



COMCEC

CCO BRIEF ON POVERTY ALLEVIATION

COMCEC COORDINATION OFFICE
October 2019

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2030 Agenda for Sustainable Development envisages very ambitious and comprehensive goals to reduce poverty and boost development in the world. Reaching these goals worldwide requires dedicated and collective efforts of countries as well as international organizations. The state of poverty in the OIC Member Countries also poses a significant challenge for the development agenda of the OIC. Therefore, focusing on alleviating poverty in the OIC region is a worthy endeavor for the member countries.

Poverty has different dimensions and rates according to living conditions across geographies and countries. There are two approaches to measure poverty, which are monetary and non-monetary respectively. According to monetary approach, accepted thresholds by the World Bank are USD 1.90 a day and USD 3.10 a day.¹ In this respect, extreme poverty is investigated by examining GDP per capita levels and poverty headcount ratios at USD 1.90 a day.

The latter approach - non-monetary method- focuses on poverty from a multidimensional perspective. United Nations Development Program (UNDP) developed two Indexes in this respect. The Human Development Index (HDI) identifies poverty as a lack of income, education and health. Thus, HDI utilizes four indicators, namely Gross National Income (GNI) per capita, mean years of schooling, expected years of schooling and life expectancy at birth. The Multidimensional Poverty Index (MPI), the second one, considers multiple deprivations of the population and their overlap in terms of health, education and standards of living. Income is excluded in this calculation but standard of living is measured by six indicators.

Poverty in the World

Although the global poverty rate has been halved since 2000, intensified efforts are required to boost the incomes and alleviate poverty considering individuals still living in extreme poverty, particularly in sub-Saharan Africa. In 2015, 736 million people, almost 10 percent of the world's population, lived on less than \$1.90 a day. This figure displays a significant decrease in the global poverty rate from 36 percent in 1990, about 10 percent in 2015. Furthermore, more than half of the people living on less than US\$1.90 worldwide live in Sub-Saharan Africa.²

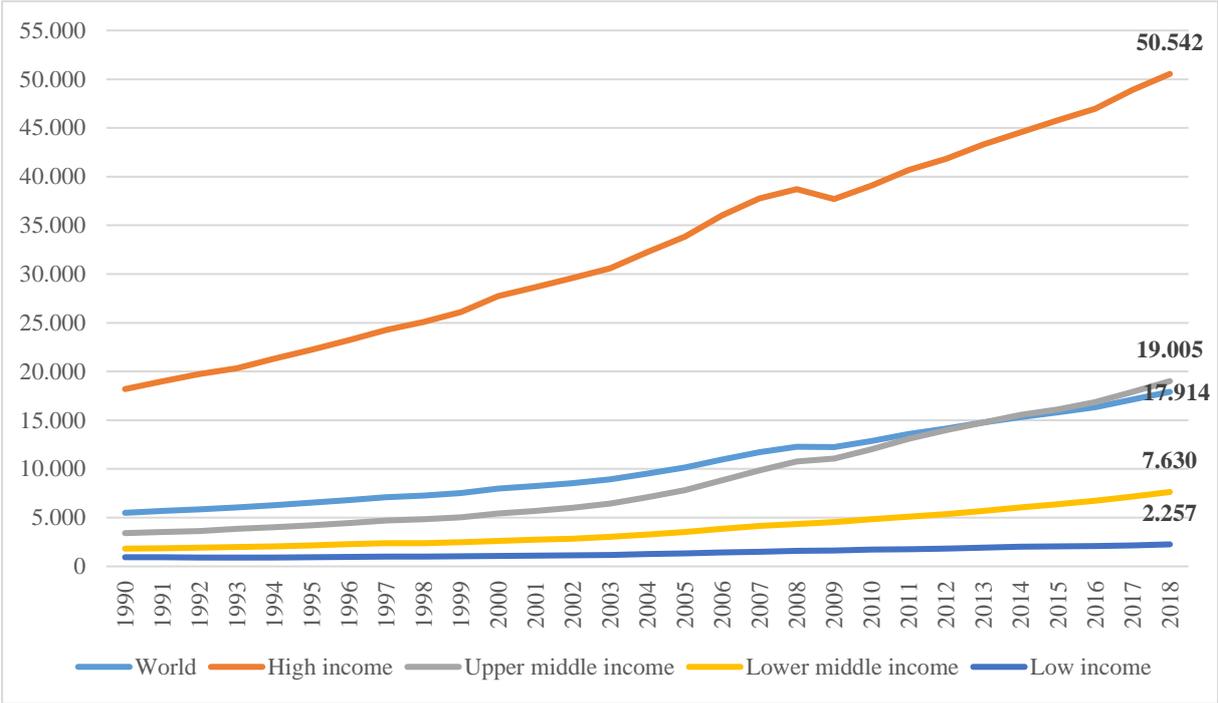
Focusing on poverty in monetary terms requires checking income indicator initially. The World's average GDP per capita PPP (Purchasing Power Parity) was \$17,914 in 2018. This average was \$50,542 for high-income countries, \$19,005 for upper-middle income countries, \$7,630 for lower-middle income countries and \$2,257 for low-income countries (Figure 1). These figures indicate that there is a considerable disparity across the countries. While Qatar has the highest GDP per capita (PPP) with 126,598 Current International Dollar, Burundi has the lowest GDP per capita income with 742.80 Current International Dollars. There are also substantial income distribution problems within countries.

