



CCO BRIEF ON POVERTY ALLEVIATION

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Poverty is a crucial issue on the international development agenda. It has a significant place on the agenda of various international development institutions. 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) and it is also an important part of Post-2015 Development Agenda.

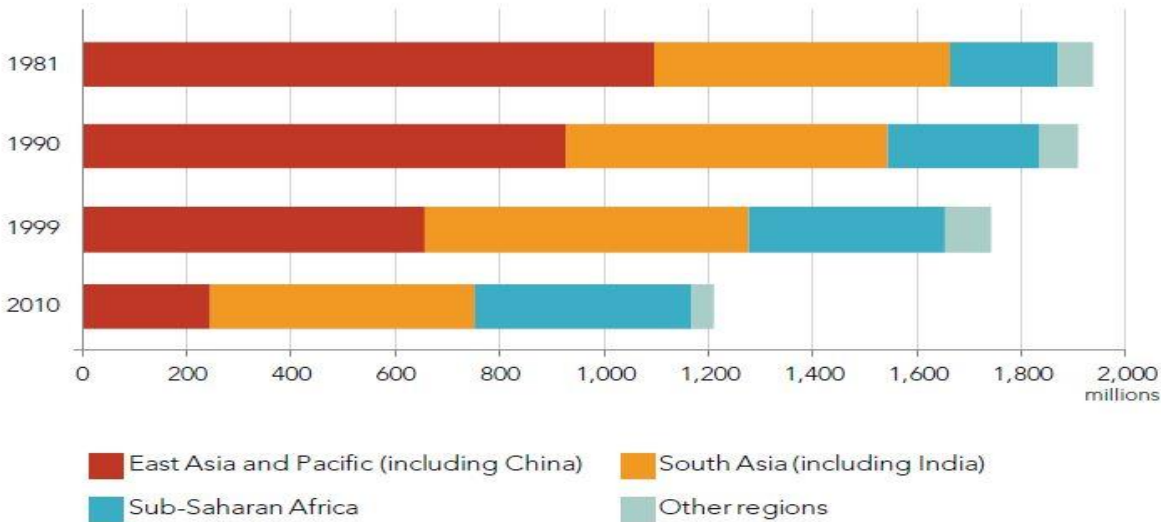
Poverty can be defined in narrow and broader terms. The narrow definition refers to the lack of sufficient food and daily calorie. According to this definition poverty is measured in monetary terms, namely USD 1.25 and USD 2 per day. In the broader definition, access to basic services, such as health, shelter and education is used for poverty measurement.

Poverty in the world

There has been a significant decrease in the number of people living below USD 1.25 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 22 per cent in 2010, which represents a reduction from over 2 billion to less than 1.2 billion people.¹

Figure 1 demonstrates the change in the number of people living below USD 1.25 a day in different regions of the world, between the years 1981 and 2010.

Figure 1 : Changes in the Number of the Extremely Poor by Regions



Source: World Bank, "End Extreme Poverty and Promote Shared Prosperity."

According to MDG Report 2013, the most promising improvement in poverty reduction has been experienced in East Asia and Pacific (including China) regions where poverty has decreased by almost 65 percent. China has achieved a considerable progress in reducing extreme poverty from 60 percent in 1990 to 12 percent in 2010. In India, this rate fell from 51

¹ <http://www.un.org/millenniumgoals/pdf/report-2013/mdg-report-2013-english.pdf>

