



COMCEC

CCO BRIEF ON POVERTY ALLEVIATION

COMCEC COORDINATION OFFICE
April 2018

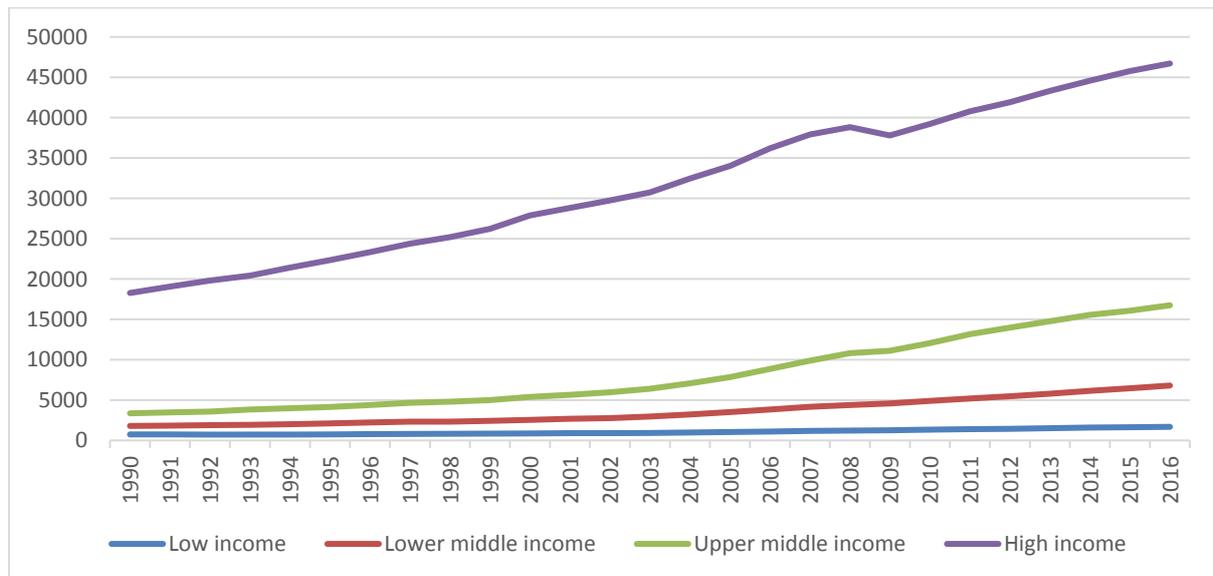
CCO BRIEF ON POVERTY ALLEVIATION

There are various definitions of poverty. It can be simply defined as the inability to meet basic needs. The most frequently used method is to define poverty in monetary terms, such as the USD 1.90 a day and the USD 3.10 a day.¹ Poverty is also defined in non-monetary terms from a multidimensional perspective. The Multidimensional Poverty Index (MPI), calculated by the UNDP, considers multiple deprivations of the population and their overlap by utilizing the dimensions of health, education and standards of living. The Human Development Index (HDI) is another non-monetary indicator of poverty produced by the UNDP. Along with health, education and standards of living dimensions, the HDI focuses on some additional components of these dimensions.

Poverty in the World

When poverty is examined in monetary terms, the first indicator to be considered is the GDP per capita PPP (Purchasing Power Parity). The World's average GDP per capita PPP was \$16,215 in 2016. This average was \$46,847 for high income countries, \$16,884 for upper-middle income countries, \$6,802 for lower-middle income countries and \$1,702 for low income countries (Figure 1). These figures indicate that there is considerable disparity across the countries. While Qatar has the highest GDP per capita (PPP) with 127,481 Current International Dollar, the Central African Republic has the lowest GDP per capita income with 698,7 Current International Dollar. There are also substantial income distribution problems within countries.

