



CCO BRIEF ON POVERTY ALLEVIATION

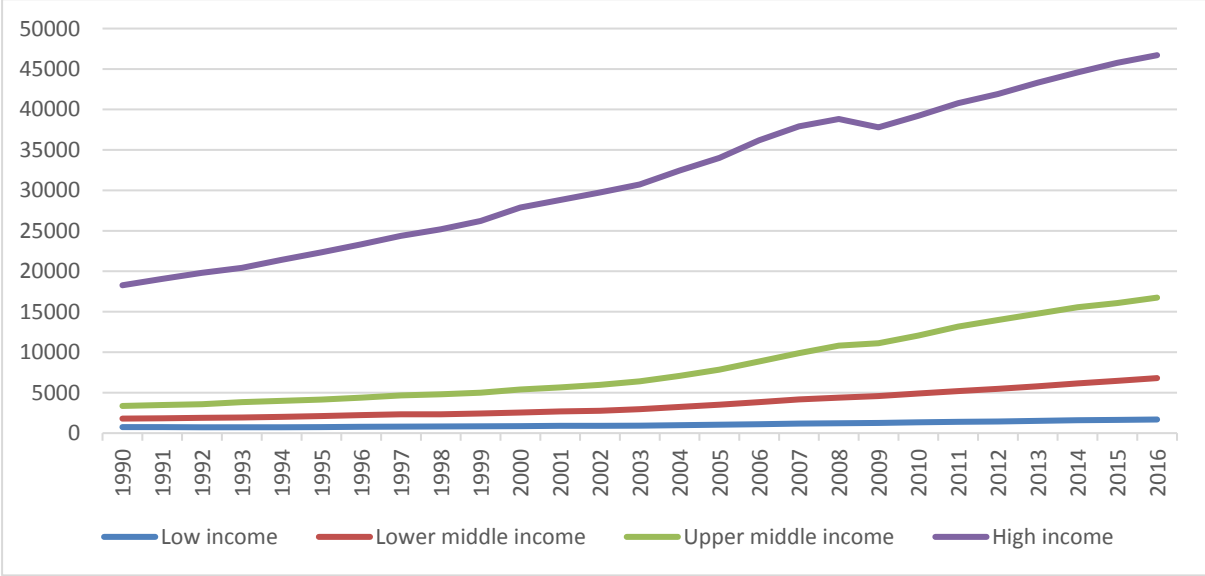
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There are various definitions of poverty. It can be simply defined as the inability to meet basic needs. The most frequently used method is to define poverty in monetary terms, such as the USD 1.90 a day and the USD 3.10 a day.¹ Poverty is also defined in non-monetary terms from a multidimensional perspective. The Multidimensional Poverty Index (MPI), calculated by 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 \$16,143 in 2016. This average was \$46,704 for high income countries, \$16,746 for upper-middle income countries, \$6,799 for lower-middle income countries and \$1,683 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 127,523 Current International Dollar, the Central African Republic has the lowest GDP per capita income with 698,9 Current International Dollar. There are also substantial income distribution problems within countries.