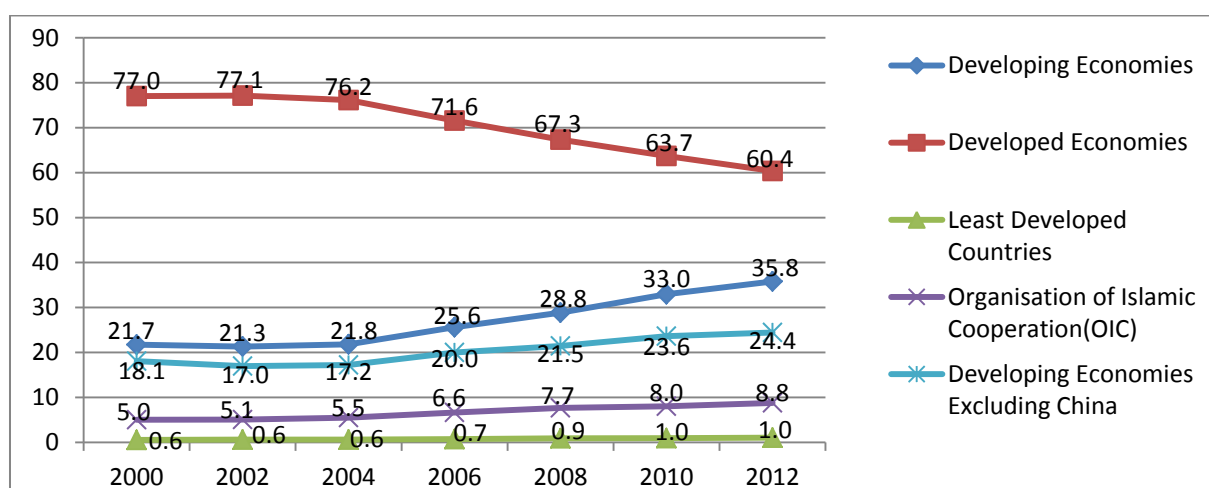
percent to 32.7 percent between 1990 and 2010. However, the least progress in poverty reduction has been observed in sub-Saharan region. In sub-Saharan Africa, almost half the population live on less than \$1.25 a day and the poverty rate diminished by nearly 10 percent. However, in 12 countries in Sub-Saharan Africa, the extreme poverty rate is above 60 percent. Moreover, sub-Saharan Africa is the only region where the number of people living in extreme poverty increased steadily, from 290 million in 1990 to 414 million in 2010.²

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 and four out of every five people living in extreme poverty will be living in sub Saharan Africa and Southern Asia.³

Poverty in the COMCEC Member Countries

Although the total population of the COMCEC Member Countries accounts for more than one-fifth of the world’s total population, the total GDP of these countries accounts for eleven percent of the total world GDP. The COMCEC Member Countries do not form a homogeneous group. In this context, GDP per capita levels of the member countries display a highly dispersed composition; hence they vary from US\$769 to US\$91,189. Furthermore, the number of people who live below USD 1.25 a day in the COMCEC Member Countries is nearly 25 percent of the total population of the OIC Member Countries with the available data for the period 2003-11. Furthermore, the total income of the least developed member countries is merely 7 percent of the total income of the COMCEC countries.⁴ 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. (Figure 2)

Figure 2: Share of Country Groups GDP in World GDP (Current USD %)



Source: UNCTADSTAT, 2014

² <http://www.un.org/millenniumgoals/pdf/report-2013/mdg-report-2013-english.pdf>

³ World Bank, End Extreme Poverty and Promote Shared Prosperity.

⁴ Ibid.

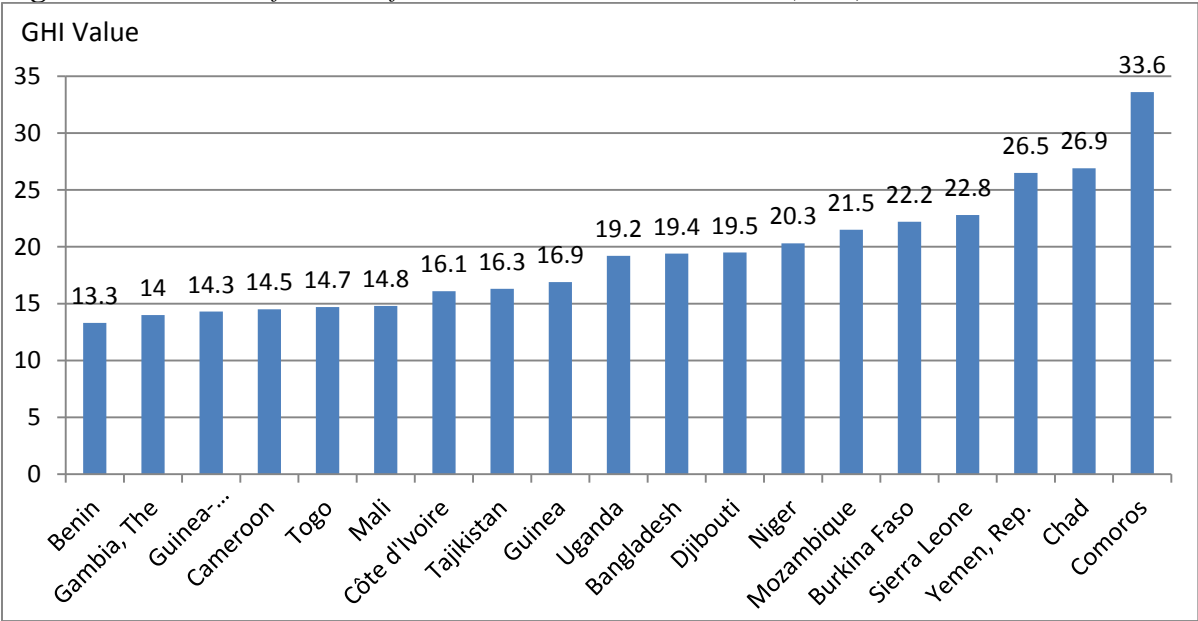
State of Hunger in the COMCEC Member Countries

