

# CCO BRIEF ON POVERTY ALLEVIATION

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### **CCO BRIEF ON POVERTY ALLEVIATION**

In general, poverty is defined as the lack of sufficient resources to satisfy one's basic needs. The definition of poverty depends on the basic requirements, which vary according to geography, time and cultural expectations, or even on the source of the definition. In this respect, there are different ways to study the poverty situation of countries. The most frequently used method is to define poverty in monetary terms, such as the USD1.90 a day and the USD 3.10<sup>1</sup> a day poverty lines that have been specified by the World Bank, or the value of a minimum calorie requirement. Poverty is also defined in non-monetary terms from a multidimensional perspective. Within this context, UNDP began to calculate Multidimensional Poverty Index (MPI) in 2010, in order to measure poverty in a much broader context. The MPI considers multiple deprivations of the population and their overlap by utilizing the dimensions of health, education and standards of living.

Furthermore, poverty is a serious challenge for almost all countries around the world. 72 percent of the global poor population live in middle-income countries.<sup>2</sup> In this regard, the fight against poverty has an important place within the global development agenda. From this point of view, achievements of the Millennium Developments Goals (MDGs) in the OIC Member Countries need to be evaluated since the new global development agenda, namely 2030 Agenda for Sustainable Development, and the Sustainable Development Goals have been built on the MDG experience.

#### **Poverty in the World**

For the year 2014 while the world's average GDP per capita PPP is \$14,939, this average is \$40,523 for high-income countries, \$14,354 for the upper-middle income countries, \$6,029 for lower-middle income countries and \$1,590 for low-income countries (Figure 1). These numbers imply deep income discrepancies between countries. Qatar has the highest GDP per capita (PPP) with 140,649 Current International Dollar while the Central African Republic has the lowest GDP per capita income with 594 Current International Dollar. In addition to these figures, there are also considerable income distribution problems within the countries. There is a widening gap between high and low income countries (see figure 1). Therefore, poverty is still a prominent issue for many people, especially the ones living in the Least Developed Countries (LDCs).

<sup>&</sup>lt;sup>1</sup> The World Bank's definition of "extreme poverty" has been recently revised to 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.

<sup>&</sup>lt;sup>2</sup> Kanbur and Sumner, http://kanbur.dyson.cornell.edu/papers/KanburSumnerPoorCountriesOrPoorPeople.pdf, p.1, 14.04.2016.

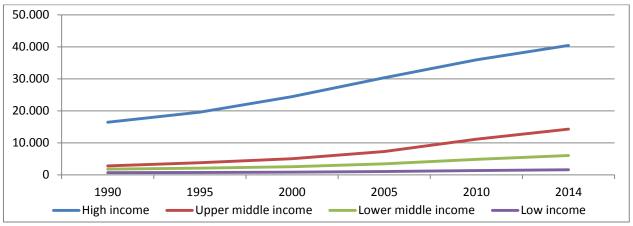


Figure 1: GDP Per Capita (PPP) (Current International \$)

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

For most countries, the poverty levels decreased in monetary terms for the last three decades. Indeed, for the period from 1990-2012, significant progress has been observed with respect to the percentage of people who live under USD1.90. While this rate was 46 percent for upper-middle income countries, 45 percent for lower-middle income countries and 70 percent for low income countries in 1990, it fell to 5 percent, 19 percent and 47 percent respectively for these income groups in 2012 (Figure 2). In upper-middle income countries, there was a sharp decrease in poverty levels where three-quarters of the decrease was achieved by China. China pulled 680 million people out of poverty between 1981-2010 and reduced its extreme poverty rate from 84% in 1980 to 10% in 2013<sup>3</sup>.

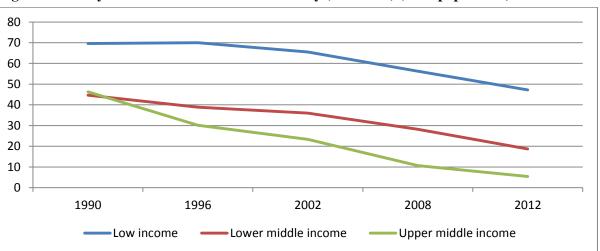


Figure2: Poverty Headcount Rate at USD1.90 a day (2011 PPP) (% of population)

Source: Created by the Authors, from the World Development Indicators of the World Bank

Nevertheless, this trend of reduction in poverty levels has been uneven. Certain parts of the world have actually seen an increase in their poverty levels during the same time period.

