



COMCEC

CCO BRIEF
ON
POVERTY
ALLEVIATION

COMCEC COORDINATION OFFICE
October 2018

CCO BRIEF ON POVERTY ALLEVIATION

Although poverty has declined significantly in the world in recent decades, it still remains an important problem worldwide. Poverty has different dimensions and rates according to the living conditions across geographies and countries.

There are various definitions of poverty and basically it is defined as the ability to meet basic needs. Poverty commonly and frequently measured in monetary terms. In this respect, the thresholds of 1.90 a day and 3.10 USD a day that are accepted by the World Bank are the most frequently cited reference values.¹

Poverty is also defined in non-monetary terms from a multidimensional perspective. The Multidimensional Poverty Index (MPI), calculated by the UNDP, considers multiple deprivations of the population and their overlap in terms of health, education and standards of living. The Human Development Index (HDI) is another non-monetary indicator of poverty developed by the UNDP. Along with health, education and standards of living dimensions, the HDI focuses on some additional components of these dimensions, such as Gross National Income.

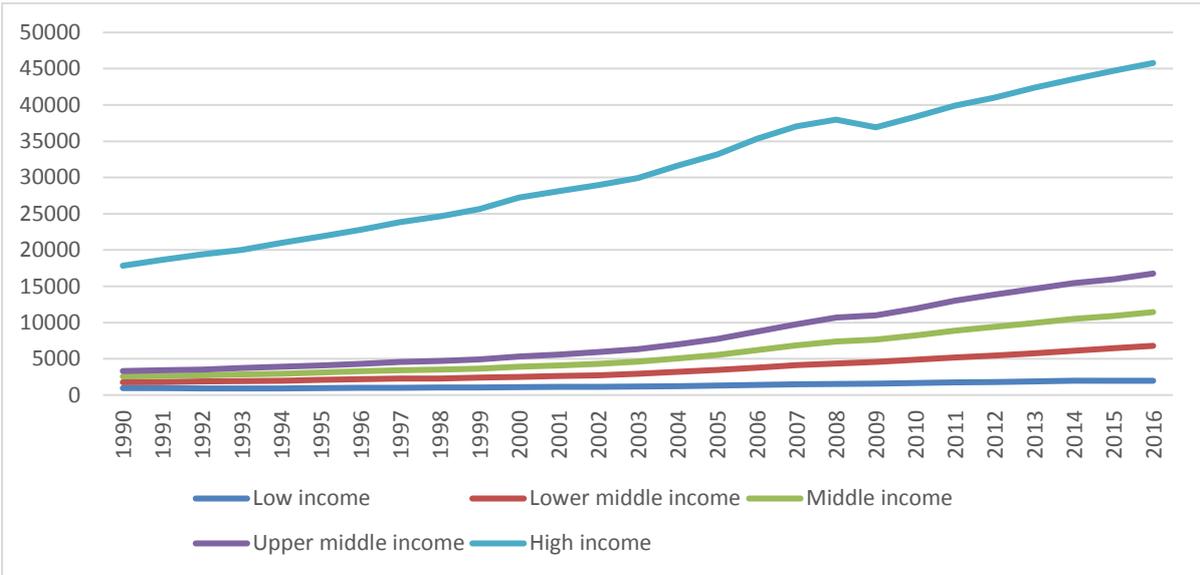
Poverty in the World

One of the most important targets of the Millennium Development Goals, the goal of halving poverty by 2015, was achieved in 2010. However, the realization of this goal has mainly been driven by developments in China, Indonesia and other South Asian countries, hence, poverty has not declined equally in the rest of the world. Poverty remains a serious problem, especially in sub-Saharan Africa and the least developed countries and a great number of people (767 million in 2013) are living below the poverty line of \$1.90 a day worldwide.

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 \$16,234 in 2016. This average was \$45,789 for high income countries, \$16,755 for upper-middle income countries, \$11,439 for middle income countries, \$6,789 for lower-middle income countries and \$1,973 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 128,378 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.

