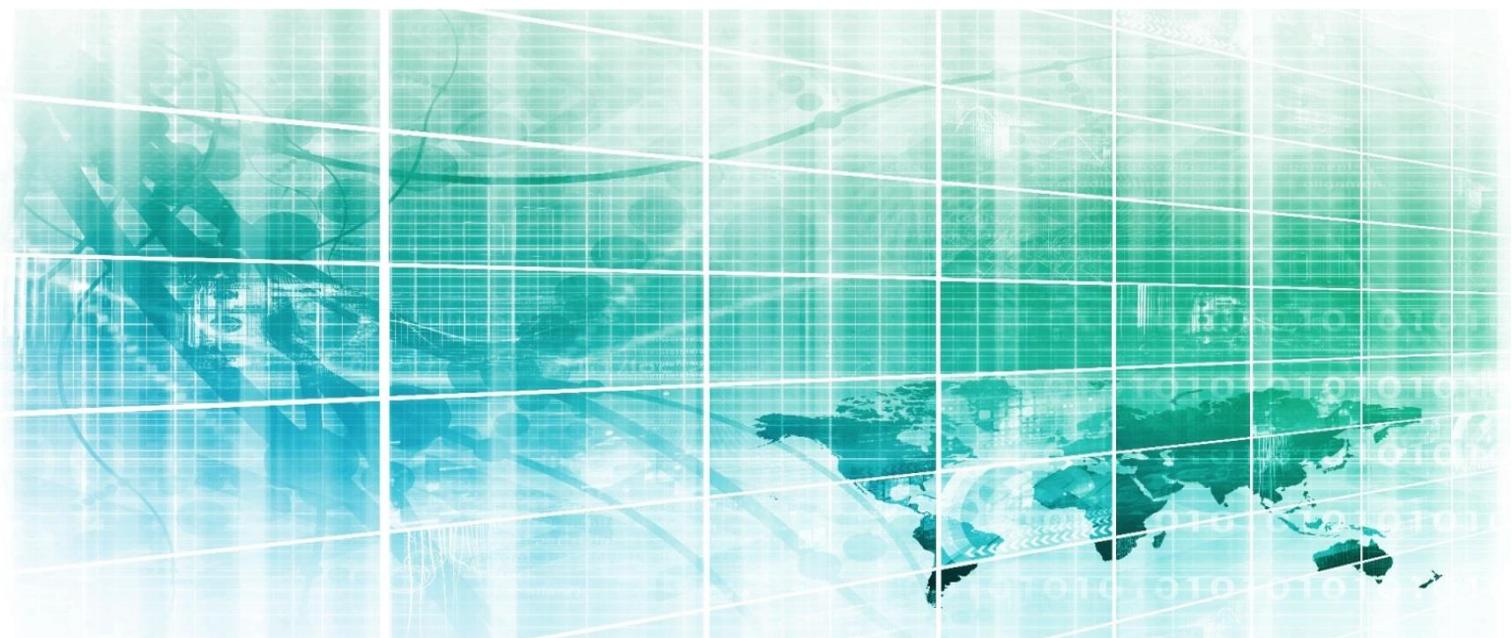




**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

**Proceedings of the 15th Meeting of
the COMCEC Poverty Alleviation Working Group**

“Urban Poverty in the OIC Member Countries”



COMCEC COORDINATION OFFICE

October 2020



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**Proceedings of the 15th Meeting of
the COMCEC Poverty Alleviation Working Group
on
“Urban Poverty in the OIC Member Countries”
(September 29th, 2020, Virtual Meeting)**

**COMCEC COORDINATION OFFICE
October 2020**

For further information please contact:

COMCEC Coordination Office
Necatibey Caddesi No: 110/A
06100 Yüce-tepe
Ankara/TURKEY
Phone : 90 312 294 57 10
Fax : 90 312 294 57 77
Web : www.comcec.org
E-mail : comcec@comcec.org
poverty@comcec.org

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Introduction

The 15th Meeting of the COMCEC Poverty Alleviation Working Group was held on September 29th, 2020, in virtual-only format, with the theme of “Urban Poverty in the OIC Member Countries.”