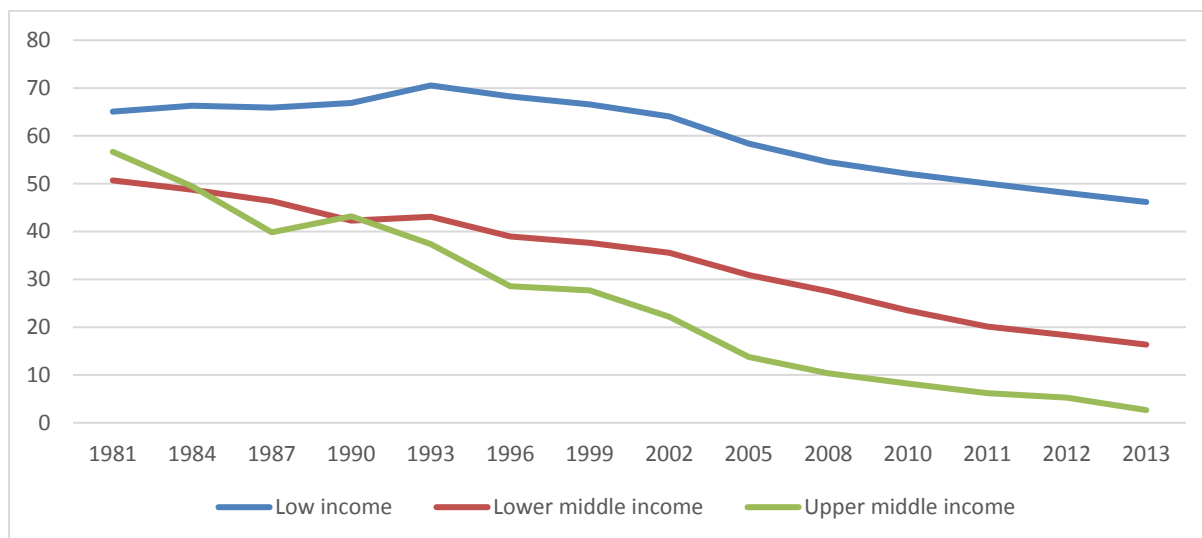
Figure 1: GDP Per Capita (PPP) (Current International \$)



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

For many countries, the poverty levels have decreased in monetary terms over the last three decades. Indeed, for the period of 1981-2013, significant progress had been observed with regard to the percentage of people living under US\$ 1.25. While this rate was 43.2 percent for upper-middle income countries, 42.3 percent for lower-middle income countries and 66.9 percent for 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 OIC Member Countries

The OIC, as a group, comprises countries that have different development levels from diverse geographies. Twenty-one out of the 48 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.

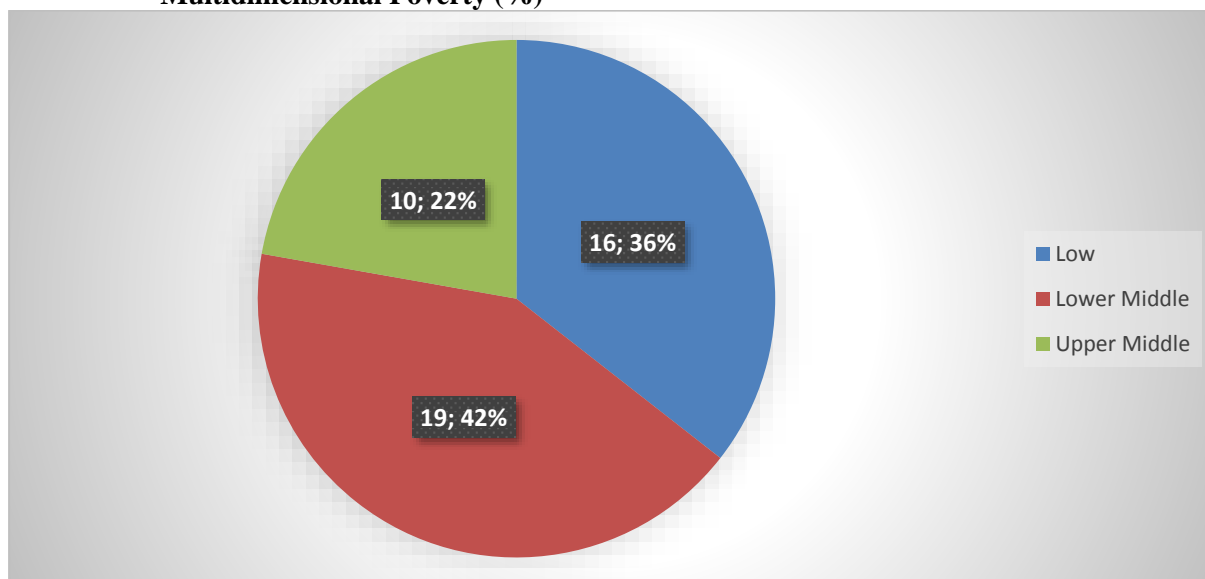
Multidimensional Poverty in OIC Member Countries

Looking at the group of countries for which 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.