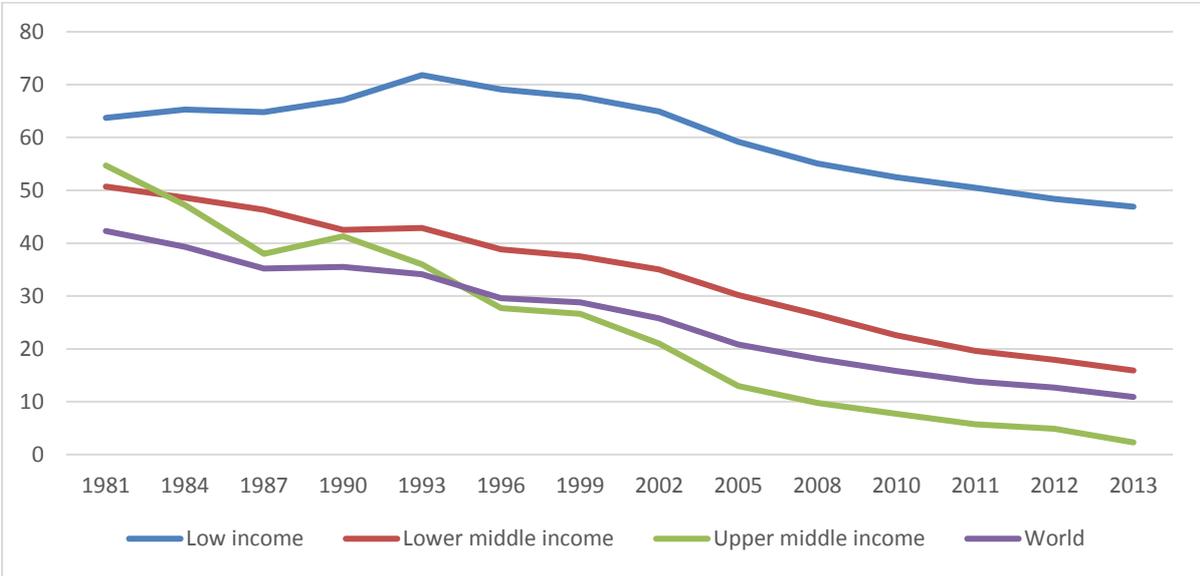
Figure 1: GDP Per Capita (PPP) (Current International \$)



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 1981-2013, significant progress was observed with regard to the percentage of the people living under US\$ 1.25. While this rate was 41.3 percent for the upper-middle income countries, 42.5 percent for the lower-middle income countries and 67.1 percent for the low income countries in 1990. It fell to 2.3 percent, 15.9 percent and 46.9 percent respectively for these income groups in 2013 (Figure 2).

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 the OIC Member Countries

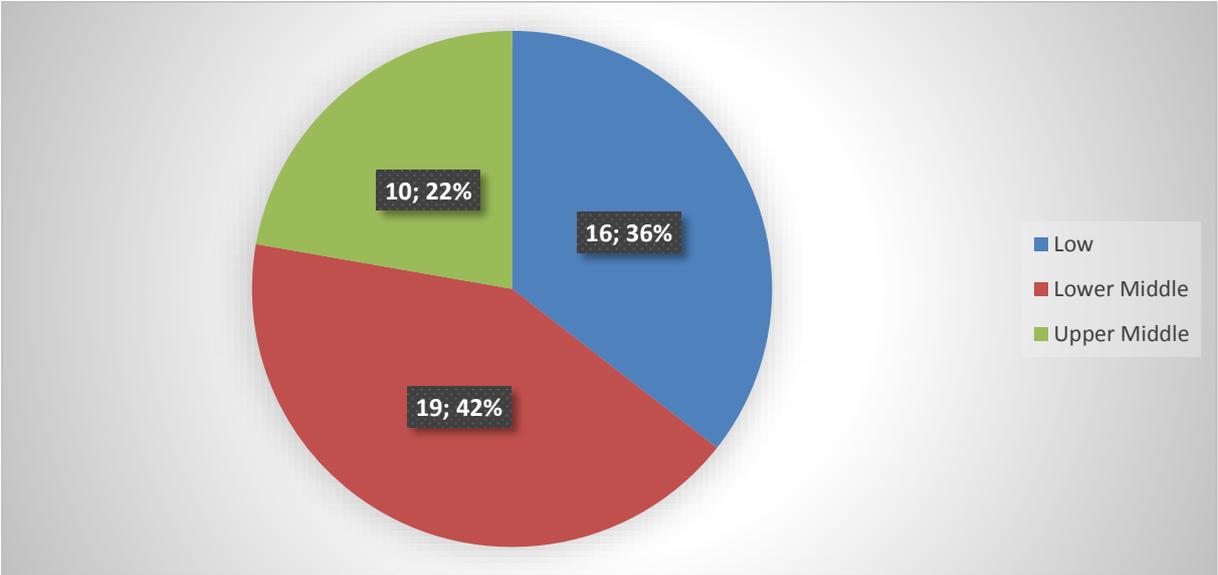
The OIC, as a group, comprises countries that have different development levels from diverse geographies. 21 out of the 47 Least Developed Countries (LDCs) are members of the OIC. In

