JICA

ISBN4-902715-04-X

Approaches for Systematic Planning of Development Projects

〈Poverty Reduction〉

March 2004

IFIC/JICA

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March 2004
Institute for International Cooperation
Japan International Cooperation Agency

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Since FY2002, the Japan International Cooperation Agency (JICA) has referred to scheme types such as Project-Type Technical Cooperation, Individual Expert Team Dispatch, and Research Cooperation collectively as Technical Cooperation Projects. However, since there is a possibility of confusion with the original names of scheme types, this report also uses the current term Technical Cooperation Projects with reference to projects that were started prior to FY2001 for consistency.

Similarly, collaborative projects with other entities such as NGOs have been collectively referred to as JICA Partnership Programs since FY2002, and this report, therefore, uses the term Partnership Program with reference to projects that were started prior to FY2001 for consistency.

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Foreword

The Japan International Cooperation Agency (JICA) has been working toward the enhancement of its country-specific and issue-specific approaches by formulating JICA Country Programs, implementing Project Request Surveys, and drafting Thematic Guidelines. At present there are significant differences between countries in terms of progress levels or categorizations of development issues and cooperation programs. To improve further JICA Country Programs and deal with important development issues requires appropriate formulation of programs and projects based on a fundamental understanding of development issue and effective approaches toward them, while recognizing that situations and issues differ from country to country. JICA must clarify the priority areas for cooperation, based on both the actual conditions of each target country and a systematic approach for each development issue.

Therefore in FY2001 as a part of an effort to promote country-specific approaches by enhancing issue-specific approaches JICA conducted the study on "Approaches for Systematic Planning of Development Projects" in four issues: Basic Education, HIV/AIDS, Rural Development, and Promotion of Small and Medium Enterprises (SMEs). The study systematized these issues and specified the indicators to be used as references in planning, monitoring and evaluating JICA's activities. Furthermore, the study reviewed JICA's previous projects and summarized their trends, matters of concern and representative cases for each issue, based on Development Objectives Charts.

Due to a growing demand for systematization of other issues as well, a further study was carried out in FY2002. Four new development issues were taken up: Poverty Reduction, Trade and Investment Promotion, Higher Education, and Information and Communication Technology. The results of this study will be adopted in the JICA Thematic Guidelines and further developed by the Agency Thematic Network.

In conducting the study and preparing this report, a task force was set up, chaired by Mr. Hiroshi Kato, JICA Director of Planning and Coordination Division, Planning and Evaluation Department, and comprising JICA staff of related departments, JICA Senior Advisors, Associate Specialists, and external consultants. A considerable number of JICA staff members, as well as external experts, further contributed by offering valuable comments on the draft report. I would like to take this opportunity to acknowledge the efforts and contribution of all of these individuals.

Finally, it is my sincere hope that this report will prove a worthwhile step in the enhancement of issue-specific approaches.

September 2003

Morimasa Kanamaru
Managing Director
Institute for International Cooperation
Japan International Cooperation Agency

Terms and Abbreviations

Terms/Abbreviations	Remarks
Poverty Reduction and Development Assistance	
BHN	Basic Human Needs: The concept of providing aid that is of direct use to people with low incomes. Specifically refers to the basic living needs and conditions such as, food, housing, clothing, safe drinking water, sanitary facilities, healthcare and education.
Capability	Indicates an individual's well-being freedom. The concept of well-being freedom is not only being able to choose without external obstruction, but also the positive ability to choose.
Capacity Building	As opposed to institution building, this term refers to the enhancement in the capability to implement and manage institutions. The establishment of self-reliance in implementing agencies.
CBO	Community Based Organization
CDF	Comprehensive Development Framework: A holistic concept regarding development in developing countries proposed by the World Bank* in January 1999. Its basic principles are 1) ownership by developing countries, 2) partnerships, 3) the participatory decision making process, 4) results-oriented and 5) a long-term perspective. CDF considers not only the macro economic aspect but structural, social and human resource aspects as well.
DAC New Development Strategy	A common name for the long-term aid strategy for the 21st century entitled "Shaping the 21st Century: The Contribution of Development Co-operation" that was adopted by the High Level Meeting of the DAC* in 1996. The three main goals of the new development strategy are 1) emphasis on ownership and partnership, 2) pursuit of a comprehensive and individual approach and 3) the establishment of specific development goals (e.g. halving the proportion of people living in extreme poverty by 2015). The strategy aims to increase the ratio of expenditure for social infrastructure to streamline and decentralize the implementing systems of donor countries.
DAC Guidelines on Poverty Reduction	Formulated by the OECD/DAC* in April 2001. The "Poverty Alleviation Guidelines" for the DAC New Development Strategy* was discussed at the Informal Poverty Net (POVNET) and agreed upon at the DAC high-level meeting.*
Governance	A "governed" state of operation and management ability. Includes the government functions (political, administrative mechanism or ability) in terms of whether the government is effectively and efficiently carrying out its functions towards a goal and can also refer to the democratic political systems and democratic entities.
HDI	Human Development Indicator: Indicators that focus on various aspects of human development, used in the Human Development Report by the United Nations Development Program (UNDP).
High Risk Groups	People highly prone to being infected by HIV/AIDS such as, commercial sex workers and truck drivers.
IFF	International Finance Facility: A multinational framework proposed by the United Kingdom in November 2002 for the provision and distribution of additional finances for development assistance needed to achieve the MDGs.*
Income Poverty	Defining "the poor" as individuals or households whose income does not reach the poverty line, i.e. the minimum necessary consumption level of a variety of goods to survive (or the real income level required to realize such). Income is an easy variable on which to conduct quantitative economic analyses and to process data and is, therefore, frequently used as a yardstick of poverty.
Informal Sector	Areas of economic activity conducted by people involved in small-scale and miscellaneous jobs in 'economic activities' that are not officially recorded.
International Conference on Financing for Development	Held in Monterrey, Mexico in March 2002, under the theme of "Financing for Development for the eradication of poverty." Jointly sponsored by the United Nations, the International Monetary Fund (IMF)*, the World Bank and the World Trade Organization (WTO)*. The conference included participants from representatives of governments, businesses and communities.
International Development Goals (IDGs)	International development goals proposed as part of the DAC New Development Strategy* adopted at the 1996 OECD DAC High Level Meeting*. Sets seven goals to be reached by 2015. Issues aimed at include poverty, primary education and basic healthcare services.
LDC	Less Developed Countries: One of the UN income categories of developing countries, indicating countries that are particularly under-developed. 48 countries were in this category as of January 2000.
Literacy	The ability to read, write and perform simple calculations necessary for everyday living.