The Meeting was attended by the representatives of 16 Member States which have notified their focal points for the Poverty Alleviation Working Group. Representatives of COMCEC Coordination Office, SESRIC and World Bank Group Global Knowledge and Research Hub in Malaysia have also attended the Meeting.¹

The Meeting considered the research report titled “Urban Poverty in Islamic Countries” which was commissioned specifically for the 15th Meeting with a view to enriching the discussions.

The representatives of the Member States have shared their country-experiences, achievements and challenges in reducing urban poverty. The efforts exerted by the international institutions, particularly the experiences of the World Bank Group Global Knowledge and Research Hub in Malaysia, on reducing urban poverty were also reflected in the discussions.

The participants also had the chance to discuss the policy options for enhancing the cooperation in this important field in a moderation session. The Room Document based on the findings of the research report submitted to the Poverty Alleviation Working Group Meeting and the answers of the Member Countries to the policy questions sent to the Member States by the CCO were the main inputs for the discussions during moderation session. As an outcome, the Working Group has come up with a set of policy recommendations on eradicating urban poverty in the OIC Member Countries.

¹ The list of participants is attached as Annex 1.

1. Opening Session

In line with the tradition of the Organization of the Islamic Cooperation (OIC), the Meeting commenced with the recitation from the Holy Quran. Afterwards, Mr. Fatih ÜNLÜ, Director General of the COMCEC Coordination Office welcomed all participants. Underlying the importance of the theme of the urban poverty and briefly informing the participants about the programme of the Meeting, Mr. ÜNLÜ invited Mr. Mustafa Sencer KİREMİTÇİ, Head of R&D and Promotion Department, Ministry of Family, Labor and Social Services of the Republic of Turkey, to moderate the Meeting. Mr. KİREMİTÇİ welcomed all the participants to the 15th Meeting of the Poverty Alleviation Working Group and expressed his best wishes for successful deliberations.

2. Urban Poverty in the World

Prof. Semih TUMEN, consultant of the research report prepared for the 15th Meeting of the PAWG, made two presentations on urban poverty in the world and Islamic countries. The first presentation provided a general overview of urban poverty trends across the world with an emphasis on main challenges and outlook from a global perspective. The second presentation focused on urban poverty developments in the OIC countries and outlined a set of policy recommendations.

Prof. TUMEN started his first presentation with a broad overview of global trends in urban poverty. He emphasized that rapid development of urban areas had been a striking global feature of the past century and the United Nations figures suggested that more than half of the world's population lived in urban areas. Therefore, sustaining the welfare of people living in urban areas became a significant challenge. He also underlined that the New Urban Agenda (i.e., the SDG 11) aimed "to make cities and human settlements inclusive, safe, resilient, and sustainable" and "to ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums." High population density in slums reduced the capacity of public policy to intervene and respond to urgencies, develop efficient long-term strategies for urban poverty reduction, and improve the living standards for everyone residing in urban areas. Prof. TUMEN further discussed the recent forecasts suggesting that the share of world population living in urban areas might increase to around 70 percent and the size of urban population was expected to reach 7 billion as of early 2050s. As a result, rapid urbanization and deteriorating living conditions in urban slums made viable policy design a top priority.

Furthermore, Prof. TUMEN highlighted the main challenges in conceptualizing and measuring urban poverty with a particular focus on data collection and the use of ICT tools in monitoring poverty in urban slums. He described the report's conceptual framework as highlighting effective measurement of urban poverty to be a key pre-requisite for evidence-based policy making.