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.

² <https://www.worldbank.org/en/topic/poverty/overview>

accessed on 21.09.2019

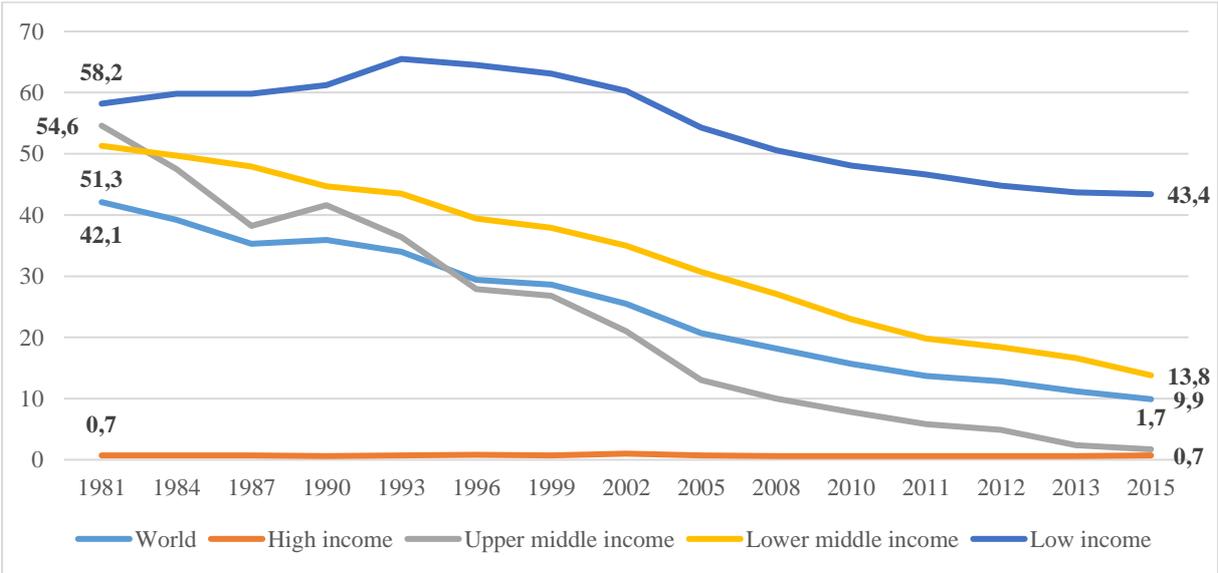
Figure 1: GDP Per Capita (PPP) (Current International \$)



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 1981-2015, significant progress was observed with regard to the percentage of the people living under US\$ 1.90. While this rate was 54.6 percent for the upper-middle income countries, 51.3 percent for the lower-middle income countries and 58.2 percent for the low income countries in 1981, it fell to 1.7 percent, 13.8 percent and 43.4 percent respectively for these income groups in 2015 (Figure 2).

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



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

Despite the significant progress in reducing poverty in the last two decades, the disparity between different income groups is still alarming.