<sup>&</sup>lt;sup>3</sup> Economist, http://www.economist.com/news/leaders/21578665-nearly-1-billion-people-have-been-taken-out-extreme-poverty-20-years-world-should-aim, 25.04.2016.

#### **Poverty in the OIC Member Countries**

Although the total population of the Member Countries accounts for nearly one-fourth (23 percent) of the world's total population, the total GDP of these countries accounts for only nine<sup>4</sup> percent of the total world GDP. 21 out of 48 Least Developed Countries (LDCs) are members of the OIC. Nevertheless, the OIC Member Countries do not form a homogeneous group. In this context, GDP per capita levels of the member countries display a highly dispersed composition, where they varied from \$938 to \$140.649 (PPP current int. \$) in 2014<sup>5</sup>. Furthermore, the number of people living under USD1.25 a day in the OIC Member Countries is nearly 350 million, representing 21 percent of the total population of the OIC in 2014.

## **Multidimensional Poverty in the OIC Member Countries**

Looking at the group of countries for which MPI is calculated, it is observed that 68 percent of the OIC Member Countries are included in this group. The number of people experiencing multidimensional poverty is nearly 430 million in OIC Region. However, the population living in multidimensional poverty varies a lot among the Member Countries. While in Jordan this rate is only 1 percent, in Niger it reaches almost 90 percent. In total, more than one-fourth of the total population of the OIC Member Countries lives under multidimensional poverty.

The contribution of deprivation levels of education, health and living standards to overall poverty vary among the OIC countries. The contribution of educational deprivation ranges from 3.7 percent (Uzbekistan) to 50.1 percent (Iraq). The contribution of health deprivation to overall poverty is between 18.2 percent (Mauritania) and 83.9 percent (Kazakhstan) and the contribution of living standard deprivation to overall poverty is between 10 percent (Jordan) and 51.9 percent (Uganda).

#### Main Challenges of Poverty Alleviation in the OIC Member Countries

Despite the abundant natural resources and capital accumulation available in the OIC Member Countries, 21 of our Member States are classified as Least Developed Countries; most of which countries are located in sub Saharan Africa. Some of the most common challenges faced in the Member Countries, in terms of poverty, are as follows<sup>6</sup>:

- Underdeveloped institutions and lack of implementation capacity
- Lack of sufficient financial structures
- Inadequate resources
- Poor infrastructure
- Underdeveloped agricultural sector
- Unfavorable global trade conditions
- Conflicts and disaster-related challenges

#### Achievements on Millennium Developments Goals in the OIC Member Countries

Although there has been important progress towards achieving the MDGs in the OIC Member Countries, there are still gaps that need to be filled. In addition, regarding most of the MDG

<sup>&</sup>lt;sup>4</sup> Based on 2013 GDP levels, Syrian Arab Republic and Republic of Somalia are excluded due to lack of data.

<sup>&</sup>lt;sup>5</sup> Source: World Bank, World Development Indicators

<sup>&</sup>lt;sup>6</sup> COMCEC Strategy (2012), available on COMCEC website (www.comcec.org).

indicators, high-income countries seem to be more successful than the low-income Member Countries. The main challenges facing member countries in achieving the MDGs are the lack of political will and commitment to the MDGs, institutional capacity problems, the lack of adequate financial resources, the global economic situation, the lack of an enabling environment to attract investment and encourage private sector development, and the lack of inclusive growth. Nevertheless, taking into account the challenges of the MDGs as well as the more ambitious context of the SDGs, the implementation of the SDGs has uttermost importance.

#### 2030 Agenda for Sustainable Development and the SDGs

To follow-up and reinforce the commitment to the unfinished MDGs after 2015, the 2030 Agenda for Sustainable Development, in which the SDGs are at the core, has been designed and declared at the UN Special Summit held in September 2015. While the MDGs agenda mostly focused on the challenges of the poor countries, the SDGs envisage a transition to a more comprehensive development framework that concerns all countries regardless of their level of development.

Thus, the implementation phase of the SDGs is expected to be challenging for many countries. Most particularly, the follow-up and evaluation processes bear great importance in terms of the successful implementation of the goals and targets. However, setting the required indicators is still a pending issue and discussions in this regard have not come to a conclusion. In this respect, it is crucial to closely follow-up on the on-going debates and benefit from the existing cooperation platforms, which bring together development partners, including international institutions, NGOs and the private sector in order to close the knowledge gaps, disseminate best practices and build capacity.

