

# JICA's Position Paper on SDGs: Goal 1

## Goal 1: End poverty in all its forms everywhere

### 1. Recognition of the present situation

#### (1) Current state of poverty and the need to challenge issues

- Not to live in extreme poverty and not to be left behind by benefits from the development:  
The extreme poverty rate<sup>1</sup> in developing countries declined from 47% in 1990 to 14% in 2015. However, that rate in Sub-Saharan Africa is high at 35.2%, and there still remain 700 million people in extreme poverty<sup>2</sup> worldwide. As a reflection of the lessons learnt from the “Millennium Development Goals (MDGs)”, the existence of the poor, who are excluded from various services and opportunities, was identified. They have difficulty in receiving benefits of the progress of globalization, and are in the most challenging situation.
- To build a stable society and not to get into more difficulties:  
The population of the vulnerable<sup>3</sup>, who once moved out of extreme poverty but who are easy to fall into extreme poverty again is extremely large due to disease, accidents, conflicts, natural disasters and change of market conditions. In addition, the vulnerable have limited access to public services. To tackle with that, social security, protection, and capacity development in various fields for addressing a wide range of risks have become more urgent issues.
- Support for people at BOP and poverty eradication toward the sustainable growth:  
People who belong to BOP (Base of Pyramid) layer including the vulnerable and low-income population group have strong potential purchasing power. Based on the size of their population (about 4 billion people), it is reported that if the income share of the bottom 20% increases by 1%, GDP growth will be higher than in the case of other groups<sup>4</sup>. This shows that investment in people at BOP, who generally have not been considered as customers by the market, boosts their livelihoods and welfare, and has the potential to become the foundation for the sustainable growth of society as a whole.

Based on such circumstances, it is recognized in SDGs that “eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge” and “an indispensable requirement for sustainable development.” In addition to development priorities, it is positioned as the fundamental challenge of SDGs.

#### (2) Japan's efforts

- Promoting human security

The idea of human security, which advocates the right of individuals to be free from “fear” and “want” and to live with dignity and happiness, is the fundamental philosophy of Japan's

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<sup>1</sup> The extreme poverty rate is based on the international poverty line for the living standard of \$1.25 PPP a day, which was applied until 2015.

<sup>2</sup> World Bank (2015) ‘Ending Extreme Poverty and Sharing Prosperity: Progress and Policies’ in the Global Monitoring Report 2015/2016: Development Goals in an Era of Demographic Change  
[http://elibrary.worldbank.org/doi/abs/10.1596/978-1-4648-0669-8\\_ch1](http://elibrary.worldbank.org/doi/abs/10.1596/978-1-4648-0669-8_ch1)

<sup>3</sup> According to the standards until 2015, the vulnerable live on \$2.00 PPP a day or below, and the low-income population group live on \$8.00 PPP a day or below.

<sup>4</sup> IMF (2015) Causes and Consequences of Income Inequality: A Global Perspective p.7  
<http://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf>

development cooperation. Based on this perspective, JICA's cooperation will be provided toward the realization of human security, through the protection and capacity strengthening of individuals, particularly of people who tend to be in vulnerable situations, including the poor, children, women, persons with disabilities, the elderly, refugees/internally displaced persons, and ethnic minorities/indigenous peoples, etc. In addition, efforts will be made to have the partner countries understand Japan's philosophy and to disseminate it in their countries, thus its mainstreaming will be further promoted in the international community.

- Quality growth and eradicating poverty through growth

In the Development Cooperation Charter, "Quality growth and poverty eradication through such growth" is provided as one of the priority issues, and it is specified that "The world's poor population is still large in number, and reducing poverty, especially eradicating absolute poverty, is the most fundamental development challenge"<sup>5</sup>. "Quality growth" means growth which realizes high economic growth, sustainability and resilience, while promoting inclusiveness that benefits a wide range of population groups including the poor and people who tend to be excluded socially at the same time. Japan will provide support to eradicate poverty using its own experience, knowledge, lessons, and technology for "Quality growth," for which Japan has striven since the end of World War II.

### **(3) JICA's strength**

Under the vision of "Inclusive and Dynamic Development to enable all people," JICA aims to implement projects which will benefit a wide range of population groups including the poor, ethnic/social minorities and other people who have difficulty in receiving the benefits of development. Implementation of the projects will improve the welfare standards of the poor, as well as boost the stability and foundation of society as a whole and economic growth benefiting the entire nation.

Towards "Dynamic development," JICA can comprehensively support social improvements, which will create the conditions for eradicating poverty, such as a peaceful and stable society necessary for the entire nation both for the poor and people other than the poor, a democratic political system, legislation for the guarantee of rights and remedies, macroeconomic stabilization, social infrastructures (transportation networks and electricity, etc.), and conservation of the natural environment, etc., by utilizing technical cooperation, grant aid, ODA loans, private sector partnership finance and various other schemes. JICA can also secure the poor's access to basic services by providing support while incorporating eradicating poverty perspective of into projects in each sector.

