consultants (hereinafter collectively referred to as the "Supplier(s)") and payments stated above are eligible under the Loan Agreement.*

For (Name of the Borrower)

\_\_\_\_\_  
Authorized Person's  
Signature, Name & Title

Disbursement Record (For reference)

Amount	Disbursed from JICA (JPY) [A]	Supporting documents submitted to JICA (JPY) [B]	
Total up to previous request			
This request			Unrecovered Amount (JPY) [A-B]
Total including this request			

**[Category]:** Category Name described in Section 1 of Schedule 2 of the Loan Agreement  
**[Contract Concurrence Amount or Contract Amount]:** Concurrence amount by JICA. If not applicable, contract amount.  
**[Description] :** Description of service/goods, & details of payment (i.e. down payment, an installment payment or the final payment, invoice no., monthly payment, etc).  
**[Amount Paid]:** Amount in the currency paid to the Supplier(s). (A) ≤ amount on the Receipt  
**[Disbursement Ratio]:** Ratio to derive the Amount for JICA Financing against Amount Paid.  
**[Amount for JICA Financing]:** Amount applicable for JICA financing in the currency paid to the Supplier(s). If the currency for the final requested amount to JICA is different from (C), indicate the Exchange rate (E) quoted in accordance with the Brochure on Reimbursement Procedure and relevant provision(s) of the Loan Agreement, to calculate the Request Amount (D).  
**[Unrecovered Amount]:** Amount of supporting documents to be submitted, which is the balance in Japanese Yen between the cumulative disbursement and the cumulative supporting documents submitted.  
***If the Request for Replenishment includes payments for more than 1 Category/Concurrence no., prepare Summary Sheet for each.***