OIC as a whole needs to develop a comprehensive and holistic approach to meet the ambitious context of the SDGs. Therefore, in addition to the national efforts in the OIC, the SDG implementation process should be on the agenda of the OIC as a whole. As an initial step aimed at drawing attention to this heavy agenda, the COMCEC Coordination Office and IDB Group prepared "The Critical Success Factors in the Implementation of the Post - 2015 Development Agenda and Sustainable Development Goals: Current Situation and Prospects for the OIC" in November 2015.

#### Vulnerable Groups' Accessibility to Social Protection Programs<sup>7</sup>

Developed social protection systems have several benefits, like helping to develop human capacities, reducing inequalities, broadening opportunities and helping to achieve social cohesion through inclusion. In this regard, social protection becomes a core component of national development policies. Nevertheless, one of the major challenges facing social protection systems is the coverage issue, where there are a lot of difficulties faced with respect to extending social protection coverage -like informality- and socially excluded vulnerable groups.

Vulnerable groups include the elderly, the mentally and physically disabled, at-risk children and youth, displaced people and refugees, HIV/AIDS-affected individuals and households, religious and ethnic minorities, unemployed people and women-headed households. Social protection

<sup>&</sup>lt;sup>\*</sup>For the data and analysis used in this section please see "Accessibility of Vulnerable Groups to Social Protection Programmes in the OIC Member Countries, COMCEC Coordination Office, 2016"

programs are crucial for these vulnerable groups to meet their basic needs. Furthermore, for many countries, expanded social protection programs are important for achieving the health and education MDGs; and social safety nets have helped to avoid the negative impacts of crises such as hunger and extreme poverty. The growing evidence on the impact of safety net programs has facilitated their expansion into low-income countries. However, expansion of social protection for the poorest and most vulnerable groups, in a sustainable manner, remains a challenge.

There are different types of social protection programs depending on their objectives and the risks they cover. The usual classification that is accepted for the developing world includes social protection programs for social insurance (contributory programs, namely pensions), labor markets (for example job training), and non-contributory social assistance programs (or social safety nets), which include humanitarian and disaster relief programs, cash transfers, food stamps, school feeding, in-kind transfers, labor-intensive public works, targeted food assistance, subsidies and fee waivers. Social insurance and labor market programs tend to benefit higher income groups, whereas social assistance programs generally (but not exclusively) focus on the most poor and vulnerable.

| According to the World Bank, there are four main types of social protection services. | These are |
|---|-----------|
| as follows:   |           |

| Universal (but not entirely free) | Food and fuel subsidies are most common; school education, health care access   |
|-----------------------------------|---|
| Employment/earnings-related       | Less than half of the working population qualify due to high levels<br>of informal labor  |
| Means testing                     | In the NGO and charity sector, for instance social care where there are contracts with the relevant ministries                                  |
| Categorical                       | In the NGO and charity sector, for example social care where there<br>are contracts with the relevant ministries; new cash transfer<br>programs |

Social protection programs can have either protective effects, such as providing relief from deprivation, preventive effects, such as averting deprivation once a shock has occurred, or promotive effects, such as enhancing income and capabilities. All of these dimensions together can have a socially transformative effect, which would entail addressing power imbalances that create or sustain vulnerability.

Globally, public expenditure on social services increased from the 1960s to 1980s. States in both Latin America and Sub-Saharan Africa established public schools, universities and health care networks, though these remained at first primarily in urban areas. Benefits of these initiatives have been seen in the decreasing rates of maternal and child mortality.

In the developing world, various countries have provided universal social protection schemes. For instance, India has a food subsidy system in place, which is a universal scheme. The scheme covers grains and essential cooking items and is part of a wider Right to Food campaign which has gained much momentum in India. The national feeding programs in India have helped improve primary school attendance and enrolment. The Republic of Korea, Taiwan and Costa Rica have also introduced universal social protection schemes. In Korea, reforms in health, pension and unemployment social insurance schemes, as well as a Minimum Living Standard Guarantee (MLSG), increased coverage and equity of social protection. Various health insurance

schemes were merged into one integrated public health scheme and this has had significant efficiency outcomes, such as reducing administrative costs from 11.4% to 4.7%. The labor insurance program provided cash benefits, job training and small loans to unemployed temporary workers. Moreover, universal old-age security was also introduced after incorporating the urban self-employed in 1999.