Since the extent of benefits and impact of development projects on the people varies depending on income level and social attributes they belong to, special measures are necessary, particularly for the poor who have various social, economic and geographical barriers. JICA has promoted "poverty-focused projects," such as support in poverty areas and microfinance, etc., intended for the poor as the main beneficiary, and "poverty-integrated projects," which take measures so that the poor can receive the benefits of projects in various sectors which are intended not only for the poor to benefit from.

## **2. Priority targets**

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<sup>5</sup> Koki Hirota "Review of literature on development assistance" No. 8, September 2016

Goal 1 has seven targets. Based on the relationship with other goals, the following targets will be the priority targets:

- 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
- 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

### **3. Priority efforts to achieve the goals**

#### **(1) Comprehensive and adequate understanding of the state of poverty (relating to all targets)**

In order to minimize the impact of complex and unpredictable external shocks and to maintain a stable life, the poor have complex and diversified survival and livelihood strategies. The strategies vary depending on the current situation and are greatly influenced by age, sex, religion, ethnic group, social stratification, country/region of residence and sociocultural characteristics. Therefore, a highly flexible perspective is required to understand the state of poverty. Particularly in the planning stage of a project, the residence and characteristics of the poor in the target area will be confirmed and analyzed, and effective measures for achieving the targets will be examined.

#### **(2) Promotion of the mainstreaming of cooperation to eradicate poverty (relating mainly to the target 1.4)**

Since poverty is a specific issue as well as a cross-sectoral issue, it is necessary to proactively incorporate its perspective into the development of policies and development plans and projects in various sectors of the counterpart countries. JICA has provided cooperation for eradicating poverty in previous projects (technical cooperation and financial support projects) in various sectors, such as health, education, rural development, governance and infrastructure, etc. For eradicating remaining poverty, JICA will promote continuous cooperation, which has produced successful results, and more organic coordination among different sectors and schemes. To promote the mainstreaming of cooperation for eradicating poverty more than ever, JICA will work on the strengthening of organizational structure, arrangement of information and experience of JICA and other donors related to poverty-focused/integrated projects, and enhancement of education and training for stakeholders based on specific examples.

#### **(3) Strengthening of response to downside risks (relating mainly to the targets 1.3 and 1.5)**

Due to conflicts, economic crises, natural disasters, and other various external shocks, the

situations in which people and countries are placed may be further deteriorated (downside risk). This may directly threaten the lives of the poor. In order to prevent or reduce downside risks, aspects which cause deterioration of the state of poverty and factors (vulnerabilities) which interfere with human development will be considered, and support will be provided for the development of systems for predicting and dealing with the impact of external shocks. The support includes the stockpiling of water and food, enhancement of safety nets (social security services, etc.), strengthening of mutual support mechanisms, and establishment of title to lands, etc.

#### **(4) Promotion of social inclusion (relating to all targets)**

Equality of opportunity is a fundamental element for realizing quality growth. In a society where there is structural inequality, the exercising of abilities of people in specific groups (women, ethnic minorities, persons with disabilities, and internally displaced persons, etc.) is interfered with through various expression pathways. Consequently, they are forced to be in a state of poverty for the long term. In addition, poverty level is often closely related to gender, ethnicity, and social attributes. In formulating and implementing a project, attention must be paid to the diversity of the poor. In order to eliminate barriers so that the vulnerable in specific groups can participate in economic, social, and political fields and to minimize the impact of inequality, JICA will work to create a structure for promoting participation in the revision of legal systems and decision-making processes; strengthen basic service delivery; and make investments in safety nets.

#### **(5) Strengthening of the perspective of promoting financial inclusion (relating mainly to the target 1.4)**

About two billion poor people are excluded from formal financial services in developing countries<sup>6</sup>, and this has become an obstacle to sustainable economic development. In terms of a stable life for the poor and promoting their participation in economic activities, the promotion of financial inclusion is emphasized as a cross-sectoral challenge. By promoting financial inclusion, the poor will be able to access and use quality and diversified financial services, which will have various effects such as the equalization of consumption/spending, asset formation, response to risks (disease, accidents, poor crops, etc.), formation of savings, and diversification and growth of income, etc. For these reasons, the perspective of promoting financial inclusion will be strengthened in projects in all sectors. In providing support in this field, attention must be paid to the fact that the expected role of the donor in financial inclusion is not to directly provide missing services and funds, but to become a “facilitator” that motivates actors in the market and activates the market.

#### **(6) Promotion of collaboration and innovation with the private sector, NGOs, and various other stakeholders (relating to all targets)**

Projects intended for the poor, who face various barriers, need multi sectoral efforts beyond what we conducted in the past, and also need the use of innovation such as information and communication technology (ICT) and social business, etc. The role of diversified entities including social business, promoting social investment, and mobile money, etc. becomes more important for innovation other than government. Therefore, in addition to the traditional public-sector support and collaboration with civil society, collaboration with the private sector in Japan

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<sup>6</sup> Global Findex Data 2014

and overseas will be proactively promoted. Collection, analysis, and case studies of inclusive businesses in Japan and developing countries need to be conducted for JICA's future challenge in this issue.