Prof. TUMEN drew attention to the fact that urban population growth patterns displayed significant regional heterogeneity across the world and argued that collecting high quality data was a must to design region-specific policies. However, he also mentioned that there were significant data collection challenges. First, slum populations were excessively mobile, and their locations could not be identified by official address-based databases as they typically engaged in informal residency. So, slum populations were under-represented in survey-based household data sets. Second, to address the under-representation problem, specific field surveys needed to be designed to collect high-quality data; however, region- or group-specific surveys often could not be brought together in a systematic way to see the big picture, which reduced comparability and external validity of region-specific information. Finally, collecting high-quality data and sustaining targeted data-collection studies were costly and required long-term institutional support.

Prof. TUMEN concluded his first presentation by providing econometric evidence on the determinants of urban poverty based on cross-country regressions. Measures of poverty often focused on monetary variables, such as income and consumption. As urban populations grew, access to key public services (such as health, education, security, transportation, housing, etc.) got congested over time. Thus, identifying non-monetary dimensions of urban poverty became a crucial topic and urban poverty was widely recognized as a "multidimensional" concept. The estimates supported the multidimensional nature of urban poverty.

3. Urban Poverty in the OIC Member Countries

In his second presentation, Prof. TUMEN broadly discussed the urbanization patterns in Islamic countries. The OIC countries urbanized at a higher pace than the non-OIC countries in the past few decades. OIC countries hosted around one fifth of global urban population. They harbored some of the most and least urbanized places, and the fastest growing urban areas in the world. There were marked within-country differences in urbanization patterns. Urban population shares were expected to be much higher—mostly driven by the Asian and African regions—by year 2050, and a sound policy framework was needed to address the resulting socio-economic issues. By using various indicators and proxies of urban poverty, namely the poverty headcount ratio at \$1.90 a day (2011 PPP) (percentage of population), urban population share, population living in slums, and the Gini index, Prof. TUMEN argued that there was a strong positive association between urban poverty and socio-economic inequality in the OIC countries.

Prof. TUMEN also highlighted the strong link between urban poverty and labor market developments in the OIC countries. In particular, the OIC countries faced multiple labor market issues and challenges. High rate of informal employment was an inherent characteristic of most OIC-country labor markets. Low skill acquisition (both education and vocational training), and high mismatch between workers and firms suggested that human capital utilization levels were low. Relative to comparable non-OIC countries, the OIC countries had

- lower employment and LFP rates for disadvantaged groups,
- lower share of high-skilled workers,
- higher agricultural employment as opposed to services and manufacturing,
- higher labor market frictions,
- less structured labor market institutions/regulations,
- less efficient school-to-work transition.

He continued his presentation by highlighting the connection between forced migration and urban poverty in the OIC countries. The OIC countries included major source and host countries for refugees. Refugees mostly preferred to live in urban areas. They typically did not have official work permit. Lack of access to decent jobs reduced their income, which forced them to live in slums that were mostly populated by other refugees. Given the ongoing political situations in the major source countries, refugee repatriation was not a likely event in the near future. Urban areas highly populated with refugees posed high poverty risks for both the refugee population and natives. Congestion in education, health, and housing services due to high refugee shares were among other important policy challenges. Failing to appropriately address these issues might lead to persistent urban poverty consequences for the hosting countries and regions.

Prof. TUMEN emphasized Covid-19 as a new urban poverty challenge not only for the OIC countries, but for the entire world. Highly populated slums exposed disadvantaged individuals to Covid-19. The main risks could be listed as follows. Overcrowded areas in slums; low access to hygienic material and water; low access to health services; heavy dependence on public transportation; and non-hygienic employment conditions and low social distancing in workplaces. High population density in slums reduced the effectiveness of interventions aiming to locally contain Covid-19 outbreak and develop efficient strategies. There were also indirect urban poverty risks of Covid-19. First, school closures kept children out of school and increased the dropout risk, which exposed children to issues such as domestic violence, child labor, and early marriages. And, second, informally employed individuals lost their jobs as formal employment was generally protected by government guarantees.