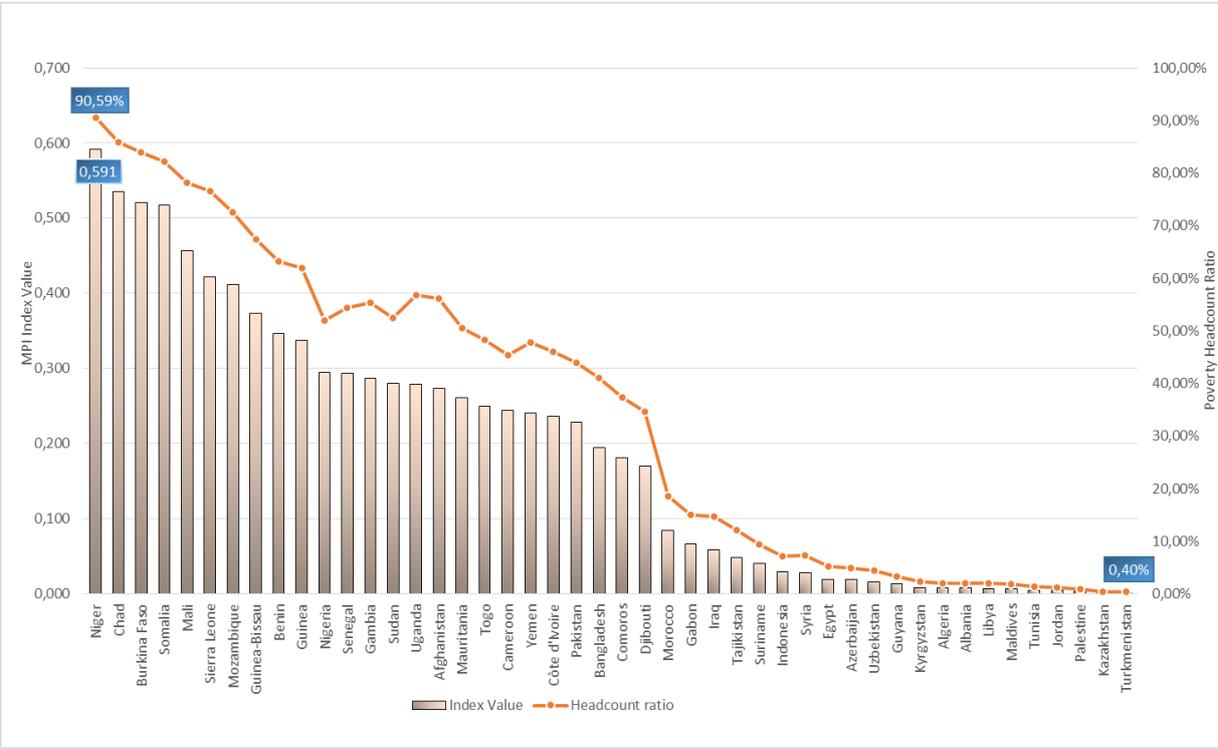
Poverty in the OIC Member Countries

The OIC forms a heterogeneous group in terms of development levels with its 57 member countries dispersed over four continents. 21 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 divergent composition, varying from US\$ 1,048 to US\$ 126,598 (PPP current international \$) in 2018.³ Furthermore, the number of people living under US\$ 1.90 a day in the OIC Member Countries were nearly 243.5 million, representing 16.5 percent of the total population of the OIC in 2016.⁴

Multidimensional Poverty in the OIC Member Countries

Regarding the group of countries for which the MPI is calculated, it is observed that 80% of the OIC member countries are included in this calculation. The population living in multidimensional poverty varies across the OIC member countries. While Turkmenistan has the lowest ratio which is 0,40 %, Niger has the highest percentage of the population in multidimensional poverty with almost 90%.

Figure 3: Multidimensional Poverty Index and Headcount Ratio in the OIC Member Countries