Figure 1: GDP Per Capita (PPP) (Current International \$)

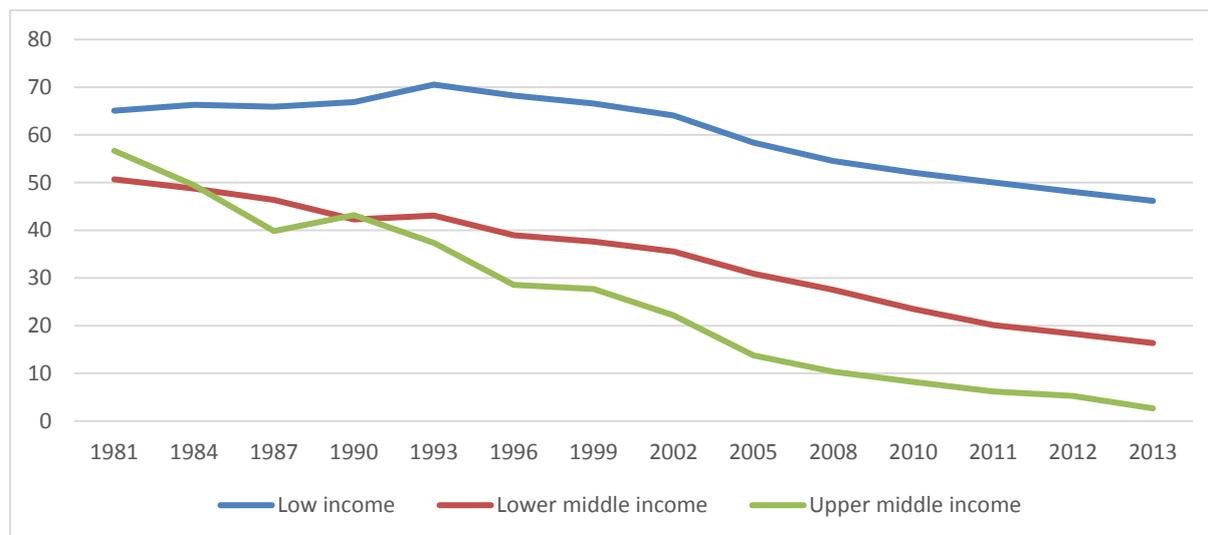


Source: Prepared by the CCO from the World Development Indicators of the World Bank

For many countries, poverty levels have decreased in monetary terms over the last three decades. Indeed, for the period of 1981-2013, significant progress was observed with regard to the percentage of the people living under US\$ 1.25. While this rate was 43.2 percent for the upper-middle income countries, 42.3 percent for the lower-middle income countries and 66.9 percent for the low income countries in 1990, it fell to 2.7 percent, 16.4 percent and 46.2 percent respectively for these income groups in 2013 (Figure 2).

¹ The World Bank's definition of "extreme poverty" has been revised to mean living on less than \$1.90 per day from \$1.25 per day reflecting the latest updates in purchasing power parities. In the same way, \$2 per day has been revised to \$3.10 per day.

Figure 2: Poverty Headcount Ratio at USD 1.90 a day (2011 PPP) (% of population)



Source: Created by the Authors, from the World Development Indicators of the World Bank

Reducing poverty levels in many countries are promising; however, there are also some countries with increasing poverty levels.

Poverty in the OIC Member Countries

The OIC, as a group, comprises countries that have different development levels from diverse geographies. Twenty-one out of the 47 Least Developed Countries (LDCs) are Members of the OIC. In this respect, GDP per capita levels of the member countries display a highly dispersed composition, varying from US\$ 978 to US\$ 127,523 (PPP current int. \$) in 2016². Furthermore, the number of people living under US\$ 1.90 a day in the OIC Member Countries were nearly 277.3 million, representing 23.8 percent of the total population of the OIC in 2016.