Prof. TUMEN's presentation paid particular attention to infrastructure investment as an effective policy option to reduce urban poverty. SDGs underlined the importance of pro-poor growth in effective implementation of poverty reduction strategies. Infrastructure investment aiming to improve living conditions of urban poor might have extensive positive spillover effects beyond

merely improving the well-being of slum residents. By improving quality of services and facilities in slums, infrastructure development could reduce socio-economic inequality, increase well-being, boost growth and productivity, and improve policy effectiveness. Therefore, sustained infrastructure investment could help achieving the SDG targets for urban poverty reduction. He provided references to various policies and best practices among the OIC countries.

Prof. TUMEN also emphasized the role of Islamic social finance as an urban poverty reduction tool. Standard poverty reduction approaches attributed a high weight to public policy, while the role of existing socio-cultural mechanisms was not discussed in a systematic way. The within-neighborhood networks in the Islamic society actively monitored and identified the needs of the poor, and then mobilized the necessary resources accordingly. Islamic social finance institutions, such as sadaqah, waqf, or zakat, were often used to mobilize those resources for poverty reduction. OIC countries were inherently equipped with those institutions. Redistributive function of such institutions could reduce inequality and eradicate poverty in urban settings.

Prof. TUMEN concluded his presentation by outlining various policy recommendations for urban poverty reduction in the OIC countries:

- Develop more effective urban planning strategies that particularly focus on better management of slums through dissolving/depopulating slums and preventing formation of new ones.
- Use the relevant ICT tools and techniques more effectively to monitor slums and accurately identify the urban poor.
- Design local labor market policies that would help tackling the informality problem; gradually reduce the share of informal employment over time; and create more and decent jobs.
- Improve resilience to unexpected events—such as natural disasters, large population movements, and health shocks.
- Activate the Islamic social finance tools and systematically integrate them into the general urban poverty reduction policy toolbox within a well-crafted “policy-mix”; utilize the related ICT tools.
- Improve urban governance capacity by establishing long-term national strategies, strengthening policy coordination between national and local authorities, enhancing legal and institutional capacity, and engaging with international policy network.
- Conceptualize urban poverty to improve our understanding of the main policy issues and to facilitate policymaking; improve data collection practices; and develop new instruments to enhance measurement of urban poverty.

Questions and Remarks

Question: The report focuses on poverty issues in urban areas, but what happens in rural areas may also affect urban poverty. What is the role of policies focusing on living conditions in rural areas in reducing urban poverty?

Answer: Prof. TUMEN stated that the report did not exclude this consideration. In particular, when discussing the policies about monitoring slum formation and managing slums, the report suggested that policies preventing rural-urban migration should be considered as a crucial element for setting urban poverty reduction policies.

Question: Can the econometric analysis on the determinants of urban poverty be restricted only to OIC countries?

Answer: Prof. TUMEN argued that the main goal of the econometric analysis presented at the end of the first chapter of the report was to demonstrate that urban poverty was a highly multidimensional concept. Although it would be useful to restrict the sample to the OIC countries,

the cross-country information on the OIC countries had many missing cells over the data horizon, which made econometric analysis specific to the OIC countries rather infeasible.

Question: Different cities have different characteristics and, thus, slum formation structures may be different across cities. Have you observed those differences for the OIC countries?

Answer: Prof. TUMEN acknowledged that this was a crucial question and he admitted that different cities could indeed have different characteristics, which also could generate differential slum formation dynamics across urban areas. However, Prof. TUMEN also stated that cross-country field studies aiming to observe and document those differences could not be conducted during the preparation of the report due to the Covid-19 outbreak and the report only provided a conceptual reference to those potential differences.

4. Perspectives of the Member States, International Institutions and NGOs

4.1. Turkey

Mr. Nevzat KUNDURACI, Expert, Ministry of Family, Labor and Social Services, made a presentation on the experiences of Turkey in reducing urban poverty. In his presentation, he mainly focused on three policy intervention areas in combating urban poverty: Social Assistance Programs, Employment Measures and Social Housing Supports.

