



BRIEF ON POVERTY ALLEVIATION

OIC/COMCEC-FC/29-13/D(20)



COMCEC

CCO BRIEFS

POVERTY ALLEVIATION

COMCEC COORDINATION OFFICE

MAY 2013

BRIEF ON POVERTY ALLEVIATION

In today’s globalized world, poverty remains as a crucial problem on the international development agenda. Considering the economic and social dimension of poverty for humanity, international actors determined it as the first agenda item of the Millennium Development Goals (MDGs).

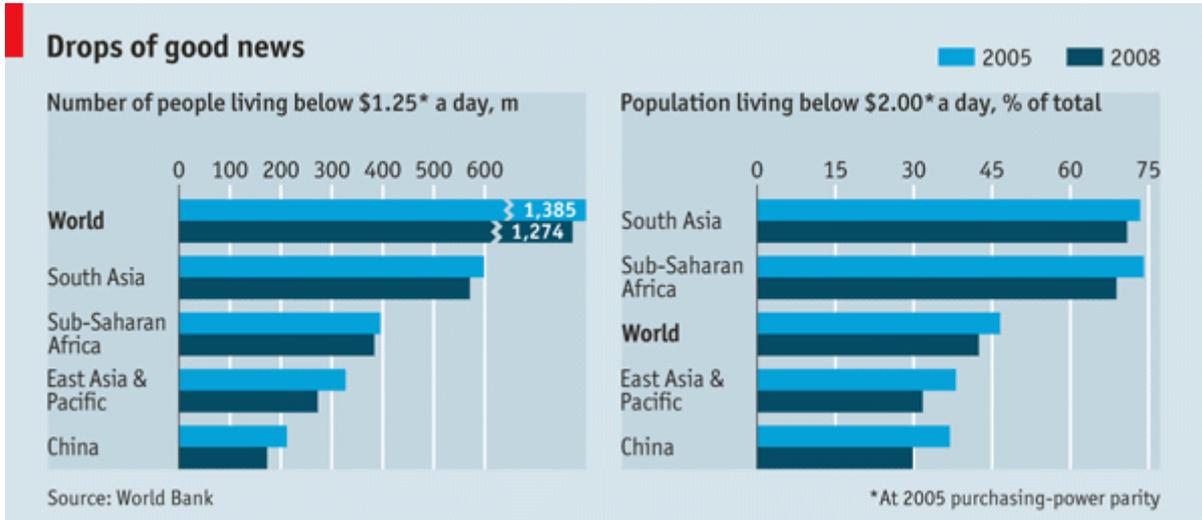
Poverty is defined in different ways; the most common method is to define it in monetary terms, namely USD 1,25 and USD 2 per day as poverty lines or the value of a minimum calorie requirement. In the broader definition, access to basic services, such as health and education is used for poverty measurement.

Poverty in the world

There has been a decreasing trend in poverty worldwide. The number of people living in extreme poverty has diminished in developing countries—including sub-Saharan Africa, where the poverty rates are the highest. The proportion of people living on less than USD 1,25 a day fell from 47 per cent in 1990 to 24 per cent in 2008—which represents a reduction from over 2 billion to less than 1,4 billion people.

Figure 1 demonstrates the change in the number of people living below USD 1,25 and USD 2 a day in different regions of the world, between the years 2005 and 2008.

Figure 1



Source: Economist (<http://www.economist.com/node/21548963>)

According to MDG Report 2012, the most promising improvement in poverty reduction has been experienced in East Asia and Pacific regions where poverty has decreased by almost 60 percent. China has achieved a considerable progress in reducing poverty from 60 percent in 1990 to 13 percent in 2008. In India, poverty rate fell from 51 percent to 37 percent between 1990 and 2008. In the Southern Asian region excluding India, poverty rate decreased from 52 to 26 percent in the same period. However, the least progress in poverty reduction has been observed in sub-Saharan region. The sub-Saharan Africa's poverty rate diminished by only 9 percent.