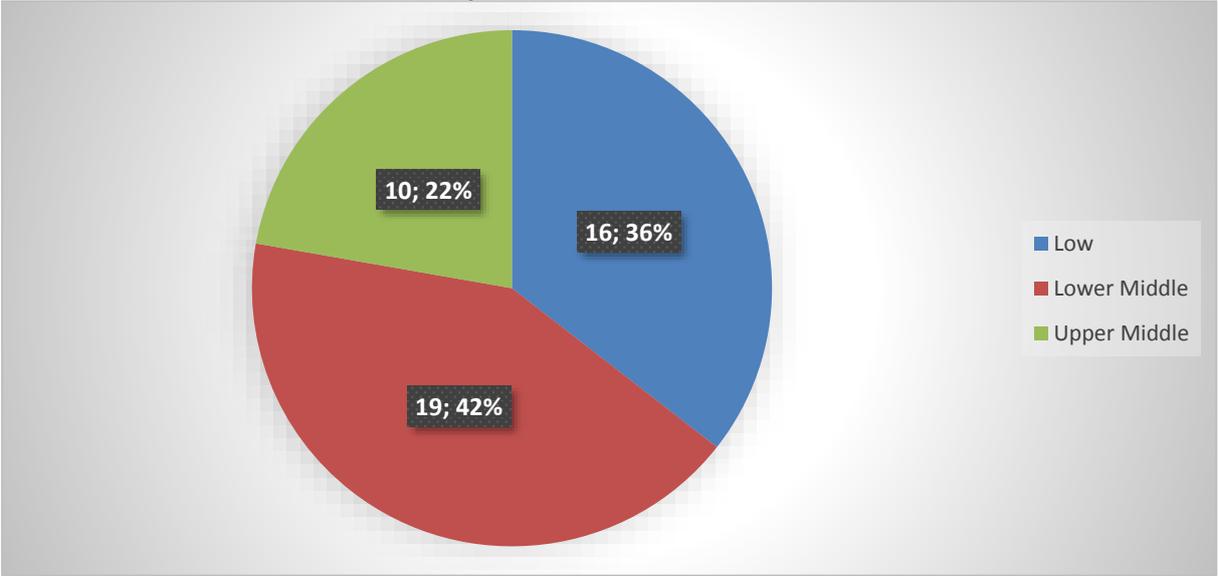
Multidimensional Poverty in OIC Member Countries

Looking at the group of countries for which the MPI is calculated, it can be seen that a majority of the OIC member countries are included in this group. Among the OIC Member Countries that have MPI values, 22 percent is upper-middle, 42 percent is lower-middle and 36 percent is low income countries (Figure 3).³ The population living in multidimensional poverty varies considerably among the OIC member countries. While in Kazakhstan this rate is only 1.1 percent, in Niger it reaches almost 90 percent. Totally, almost 15 percent of the total population in the OIC Member Countries live under multidimensional poverty.

² Source: World Bank, World Development Indicators

³ COMCEC Poverty Outlook 2017

Figure 3: Share of Income Level Categories for the OIC Member Countries with Multidimensional Poverty (%)



Source: COMCEC Poverty Outlook 2017.