In the presentation, first of all, socio-economic indicators of Turkey and basic urbanization statistics were shared with the participants. Then, the size of the resources allocated to social aid activities, the types of social assistance programs used in combating urban poverty, and the characteristics of the social assistance information system were explained. Employment and business start-up supports were mentioned in detail as they constituted an important tool in combating urban poverty. Furthermore, he gave brief information on the role of social housing policies and practices in reducing urban poverty in Turkey.

Participants were also informed about new practices and aid programs developed in the fields of social assistance, employment and labor issues, which aim to overcome the socio-economic difficulties caused by the Covid-19 pandemic.

4.2. World Bank Group Global Knowledge and Research Hub in Malaysia

Mr. Kenneth SIMLER, Senior Economist and Mr. Ahmad Hafiz Abdul Aziz, Financial Sector Specialist, at the World Bank Group Global Knowledge and Research Hub in Malaysia shared the World Bank's perspective on urban poverty.

Mr. SIMLER pointed out that nearly one billion urban poor still live in slums and informal settlements, mostly in Asia, Africa, and Latin America, and are often excluded from access to affordable housing, good-quality basic services, and better jobs. He also mentioned that Center-periphery applies to connecting slums with city centers (or jobs centers) as well as connecting with wider periphery (peri-urban) areas.

Mr. AZIZ focused on the sources of Islamic Social Finance: Zakat and Waqf. He stated that zakat is falling below its true potential. Actual global zakat given of \$76 billion is far below its potential of \$356 billion. He pointed out some short medium and long term solutions and highlighted the impact sukuk as medium/long term financial instrument that "pays for success." He stated that impact sukuk is not structured as a tradable instrument such as a standard sukuk but is more akin to a "pay for success" financial. Impact sukuk should be thought of as equity-like investments that offer repayment to investors based on the results achieved, plus a rate of return if targets are achieved, with the risk of losing the principal invested if they are not. Capital can be recycled as outcome payments are received.

5. Policy Options on Reducing Urban Poverty in the OIC Member Countries

At the beginning of the session, Ms. Aylin ŞENOL GÜN, Expert at the CCO, made a short presentation summarizing the room document and the responses of the Member Countries to the policy questions on the urban poverty in the OIC Member Countries that were already sent by the CCO.

Later on, the participants expressed their views and comments on each policy recommendations. Following discussions, the participants have agreed on the following policy recommendations:

- ✓ 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.
- ✓ Designing effective local labor market policies that would help tackling the informality problem and create more and better jobs
- ✓ Activating the Islamic Social Finance Tools and systematically integrating them into the general urban poverty policy toolbox
- ✓ Improving urban governance capacity and strengthening resilience to shocks (e.g. COVID-19 pandemic)
- ✓ Conceptualizing urban poverty and developing/improving data collection and measurement practices to achieve evidence-based policy making

The policy recommendations are attached to this report as Annex 4.

6. 8th Call for Project Proposals under COMCEC Project Funding and Introducing COMCEC COVID Response Program

Mr. Hasan YENİGÜL, Program Coordinator at the COMCEC Coordination Office, briefed the participants regarding the COMCEC Project Funding and COMCEC COVID Response Program.

At the outset, Mr. YENİGÜL informed the participants on the 8th Call for Project Proposals started on September 1st, 2020. In this regard, he stated that the Member Countries can submit their project proposals through the Online Project Submission System until the end of September and they can reach all documents on the System by using the username and password, provided for the focal points.

He also reminded the participants to read the application documents particularly the Project Preparation and Submission Guidelines as well as supported sectoral themes before designing and submitting their project proposal. Moreover, Mr. YENİGÜL invited the Member Countries and OIC Institutions to submit their project proposals and wished all the success in the project submission period.

Furthermore, Mr. YENİGÜL informed the participants regarding the new CCO initiative to address the current and future negative impacts of the pandemic, which is COMCEC COVID Response Program. The Program was designed based on the feedback received from member countries during COVID Consultative Meetings and the questionnaire sent in July 2020. The Program aims to address the needs and demands of member countries in order to alleviate the situation in certain sectors.

