



COMCEC

CCO BRIEF
ON
POVERTY
ALLEVIATION

COMCEC COORDINATION OFFICE

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CCO BRIEF ON POVERTY ALLEVIATION

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 a 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 aspect, extreme poverty is investigated by examining GDP per capita levels and poverty headcount ratios at USD 1.90 a day.

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 second one, The Multidimensional Poverty Index (MPI), 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.

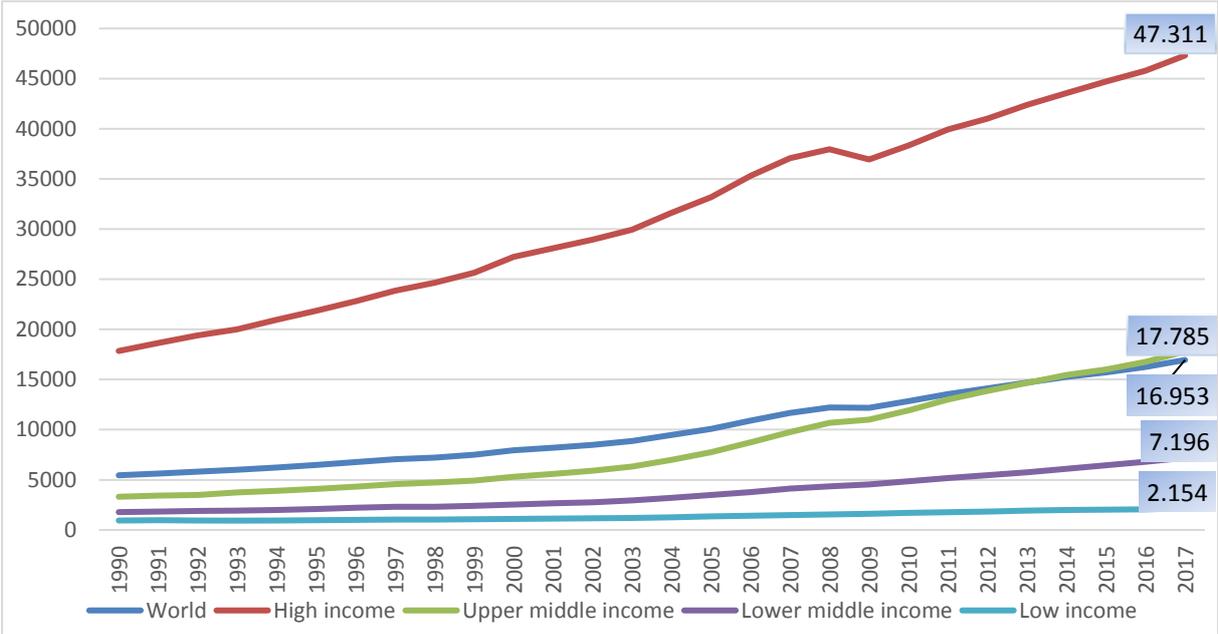
Poverty in the World

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 2013, an estimated 767 million people lived below the international poverty line of \$1.90 a day. This figure displays a significant decrease in the global poverty rate from 28 per cent in 1999 to 11 percent in 2013. However, 42 percent of people in sub-Saharan Africa continued to live in conditions of extreme poverty in 2013.

Focusing on poverty in monetary terms requires checking income indicator initially. The World's average GDP per capita PPP (Purchasing Power Parity) was \$16,952 in 2017. This average was \$47,311 for high-income countries, \$17,785 for upper-middle income countries, \$7,196 for lower-middle income countries and \$2,154 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 128,374.33 Current International Dollar, the Central African Republic has the lowest GDP per capita income with 725.95 Current International Dollar. 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.