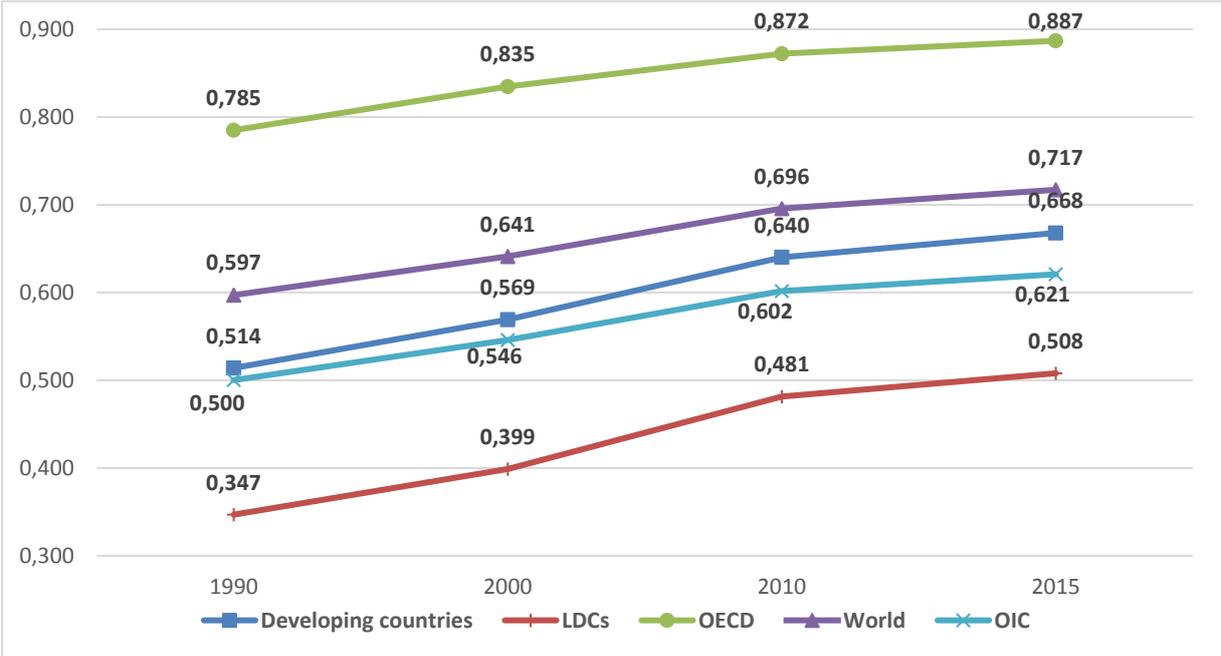
The contribution of deprivation in education to overall poverty for the OIC Region is between 3.7 percent (Uzbekistan) and 54.7 percent (Syria). The same range for the contribution of deprivation in health to overall poverty is between 18.8 percent (Somalia) and 83.9 percent (Kazakhstan), and for the contribution of deprivation in living standards to overall poverty is between 3.5 percent (Jordan) and 51.9 percent (Uganda).⁴

Human Development Levels in the OIC Member Countries

The Human Development Index (HDI) shows that there had been an increase in human development worldwide between 1990 and 2015 (Figure 4). The world average had increased from 0.597 to 0.717. The OIC average rose from 0.500 to 0.621 and remained significantly below the OECD and world average during the same period. The OIC’s HDI values were only higher than those of LDCs. On the other hand, the gap between the OIC and developing countries widened in the last 25 years. In 1990, it was only 0.014, while it rose to 0.047 in 2015.