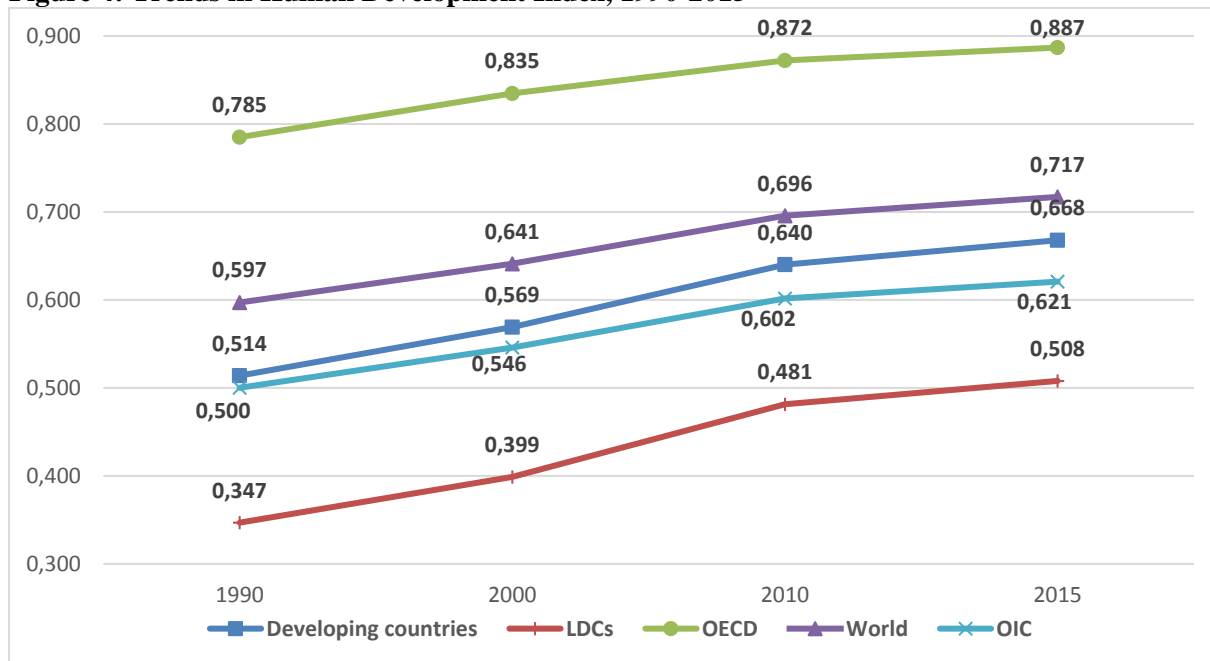
The contribution of deprivation in education to overall poverty for the OIC Region is between 3.7 percent (Uzbekistan) and 54.7 percent (Syria). The same range for the contribution of deprivation in health to overall poverty is between 18.8 percent (Somalia) and 83.9 percent (Kazakhstan), and for the 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 has widened in the last 25 years. In 1990 it was only 0.014, while it had risen to 0.047 in 2015.