Terms/Abbreviations	Remarks
MDGs	Millennium Development Goals: Are an extension of the DAC New Development Strategy,* which were adopted as expanded goals after an agreement at the September 2000 United Nations General Assembly. Goals to be reached by 2015 are: (1) Eradicate extreme poverty and hunger; (2) Achieve universal primary education; (3) Promote gender equality and empower women; (4) Reduce child mortality; (5) Improve maternal health; (6) Combat HIV/AIDS, malaria and other diseases; (7) Ensure environmental sustainability and (8) Develop a global partnership for development.
Medium-Term Policy on Official Development Assistance (ODA)	Commonly called the ODA Medium-Term Policy. A systematic and specific five-year guideline on Japan's ODA started in FY1999. This aims at achieving the effective and efficient implementation of assistance.
Microfinance	Small-scale loans provided to the poor and low-income earners with the aim of alleviating poverty.
Micro Planning	The process of drawing up a regional educational plan based on school mapping.*
NEPAD	New Partnership for African Development: A reform principle created at the initiative of African leaders to re-examine the dependent nature of countries on assistance from developed countries and to promote development through the countries' own initiatives and accountability. Emphasizes peace, democracy, human rights, good governance, sound economic management and aims to achieve economic growth of 7% by the year 2015.
NGO	Non-Governmental Organization
Non-formal Education	Education outside the regular school system including religious, community, adult and literacy education.
ODA	Official Development Assistance
ODA Charter	Official Development Assistance Charter: Following the end of the Cold War, the view that Japan's aid should be utilized as a key part of its strategy for relations with other countries gained momentum and in 1992, four basic philosophies and four principles concerning ODA* were expressed and approved by the Cabinet.
Okinawa Infectious Diseases Initiative	As infectious diseases are becoming more prevalent worldwide, Japan had advocated an international measure against parasitic diseases at the Birmingham G8 Summit in 1998. At the Kyushu-Okinawa Summit in 2000, the government of Japan announced the "Okinawa ID Initiative" regarding Japan's commitment to help strengthen developed countries' efforts toward measures for infectious diseases.
Poverty Profile	A record of a country's poverty indicators, poverty conditions and measures and the state of assistance. Presently compiled on 29 countries.
Poverty Line	A standard for measuring conditions in which minimum living standards cannot be met.
PPA	Participatory Poverty Assessment: An increasingly recognized method for assessing poverty, as there is a growing awareness of the multidimensionality of poverty. An attempt to find out how the poor themselves assess their situation, how they feel issues should be dealt with, what their true needs are and to eliminate as much as possible any leading or bias from external analysts.
Primary Health Care (PHC)	Maintaining the provisions of essential and easily accessible healthcare (in every sense) that meets regional conditions for communities at the regional level through community participation.
PRSP	Poverty Reduction Strategy Paper: Strategy paper for debt relief of the Heavily Indebted Poor Countries (HIPCs), adopted and agreed upon at the Annual Meetings of the World Bank* and IMF* in 1999. Aims for effective appropriation of financial resources, generated by debt relief measures under the strategy, for development activities and poverty reduction.
Referral System	An introduction system for patients.
Reproductive Health	A state of health in which every human being can make the decision by him/herself about how many children to have, when to have them, without the influence of customs or other social pressures and without having any psychological or physical problems.
Safety Net	Protective measures for the socially vulnerable in development assistance. Includes provision of food and a job security system.
School Mapping	An analysis of the gap between educational needs and services provided that is based not only on the geographical location of schools (on a map), but also on a survey of school attributes (number of pupils and teachers, dropout rates, percentages of certified teachers) .
Sector Program (SP)	A sector or sub-sector scale program that is coordinated and formulated through the participation of donors and other actors in development, under the ownership of the government of the recipient country.