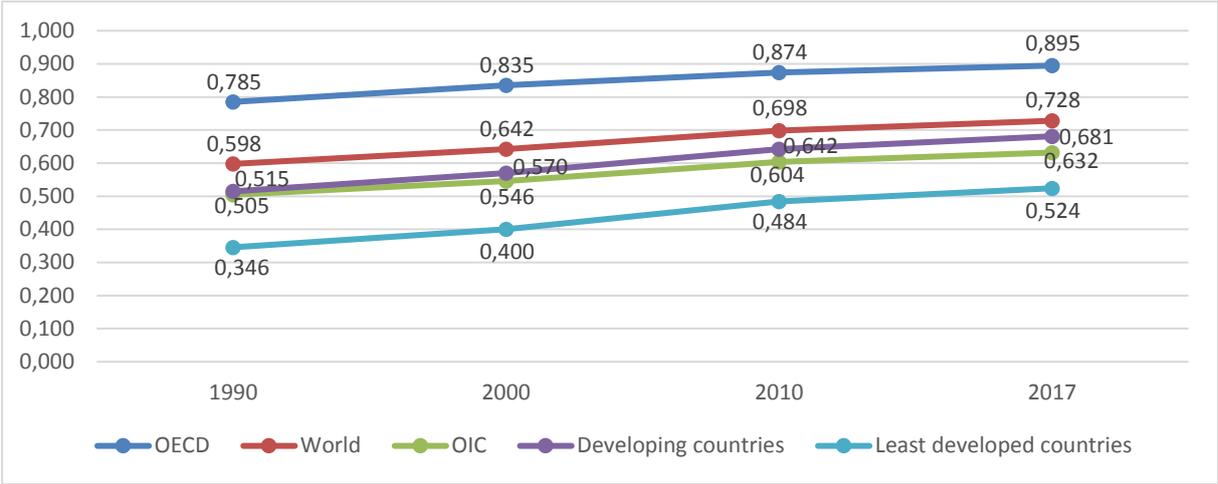
According to MPI indicators the contribution of deprivation in education to overall poverty for the OIC Region is between 3.1 percent (Kazakhstan) and 52.8 percent (Egypt). The same range for the contribution of deprivation in health to overall poverty is between 10.4 percent (Afghanistan) and 90.4 percent (Kazakhstan), and for the contribution of deprivation in living standards to overall poverty is between 3.4 percent (Jordan) and 54.5 percent (Uganda).⁵

³ World Bank, World Development Indicators
⁴ Calculation was made by COMCEC Coordination Office with available data for the last ten years. Data for Afghanistan, Guyana, Libya, Somali, Suriname, Syria are not available.
⁵ UNDP, 2018 Global Multidimensional Poverty Index

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 2017 (Figure 4). The world average increased from 0.598 to 0.728 in this period. The OIC average rose from 0.505 to 0.632 and remained significantly below the OECD and world average during the same period. The OIC’s average HDI values were only higher than those of LDCs. On the other hand, the gap between the OIC and developing countries widened. In 1990, it was only 0.010, while it rose to 0.049 in 2017, implying a more rapid progress in developing countries.

Figure 4: Trends in Human Development Index, 1990-2017

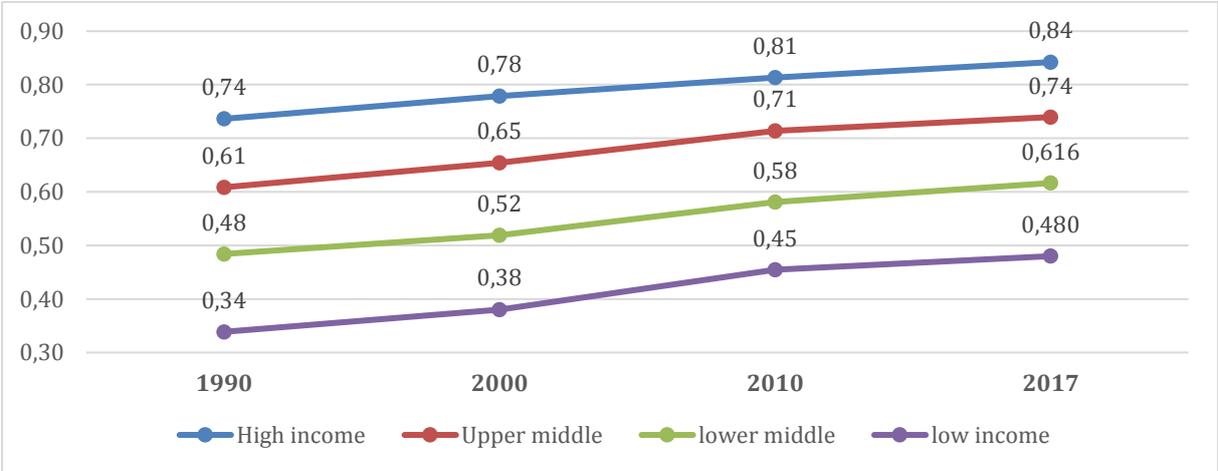


Source: UNDP 2018

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 2017. It points out that there has been an upward trend for each income group in the defined period. It also clearly shows that the HDI values are strongly associated with the income level. The HDI values of a group of countries consistently increase as the income level of the same group rises. On the other hand, 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 to the OIC average.