In spite of the remarkable economic and social progress having taken place in the developing world over the past 20 years, poverty is still the main issue of concern in many countries, particularly the countries in sub Saharan Africa and Asia. According to estimations, about 1 billion people will still be living on less than USD 1.25 a day in 2015. Four out of every five people living in extreme poverty will be living in sub Saharan Africa and Southern Asia.¹

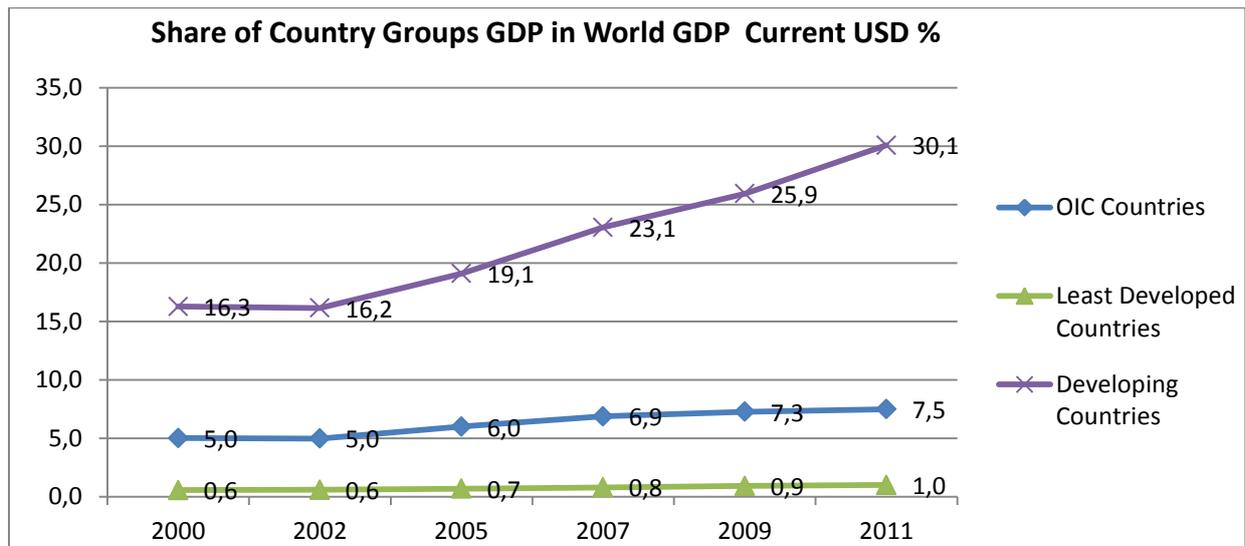
Poverty in the COMCEC Region

Although the total population of the 57 member countries of the COMCEC is more than one fifth of the world's total population, the total income of these countries accounts for only 7,5 percent of the total global income. The total income of the least developed COMCEC Members is merely 6,4 percent of the total income of the COMCEC countries.² According to UN's classification, 21 member countries of the COMCEC are in the Least-Developed Country group. As shown in Figure 2, in the last decade, while a tremendous increase has been recorded in developing countries in terms of their share in world GDP, the OIC countries have experienced a small increase in their share in this regard. (See Figure 2)

¹MDGs Report 2012

² World Bank Data

Figure 2



Source: World Bank, 2013

The number of people under USD 1,25 a day in the COMCEC region is approximately 400 million.³ The poorest regions in the COMCEC area are sub-Saharan Africa and South Asia.