Terms/Abbreviations	Remarks
Sector Wide Approaches (SWAps)	An approach to develop and provide assistance according to a plan created by the recipient government with bilateral and multilateral donors on a sector basis. Such as, in the education and health sectors. Implemented mainly in countries in Africa.
Social Capital	A concept in which trust, norms, networks and other intangible items are considered to be useful resources for growth and development. These therefore, are forms of "capital" that can be measured and accumulated, which are similar to economic capital.
UN Millennium Summit	Convened concurrently with the UN Millennium General Assembly in New York in September 2000. The Millennium Development Goals based on existing agreements on international development goals were adopted.
World Summit for Social Development	Summit held in Copenhagen in 1995. Declared the goal to halve the number of people in the world living in absolute poverty, with human-oriented social development.
World Summit on Sustainable Development	WSSD: Also called the Johannesburg Summit. Held in Johannesburg, South Africa in August 2002. It aimed toward the realization of "Sustainable Development" ten years after the Earth Summit (Rio de Janeiro). The first meeting to comprehensively deal with the Environment and Development.
Organizations	
ADB	Asian Development Bank
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung: Germany's Federal Ministry for Economic Cooperation and Development
CIDA	Canadian International Development Agency
DAC	Development Assistance Committee: Coordinates the assistance policy of the OECD* for developing countries. One of the three major committees of the OECD, along with the Trade Committee and the Economic Policy Committee. As of 2003, the membership consisted of 23 countries.
DAC High Level Meeting	A meeting held once a year in which high-level assistance officials from each DAC country attend, to discuss and adopt recommendations on particularly important development issues. In the 1996 DAC High Level Meeting of the OECD,* the meeting adopted the goal of halving the 1990 ratio of people living in extreme poverty by 2015.
DFID	Department for International Development (UK)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit: a German government-owned corporation for international cooperation.
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund: Established in 1944. An organization that has supported post-war international finance with the World Bank. While the World Bank has provided funding for reconstruction and development, the IMF has served to provide funds necessary for the fixed exchange rate system and for stabilizing currencies.
JBIC	Japan Bank for International Cooperation: Established in 1999 with the integration of the Export-Import Bank of Japan and the Overseas Economic Cooperation Fund.
JICA	Japan International Cooperation Agency
MCA	Millennium Challenge Account: An account announced in March 2002 by the United States for the purpose of poverty reduction through economic growth in developing countries. The destination for contributions of additional development assistance announced at the Monterrey International Conference on Financing for Development,* for contributions of 5 billion dollars (50% increase,) over a 3-year period. Provides assistance to countries that have demonstrated a commitment to sound development policies in three areas: "Ruling justly" — promoting good governance, fighting corruption, respecting human rights and adhering to the rule of law; "Investing in people" – providing adequate healthcare and education; and "Promoting economic freedom" – promoting open markets, sustainable budgets and opportunities for economic growth.
MCC	Millennium Challenge Corporation: Organization that manages the MCA.*
OECD	Organization for Economic Cooperation and Development: Established in 1961 as a reorganized version of the Organization for European Economic Co-operation (OEEC, established in 1948) to rebuild the European economy. Goals are economic growth, assistance to developing countries and the expansion of multidirectional free trade. Presently there are 30 member countries.
Sida	Swedish International Development Cooperation Agency
UNDP	United Nations Development Program