this respect, GDP per capita levels of the member countries displayed a highly dispersed composition, varying from US\$ 1016 to US\$ 128,378 (PPP current int. \$) in 2017². 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 the OIC Member Countries

Regarding the group of countries for which the 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.

Figure 3: Share of Income Level Categories for the OIC Member Countries with Multidimensional Poverty (%)



Source: COMCEC Poverty Outlook 2017.

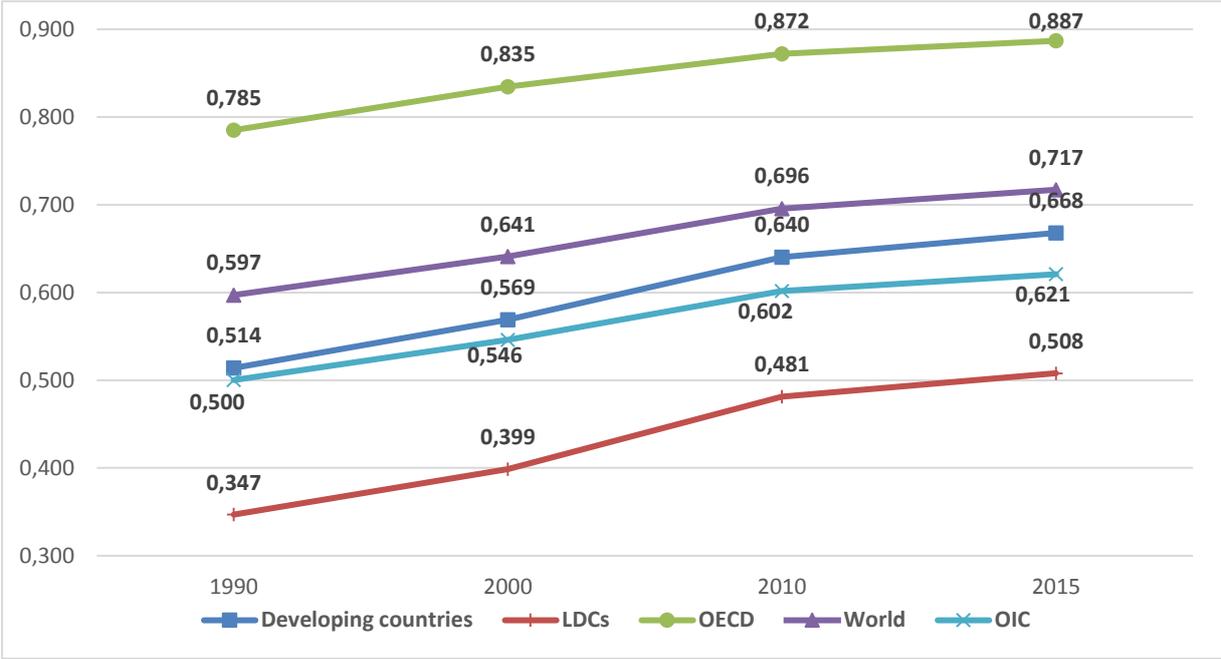
The contribution of deprivation in education to overall poverty for the OIC Region is between 3.1 percent (Kazakhstan) and 52.8 percent (Egypt). The same range for the contribution of deprivation in health to overall poverty is between 10.4 percent (Afghanistan) and 90.4 percent (Kazakhstan), and for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

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 in this period. 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 average HDI values were only higher than those of LDCs. On the other hand, the gap between the OIC and developing countries widened in the last 25 years. In 1990, it was only 0.014, while it rose to 0.047 in 2015.

