

## Signing of Japanese ODA Loan Agreement with the Government of the Republic of the Union of Myanmar –Supporting Social and Economic Reform in Myanmar–

On January 15, the Japan International Cooperation Agency (JICA) signed an agreement with the Government of the Republic of the Union of Myanmar to provide a Japanese ODA loan of up to a total of approximately 198.9 billion yen for assistance for Social and Economic Development Support Loan.

Since the inauguration of a new administration in March 2011, the Government of Myanmar has been undertaking political and economic reforms to realize economic growth through opening its economy to foreign business, and deepening involvement with the international community. Welcomed by the international community, the series of reforms include 1) effort toward exchange rate unification by eliminating the overvalued official rate, and introducing a managed floating exchange rate, 2) financial sector reforms, such as making the interest structure more flexible, 3) more budget allocated for education and health, and 4) debate and approval of the budget by the parliament for the first time. The objective of the Japanese ODA loan is to support the reforms in Myanmar, thereby contributing to economic stability.

JICA and the Government of Myanmar had held a series of preliminary meetings on policy issues and ongoing reforms. The knowledge and experience JICA had accumulated through past technical cooperation and other support contributed to fruitful discussions with the Government of Myanmar. Going forward, Japan and Myanmar will collaboratively monitor the policy issues and reforms.



Signing ceremony



After the signing ceremony, Mr. Masahiko Tanaka (left), chief representative of the JICA Myanmar Office, shakes hands with H. E. U Win Shein, minister of Finance and Revenue.

At the Japan-Myanmar Summit Meeting in April 2012, the two leaders underlined that two sides pursue approach addressing Myanmar's debt issues in a comprehensive way. This Japanese ODA loan constitutes an important part of the approach. A loan, provided by The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Ltd., and Sumitomo Mitsui Banking Corporation, for clearing a part of debt is bridged to this Japanese ODA Loan.

JICA is working to begin prompt cooperation that will assist Myanmar in conducting socioeconomic reforms so the people can enjoy the fruit of the reforms. In addition to further technical cooperation and grant aid assistance, JICA will provide assistance for infrastructure development with Japanese ODA loans and provide various support for reform in Myanmar.

## Reference

### 1. Terms and Amount of Loan

Project title	Amount (yen)	Annual interest rate (%)	Repayment (years)	Grace period (years)
Social and Economic Development Support Loan	198,881,173,331	0.01	40	10

### 2. Project Summaries

#### Executing Agency

Ministry of Finance and Revenue, Myanmar  
Address: Building No. 26, Nay Pyi Taw, Myanmar  
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#### Consultant Selection and Bidding for Construction

Under this loan consultant selection or international competitive bidding for construction is not scheduled.