Figure 5: Trends in Human Development Index of OIC Countries by income groups, 1990-2017



Source: COMCEC Poverty Outlook 2018.

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)

As the first ever targets established collectively by the world, Millennium Development Goals (MDGs) had focused on the challenges of the poor countries by targeting the eradication of poverty. By building directly on the MDGs, the 2030 Agenda for Sustainable Development presents more ambitious and comprehensive development agenda in coverage.

Since the adoption of the MDGs, a significant and promising progress has been achieved worldwide. Nevertheless, eradicating poverty remains one of the major global challenges for sustainable development. Uneven and widespread inequalities persist between and within countries. For this reason, the first goal under the SDGs has been indicated as “End poverty in all its forms everywhere”.

The main challenges faced by the member countries in achieving the MDGs were, among others, the lack of commitment to the MDGs; poor infrastructure; weak institutional capacity, including implementation difficulty; limited financial resources; low economic growth and unfavorable trade conditions; and the fragile environment, including security concerns and disaster-related challenges. Taking into account these challenges in achieving MDGs, the implementation of the SDGs is of the utmost importance considering its more ambitious agenda.

Given its importance on the development of the OIC member countries, the COMCEC tracks the programs, projects and other activities of OIC Institutions related to the implementation of the SDGs. In this respect, in line with the relevant resolutions of the COMCEC, the CCO compiles the activities of the OIC Institutions carried out for the implementation of the SDGs in the member countries and submits a report to the COMCEC Sessions.

Moreover, SESRIC conducted a tendency survey on the priorities of the member countries regarding the SDGs and reported the results to the 34th COMCEC Session. Based on these results, SESRIC will present an annual report on the progress at the OIC level towards achieving the prioritized SDGs as decided by Member States to the 35th COMCEC Ministerial Session.

- **Access to Health Services in the Islamic Countries
(13th Meeting of the Poverty Alleviation Working Group)**

At least half the world’s population still lacks access to essential health services. Furthermore, some 800 million people spend more than 10 per cent of their household budget on health care, and almost 100 million people are pushed into extreme poverty each year because of out-of-pocket health expenses.⁶ Every day, 16,000 children die before reaching their fifth birthday. Just by being born in a family of the poorest wealth quintile, the likelihood of dying by the age of 5 is twice as large as compared to children of the richest quintile.⁷

The 13th Meeting of the COMCEC Poverty Alleviation Working Group, held on April 4th, 2019, elaborated on access to health services in the Member Countries and has come up with policy recommendations for submission to the 35th COMCEC Ministerial Session. During the Meeting, the research report titled “Access to Health Services in the OIC Member Countries” and “the COMCEC Poverty Outlook 2018” was considered by the participants.

The aforementioned research report revealed OIC countries are characterized by lower life expectancy, higher maternal mortality rate and higher under-five mortality rates than non-OIC countries for lower middle-income countries. However, the OIC member countries are less affected by tuberculosis and HIV than non-OIC countries for the upper middle-income group.

⁶ Tracking Universal Health Coverage, 2017 Global Monitoring Report, WHO and the World Bank

⁷ https://www.who.int/features/factfiles/health_inequities/en/

It also highlighted that physical and financial accessibility of healthcare service tends to be lower in OIC countries than in non-OIC countries. Availability of nurses and midwives is much lower in low income OIC countries than in low income non-OIC countries, whereas OIC countries invest less in health as a proportion of their GDP and expose their citizens to higher out-of-pocket expenses (OOP) than non-OIC countries. Furthermore, access to health by the poor is particularly limited in absolute terms and in relation to richer population in the countries of African region.