⁴ COMCEC Poverty Outlook 2017

Figure 4: Trends in Human Development Index, 1990-2015

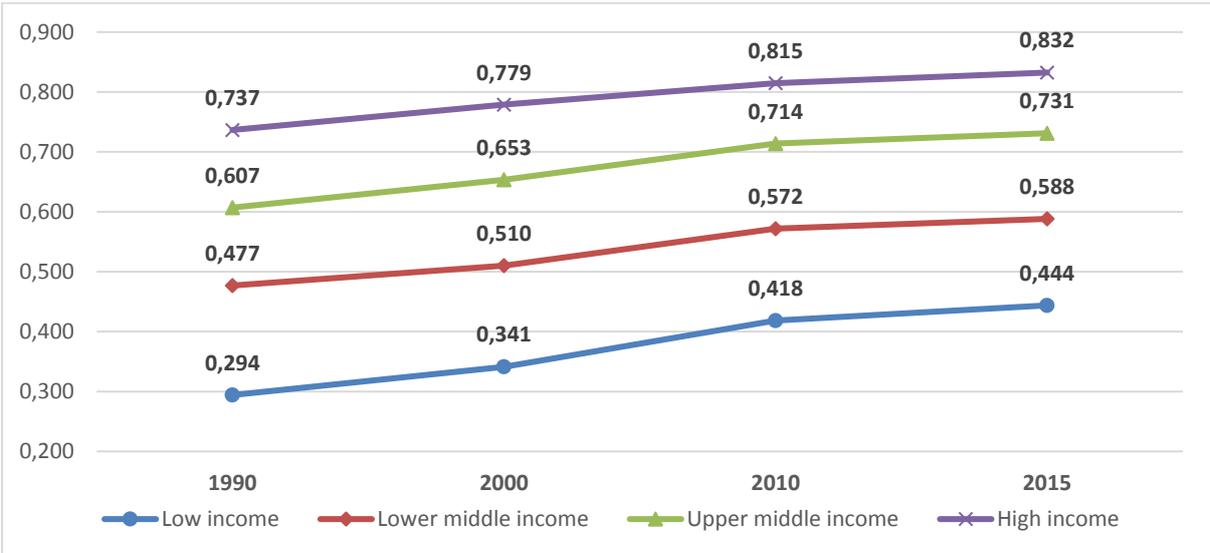


Source: UNDP 2016

Note: The averages are unweighted, i.e. each country in the groups has the same weight irrespective of its population.

Figure 5 shows the evolution of the HDI for the OIC member states in different income groups between 1990 and 2015. It reveals that there had been an improvement for each income group in the defined period. It also clearly shows that the HDI values are strongly associated with income level. The HDI values consistently increase as the income level of a group of countries rises. High income and upper-middle income countries exhibit the HDI trends that are over the OIC average and the lower-middle, as well as low income countries, have lower HDI values compared with the OIC average.

Figure 5: Trends in Human Development Index of OIC Member States by income groups, 1990-2015



Source: COMCEC Poverty Outlook 2017.

Note: The averages are unweighted, i.e. each country in the groups has the same weight irrespective of its population.

The 2030 Agenda for the Sustainable Development and the Sustainable Development Goals (SDGs)

The aim of the 2030 Agenda for Sustainable Development is to achieve a transition from the Millennium Development Agenda through the realization of the Sustainable Development Goals (SDGs). The Millennium Development Goals (MDGs) had focused on the challenges of the poor countries; nevertheless the 2030 Agenda for Sustainable Development is a more comprehensive development agenda, which concerns all countries regardless of their level of development.

Since the adoption of the MDGs, great progress has been achieved worldwide; however, eradicating poverty remains one of the major global challenges for sustainable development. For this reason, the first goal under the SDGs has been determined as “End poverty in all its forms everywhere”.

The main challenges facing the member countries in achieving the MDGs were, among others, the lack of political will and commitment to the MDGs; poor infrastructure; underdeveloped institutional capacity, including implementation capacity; the lack of adequate financial resources; the global economic situation and unfavorable trade conditions; the lack of inclusive growth, and the lack of an enabling environment, including conflicts and disaster-related challenges, to attract investment and encourage private sector development. Nevertheless, taking into account the challenges of the MDGs as well as the more ambitious context of the SDGs, the implementation of the SDGs is of the utmost importance.

Given the prominence of the issue, Islamic Development Bank (IDB) Group and the COMCEC Coordination Office (CCO) submitted a joint study titled “The Critical Success Factors in the Implementation of the Post-2015 Development Agenda and Sustainable Development Goals: Current Situation and Prospects for the OIC” to the 31st COMCEC Session. A number of special sessions on different aspects of the SDGs were organized on the sideline of the 31st COMCEC Session. In addition, in consultation with the IDB Group and the Statistical, Economic and Social Research and the Training Centre for Islamic Countries (SESRIC), the CCO submitted a report on possible role and contributions of the concerned OIC institutions to the achievement of the SDGs and their sub-targets in the member countries to the 32nd COMCEC Session.

In line with the relevant resolutions of the COMCEC, the CCO compiled the activities of the OIC Institutions, which were conducted on the implementation of the SDGs in the member countries and submitted a report to the 33rd COMCEC Session.

Moreover, the SESRIC conducts a tendency survey on the priorities of the member countries regarding the SDGs. The SESRIC presented the results about the priorities of the countries that responded to the survey in the 33rd COMCEC Session. Similarly, the SESRIC will report the results of the survey to the 34th Follow up Committee of the COMCEC as well as the 34th COMCEC Session.

- **Education Quality in the OIC Member Countries (Eleventh Meeting of the Poverty Alleviation Working Group)**

Education is considered to break the cycle of poverty by imparting skills, boosting labor productivity and market earnings skills. However, contrary to common perception, the link between schooling and learning is weak in many developing countries, including the OIC. Schools face structural problems that undermine learning among children. Teacher ability as well as quality and timeliness of the curriculum are among the other factors undermining quality education. Moreover, lack of foundational skills that should be gained during the pre-primary

education period, also negatively affects the student performance in primary and secondary education cycles.