² World Bank, World Development Indicators
³ COMCEC Poverty Outlook 2017
⁴ UNDP, 2018 Global Multidimensional Poverty Index

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

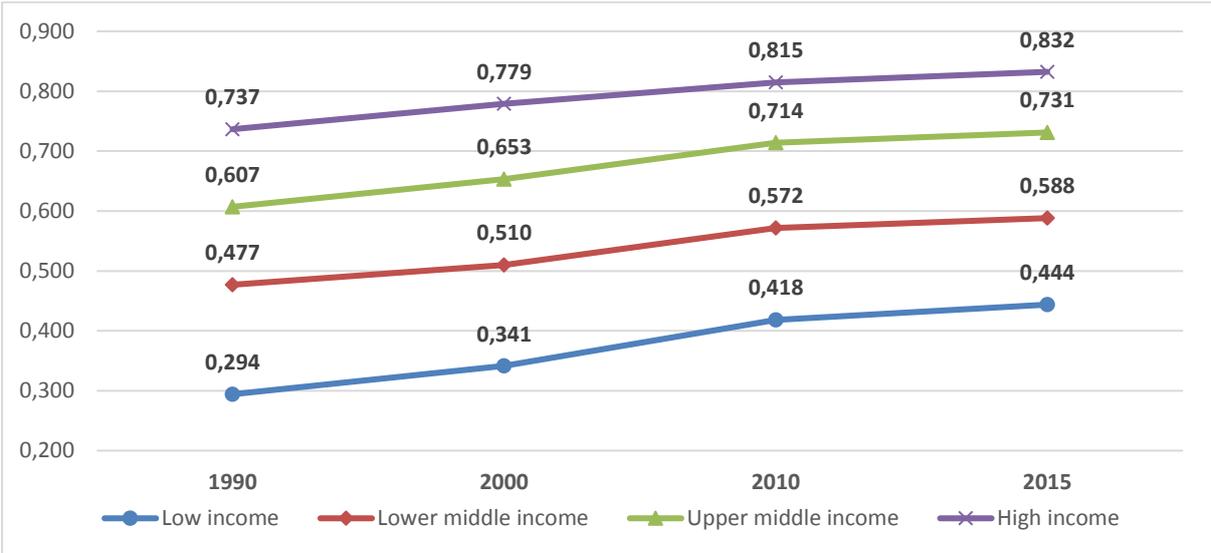


Source: UNDP 2016

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 the 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 the 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 Countries 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.

The 2030 Agenda for the Sustainable Development and the Sustainable Development Goals (SDGs)

Following the Millennium Development Goals (MDGs) which had focused on the challenges of the poor countries; the 2030 Agenda for Sustainable Development has a more comprehensive development agenda, which concerns all countries regardless of their level of development.

Since the adoption of the MDGs, a 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 faced by the member countries in achieving the MDGs were, among others, the lack of 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, the programs, projects and other activities of the OIC Institutions contributing to the implementation of the SDGs are followed under the COMCEC. In this respect, in line with the relevant resolutions of the COMCEC, the CCO compiles the activities of the OIC Institutions conducted towards 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 presented the results about the priorities of the countries. SESRIC will report the results of the survey to the 34th COMCEC Session.

- **Education Quality in the OIC Member Countries (Eleventh Meeting of the Poverty Alleviation Working Group)**

Education is an important contributor to break the cycle of poverty by imparting skills, boosting labor productivity and market earnings skills. Nonetheless, the link between schooling and learning is weak in many developing countries, including the OIC. Schools face structural problems that hinder learning among children. Teacher ability and quality as well as up to date curriculum are among the significant factors affecting quality education. Moreover, lack of foundational skills that should be gained during the pre-primary education period, also negatively affects the student performance in primary and secondary education.

The 11th Meeting of the COMCEC Poverty Alleviation Working Group, held on April 5th, 2018, elaborated on the education quality in the Member Countries and has come up with concrete policy recommendations for submission to the 34th COMCEC Ministerial Session. During the meeting, the research report titled “Quality of Education in the OIC Member Countries” and “the COMCEC Poverty Outlook 2017” were considered by the participants.

The aforementioned research report revealed that the number of the OIC member countries participating to the international student assessment exams such as PISA and TIMSS has shown an increase since 2000. While only 2 OIC member countries participated in PISA and TIMSS by 2000, this number increased to 11 for PISA and to 12 for TIMSS in 2015. The report also indicated that at least five OIC member countries (Malaysia, Qatar, Indonesia, Kazakhstan and Turkey) have achieved an improvement in the latest rounds of PISA or TIMSS. Moreover, the OIC's average PISA scores in mathematics, reading and science have also increased.

