



POLICY RECOMMENDATIONS OF THE 15TH MEETING OF THE POVERTY ALLEVIATION WORKING GROUP

The COMCEC Poverty Alleviation Working Group (PAWG) has successfully held its 15th Meeting on September 29th, 2020, in a virtual-only format, with the theme of “*Urban Poverty in the OIC Member Countries.*”

During the Meeting, PAWG made deliberations on reducing urban poverty in the OIC Member Countries. Room Document, prepared in accordance with the main findings of the research report conducted specifically for the 15th Meeting of PAWG and the answers of the Member Countries to the policy questions were the main input for the discussions. During the Meeting, the participants agreed on the policy recommendations included in the Room Document. The existing document includes these policy recommendations highlighted during the Meeting.

Policy Recommendation 1: Developing comprehensive and effective urban planning strategies that particularly focus on better management of slums to prevent uncontrolled growth of existing slums and formation of new ones, and improving the access of slum dwellers to basic services such as education and health services through strategic investments.

Rationale: Slums are the main poverty hubs in urban areas. Developing more effective urban planning strategies that particularly focus on better management of slums (through dissolving/depopulating them and preventing formation of new ones) could be a first step towards eradicating urban poverty. There are numerous good examples of such urban planning strategies in the Islamic world (e.g., Housing Development Administration (TOKİ) in Turkey and Purbachal New Town project in Bangladesh). Improving the access of slum dwellers to education and health services through strategic investments can help break poverty cycles. Moreover, in developing as well as implementing these strategies, it is crucial to utilize the relevant ICT tools and techniques more effectively to monitor slums and accurately identify the urban poor.

Policy Recommendation 2: Designing effective local labor market policies that would help tackling the informality problem and create more and better jobs

Rationale: In the OIC member countries, roughly one in three jobs is formed in the informal labor market. Informal workers are not protected by labor legislation or a social security system. Families residing in slums are mostly employed in informal sector, which suggests that informal employment is closely linked with more intensive urban poverty. To tackle the informality problem, it is crucial to develop local labor market policies, which gradually reduce the share of informal employment over time and create more and decent jobs. These labor market policies include, among others, training and skill acquisition, improved flexibility of formal work, stricter enforcement, differential tax schemes targeting youth, women or other disadvantaged groups, supporting job creation and social protection.

Policy Recommendation 3: Activating the Islamic Social Finance Tools and systematically integrating them into the general urban poverty policy toolbox

Rationale: The existing evidence suggests that the Islamic social finance system is a viable complementary tool that can be used in combination with traditional poverty reduction policies to eradicate urban poverty in the OIC countries. For example, organizing an effective distribution of individual-level compulsory transfers, charity-based recommended transfers, and other

voluntary transfers (both pecuniary and non-pecuniary) would greatly improve welfare in the society and reduce poverty in urban settings. Activating the Islamic social finance tools and systematically integrate them into the general urban poverty reduction policy toolbox within a well-crafted “policy-mix” (e.g. the zakat-based infrastructure projects implemented in Indonesia); and utilizing the related ICT tools (such as blockchain technologies, FINTECH systems, cashless smart cards, geographical information systems) that facilitate a more effective use of the Islamic social finance tools (e.g., the Social Family Card in Egypt; cashless shopping cards distributed to refugees living in camps in Turkey and Jordan) is of crucial importance for reducing urban poverty. The OIC Member Countries provide numerous good practices on Islamic social finance tools as a source of inspiration for their fellows. Through experience sharing and capacity building programs, this valuable experience could be shared among the member countries.

Policy Recommendation 4: Improving urban governance capacity and strengthening resilience to shocks (e.g. COVID-19 pandemic)

Rationale: The COVID-19 pandemic and the associated economic downturn are expected to worsen the urban poverty in the Member Countries. Although COVID-19 is a global shock, its adverse consequences are more severely felt by the poor, who are more likely to live in overcrowded neighborhoods and slums. Therefore, improving urban governance capacity by establishing a viable long-term national strategy aiming to effectively tackle urban poverty, improving resilience to unexpected events such as COVID-19 pandemic, natural disasters, large population movements, and health shocks; strengthening policy coordination between national and local authorities, enhancing legal and institutional capacity, and getting connected to the international policy network in a more effective way are recommended. Minimizing the risks associated with the pandemic necessitates good governance practices especially with respect to the coordination of policy actions at national and sub-national levels and bilateral, OIC-level and finally global levels.

Policy Recommendation 5: Conceptualizing urban poverty and developing/improving data collection and measurement practices to achieve evidence-based policy making

Rationale: Urban poverty is highly multidimensional, and those multiple dimensions need to be systematically internalized to improve the understanding of the main policy issues. Conceptualizing and defining urban poverty within a multidimensional and region-specific context is also very important since those concepts and definitions crucially affect humanitarian policy and the nature of other basic services provided such as health, water, sanitation, sewage, etc. Without a well-structured conceptualization, national and local authorities will be ill-equipped to address the key urban poverty challenges. Moreover, improving data collection practices and developing new instruments to enhance measurement of urban poverty is of particular importance for evidence-based policy making. In this regard, it is recommended to utilize the relevant ICT tools and techniques more effectively to conceptualize, collect data and monitor slums and accurately identify the urban poor.

Instruments to Realize the Policy Recommendations:

COMCEC Poverty Alleviation Working Group: In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.

COMCEC Project Funding: Under the COMCEC Project Funding, the COMCEC Coordination Office issues calls for project proposals each year. With the COMCEC Project Funding, the member countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For realizing above-mentioned policy recommendations, the member countries can utilize the COMCEC Project Funding facility. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparation of analytical studies, needs assessments and training materials/documents, etc.

SESRIC: Member Countries may utilize the Capacity Building Programs of SESRIC to realize the above-mentioned policy recommendations.