The 11th Meeting of the COMCEC Poverty Alleviation Working Group, held on April 5th, 2018, elaborated on the education quality in the Member Countries and has come up with concrete policy recommendations for submission to the 34th COMCEC Ministerial Session. During the meeting, the research report titled “Quality of Education in the OIC Member Countries” and “the COMCEC Poverty Outlook 2017” were considered by the participants. Representatives of the participating member states, the international organizations and the NGOs had presentations and they shared their experiences in improving the education quality.

The aforementioned research report revealed that the number of the OIC member countries participating to the international student assessment exams such as PISA and TIMSS has shown an increase since 2000. While only 2 OIC member countries participated in PISA and TIMSS by 2000, this number increased to 11 for PISA and to 12 for TIMSS in 2015. The report also indicated that at least five OIC member countries (Malaysia, Qatar, Indonesia, Kazakhstan and Turkey) have achieved an improvement in the latest rounds of PISA or TIMSS. Moreover, the OIC's average PISA scores in mathematics, reading and science have also increased.

Despite these improvements, the OIC member countries as a group lag behind other country groupings in all major international assessments. Many OIC member countries face important challenges in enhancing the education quality. Some major challenges that have been elaborated in the research report are as follows: lack of/insufficient pre-primary education, physical facility problems including quantity of schools, teacher quality and making it a choice of profession, as well as the rich-poor gap.

Taking these challenges into consideration, the eleventh Meeting of the Poverty Alleviation Working Group came up with the following policy recommendations:

1. Increasing both the quantity and quality of teachers, particularly who teach in schools serving to disadvantaged and poorest through improving wage rates, pedagogical interventions, performance incentives, training and curricula reforms
2. Increasing teaching and learning effectiveness through adoption and widespread use of Information and Communication Technology (ICT) based new models
3. Promoting better early-childhood learning opportunities through accessible and affordable pre-primary schooling
4. Ensuring progressive universalism for closing the rich-poor gap in learning outcomes
5. Enhancing and reinforcing accountability through parental engagement and involving parents in the monitoring of their children’s education and intensifying the parent-teacher interaction to improve education delivery

All the reports submitted to the Meetings and the presentations made during the Meetings are available on the COMCEC web page (www.comcec.org).

- **Twelfth Meeting of the Poverty Alleviation Working Group**

The Twelfth Meeting of the Poverty Alleviation Working Group will be held on October 4th, 2018 in Ankara with the theme of “Skills Development in the OIC Member Countries: Vocational Education”. During the Meeting, the Working Group is expected to elaborate on the skills development through vocational education in the OIC member countries and to suggest policy recommendations for improving the performance of the vocational education systems and practices among the OIC member countries.

- **The COMCEC Project Funding**

Through its Project Funding Mechanism, the CCO provides grants to the selected projects proposed by the relevant OIC institutions and the Member States that have already registered for the Poverty Alleviation Working Group.

Four projects in the poverty alleviation cooperation area were implemented in 2017 by Albania, Indonesia, the Gambia and Suriname. Albania implemented the project, “Creation of a Road Map for an Integrated Social Service for Housing” together with Indonesia and Turkey. The aim of the project was to undertake policy research for establishing a social housing management information system in the Ministry of Urban Development of Albania. The activities of the project included preparing a guideline through experience sharing between the partner countries and organizing an international workshop in Albania. The guideline was prepared for this purpose and presented in the workshop, which was held in Albania from July 3-5, 2017 with the participation of the partner countries. In addition, a field visit was organized to social houses in Tirana within the scope of the project.