Terms/Abbreviations	Remarks
UNESCO	United Nations Educational Scientific and Cultural Organization
UNU	United Nations University: UNU was established by the General Assembly of the United Nations in 1973 and started activities in September 1975 at its headquarters in Tokyo. The University is an international community of scholars and researchers and operates through a worldwide network of universities and research institutes.
USAID	The United States Agency for International Development
WTO	World Trade Organization: A core organization of international trade established in January 1995 with a membership of 142 countries and regions (as of July 2001).
World Bank	Generally refers to the two organizations, the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The World Bank Group includes the above two organizations and the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Center for Settlement of Investment Disputes (ICSID).
JICA Terminology	
Community Empowerment	Program Started in FY1997. Support related to maternal and child health, welfare of the elderly, the disabled and children, and poverty alleviation measures are commissioned by JICA for local NGOs. Carried out as a part of Technical Cooperation Projects* from FY2002.
Development Studies	Small-scale studies that involve the formulation of simple basic development plans and the analysis of various types of basic data related to those plans, as well as surveys to make up for deficiencies in official statistics. Performed under the initiative and direction of overseas offices.
Grant Assistance for Grassroots Projects	A form of grant aid cooperation executed through Japan's overseas diplomatic offices to support small-scale projects that are not suitable to be undertaken through usual Grant Aid cooperation. Implemented in response to requests from local governments and non-governmental organizations (NGOs) in developing countries.
Grassroots Partnership Program	JICA's entrusting of cooperation on NGOs, local governments, and universities to provide more tailored and swift assistance. The maximum implementation period is for one year with less than 10 million yen. Carried out as a part of JICA Partnership Programs* from FY2000.
JOCV	Japan Overseas Cooperation Volunteers: A volunteer system established in 1965 for participants between 20 and 39 years of age. Approximately 23,000 volunteers have been dispatched to 76 developing countries.
Local In-Country Training (Second Country Training)	Training conducted in developing countries so that Japan's technical cooperation outcomes can be better disseminated throughout the developing country.
Master Plan Study	A study to draw up a comprehensive development plan on an overall country or a specific region, or a long-term development plan for a specific sector.
Partnership Program	Projects carried out by JICA as part of ODA to support cooperation activities targeting regional communities in developing countries through Japanese NGOs, universities, local governments, and non-profit foundations that intend to carry out international cooperation. Particular emphasis is given to the three areas 1) Technical Cooperation through personnel, 2) target projects or regions with a high urgency, such as in the case of reconstruction assistance, and 3) opportunities to promote the understanding of and participation of Japanese citizens in international cooperation.
Project-Type Technical Cooperation	A form of technical cooperation that is planned, implemented, and evaluated within a 3-5 year cooperation period. The scheme combines the dispatch of experts, acceptance of trainees, and provision of equipment. Starting in FY2002 several types of assistance are grouped together under the name Technical Cooperation Projects*.
Technical Cooperation Project	A cooperation project with certain objectives that need to be achieved in a specific time frame with a logical relationship between the output/outcome and input/activities, in which cooperation can be made up of a combination of dispatch of experts, acceptance of trainees, and provision of equipment to meet the objectives.
Third-country Training	Training in a comparatively advanced developing country in which the training utilizes that country's personnel who have received training through Japan's technical cooperation and invites trainees from other developing countries.

Terms with * are listed in this chart.

Sources: Constructed based on *Imidas 2002* and *Dictionary of IT Terms/Katakana-Words and Abbreviations*, Shueisha, *Kokusai Kyoryoku Yogo Shu (Terms in International Development)*, International Development Journal and Ministry of Foreign Affairs, *Japan's Official Development Assistance 2000 – Vol.1*, Japan International Cooperation Agency Annual Reports and study reports.

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Outline of Study

1. Background and Purpose of the Study

This study is the second phase of the study on Approaches for Systematic Planning of Development Projects carried out in FY2001. The study was designed to enhance country-specific approaches by strengthening issue-specific approaches. In the first phase of the study, four major development issues (Basic Education, HIV/AIDS, Promotion of Small and Medium Enterprises (SMEs), and Rural Development) were systematized and effective approaches for them were identified. Furthermore, the study reviewed JICA's activities based on Development Objectives Charts and the results were summarized as a report "Approaches for Systematic Planning of Development Projects."

As there was a growing demand for similar systematization of other issues as well, JICA decided to conduct a new study in FY2002. As a result of coordination within JICA's relevant divisions, this FY2002 study targeted the four issues: Poverty Reduction, Trade and Investment Promotion, Higher Education, and Information and Communication Technology.

The results of this study are envisioned to be constructive in the following ways:

- As basic information when formulating and revising Development Objectives Matrices for JICA Country Programs
- As basic information for project formulation studies and project and program formulation.
- As basic information when evaluating programs or carrying out country-specific evaluations.
- As materials for the JICA staff and Experts to use when they explain JICA's views on issues to recipient countries and other donors during meetings.
- To be stored in an Agency Thematic Database and shared within JICA with respect to views and approaches to issues.

2. Organization of this Report[1]

Chapter 1	Overview of the Issue (Current State, Definition, International Trends, Trends in Japanese Assistance)
Chapter 2	Effective Approaches for the Issue (Goals, Effective Approaches) *This chapter explains the systematized approaches and reviews JICA's activities on the basis of Development Objectives Chart.
Chapter 3	JICA's Cooperation Policy (JICA's Priority Areas, Points of Concern, and Future Direction)
Appendix 1	Major Activity Cases
Appendix 2	Basic Check List (including key indicators)
References	

[1] As the results of the study are intended to be utilized in JICA's Thematic Guidelines, the organization of this report was designed to be consistent with the standard organization of future Thematic Guidelines.

3. Structure of the Development Objectives Chart

In this study, a Development Objectives Chart similar to the following was created for each development issue.