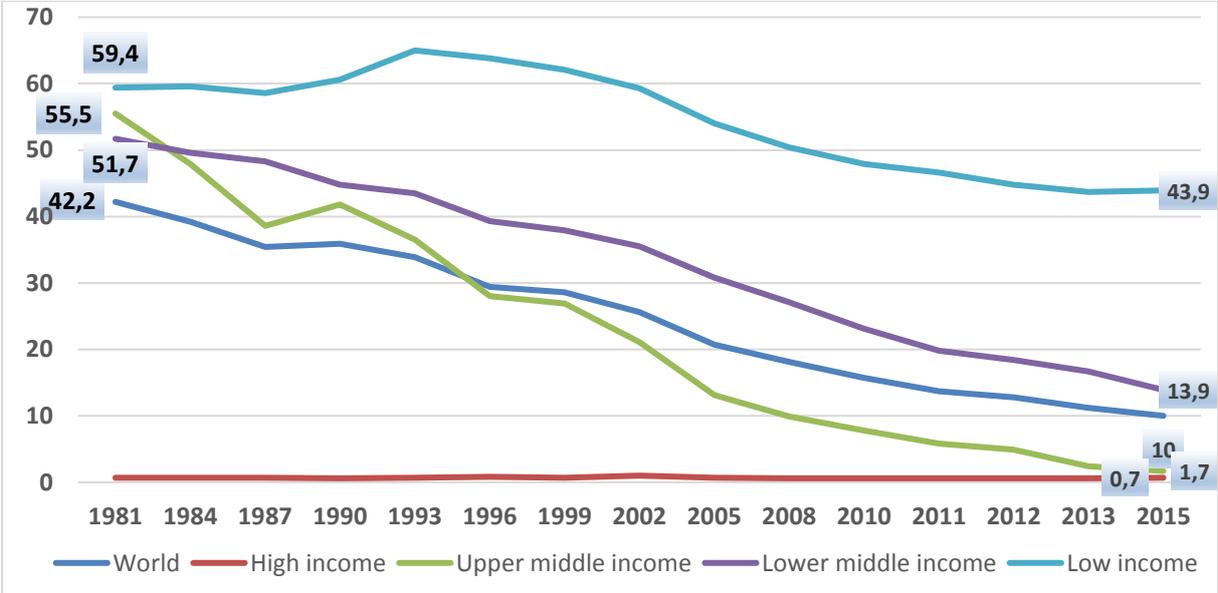
Figure 1: GDP Per Capita (PPP) (Current International \$)



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 41.8 percent for the upper-middle income countries, 44.8 percent for the lower-middle income countries and 60.6 percent for the low income countries in 1990, it fell to 1.7 percent, 13.9 percent and 43.9 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.