Despite these improvements, the OIC member countries as a group lag behind other country groupings in all major international assessments. Many OIC member countries face important challenges in enhancing education quality. Some major challenges identified in the research report are as follows: lack of/insufficient pre-primary education, physical facility problems including quantity of schools, teacher quality and making it a choice of profession, as well as the rich-poor gap.

Taking these challenges into consideration, the eleventh Meeting of the Poverty Alleviation Working Group came up with the following policy recommendations:

1. Increasing both the quantity and quality of teachers, particularly who teach in schools serving to disadvantaged and poorest through improving wage rates, pedagogical interventions, performance incentives, training and curricula reforms
2. Increasing teaching and learning effectiveness through adoption of Information and Communication Technology (ICT) based new models
3. Promoting better early-childhood learning opportunities through accessible and affordable pre-primary schooling
4. Ensuring progressive universalism for closing the rich-poor gap in learning outcomes
5. Enhancing accountability through parental engagement to improve education delivery

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

- **Skills Development in the OIC: Vocational Education (Twelfth Meeting of the Poverty Alleviation Working Group)**

Building skills is of crucial importance for eradicating poverty since students from poor and/or disadvantaged families mostly prefer vocational education compared to a purely academic one in order to most smooth and swift integration in labor market. For skills development to actively reduce poverty in OIC countries, vocational schools need to respond to the learning needs of industry and use modern learning approaches. In this respect, apprenticeships, internships, and other work-based learning opportunities for youth are also quite instrumental.

The 12th Meeting of the COMCEC Poverty Alleviation Working Group, held on October 4th, 2018, elaborated on vocational education in the Member Countries and has come up with policy recommendations for submission to the 34th COMCEC Ministerial Session. During the meeting, the research report titled “Skills Development: Vocational Education in the OIC Member Countries” and “the COMCEC Poverty Outlook 2017” were considered by the participants.

The aforementioned research report revealed that many young people could not be able to enter into skills trainings due to school fees and other related costs. It also highlighted that there is a lack of industrial linkage with TVET institutions in many OIC member countries. Furthermore, level of competency and knowledge of the teachers in TVET sectors as well as their practical industrial experience need to be increased in many OIC member countries. Evidence also shows that due to lack of knowledge and awareness on TVET and relatively low social status of TVET graduates, parents mainly send their children to general education instead of TVET institutions.

Taking these challenges into consideration, the 12th Meeting of the Poverty Alleviation Working Group has come up with the following policy recommendations:

1. Improving access of poor student/youth to vocational education through eliminating/reducing school fees, offering monthly scholarship schemes and providing adequate facilities (i.e. accommodation) for students coming from remote areas

2. Matching the skills thought in TVET institutions with the industrial requirements through job-oriented and demand-driven curriculum update and improving facilities of TVET institutions as well as establishing a training center inside industrial area
3. Increasing both the quantity and quality of teachers in TVET sector through providing professional development programs, industrial attachment, and recognition of their work based on performance
4. Increasing awareness about TVET and social recognition of its graduates in order to increase enrolment in TVET sectors and create new job opportunities for skilled graduates

- **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.

Four projects in the poverty alleviation cooperation area were 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” together with Indonesia and Turkey. 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 scope of 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 project consisted of training programs and a workshop. Eighteen training programs on product development and product marketing were organized in several cities of Indonesia for the poor, in order to increase added value of their products and to teach them how to expand market through e-commerce. In the international workshop, the participants from the partner countries, Bangladesh, Malaysia and Pakistan, made presentations about the current situation in their countries and shared experiences.

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 child care, with the participation of the partner countries, which were Nigeria and Guyana.

There are two projects in the poverty alleviation cooperation area in 2018 under the COMCEC Project Funding. Indonesia implemented the project, “Improving the Single Window Service System for Social Protection and Poverty Reduction in the OIC Countries”. The partner

countries are Pakistan, Bangladesh, and Azerbaijan in this project. The aim of the project is 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.

The Gambia is implementing the project, “Training on Entrepreneurship for Teachers in the Selected OIC Countries” with Senegal and Cameroon. The aim of the project is to introduce the teachers to the entrepreneurship skills, in order for them to further enhance the productive capacities of the students. The project includes a training program which will lead to modernization and integration of the entrepreneurship modules in the school curriculum of the Gambia and partner countries.

- **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.