Sample Development Objectives Chart (Information and Communication Technology)

Sample Development Objectives Chart (Information and Communication Technology)

Development Objectives	Mid-term Objectives	Sub-targets of Mid-term Objectives	Examples of Activities
1. Improvement of Ability to Formulate IT Policies	1-1 Establishment of Telecommunications Policy	Introduction of Competitive Market Principle	× Support formulation of foreign capital investment policy × Support policy to promote private investment × Support deregulation of market entry ○ Support formation of competitive markets
① Formulation of national IT strategy Key Indicators	① Number of service subscribers ② Scale of telecommunications industry ③ Advancement of liberalization	① Number of new market entries ② Scale of telecommunications industry ③ Price of communications	

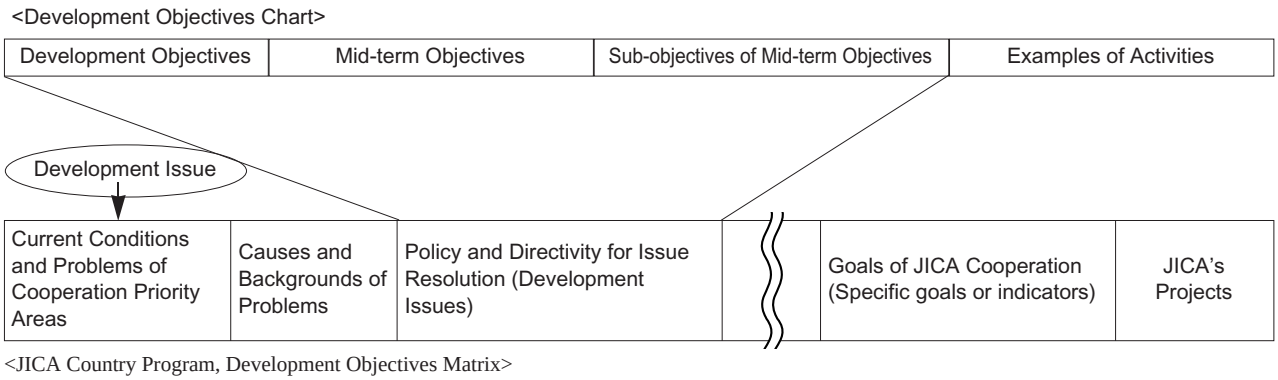
＊Circled Numbers imply key indicators
＊Marks in the column of Examples of Activities indicate how often JICA has implemented relevant projects.
◎: JICA has considerable experience, ○: JICA has certain experience,
△: JICA has experience as a component of projects, and ×: JICA has little experience.

"Development Objectives," "Mid-term Objectives," and "Sub-targets of Mid-term Objectives" in the above sample chart show the break-down of each development issue.

Development Objectives Chart includes a summary of "Development Objectives" and "Mid-term Objectives" for the purpose of showing the overall picture of an issue as well as the chart for each Development Objective including its "Examples of Activities" and JICA's relevant cases. A complete chart covering all items ranging from "Development Objectives" to "Examples of Activities" is annexed in the end of the report.

Generally, the relationship between the Development Objectives Chart and JICA Country Programs varies depending on the specific conditions of each country and sector. However, if "Development Issue" of this report corresponds to a "Priority Sector" of Development Objectives Matrix in JICA Country Program, "Development Objectives," "Mid-term Objectives," and "Sub-targets of Mid-term Objectives" in the Development Objectives Chart show the breakdown of "Policy and Directivity for Issue Resolution (Development Issues)" in the latter. (The goal level corresponding to the Development Issue differs depending on country or field.)

Relationship between the Development Objectives Chart and the Development Objectives Matrix of JICA Country Program



4. Task Force

The task force of this study is listed below. The task force was composed of four groups, and each group was responsible for drafting the respective article. The final study report was completed as a result of revisions of the draft articles based on the discussions at the Study Group meetings and a number of comments received from JICA staff of overseas offices and headquarters as well as external experts.

Members of Study Group

Chief	Director, Planning and Coordination Division, Planning and Evaluation Department	Hiroshi Kato
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	Deputy Director, Global Issues Division, Planning and Evaluation Department	Harumi Okawa
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Overview of Effective Approaches for Poverty Reduction: Executive Summary

1. Overview of Poverty

1-1 Actual Situation of Poverty and Importance of Poverty Reduction

Poverty remains unresolved and is closely related to other issues such as the environment, conflicts, and terrorism. This has prompted the international community to recognize poverty reduction as a primary area for assistance, and it is increasing its efforts in addressing poverty reduction.

1-2 Definition of Poverty

While there are many definitions of poverty, in the DAC Guidelines on Poverty Reduction, formulated by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), the focus is on a deprivation of human capabilities. In particular, it defines poverty as the lack of political, socio-cultural, economic, human, or protective capabilities. The Japan International Cooperation Agency (JICA), based on the DAC definition, has defined poverty as a condition in which "People are deprived of opportunities to develop capabilities required to lead a basic human life, and are excluded from society and development processes." The poor are, in principle, considered to be those who are living under the poverty line.

