

Ex-Ante Evaluation Report

1. Name of the Project

Country: ASEAN countries and the other Asian countries

Project: Japan ASEAN Women Empowerment Fund

(Investment project under the Private Sector Investment Finance)

Agreements signed on: September 7, 2016

Investee: Japan ASEAN Women Empowerment Fund

2. Background and Necessity of the Project

In developing countries, the gender inequalities is one of the cause for challenges women face, such as poverty, limited educational opportunities, forced child marriage and high maternal mortality rates. Consequently, the Sustainable Development Goals established by the UN sets “Achieving gender equality and empowering all women and girls” as one of its goal. Under the circumstance, providing microfinance service for women is crucially important not only for assuring gender equality but also for poverty reduction and development effectiveness through promoting women’s participation to market economy.

In the Priority Policy for Development Cooperation FY2016, providing assistance for Gender (women’s protection and empowerment) is stated as key area of contributing by Japanese Government. Also, Development Strategy for Gender Equality and Women’s Empowerment, which is formulated on May 20, 2016, based on the Development Cooperation Charter (February 2015) says that Japan will work for women’s economic empowerment through supporting women entrepreneurs, providing small-scale financial services, such as microfinance, including deposit and insurance services, and promoting women’s participation in local industries and One Village One Product campaigns. Furthermore, due consideration will be given to creating and expanding social capital and human networks for ensuring women’s social participation and building of resilient local communities.

Considering abovementioned situation, this project aims to improve women’s access to financial service in order to contribute to poverty reduction and women’s empowerment.

3. Project Description

(1) Project Objective

This project aims to contribute to the empowerment of women through the improvement of financial access for low-income women in the region by expanding financing to MFIs focusing on the empowerment of women in Asia, particularly in ASEAN countries.

(2) Project Site/ Target Area

ASEAN countries and the other Asian countries

(3) Project Outline

- 1) Investment Amount: No more than 30.0 million US dollars
- 2) Outline of Project Plan: To support MFIs focusing on the empowerment of women in Asia, particularly in ASEAN countries.
- 3) Fund Manager: BlueOrchard Finance S. A. (“BOF”)
- 4) Targeted Fund Size: 120.5 million US dollars

(4) Expected Schedule

Investment Period: September 2016 ~ March 2023

Term Closing: September 2024

(5) Environmental and Social Consideration/ Poverty Reduction/ Social Development

- 1) Environmental and Social Consideration
 - a) Category: C
 - b) Reason for Categorization: The Project is deemed to have minimal adverse impact on the environment as specified in the JICA Guidelines for Environmental and Social Consideration (April 2010).
- 2) Promotion of Poverty Reduction: This project is designed to support poverty reduction through providing to invest MFIs which contribute to the empowerment of women, and especially to the improvement of financial access for low-income women.
- 3) Promotion of Social Development: Gender equality is expected through this project which provides financial support to MFIs to contribute Women’s Empowerment.

(6) Collaboration with Other Donors

This project is invested together with Japan Bank for International Cooperation.

(7) Other Issues:

None

4. Targeted Outcomes

(1) Quantitative effects

- 1) Equity IRR for JICA: 2.25%
- 2) Performance Indicators (Operation and Effect Indicator)

Indicator	Baseline (FY2016) 【Actual Value】	Target (FY2024) 【Term Closing Year】
Fund IRR (%)*	-	5.5%
Women clients’ percentage of total Investment (%)	-	60.0%
Specific MFIs’ percentage of MFIs invested by JAWEF**	-	30.0%

* Equity IRR means that the IRR after Fund Operational Expenses is deducted (based on US dollars)

** Specific MFIs means that MFIs which have over 75% Women Clients of whole amount of investments

(2) Qualitative effects:

This project expects to improve women's financial access and poverty reduction through supporting MFIs that contributes to women's financial inclusion in the region.

5. External Factors and Risk Control

(1) Risk factors in the project implementation and management:

The Fund Manager has accountable experiences in the relevant field as well as has broad networks within the targeted sector. In addition, the pipeline list provided by the Fund Manager sufficiently exceeds the target fund size. Based on those reasons, the risk in project implementation is mitigated.

(2) Exit Strategy:

JICA will exit the investment at the time of term closing.

6. Lessons Learned from Past Projects

In accordance with Ex-post Evaluation of JICA's previous fund investment projects, it is advised to check Fund Manager's long-list of pipeline in order to confirm in order to ensure there is a sufficient feasibility in the timely investment allocation. In this project, the pipeline list was reviewed in JICA's appraisal mission and confirmed that there is a sufficient accumulation of potential project in pipeline.

7. Plan for Future Evaluation

(1) Indicators to be used

- 1) IRR (%)
- 2) Women clients' percentage of total Investment (%)
- 3) Specific MFIs' percentage of MFIs invested by JAWEF
- 4) Other Indicators (to be decided for each investment project)

(2) Timing

Term Closing year (FY2024)

END