

Trends

Microfinance Boost to Overcome COVID-19 Hardship



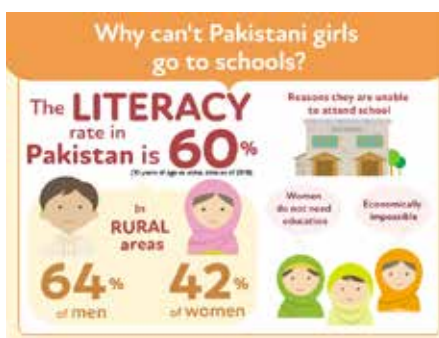
JICA signed a commitment agreement on November 5 for investment in the “COVID-19 Emerging & Frontier Markets MSME Support Fund,” a fund that will provide loans to microfinance institutions (MFIs) in developing countries. The fund will be managed by Blue Orchard Finance Ltd., an impact investment fund management compa-

ny that actively supports the financial inclusion of women in developing countries and JICA will invest up to USD 35 million in the fund. The impact of COVID-19 on micro, small and medium-sized enterprises (MSME) in developing countries has been significant, and securing financing is a challenge for many MSME with a weak business base. Women in developing countries, in particular, have traditionally had restricted access to financing and are more likely to have lower incomes than their male counterparts, making their businesses even more vulnerable under COVID-19. Under these circumstances, MFIs in developing countries are playing an increasingly significant role as a provider of funds to MSME.

This project aims to meet the urgent demand from MSME that are being impacted by COVID-19. It provides loans to MFIs in developing countries that

will, in turn, be providing financial services to MSME. JICA President KITA-OKA Shinichi notes, “One of our missions is to achieve security for people. Central to this is ensuring that everyone has the right to live in dignity. In pursuit of our mission, JICA is working to build more resilient societies that enable the protection of people’s lives under the COVID-19 pandemic. As part of our efforts, JICA has joined the Blue Orchard COVID-Fund. In partnership with Blue Orchard, we have supported approximately 120,000 MSMEs, mostly owned by women entrepreneurs in Asia, through the Japan ASEAN Women Empowerment Fund since 2016. I believe that the financial opportunities offered by this fund to MSMEs in low and middle-income countries will enable their fast recovery from the COVID-19 crisis and ensure future growth.”

Assisting Girls to Realize their Dreams



In 2012, the United Nations proclaimed October 11 as the International Day of the Girl Child. This measure was enacted to help empower girls around the world who are more likely to be out-of-school children compared

to boys, more vulnerable due to forced marriage at a young age, and liable to suffer greater rates of poverty. The reality still exists that in some cultures educating girls is not a priority when compared to boys, and even if permitted they are constrained by limited access to a school. JICA is promoting various initiatives to realize a society where girls can equally fulfill their dreams for the future and where everyone can learn equally in developing countries.

Since 2004, JICA has worked with the Government of Pakistan to promote the development of non-formal schools for children in Pakistan who have difficulty attending formal schools. Currently, about 1.3 million children, 55% of

which are girls, attend non-formal schools. These schools are set up within a geographical community and are accessible from the children’s home. In Pakistan, there has been a cultural taboo against girls going to school alone, but with the non-formal schools located nearby, they can feel at ease attending. The textbooks used are easy to understand, with illustrations of stories of women who play leadership roles, episodes of gender equality, and depictions of women’s participation in society. What would take five years to learn in a traditional school can be learned in three and a half years, and if the students pass the examinations, they can earn a primary school diploma and move on to a public secondary school.

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Cover:
Children showing innocent
smiles at the temple school
in Myanmar
(Photo: KAWABATA Yoshifumi)



The Japan International Cooperation Agency (JICA) is one of the world’s largest bilateral development organizations, operating in some 150 countries to help some of the globe’s most vulnerable people.