1-3 Trends in International Assistance

Historically, poverty reduction has been a major objective of development cooperation. The Basic Human Needs (BHN) approach was advocated in the 1970s and has gained even further momentum since the 1990s. In 1990, reports such as the World Development Report, published by the World Bank, and the Human Development Report, published by the United Nations Development Programme (UNDP), focused on the theme of poverty, and, through these reports, the issue of poverty reduction evoked new interest. In 1995, the World Summit for Social Development was held in Copenhagen, and the announcement of the DAC New Development Strategy followed in 1996. The HIPCs Initiative, a plan for debt relief to Heavily Indebted Poor Countries (HIPCs), was also advocated. In 1999, the World Bank announced its Comprehensive Development Framework (CDF), and, subsequently, the Development and Interim Committees of the International Monetary Fund (IMF) and the World Bank endorsed the formulation of Poverty Reduction Strategy Papers (PRSP) by developing countries as the prerequisite for debt relief. The 2000 United Nations Millennium Summit adopted the Millennium Development Goals (MDGs), at the heart of which was the primary aim of poverty reduction. In 2001, an agreement on the DAC Guidelines on Poverty Reduction was reached, and, in the same year, trade and investment were recognized as vital elements in poverty reduction at the World Trade Organization (WTO) Doha Ministerial Conference. The International Conference on Financing for Development, held at Monterrey in 2002, confirmed the importance of poverty reduction as a shared global goal, and, in the same year, an action plan was adopted at the World Summit on Sustainable Development (WSSD) based on the MDGs.

1-4 Trends in Japan's Assistance

The Official Development Assistance (ODA) Charter states that poverty cannot be overlooked for humanitarian reasons, and revised ODA Charter of 2003 also states that poverty reduction is a key development goal and is essential for eliminating instability in the world. The Medium-Term Policy on ODA in 1999 also raised poverty reduction as the most important issue. The Japanese government has demonstrated an active approach toward poverty reduction at summits and international conferences and has announced a variety of

initiatives.

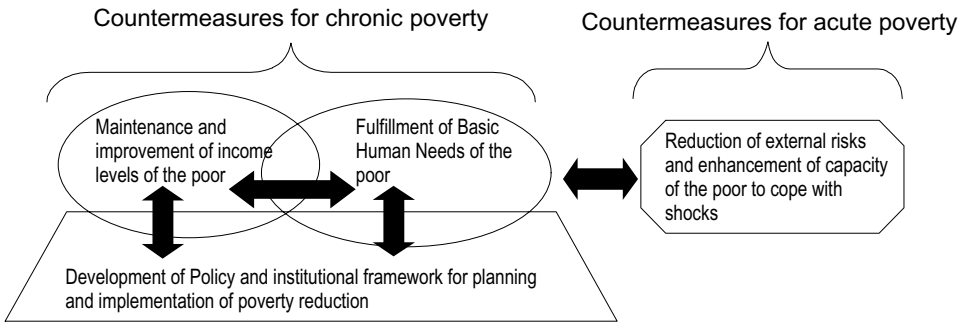
Since the 1990s, JICA has been undertaking efforts such as studies on poverty reduction and in 2002 developed the Thematic Guidelines on Poverty Reduction declaring its policy. In addition, JICA has established an Agency Thematic Network on Poverty Reduction on a trial basis and has gathered knowledge and experience related to poverty reduction, while holding seminars and study groups. These are some of the approaches by which JICA has been endeavoring to strengthen its efforts in addressing poverty reduction.

2. Effective Approaches for Poverty Reduction

2-1 Goals of Poverty Reduction

The aim of poverty reduction is to enable all people to have freedom, dignity, and self-esteem and to participate in society without unfair treatment from the government or from society, and to have sufficient food, shelter, and clothing with which to lead healthy and productive lives. To achieve this aim, it is essential to take a comprehensive approach that enhances all types of capabilities of the poor. We must also change the environments surrounding the poor to break the vicious cycle of poverty. The following four Development Objectives have been established based on this view: 1. Development of Policy and Institutional Framework for Planning and Implementation of Poverty Reduction, 2. Maintenance and Improvement of Income Levels of the Poor, 3. Fulfillment of Basic Human Needs of the Poor, and 4. Reduction of External Risks and Enhancement of Capacity of the Poor to Cope with Shocks. Activities on the various levels of macro (policy and system formulation and implementation by central governments), meso (operation of systems and development of environments and frameworks at the local level), and micro (empowerment of the poor) are important, as is the development of links between each level of activity. Therefore, activities geared toward each level have been established as Mid-term Objectives.

Relationship between Development Objectives



2-2 Effective Approaches for Poverty Reduction

Development Objective 1 Development of Policy and Institutional Framework for Planning and Implementation of Poverty Reduction

Political and socio-cultural capabilities having to do with such issues as human rights and social participation are fundamental capabilities that affect all sectors. The development of systems that improve the political and socio-cultural capabilities of the poor is, therefore, an important key to poverty reduction.

To develop policy and institutional framework for the reduction of poverty, it is important first to formulate and implement comprehensive plans at the national and local levels, based upon the actual conditions of the poor, their needs and the background from which the needs arise.

We must also develop systems to provide essential social services to the poor and make it possible for the poor to actually enjoy the benefits of such services. The local government plays a large role here, since it is in the closest proximity to the target area. Therefore, the capacities of the local governments must be strengthened, as must networks between the local government and other related organizations.