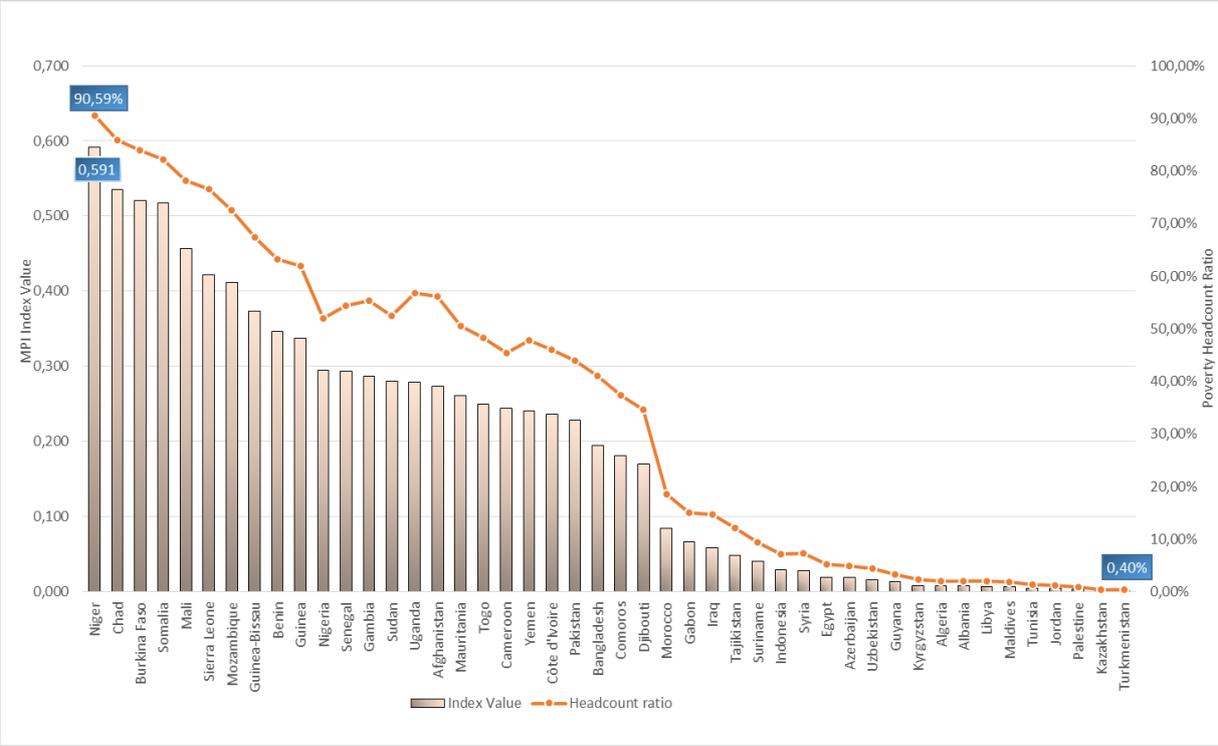
Poverty in the OIC Member Countries

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 displays a highly divergent composition, varying from US\$ 1,016 to US\$ 128,374 (PPP current int. \$) in 2017.² 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 2016.³

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 in a wide range among the OIC member countries. While Turkmenistan has the lowest ratio which is 0,40%, Niger harbors the highest percentage of the population in multidimensional poverty with almost 90% ratio. Regarding the MPI Index, the indices of these two countries –Turkmenistan and Niger– are 0,001 and 0,591 respectively.

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



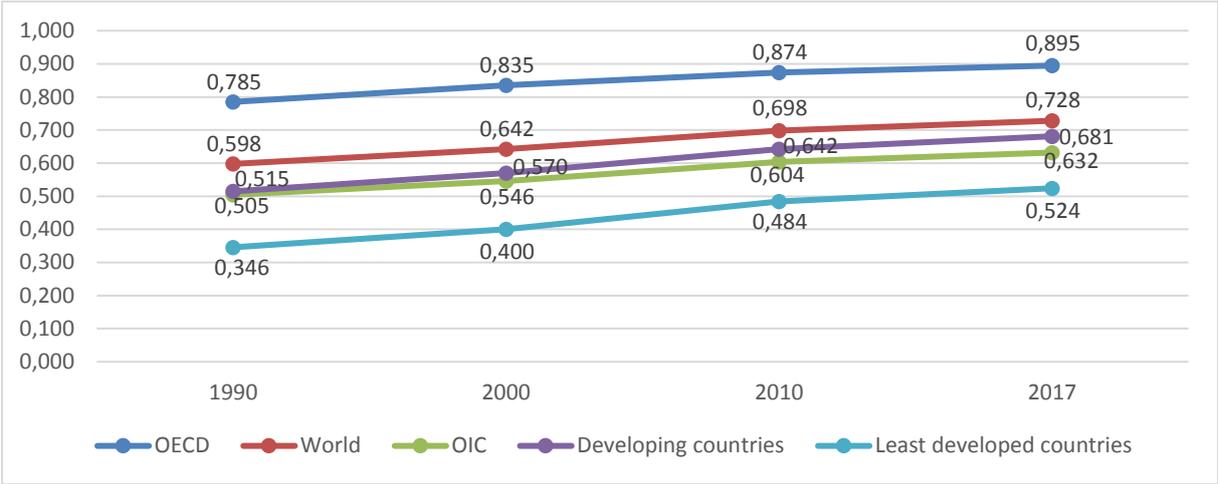
According to MPI indicators the contribution of deprivation in education to overall poverty for the OIC Region is between 3.1 percent (Kazakhstan) and 52.8 percent (Egypt). The same range for the contribution of deprivation in health to overall poverty is between 10.4 percent (Afghanistan) and 90.4 percent (Kazakhstan), and for the contribution of deprivation in living standards to overall poverty is between 3.4 percent (Jordan) and 54.5 percent (Uganda).⁴

² World Bank, World Development Indicators
³ 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.
⁴ 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 bloc.

