

Poverty Reduction

Helping to Address Complex Challenges Facing the Poor



*Of the 17 Sustainable Development Goals (SDGs), relevant goals are shown

Overview of the Issue

The proportion of the poor in developing countries as a whole has declined from 47% in 1990 to 14% in 2015 due in part to economic development in Asia.¹ Nonetheless, around 35% of the population in Sub-Saharan Africa still suffers from poverty.² About 700 million people around the world are still in poverty, living on less than \$1.90 a day.³ Moreover, those people freed from poverty still remain in a vulnerable situation, easily brought back into poverty if they experience negative events such as illnesses, accidents, political conflicts, natural disasters, and market changes.

Poverty is currently defined by the international poverty line, which is based on income. Yet, since poverty manifests itself in many different ways, efforts are being made to define poverty in light of various criteria, including opportunity to education and access to basic infrastructure. In recent years, large-scale natural disasters, environmental destruction, terrorism, and financial crises are taking an increasing toll on the lives of the poor, thus increasing and expanding poverty. Coping with these risk factors to advance poverty reduction calls for cross-sectoral and cross-dimensional approaches more than ever.

JICA Activities

JICA seeks a world where no one is left behind or excluded from the benefits of development. To this end, JICA works to help achieve Goal 1 of the Sustainable Development Goals

(SDGs): End poverty in all its forms everywhere.

JICA formulates and implements its projects in developing countries in the areas of human resources development and capacity building, improvement of policies and institutions, and development of social and economic infrastructure, centering on the following two concepts: (1) “poverty measures” that aim to directly assist the poor, and (2) “poverty considerations” that do not directly assist the poor but incorporate creative approaches that will increase the projects’ benefits to the poor.

Supporting poor people’s access to various quality financial services and their active utilization, stabilization of consumption and expenditure, asset formation, responses to risks, and income diversification and income growth, JICA encourages their stable livelihood and participation in the market economy [→ see the case study below].

Initiatives to help poor people who face various barriers should be taken through a multi-sectoral approach. Diverse entities other than governmental agencies have an even more important role to play in this context. Thus, in addition to supporting governmental agencies and collaborating with civil society, JICA will actively promote partnerships with private-sector actors in Japan and abroad in order to support poverty reduction.

1–3. World Bank “Global Monitoring Report 2015/2016: Development Goals in an Era of Demographic Change”

Honduras: Project on Life Improvement and Livelihood Enhancement for Conditional Cash Transfer Beneficiaries through Financial Inclusion

Supporting the development of a government poverty reduction program



A program participant who has launched her small retail business

In the Central American country of Honduras, over 35% of the population live in extreme poverty, on less than 1.90 dollars a day.⁴ The Honduran government’s earlier measures to provide cash and livelihood skills training had limited effects on poverty reduction.

JICA and the Honduran government have jointly been conducting a new poverty reduction program called Conditional Cash Transfer (CCT) toward “graduation” from extreme poverty and the achievement of sustainable livelihood. The idea is to demonstrate the effectiveness of CCT and institutionalize the scheme for nationwide delivery.

This program combines a range of services for ultra-poor households provided by the central government, municipalities,

communities, and private financial institutions in order to achieve the following objectives in stages: (1) cash transfer ; (2) improving the capacity for household financial management through household bookkeeping training; (3) accumulating assets through increasing savings in bank accounts; (4) creating income sources through livelihood skills training; and (5) improving and sustaining motivation through coaching.

Many of the participating ultra-poor households have already increased their income and savings. The Honduran government is now gearing up for the nationwide delivery of the program.

4. Honduras National Institute of Statistics Household Survey, June 2016