In addition, the often infringed basic human rights of the poor must be protected, democratic policies that reflect the voices of the poor must be developed, and systems must be improved and made functional.

Along with the development and improvement of these types of systems, the independence and social participation of the poor themselves must be promoted. To do so, it is important to strengthen the function of Non-Government Organizations (NGOs) and local governments that act as catalysts in promoting independence and community participation of the poor.

Development Objective 2 Maintenance and Improvement of Income Levels of the Poor

One of the major challenges faced by the poor is an insufficient income. Because they have little income, the poor are unable to receive necessary education and health care services, and in times of disaster tend to fall into extreme poverty, which is followed by difficulties in returning to their previous living standards. It is thus essential to improve the income levels of the poor, or at least to ensure that income levels can be maintained.

As for an approach toward maintaining or improving income levels of the poor, we can broadly classify methods into maintenance and improvement of income through agriculture and fisheries and maintenance and improvement of non-agricultural/forestry/fishery income. Both require development and improvement of the infrastructure of these industries.

In terms of agriculture and fisheries, we must develop policies and systems for alleviating or improving the adverse conditions faced by the poor. At the same time, it is important to incorporate ways for the poor to benefit from the increasing availability of technology. Another important issue is the creation of multiple and diverse systems to minimize the damage from disasters and disease. It is also vital to develop the awareness and capacities of the poor themselves so that they can fully utilize systems and services.

Regarding other industries than agriculture and fisheries, we must identify industries that are thought to contribute to poverty reduction and develop policies and systems that support those industries. However, since companies may become dependent as a result of excessive protection, we must carefully consider an approach that incorporates incentives for also moving away from such protection. Furthermore, improving the awareness and capacities of the poor will enable them to find better jobs.

To promote industries, including agriculture and fisheries, it is important to develop a basic industrial infrastructure that includes financial services, electric power, communications facilities, and roads. It is also vital to develop markets that are accessible to the poor.

Development Objective 3 Fulfillment of Basic Human Needs of the Poor

To improve the lives of the poor, it is necessary to provide, at the very minimum, living conditions in which they can receive basic education and health care services and that bring about no detriment to their health. The reality, however, is that many of the poor do not have sufficient access to education and healthcare services and many are living in adverse conditions. We must, therefore, enable the poor to receive basic education and health care services and make it possible for them to have good living conditions.

With respect to the education, policies and plans for basic education must be formulated and implemented based on the actual conditions and the needs of the poor. At the same time, it is important to provide non-formal education to complement the formal system. We must also create systems and environments that make it easy for the children of the poor to attend school, and we must make the communities and parents gain a deep understanding of the importance of education.

In terms of health care, it is imperative not only to create policies and systems based on the actual

conditions and needs of the poor, but also to send health care workers to local areas, to improve sanitary facilities, and to build primary health care and referral systems centered on the community. It is also important to improve living conditions to maintain the health of the poor.

Development Objective 4 Reduction of External Risks and Enhancement of Capacity of the Poor to Cope with Shocks

The poor are vulnerable to shocks from natural disasters, conflicts, economic crises, and infectious diseases and tend to be extremely affected. For instance, many poor people live in areas with adverse conditions that are easily damaged by disasters, and they are extremely vulnerable due to the low incomes. In addition, because of the poor nutrition and sanitary conditions, they have an increased susceptibility to infectious diseases, and, once infected, they are often unable to receive medical services. The poor not only suffer economic harm as a result of various types of shock, but also suffer physical and mental damage and even life-threatening harm. When a household loses its breadwinner, the family struggles with even more severe poverty. It is absolutely imperative for poverty reduction to improve the capacity of the poor to cope with various types of shock and to develop, improve, and implement policies and systems that will reduce shocks on the poor.

Regarding natural disasters, we must develop disaster prevention policies and systems based on the actual conditions of the poor and strengthen their ability to respond to and cope with disasters. We must also ensure that support reaches the poor in times of disaster emergencies.

As for conflicts, an armed conflict threatens the very lives of the poor and impoverishes them further by destroying their vulnerable assets of productive and economic activities. The well-balanced plans of assistance which is based on the social and conflict analysis is important.

We can reduce economic vulnerabilities of the poor through the development of social security systems, the development of financial services that are accessible to the poor and the creation of a program that provides employment through public works. It is also important for the poor themselves to utilize mutual-aid associations to improve their ability to respond to and cope with risks.

The plan for infectious diseases basically follows that outlined in Development Objective 3 Fulfillment of Basic Human Needs of the Poor. When a disease is rapidly spreading, however, in order to consider appropriate policies it is essential to develop quickly and accurately an understanding of the outbreak conditions.

3. JICA's Cooperation Policy

3-1 JICA's Priorities and Points for Consideration

A comprehensive approach is necessary for reducing poverty. We, therefore, need sufficient knowledge and understanding of both the factors causing poverty and the actual conditions in each country. Within the scope of the overall poverty reduction measures, it is essential to address poverty reduction by identifying approaches and activities that can utilize the strengths and characteristics of JICA projects, and to cooperate, create partnerships, and share tasks with the governments, the private sector, and NGOs.