At the end, Mr. YENİGÜL informed the participants that the modus operandi of COMCEC COVID Response Program would be finalized soon and the call for project proposals under this Program would start in October 2020.

7. Closing Remarks

The Meeting ended with closing remarks of Mr. M. Sencer KİREMİTÇİ, Moderator of the Meeting and Mr. Fatih ÜNLÜ, Director General of the COMCEC Coordination Office.

In his closing remarks, Mr. ÜNLÜ thanked all the participants for their active involvement in and contributions to the discussions and deliberations.

ANNEXES

Annex 1: List of Participants

A. MEMBER COUNTRIES OF THE OIC

ISLAMIC REPUBLIC OF AFGHANISTAN

- Mr. NABI SROOSH
Acting Deputy Minister, Minister of Economy

- Mr. SOGRA ELAHE GHAFoori
Director of Strategic Development Plan and Project, Ministry of Urban Development and Land

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

- Ms. SALIMA OUBOUSSAD
Sub Director, Social Department, Ministry of National Solidarity, Family, and Women Condition

- Ms. OUAHIBA OUAHID
Inspector, Ministry of Housing

REPUBLIC OF AZERBAIJAN

- Ms. SAIDA HUSEYNOVA
Chief Adviser, Ministry of Economy

REPUBLIC OF BENIN

- Mr. AHMED SAKE
Assistant General Director, Ministry of Social Services

- Mr. HYACINTHE MONTCHO
Development Administrator, Ministry of Planning and Development

REPUBLIC OF CAMEROON

- Mr. AHMAD MALAM
Sub Director, Ministry of Economy Planning and Regional Development

REPUBLIC OF GAMBIA

- Ms. JULDEH CEESAY
Deputy permanent Secretary, Ministry of Finance and Economic Affairs

REPUBLIC OF INDONESIA

- Mr. ADHY KARYONO
Secretary General, Head of Planning Bureau, Ministry of Social Affairs

- Dr. ANDI ZAINAL ABIDIN DULUNG
Senior Adviser to the Minister on Technology of Social Welfare, Ministry of Social Affairs

ISLAMIC REPUBLIC OF IRAN

- Ms. FAEZEH ZAREI
Head of Group of Providing Social Indicators, Ministry of Cooperative Labor and Social Welfare

REPUBLIC OF IRAQ

- Mr. HUSSAIN AL SAIDI
Expert, Directorate of Social Protection, Ministry of Labor and Social Affairs
- Ms. SABA SABIH
Expert, Labor and Vocational Training Department, Ministry of Labor and Social Affairs

THE STATE OF KUWAIT

- Ms. JAMANAH AHMAD
Foreign Relations Researcher, Ministry of Finance

SULTANATE OF OMAN

- Ms. MAYA ALHAJRI
Financial Analyst, Ministry of Economy

STATE OF QATAR

- Ms. MARIAM MOHAMMED AL DHAMI
Director of the Social Security Administration, Ministry of Administrative Development
Labor and Social Affairs

REPUBLIC OF SURINAME

- Ms. ANGELA SALMO
Policy Advisor, Ministry of Social Affairs & Housing

REPUBLIC OF TUNISIA

- Mr. NAJET DKHIL EL KALAI
Director, Ministry of Social Affairs

REPUBLIC OF TURKEY

- Mr. Mustafa Sencer KİREMİTÇİ
Head of R&D and Promotion Department, Ministry of Family, Labor and Social Services
- Ms. PINAR YAVUZKANAT
Head of Department, Ministry of Family, Labor and Social Services
- Mr. NEVZAT KUNDURACI
Expert, Ministry of Family, Labor and Social Services
- Mr. RIDVAN KURTİPEK
Expert, Ministry of Family, Labor and Social Services
- Ms. EBRU ÖLMEZ
Expert, Ministry of Environment and Urban Planning

- Ms. ŞULE ALTABAN KARABEY
Expert, Presidency of Mass Housing Administration

REPUBLIC OF UGANDA

- Mr. KASSIM MULUMBA
Economist, Economic Development Policy and Research, Ministry of Finance Planning and Economic Development