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

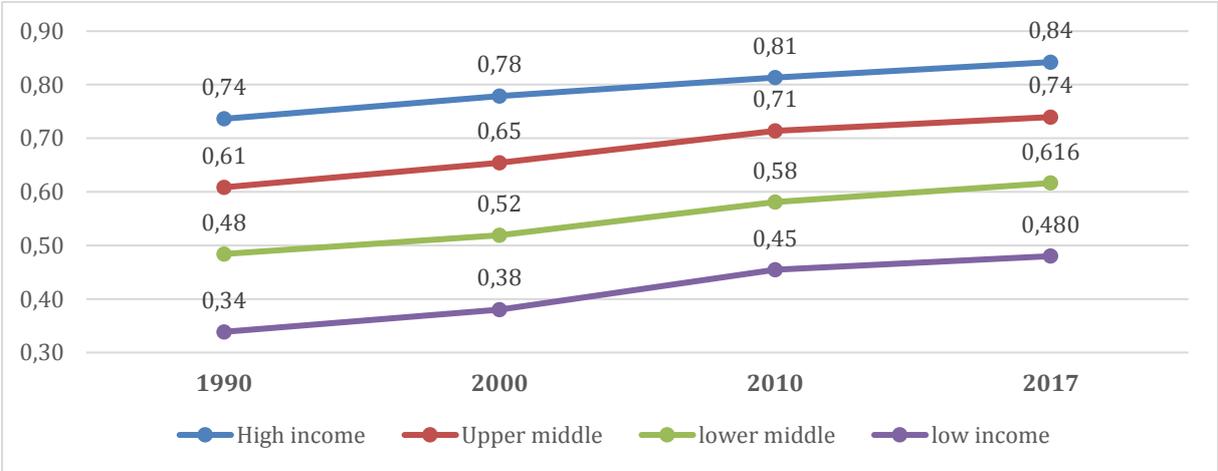


Source: UNDP 2018

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 prepare an annual report on the progress at the OIC level towards achieving the prioritized SDGs as decided by Member States and present it to the 35th COMCEC 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.⁵ 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.⁶

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” were 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, OIC countries are less affected by

⁵ Tracking Universal Health Coverage, 2017 Global Monitoring Report, WHO and the World Bank

⁶ https://www.who.int/features/factfiles/health_inequities/en/

tuberculosis and HIV than non-OIC countries for the upper middle-income group. 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 populations in countries of the 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

- **The COMCEC Project Funding**

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

There are two projects implemented by the Gambia and Indonesia in the poverty alleviation cooperation area in 2018 under the COMCEC Project Funding. The Gambia implemented the project, “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, “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. In the conference, the participants from the partner countries shared ideas and country experiences on the project topic. In the workshop, the content and the modules of the training program was prepared with the contribution of the partner countries. In the training programs, which were in training of trainers format, local facilitators acquired 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.

There are five projects 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 countries in the SSN systems with the partnership of Indonesia, Senegal, Tunisia, Iran and the Gambia. Firstly, a training on the role of information technologies for providing efficient, transparent and accountable SSN services will be provided. Secondly, a workshop for analyzing the different country models of SSN systems and providing adaptable and applicable SSN guidelines for the OIC countries will be organized.

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 will be 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, Togo 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 will be 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 will be 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 Algeria, Benin, Egypt, Gabon, Gambia, Indonesia, Iran, Iraq, Jordan, Kuwait, Malaysia, Morocco, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Senegal, Sudan, Tunisia and Turkey. In the project, a workshop will be 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 April 2018, total amount of the contributions received is US\$ 2.584 billion. Cumulative approvals has reached US\$ 734,2 million for 117 operations in 33 Member Countries. 3 new grants-based programs have been adopted by the ISFD: i) Second Generation of the Alliance to Fight Avoidable Blindness for which US\$ 250 million allocated for 1.5 million eye operations and 10 million cases of eye examinations and medical glasses for school children. ii) ISFD has approved a contribution of US\$10.0 million in 10 years for a Scholarship Program for the Poor in IDB member countries. This program will be an addition to the IDB Scholarship Program. iii) ISFD has approved a contribution of US\$5.0 million in 5 years for Coalition to Stop Obstetric Fistula Program.

- The Special Program for the Development of Africa (SPDA) is another program developed to alleviate poverty in the Member States in Africa through increasing economic growth, enhancing the productivity of agriculture sector and creating employment opportunities. The target capital of the SPDA is \$12 billion. The amount of total approvals has reached 5.509 billion USD since the beginning of the Program. The disbursements against SPDA approvals is US\$ 2.248 billion or 46 percent of total approvals. Outputs of the Program include over 2,500 KM of roads constructed or upgraded in addition to two new national airports; more than 900MW of electricity produced in six countries; over 200,000 cubic meters of clean water made accessible to over 50,000 households every day; more than 420 new primary and secondary schools (including 120 new madrassas) built, resulting in over 1400 classrooms; over 10 new hospitals and over 120 clinics, health centers and primary health care centers built or upgraded; about 10 strategic grain reserves built; and over 800,000 hectares of land developed and cultivated including marginal lands.

- 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. Within the framework of the OIC-VET, some of the capacity building activities are TVET Teacher Education Program, Certification and Modular Training Programs and Occupational Standards and Qualification and Quality Assurance System.