Among the four Development Objectives, the goal of Development of Policy and Institutional Framework for Planning and Implementation of Poverty Reduction is especially important. Because this is the base of various poverty reduction measures toward the diverse factors causing poverty, and sustains the outcome of such measures. JICA should promote methods and systems that directly reflect the voices and needs of the poor in development and in governments. Also, JICA must provide assistance that improves the basic capabilities (human capabilities) of the poor to think and act independently. Specifically, it must increase opportunities for the poor to receive basic knowledge and education.

3-1-1 JICA's Priorities

It is important to make efforts at each of the macro, meso, and micro levels when addressing poverty reduction. At the same time, it is essential to create links between these levels.

At the macro level, the focus should be on supporting studies on household income and participatory poverty assessments, providing advice on the formulation of policies and systems based on the results of those studies, and cooperating in the establishment of systems at the regional and national levels, based on the outcomes of poverty reduction projects implemented on a trial basis at the micro and meso levels. When the recipient government is clearly considering reforms, JICA should be proactive in cooperating to change political, economic, and social systems by supporting democratization, land reforms, and tax reforms.

As for the meso level, activities may include building and promoting models for systems to carry out administrative services based on the needs of the regional communities. In addition, while taking into account ways of ensuring that the poor have guaranteed access to minimum social services, it is also important to support the establishment of such social systems in the country. Regarding specific activities, improving the capacity of the government officials who are in charge of social services based on community needs, strengthening partnerships and building of networks between local governments and communities, and developing economic and social infrastructure that directly benefits the poor are all useful.

With respect to the micro level, it is important to promote the involvement and participation of the poor in every type of development process (surveys, planning, implementation, evaluation) through the NGOs and government officials of the recipient country, to continuously monitor the trends and points of view of the poor, and to carry out cooperation accordingly. Specific activities can include fostering and strengthening organizations that include the poor, offering knowledge and information to the poor, providing opportunities for education and training, and carrying out activities that foster self-help awareness.

As for enhancing links between macro, meso, and micro levels, it is important to utilize the various types of JICA schemes: macro level projects (including Policy Advisors, Development Studies); meso level projects (including Technical Cooperation Projects); and micro level projects (including JICA Partnership Program, dispatch of Volunteer). It is also important to ensure that approaches of macro (development of national plans, systematization, prevalence of models), meso (implementation of model projects at the regional level) and micro (participation in the development process by the poor) levels are carried out in concert with each other.

3-1-2 Points for Consideration

When considering activities that target only the poor, it is important to be mindful of the possibility of interference from other groups or the risk of creating a negative self-image of the poor.

Furthermore, the cause of poverty is often closely related to the history or culture of the country or region, and it is, therefore, advantageous to utilize NGOs or human resources who are very familiar with the customs, language, and other aspects of the field. At the same time, it is also desirable, from the perspective of sustainability, to limit foreign input as much as possible.

Finally, the scale and timeframe of projects should be considered based upon the analysis and identification of characteristics of the main stakeholders and the organizations in the recipient country.

3-2 Further Issues

3-2-1 Assistance for Comprehensive Poverty Reduction

To reduce poverty, it is essential to take a comprehensive approach. It is thus important to consider how to achieve a balance in assistance to the economic growth and social development of the country. To do so, it is necessary also to consider pro-poor growth measures that will contribute to poverty reduction.

As the factors contributing to poverty differ by country and region, measures for poverty reduction should

be considered and implemented comprehensively, and country-specific cooperation on poverty reduction should be coordinated on a cross-sector basis.

3-2-2 Mainstreaming of Poverty Reduction in JICA's Projects

To expand assistance on poverty reduction, JICA must clarify its poverty reduction-related projects and establish a system to ensure project formulation, implementation, and monitoring from the standpoint of poverty reduction. At the same time, it should also look into the possibility of entrusting poverty reduction projects to NGOs, scholars, and local governments.

To incorporate the perspective of poverty reduction into all of JICA's projects, it is important to predict both the positive and negative impacts of the projects and, accordingly, incorporate necessary measures.

3-2-3 Partnership with Other Organizations and Human Resource Development

To reduce poverty, it is essential to take a multidisciplinary approach, and thus efforts must include cooperation from a variety of actors. When JICA carries out assistance for poverty reduction, it must create partnerships and cooperate effectively with the NGOs, scholars, and local governments who are very familiar with the region. Furthermore, JICA must also continue to develop human resources who can support planning, policy-making, and development of the institutional framework for poverty reduction, as well as experts on social and economic studies or community development.

3-2-4 Accumulation and Dissemination of Information

Coordination and cooperation between actors is essential for poverty reduction. In order to proceed smoothly with cooperation, JICA must disseminate information related to its assistance for poverty reduction and include coordination with other actors in its assistance plans. It is also important to assign staff for information dissemination and aid coordination.