⁴ COMCEC Poverty Outlook 2017

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

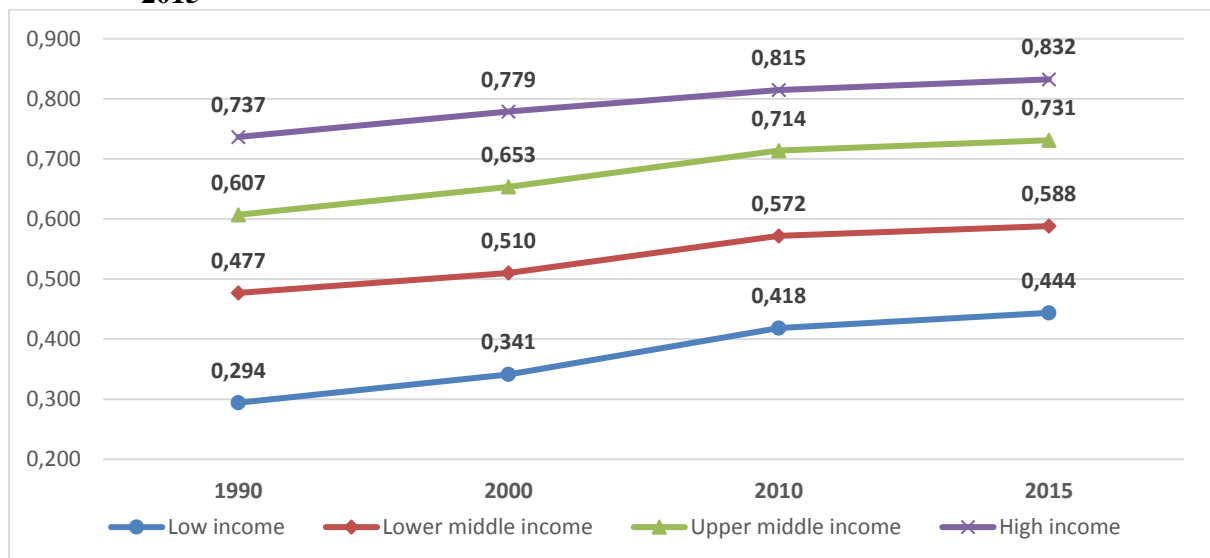


Source: UNDP 2016

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 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 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.

2030 Agenda for 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). 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 IDB Group and the Statistical, Economic and Social Research and 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 will compile the activities of the OIC Institutions, which are conducted on the implementation of the SDGs in the member countries and submit a report to the 33rd COMCEC Session.

Moreover, SESRIC conducts a tendency survey on the priorities of the member countries regarding the SDGs. SESRIC will submit a report on the results of the tendency survey to the 33rd COMCEC Session.

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

As one of the major causes of the poverty cycle, malnutrition generates significant costs, especially when it is experienced early in life. Undernutrition and associated risks such as suboptimal breastfeeding, vitamin A deficiency, and deficiencies of zinc, iron and iodine often coexist and contribute to a staggering number of disabilities and deaths in children under five years of age. Furthermore, it also has a negative effect on the economic growth of nations, especially those with a high incidence of chronic undernourishment.

Given the importance of the issue, the Ninth Meeting of the COMCEC Poverty Alleviation Working Group, held on April 6, 2017, discussed malnutrition in the Member Countries in detail and produced concrete policy recommendations for the Member Countries. During the

Meeting, the analytical study “Malnutrition in the OIC Member Countries: A Trap for Poverty” and “COMCEC Poverty Outlook 2016” were considered by the participants. Discussions during the Meeting were also enriched by presentations of the member states and international organizations.

The above-mentioned research revealed that the OIC Member Countries experience high rates of malnutrition across all indicators; and that the OIC countries tend to under-perform when compared with the rest of the (developing) world. In the OIC, the stunting rate is 33 percent, which is above the high prevalence threshold defined by the WHO (30 percent). This rate is 13 percent higher than in the rest of the world. According to the report, one-third of the children under five years of age are stunted (too short for their age) and 11 percent of the same group are wasted (too thin for their height) in OIC Member Countries.

As highlighted by the research report, the major challenges concerning malnutrition in the OIC countries are as follows:

- Inadequate Infant and Young Children Feeding (IYCF) practices - including breastfeeding,
- Lack of access to nutritious food
- Seasonal hunger due to lean/drought seasons,
- Poor access to improved water and sanitation infrastructures,
- Insufficient access to maternal and reproductive healthcare,
- Low levels of health spending,
- Low and inefficient coordination mechanisms to address malnutrition.