There are various unemployment insurance schemes in place in many developing countries, such as China, Brazil and South Africa. Nevertheless, these schemes often exclude certain groups, such as farmers; which is also the case in the Arab region. Successful cases of countries in East Asia, like Taiwan and South Korea, as well as other countries, like Costa Rica, the Indian state of Kerala and Sri Lanka, are some of the key examples in the developing world which show that transformative social change can only come about through fortifying the mechanisms of social inclusion, accountability and social cohesion. In this respect, states, markets, charities and community organizations, households and donor agencies can all play a role in facilitating universal coverage. The involvement of the State in the financing, provision and administration of these services is particularly needed when there are urban-rural disparities or regional differences.

In terms of non-contributory social assistance, these schemes have become the most predominant trend in developing countries, due to the remarkable weakening of the universal principles and the fiscal pressure placed on many states in funding social protection policies. In addition, social assistance programs adopt a targeted, or means-tested, approach to cash or in-kind transfers. They also promote a rationale for consumption that is both facilitative and reactive in nature, since they are given to populations who are also in need and have not been able to cope with unexpected social or economic shocks.

China, South Africa, India, and Brazil have cash transfer programs in place for vulnerable populations. For example, the rural poor in China also benefit from similar non-contributory social assistance programs as well as from a scheme known as the "five guarantees", which has been in place since 1950 and ensures that all poor people living in rural areas have access to basic life necessities such as food, clothing, shelter and even a contribution towards funeral costs.

Nevertheless, short-term nature and distributional limitations of the cash transfer programs in some cases are an important concern. Reaching a wide population may also indicate high levels of dependency on these programs with families unable to sustain themselves in the long run. This is a weakness of universal food subsidy programs in particular. In Indonesia, for instance, to cope with this challenge, a fuel subsidy reform was introduced in 2005 with three social safety net programs to compensate for the sharp cuts in fuel subsidies. To mitigate the impact of price increases on poor and near-poor households, the government introduced an unconditional cash transfer programme, which reached 18.5 million households at a cost of about 0.3% of GDP, in addition to a health insurance programme and an education subsidy programme.

# Accessibility of Vulnerable Groups to Social Protection Programs in the OIC Member Countries<sup>8</sup>

The OIC Member Countries consist of a variety of socially and economically diverse countries. The evaluation of access to social protection programs and vulnerability reflects the social,

<sup>&</sup>lt;sup>8</sup>For the data and analysis used in this section please see "Accessibility of Vulnerable Groups to Social Protection Programmes in the OIC Member Countries, COMCEC Coordination Office, 2016"

economic and political diversity of these countries. However, none of the countries possess universal and comprehensive systems of social welfare and public service delivery that are based on the entitlement of all citizens to basic social rights. In general, the OIC Member Countries have a broad range of social assistance, social insurance and labor market programs, however, coverage of the poor and vulnerable groups of society remains scattered and, in some cases, nonexistent.

Since the start of the global economic crisis, spending on social safety nets in some OIC states as a whole has increased from 10.1% of total expenditure before the crisis to 11.9% during the crisis and to 12.5% afterwards (4.16%, 4.44%, and 4.59% of GDP respectively). Countries in the low or lower-middle income groups, like Egypt and Yemen, extended eligibility criteria for subsidized food rations and cash transfers to vulnerable populations, which lead to increased access by the poor or vulnerable populations. However, in the majority of OIC countries, spending on social protection remains relatively low in many cases.

Furthermore, despite sometimes-important government spending on health care, the vast majority of people across the OIC countries are subject to high out-of-pocket payments in order to have access to health services. The absence of affordable access to health care and prepayment schemes in many countries has compelled low-income households to pay a substantial share of their income for health services at the expense of other basic items, such as food, which often exposes them to a higher risk of being pushed deeper into poverty.

In the social insurance programs of the OIC Member Countries, there are significant gaps in the coverage of these programs. Social insurance coverage rates vary enormously from 8% in Yemen to 87% in Libya. This is due to the structure of the labor market (for example, public or private sector) and the institutional arrangements that cover different categories of workers. OIC countries have high levels of informal workers. On average, in the Arab countries, with the exception of those are members of Gulf Cooperation Council (GCC), about 67% of the labor force does not contribute to social insurance schemes; these include agricultural workers and those self-employed in micro and small enterprises, as well as their employees. The largest excluded groups from the social insurance mechanism in most of the countries are the agricultural workers, household and family workers, and foreign migrant workers. Only about 30% of the OIC population is covered by formal social insurance schemes, the remaining groups are in the informal sector and have to seek recourse in informal ways, such as through family.