Extreme poverty is defined as average daily consumption of USD 1.25 or less. The number of people under USD 1.25 a day in the COMCEC Member Countries is approximately 400 million.⁵ Moreover, high levels of hunger are generally found in those countries and regions where access to land, water, and energy is limited.

Global Hunger Index (GHI), which is calculated by the International Food Policy Research Institute (IFPRI), is a significant indicator that reveals the state of hunger for countries. The GHI displays the level of hunger by taking into account undernourishment, underweight in children under five years and under-five mortality rate of the countries. A GHI value indicates a low hunger situation when it is under 5, moderate when it is between 5 and 9.9, serious when it is between 10 and 19.9, alarming when it is between 20 and 29.9, and extremely alarming when it is 30 and above.

According to the GHI, designed to measure hunger, globally, regionally and by country, the average GHI value for the COMCEC Member Countries was 12 for the year 2013 while this value was 16.3 for the year 1990. Although there has been a progress recorded in terms of alleviating poverty in the COMCEC Member Countries, a significant number of the member countries have extreme hunger index values, among the most severe ones are Comoros, Chad and Yemen (Figure 3).

Figure 3: GHI Values for some of the COMCEC Member Countries (2013)



Source: World Bank database.

Multidimensional Poverty in the COMCEC Member Countries

Multidimensional Poverty Index (MPI) is used to identify poverty in broader terms. MPI includes 10 indicators related to health (child mortality and nutrition), education (years of

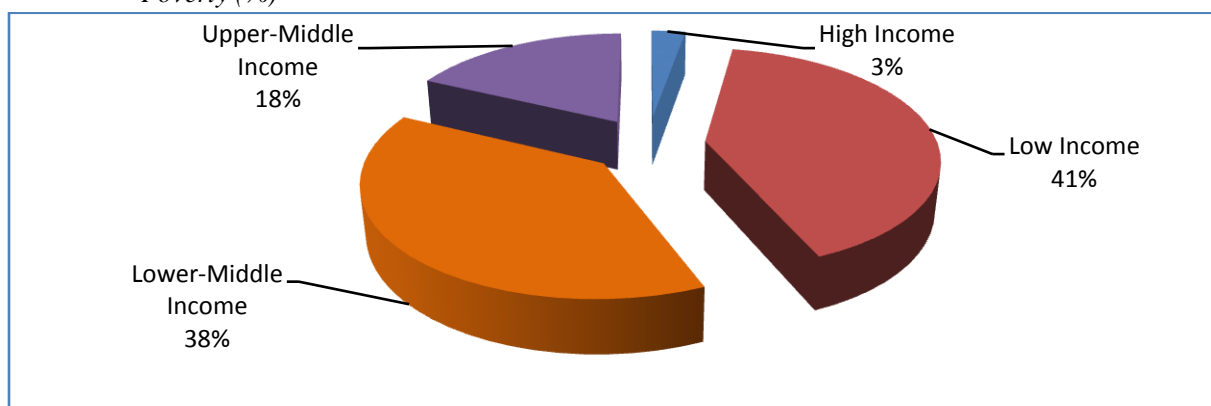
⁵ World Bank. (The data is calculated from world bank database 2014. With the available data for the period of 2004-2011.)

schooling and child enrollment) and standards of living (electricity, drinking water, sanitation, flooring, cooking fuel and assets).