Taking these challenges into consideration, the 13th Meeting of the Poverty Alleviation Working Group has come up with the following policy recommendations:

1. Developing a strategy including a well-designed payment and health insurance schemes to achieve universal health coverage for the poor people
2. Promoting the engagement of private sector in the provision of health care under the supervision of public authorities and with a well-designed monitoring mechanism to ensure its quality
3. Developing/improving health information management systems through designing an online integrated health information system, allocating required resources to health IT infrastructure and strengthening multi-sectoral coordination mechanism
4. Strengthening primary healthcare in poorer areas through encouraging skilled health staff to work in rural and remote areas and promoting community awareness as well as regular screenings

- **Child and Maternal Mortality in Islamic Countries
(14th Meeting of the Poverty Alleviation Working Group)**

By means of improved access to affordable, quality health services child deaths have been reduced by nearly half and maternal deaths by over one-third since 2000. On the other hand, the new estimates reveal that 6.2 million children under 15 years died in 2018, and over 290 000 women died due to complications during pregnancy and childbirth in 2017. Of the total child deaths, 5.3 million occurred in the first 5 years, with almost half of these in the first month of life.⁸

The 14th Meeting of the COMCEC Poverty Alleviation Working Group, held on November 6th, 2019, focused on child and maternal mortality in the Member Countries and has come up with policy recommendations for submission to the 35th COMCEC Ministerial Session. During the Meeting, the research report titled “Child and Maternal Mortality in OIC: Progress towards 2030” and “the COMCEC Poverty Outlook 2019” were considered by the participants.

The aforementioned research report revealed that although the global maternal mortality was reduced about 44% between 1990 and 2015, the progress of maternal mortality reduction was much slower in the Member Countries, which was about - about 29%. Similarly, the rate of child mortality reduction was much slower in the OIC member countries compared to World, which accounted for - 41.2% and 58% respectively. Almost half of the world’s under-5 child deaths (46.4%) occur in the OIC countries. According to the findings of the report, low level of education of women, limited access to health services in rural areas, financial constraints preventing mothers to access to essential drugs and antenatal and postnatal visits, and to give

⁸ <https://www.who.int/news-room/detail/19-09-2019-more-women-and-children-survive-today-than-ever-before-un-report> accessed on 21.09.2019

birth in a health institution are some of the major challenges faced in many OIC Member Countries.

Taking these figures and challenges into consideration, the 14th Meeting of the Poverty Alleviation Working Group has come up with the following policy recommendations:

1. Developing a strategy/policy to improve access to maternal, neonatal and child health (MNCH) care, and to provide equitable distribution of health providers
2. Improving health system functioning and quality of MNCH care through training and practice of recommended standard of care protocols, and regular monitoring of standards
3. Improving continuum of maternal, neonatal and child health care for assuring uninterrupted services before and during pregnancy, delivery and postpartum period through among others developing specific conditional cash transfer programs
4. Developing/Improving integrated health information management systems for monitoring MNCH care level and reporting births and deaths, including maternal deaths, nationally and locally
5. Developing sustainable educational programs on women and child health care delivered to community with a view to eliminating the inequities linked to low education levels

- **The COMCEC Project Funding**

Through its Project Funding Mechanism, the CCO provides grants to the multilateral cooperation projects of the Member States and the OIC institutions working in economic domain.

Two projects were implemented by the Gambia and Indonesia in the poverty alleviation cooperation area in 2018 under the COMCEC Project Funding. The Gambia implemented the project titled “Training on Entrepreneurship for Teachers in the Selected OIC Countries” with Senegal and Cameroon. The aim of the project was to introduce the teachers to the entrepreneurship skills, in order for them to further enhance the productive capacities of the students. The project included a training program which would lead to modernization and integration of the entrepreneurship modules in the school curriculum of the Gambia and partner countries.

Indonesia implemented the project titled “Improving the Single Window Service System for Social Protection and Poverty Reduction in the OIC Countries”. The partner countries were Pakistan, Bangladesh, and Azerbaijan in this project. The aim of the project was to improve the capacity of local facilitators and mentoring community regarding social protection and poverty alleviation program. The project included a conference, a workshop and three training programs.

There are five projects that are being implemented by Turkey, Suriname, Nigeria, Afghanistan and SESRIC in the poverty alleviation cooperation area in 2019 under the COMCEC Project Funding. Turkey’s project, titled “Developing Guidelines on Social Safety Net Systems for the OIC Countries”, aims at promoting the establishment of management information systems for Social Safety Net (SSN) programmes and expanding the coverage of the existing ones in the member countries. In line with these, it is planned to increase the human and institutional capacity of the OIC member countries in the SSN systems with the partnership of Indonesia, Senegal, Tunisia, Iran and the Gambia. In this regard, a training and a workshop was conducted with the participation of Indonesia, Iran, Tunisia and the Gambia. During the training program

participants were trained on the role of information technologies for providing efficient, transparent and accountable SSN services. Within the margin of the workshop partner countries focused on analyzing the different country models of SSN systems and providing adaptable and applicable SSN guidelines for the OIC countries.