Indonesia implemented a project called “Strengthening Community-Based Sustainable Livelihood for Activating Poor by Opening Marketing Channel through E-Commerce.” The aim of this project was to carry out activities to create a community-based sustainable livelihood through e-commerce, for the poor of Indonesia. The project consisted of training programs and a workshop. Eighteen training programs on product development and product marketing were organized in several cities of Indonesia for the poor, in order to increase added value of their products and to teach them how to expand market through e-commerce. In the international workshop, the participants from the partner countries, Bangladesh, Malaysia and Pakistan, made presentations about the current situation in their countries and shared experiences.

The Gambia implemented a project called “Training on Entrepreneurship and Management of Small Business for Women in the Gambia, Senegal and Sierra Leone.” The aim of the project was to share experiences and good practices in entrepreneurship, business development and business management for women. The project activities included the organization of a training program for trainers on entrepreneurship and the management of small business for women with the participation of the partner countries, Sierra Leone and Senegal.

Suriname implemented a project called “Professionalization of Childcare in Selected OIC Countries.” The aim of the project was to share information on the standards of early childhood development for the professionalization and institutionalization of childcare. The project activities included the organization of a training program on the standards of the early childhood development for the professionalization and institutionalization of child care, with the participation of the partner countries, which were Nigeria and Guyana.

Two projects in the poverty alleviation cooperation area will be implemented in 2018 under the COMCEC Project Funding. Indonesia will implement the project, “Improving the Single Window Service System for Social Protection and Poverty Reduction in the OIC Countries”. The partner countries are Pakistan, Turkey, Azerbaijan and Malaysia in this project. The aim of the project is to improve the capacity of local facilitators and mentoring community regarding social protection and poverty alleviation program. The project includes a conference, a workshop and three training programs. In the conference, the participants from the partner countries will share ideas and country experiences on the project topic. In the workshop, the content and the modules of the training program will be prepared with the contribution of the partner countries. In the training programs, which will be in training of trainers format, local facilitators will acquire necessary knowledge and skills regarding the integrated data analysis for planning and budgeting; communication and advocating skills in the context of community

assistance and empowerment; case management skills related to social protection and poverty alleviation programs.

The Gambia will implement the project, “Training on Entrepreneurship for Teachers in the Selected OIC Countries” with Malaysia and Morocco. The aim of the project is to introduce the teachers to the entrepreneurship skills, in order for them to further enhance the productive capacities of the students. The project includes a training program which will lead to modernization and integration of the entrepreneurship modules in the school curriculum of the Gambia and partner countries.

- **Ongoing Programs for Alleviating Poverty under the COMCEC**

There are also other programs for alleviating poverty under the COMCEC namely, the Islamic Solidarity Fund for Development – the ISFD (under the Islamic Development Bank); the Special Program for the Development of Africa – the SPDA (under the Islamic Development Bank) and the OIC Vocational Education and Training Program – the OIC-VET (under the SESRIC).

- In accordance with the relevant decision of the 3rd Extraordinary Islamic Summit held in 2005, the Islamic Solidarity Fund for Development (ISFD) was established as a special fund under the IDB. The Fund was officially launched in 2007, with the aim of contributing to the reduction of poverty in the Member States. It focuses on human development, agriculture and rural development, basic infrastructure and micro enterprises. The targeted budget of the Fund is US\$ 10 billion. As of April 2017, total amount of the contributions received is US\$ 2.68 billion. As of 2017, cumulative approvals were US\$ 664.8 million for 106 operations in 33 Member Countries.

- The Special Program for the Development of Africa (SPDA) is another important initiative within the IDB, which was launched in 2008 with a view to spurring economic growth, reinvigorating agricultural production and creating employment opportunities in the African Member Countries. The target capital of the SPDA is US\$ 12 billion. As of the end of 2017, the total disbursements were around US\$ 1.525 billion, which brought the total disbursements since 2012 to date to US\$ 5.4 billion.

- The aim of the OIC-VET Programme, which was officially launched in 2009 during the COMCEC Economic Summit, is to provide opportunities for the individuals to develop their knowledge and skills; thus to contribute to the development and competitiveness of the economies of the Member Countries. Capacity building programs have been initiated in 22 different social and economic programs with many sub-themes within the framework of OIC-VET.