In light of these challenges, the Ninth Meeting of the Poverty Alleviation Working Group came up with the following policy recommendations:

1. Developing nutrition specific programs for the mothers
2. Improving Infant and Young Child Feeding (IYCF) practices
3. Facilitating access to safe water and sanitation for the vulnerable groups and launching educational campaigns on infectious diseases for eliminating acute malnutrition
4. Developing food aid programs for ensuring inclusive and timely provision of staple food for the vulnerable groups suffering from acute malnutrition

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

• **Tenth Meeting of the Poverty Alleviation Working Group**

Extreme and persistent deprivation in education results in a high cost for societies and individuals. The ultimate goal for any education policy is to create an environment in which efforts and talents, rather than pre-determined circumstances, determine learning achievements and life-chances. Nevertheless, gender, location, family background, ethnicity, wealth, disability, immigrant status and other circumstances adversely affect children’s access to education. Furthermore, poverty often makes education unaffordable and forces children out of classrooms and into employment.

Given the importance of the issue, the Tenth Meeting of the COMCEC Poverty Alleviation Working Group, held on October 5, 2017, elaborated on the education of disadvantaged children in the Member Countries and produced concrete policy recommendations for submission to the 33rd COMCEC Ministerial Session. During the meeting, the research report titled “Education of Disadvantaged Children in the OIC Member Countries: The Key to Escape from Poverty” and “COMCEC Poverty Outlook 2017” were considered by the

participants. Discussions during the meeting were also enriched with presentations by the member states, international organizations and NGOs.

The above-mentioned research report revealed that the OIC member countries have improved access to education during the last two decades; however, universal primary education has not yet been achieved in a large number of the member countries. In 24 countries (out of 50 with data available), net enrolment rates at the primary level are lower than 90 percent. The report points out that poor children have difficulty in accessing education in the OIC member countries compared with their wealthier counterparts. Living in rural areas also puts children at a disadvantage in the OIC member countries in terms of access to primary education. Nonetheless, large gaps in access to education between poor and rich children, or children living in rural and urban areas, do not seem to exist between girls and boys, at least in most of the member countries.

As indicated in the report, there are some common major barriers hindering access to education for disadvantaged children, such as poverty, location, disability, gender, language, teacher shortages and low levels of financing.

Considering these challenges, the Tenth Meeting of the Poverty Alleviation Working Group came up with the following policy recommendations:

1. Improving access of poor and disadvantaged children to education through eliminating/reducing school fees and by developing conditional cash transfer and school feeding programmes
2. Enabling access of children in rural and remote areas by establishing new schools or providing free transportation for the children living in these regions
3. Increasing access to education for children having disabilities by formulation of necessary political and legal framework as well as by providing them better assistance in the school environment
4. Prioritizing gender equality in access to education
5. Mobilizing more resources towards improving the quality of education

The documents submitted to the meeting and the presentations made during the meeting are available on the COMCEC web page (www.comcec.org).

- **COMCEC Project Funding**

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

In 2016, Indonesia implemented the project “Developing Local Initiatives for Poverty Alleviation through Community-Based Sustainable Livelihood in OIC Member Countries.” The main purpose of the project was to develop a model of local community-based poverty alleviation for the poor along country borders and in underdeveloped areas in collaboration with the partner countries, Malaysia and Turkey. The activities of the project included collecting data, organizing study visits, conducting workshops and preparing a project report.

Four projects in the poverty alleviation cooperation area are being 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.” 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 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 activities of the project were the organization of two training programs on product development and product marketing and conducting an international workshop with the participation of the partner countries, Pakistan and Bangladesh.

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 childcare with the participation of the partner countries, Nigeria and Guyana.

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

Ongoing programs for alleviating poverty under COMCEC are: the Islamic Solidarity Fund for Development - ISFD (within the Islamic Development Bank); the Special Program for the Development of Africa - SPDA (within the Islamic Development Bank) and the OIC Vocational Education and Training Program - OIC-VET (Within 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 within 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 30 September 2017, the level of pledged capital contributions to the ISFD stands at US\$ 2.7 billion. As of August 2017, cumulative approvals were US\$ 668 million for 123 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. In total disbursements against total approvals, was US\$ 509.85 million, which brought the total disbursements since 2012 to date to US\$ 5.9 billion.

The aim of the OIC-VET Programme, which was officially launched in 2009 during the COMCEC Economic Summit, is to provide opportunities for 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.