Looking at the state of multidimensional poverty in the member countries, it can be observed that nearly two-thirds of the COMCEC Member Countries are listed in the MPI Poor Group, and the share of deprived population in these countries changes to a great extent.⁶ For instance, while in Kazakhstan, people who live under multidimensional poverty are only 0.6 percent of the population, in Niger this ratio reaches 92.4 percent. Totally, almost 32 percent of the COMCEC population lives under multidimensional poverty and almost 22 percent lives under severe multidimensional poverty.⁷

Looking at the composition of the COMCEC Member Countries experiencing multidimensional poverty, various income categories are observed. Hence, among the member countries with multidimensional poverty, upper-middle income countries have a noteworthy share of 18 percent (Figure 4).

Figure 4: *Share of Income Level Categories for the COMCEC Member Countries with Multidimensional Poverty (%)*



Source: COMCEC Poverty Outlook 2014.

Main Challenges of Poverty Alleviation in the COMCEC Member Countries

Despite abundant natural resources and capital accumulation in the COMCEC Member Countries, 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 much from one to another. Some of the most experienced challenges are⁸:

- 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

⁶Source: COMCEC Poverty Outlook 2014.

⁷Ibid.

⁸ The COMCEC Strategy (2012), available in the COMCEC Web site (www.comcec.org)

Efforts in the COMCEC Member Countries

Poverty has been one of the main concerns of cooperation endeavours under 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 Extraordinary 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 Member Countries 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 monitoring poverty.⁹ 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 were established. The Poverty Alleviation Working Group is one of these working groups. Through this Working Group, member country experts regularly come together to discuss issues of common concern in this field and share their experiences and good practices in reducing poverty. In this regard, the COMCEC Poverty Alleviation Working Group was established within the framework of the implementation of the COMCEC Strategy. The Poverty Alleviation Working Group meets twice a year in Ankara. In this framework, the first and second meetings of the COMCEC Poverty Alleviation Working Group were held on June, 27th, 2013 and December 26th, 2013, in Ankara. The 3rd Meeting of the Poverty Alleviation Working Group was held on April 10th, 2014 under the theme "Monitoring Mechanisms of the Social Safety Net Programmes in the COMCEC Region".

The analytical studies on the theme of the Working Groups were submitted to each Working Group Meeting to enrich the discussions. Poverty Outlook of the COMCEC Member Countries was also prepared by the CCO and presented during the Working Group Meetings. The outcomes of the Meetings were published through the document titled "Proceedings". All the documents are available on the COMCEC website (www.comcec.org). The 4th Meeting of the Poverty Alleviation Working Group will be held on September 18th, 2014 under the theme "Institutional Structure of the Social Safety Net Systems in the COMCEC Region".

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

⁹The COMCEC Strategy (2012), available in the COMCEC Web site (www.comcec.org)

framework of Islamic Development Bank (IDB) in 2007. It was initiated with the purpose of alleviating poverty through improving health care and education, agriculture and rural development, productive capacity of the poor and improving the basic infrastructure and micro enterprises in the member countries. The desired level of the Fund is USD10 billion. As of April 2013, 57 projects have been approved by the IDB within the framework of the ISFD. The total allocation regarding these projects is USD 1.80 billion.

- *Special Program for Development of Africa (SPDA)* is another program developed in line with the relevant decision of the 3rd Extraordinary Islamic Summit to alleviate poverty for the member states in Africa. The program was initiated in 2008 with a view to alleviate poverty by spurring economic growth, reinvigorating agricultural production and creating employment opportunities in the African member countries. The target capital of the SPDA is USD 12 billion. As of April 2013, the IDB Group has approved USD 5 billion for 480 operations and disbursed approximately 32 percent of the total approvals.

- *The 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 the purpose of 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 year by the 26th Session of the COMCEC. Within the context of this Action Plan, 27 projects were developed and submitted by the member states to the IDB and other donors for finance. So far, five projects have been implemented. Total budget of these five projects is approximately USD 17 million.