Main Challenges of Poverty Alleviation in the COMCEC Region

Despite abundant natural resources and capital accumulation in the COMCEC region, 21 of our Member States are classified as the Least Developed Countries. Most of these countries are located in sub Saharan Africa. The main challenges for these countries do not vary change much from one to another. Some of the most experienced challenges are:

- Underdeveloped institutions and lack of implementation capacity
- Lack of sufficient financial structures
- Inadequate resources
- Poor infrastructure
- Underdeveloped agriculture sector
- Unfavourable global trade conditions
- Conflicts and disaster related challenges

³FAO

Efforts in the COMCEC Region

Poverty has been one of the main concerns of cooperation under endeavours of the COMCEC. High food prices and the recent global financial crisis have worsened the situation in the COMCEC Member States.

In parallel with the global efforts, COMCEC has been exerting efforts to alleviate poverty in its region. Poverty alleviation has been an important agenda item of the COMCEC in recent years. The COMCEC Strategy, adopted by the Fourth Extra-ordinary Islamic Summit Conference held on August 14-15, 2012, in Makkah has identified Poverty Alleviation as one of its cooperation areas.

Eradicating extreme poverty and hunger in the COMCEC Region is identified as a strategic objective by the COMCEC Strategy. Furthermore, the Strategy envisages four output areas, namely aid effectiveness, productive capacity of the poor, effective utilization of financial resources and poverty monitoring⁴. It also includes specific expected outcomes under each output area.

With a view to deepening cooperation among the Member Countries and achieving its targets, the COMCEC Strategy has introduced two important implementation mechanisms, namely Working Groups and COMCEC Project Cycle Management. In each cooperation area defined by the Strategy, Working Groups are established. The Poverty Alleviation Working Group is one of these working groups. Through this Working Group, Member Country experts will regularly come together to discuss their common issues of concern in this field and share their experiences and good practices in reducing poverty. The first meeting of COMCEC Poverty Alleviation Working Group will be held on June 27th, 2013 in Ankara, with the theme of “Enhancing Productive Capacity of the Poor in the COMCEC Member Countries through Improving the Human Capital.”

There are other ongoing programs for alleviating poverty under the COMCEC: Islamic Solidarity Fund for Development (ISFD), Special Program for Development of Africa (SPDA), OIC Vocational Education and Training Programme (OIC-VET) and OIC Cotton Program.

Islamic Solidarity Fund for Development (ISFD), is a special fund established in line with the relevant resolution of the 3rd Extraordinary Islamic Summit within the framework of Islamic

⁴The COMCEC Strategy (2012), available in the COMCEC Web site (www.comcec.org)

Development Bank (IDB) in 2007. It was initiated with the purpose of alleviating poverty through improving health care and education, productive capacity of the poor and improving the basic rural and pre-urban infrastructure in the member countries. The desired level of the Fund is USD10 billion. As of April 2013, 27 projects have been approved and five of them have been funded.

Special Program for Development of Africa (SPDA), is another program developed in line with the relevant decision of 3rd Extraordinary Islamic Summit to alleviate poverty for the member states in Africa. The program aims to alleviate poverty by encouraging economic growth, revitalizing agricultural production and creating employment opportunities in the member countries especially in Africa. The target capital of the SPDA is USD 12 billion. For the period of 2008-2012, total approvals from the IDB amounted to USD 5 billion for 480 operations and approximately one half of the total approvals has been disbursed.

Vocational Education and Training Program for the OIC Member Countries (OIC-VET), was initiated by the SESRIC in 2009. The main aim of the Programme is to improve the quality of vocational education and training in the public and private sectors and to enhance opportunities for the people in the member countries. Capacity building programmes have been initiated in eight different areas within the framework of OIC-VET. Moreover, under the OIC-VET, projects are developed under three headings, namely Transnational Exchange Projects, OIC Transnational Innovation Projects and OIC Training Networks.

OIC Cotton Program was initiated in 2005 for adding value to cotton producing COMCEC Member Countries. The Program was endorsed by the 22nd Session of the COMCEC and its term was extended for a further five years by the 26th Session of the COMCEC. Within the context of this Action Plan, twenty-seven projects were developed and submitted by the Member States to the IDB for finance. So far, two of these projects have been implemented and six of them have been approved by the IDB.