B. THE OIC SUBSIDIARY ORGANS

STATISTICAL, ECONOMIC, SOCIAL RESEARCH AND TRAINING CENTER FOR ISLAMIC COUNTRIES (SESRIC)

- Mr. DAVRON ISHNAZAROV
Researcher, SESRIC
- Ms. FAHMAN FATHURRAHMAN
Researcher, SESRIC

C. OTHER INTERNATIONAL INSTITUTIONS

WORLD BANK GROUP GLOBAL KNOWLEDGE AND RESEARCH HUB IN MALAYSIA

- Mr. Kenneth SIMLER
Senior Economist
- Mr. Ahmad Hafiz Abdul Aziz
Financial Sector Specialist

D. CONSULTANT

- Prof. Semih TÜMEN
Consultant

E. COMCEC COORDINATION OFFICE

- Mr. Fatih ÜNLÜ
Director General
- Mr. SELÇUK KOÇ
Head of Department
- Mr. MEHMET ASLAN
Head of Department
- Ms. GÜNEŞ ARKADAŞ AŞIK ERPEK
Consultant
- Ms. AYLİN ŞENOL GÜN
Expert
- Mr. MEHMET AKİF ALANBAY
Expert

Annex 2: Agenda of the Meeting



AGENDA

15TH MEETING OF THE COMCEC POVERTY ALLEVIATION WORKING GROUP

(September 29th, 2020; Virtual Meeting)*

“URBAN POVERTY IN THE OIC MEMBER COUNTRIES”

Opening Remarks

1. Urban Poverty in the World
2. Urban Poverty in the OIC Member Countries
3. Perspectives of the Member States, International Institutions and NGOs
4. Policy Options on Reducing Urban Poverty in the OIC Member Countries
5. 8th Call for Project Proposals under COMCEC Project Funding and Introducing COMCEC COVID Response Program

Closing Remarks

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** The invitation link will be provided by the CCO*

Annex 3: Programme of the Meeting



COMCEC

PROGRAMME

**15TH MEETING OF THE COMCEC POVERTY ALLEVIATION WORKING GROUP
(September 29th, 2020, Virtual Meeting)
(Ankara Time - GMT+3)**

“Urban Poverty in the OIC Member Countries”

13.15 – 13.30	Joining the Online Meeting <i>(The link for the participation will be conveyed in advance of the Meeting)</i>
13.30 - 13.40	Opening
13.40 – 14.00	Urban Poverty in the World - <i>Presentation : Prof. Semih TÜMEN Consultant</i>
14.00 – 14.10	<i>Questions and Answers (Q & A)</i>
14.10 – 14.40	Urban Poverty in the OIC Member Countries - <i>Presentation : Prof. Semih TÜMEN Consultant</i>
14.40 – 15.00	<i>Q & A</i>
15.00 - 15.40	Perspectives of the Member States, International Institutions and NGOs - <i>Member Country Presentations</i> - <i>Presentation: Mr. Ahmad Hafiz Abdul Aziz (Financial Sector Specialist) & Mr. Kenneth SIMLER (Senior Economist) World Bank Group Global Knowledge and Research Hub in Malaysia</i>
15.40 – 15.50	<i>Q & A</i>

15.50 – 16.50	<p>Policy Debate Session on Reducing Urban Poverty in the OIC Member Countries</p> <p>There will be a policy debate session to come up with a set of policy options for reducing urban poverty in the Member Countries. At the outset, the CCO will make a short introduction on the room document and responses of the Member Countries to the policy questions which have already been conveyed to the Member Country Focal Points.</p>
16.50- 17.05	<p>8th Call for Project Proposals under COMCEC Project Funding and Introducing COMCEC COVID Response Program</p>
17.05 – 17.15	<p>Closing Remarks</p>

Annex 4: The Policy Recommendations

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 (TOKI) 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.