Suriname's "Increasing the Capacity of Vocational Education Centres for the Disabled in the Selected OIC Countries" project aims at increasing institutional capacity of the training centers that serve for people living with disability, developing curriculum for the training centers and enhancing the human capacity of the teachers. In line with these aims, a training program on development of vocational skills for the teachers and curriculum for the training centers in the OIC countries was held on with the participation of the partner countries, Guyana and Turkey.

Nigeria is implementing the project titled as "Strengthening Technical and Vocational Education for Grassroots Empowerment in the OIC Countries" with the partnership of the Gambia and Turkey. The purpose of the project is to put the current situation and need with regard to vocational education of the youth and women in the OIC countries to further reintroduce them to economy and to provide a sustainable development. In this regard, a workshop was organized for identifying gaps and assessing the needs for the technical and vocational education systems in the OIC countries to create a roadmap and to address job creation for the vulnerable groups.

Afghanistan's project, titled "Improving the Quality of Education through Information and Communication Technologies in the OIC Countries", targets to enhance disadvantaged children's access to qualified education in the rural regions of Afghanistan through ICT. The partner countries are Iran, Palestine and Turkey. A workshop was realized for sharing best practices to increase the quality of education through ICT for disadvantaged children in the rural areas of the OIC member countries.

SESRIC's "Digital Skills Development in OIC Countries" project aims at presenting the relationship between digitalization and vocational education, determining the effect of digitalization to vocational education and suggesting the necessary policies for managing the digital transformation in the OIC countries. Project partners are Azerbaijan, Benin, Gambia, Indonesia, Iran, Iraq, Jordan, Malaysia, Morocco, Pakistan, Palestine, Saudi Arabia, Senegal, Sudan, Tunisia and Turkey. In the project, a workshop was organized on the current status and needs for the digitalization of the workforces and economies of the OIC countries to create a roadmap.

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

Other ongoing programs for alleviating poverty under the COMCEC are: Special Program for the Development of Africa - SPDA (within the Islamic Development Bank), Islamic Solidarity Fund for Development - ISFD (within the Islamic Development Bank) and OIC Vocational Education and Training Program - OIC-VET (within SESRIC).

- The Islamic Solidarity Fund for Development (ISFD) is a special fund established with the purpose of reduction of poverty focusing on human development, agriculture, rural development and basic infrastructure. The targeted budget of the Fund is US\$ 10 billion. As of October 2019, paid-up capital reached US\$2.585 billion. ISFD net income in 2019 is projected at US\$86.32 million, compared to US\$84.22 million achieved in 2018. The ISFD has also approved 9 projects and programs amounting to US\$83.0 million in 2019. Guided by the IsDB Policy for Poverty Reduction, these projects were allocated to pro-poor sectors, such as water supply, health, education, and in rural development.

- The Special Program for the Development of Africa (SPDA) is another program developed to alleviate poverty in the Member States in Africa implemented by the IDB Group. It succeeded a similar program, the IDB Cooperation Framework for Africa (Ouagadougou Declaration) implemented by IDB for Sub Saharan African (SSA) countries from 2003 to 2007. The SPDA was validated in 2008 and implemented over a five-year period ending in 2012. Even though the approvals ended in November 2012, the implementation of the approved projects has continued. The target capital of the SPDA is \$12 billion. The amount of total approvals has exceeded 5 billion USD since the beginning of the Program. The IDB Group funds projects in the infrastructure, education, health and agriculture sectors being/to be implemented in 22 African countries.

- The Vocational Education and Training Program for the OIC Member Countries (OIC-VET) is implemented by SESRIC in order to strengthen the member countries' capacities in the field of technical and vocational education and training. The OIC-VET Programme that was officially launched by the COMCEC Economic Summit held in Istanbul, Turkey on 9 November 2009, has been supporting the activities of the Member States, improving the competencies and skills of the people according to the needs and priorities of labour markets through intra-OIC partnerships at institutional level.