Regarding coverage, almost all social assistance programs in the OIC countries fail to cover even 20% of the bottom quintile (the poorest groups), while some programs cover a substantial proportion (up to 11–12%) of the top quintile. In comparison to other world regions, there is clear underperformance in the OIC countries' social assistance and social safety net programs in terms of beneficiary incidence: in all other regions, the bottom quintile accounts for at least 30% or more of social safety net beneficiaries, with Latin America and the Caribbean leading the world at 36%. In the OIC countries, social assistance and social safety net programs target the poor and vulnerable, however, the wealthy populations also tend to constitute a remarkable share of social safety net beneficiaries. On average, only a quarter of non-subsidy social assistance beneficiaries in the Arab region come from the poorest quintile, while about 15% come from the richest quintile. In some programs, such as in West Bank and Gaza, targeting has been improved since 2009, thanks to the creation of the unified Cash Transfer Program in 2010, which uses Proxy Means Test as a targeting mechanism and a unified payment scheme. In contrast, in Djibouti and

Morocco, the richest population quintile represents the same share of social safety net beneficiaries as the poorest quintile.

Some major challenges for vulnerable groups in accessing social protection programs among the OIC countries are as follows:

- ➢ Informal employment,
- ▶ Inadequate access to basic services, particularly to education and health care services,
- Lack of differentiation between people who can work and people who cannot work, while designing Social Safety Net (SSN) programs,
- ▶ Low and inefficient public expenditures for social protection policies.

In light of these challenges, a series of recommendations for the extension of social protection programs to the vulnerable groups in the Member Countries can be stated as follows:

- All OIC countries should embark on establishing a basic social protection floor for the most vulnerable groups. This should initially involve conducting feasibility and cost benefit analyses for particular social protection packages.
- Health costs are a major burden for local populations in the OIC Member Countries, especially for the disabled and elderly people. Thus, the Social Pension program should establish close links with health services. For example, to enhance the impact, the beneficiaries of the Social Pension program can be automatically eligible for access to free public health services. In this regard, targeted social pension programs can offer a minimum income to adults with disabilities, poor female-headed households, people aged over 60 and older people without a pension who cannot work and have no other source of income.
- Reform of existing public work programs in some of the low-income OIC member countries may be needed to provide more stable employment for vulnerable groups, particularly those who are unable to work and those in insecure employment. Agricultural workers occupy a large proportion of this category. In low-income and lower-middle income countries, programs can be unified under one permanent national labor-intensive public work program designed to help food-insecure households cope during lean period of each year.
- OIC member countries may offer cash transfers to very poor families with children and other dependents such as the elderly or persons with disabilities. Priority could be given to families with orphans and vulnerable children, single earners and households that have persons in need of care but are physically able to work. In addition, conditional cash transfers, which offer incentives to families to improve the levels of health and education of their members, particularly their children, should be extended to cover all poor families with children.
- Free and universal health care coverage need to be promoted in the OIC countries. In many member countries, health care is already provided free to those under 5 and to pregnant and lactating women. Children enrolled in school are also entitled to have free access to health care in public facilities. However, this policy is not consistently applied.

Programs that have received primary attention and investment from the government and international development partners in recent years may include education and youth employment programs. Furthermore, these interventions and policies should be linked to the education policy in order to meet skill gaps and employment demands in local labor markets.

#### **Efforts under the COMCEC**

#### • Seventh Meeting of the Poverty Alleviation Working Group

Given the importance of social protection as a core component of the national development policy, and since covering vulnerable groups is a challenge for social protection programs, the 7<sup>th</sup> Meeting of the COMCEC Poverty Alleviation Working Group was held on 11 February, 2016 with the theme of "Accessibility of Vulnerable Groups to Social Protection Programmes in the OIC Member Countries". During the Meeting, the analytical study entitled "Accessibility of Vulnerable Groups to Social Protection Programmes in the OIC Member Countries" and "COMCEC Poverty Outlook 2015" were considered by the representatives of the member countries. Discussions during the Meeting were also enriched by presentations of the member states, international organizations and NGOs.

The Meeting came up with the following policy recommendations:

- 1. Promoting formalization in the labor market through creating a regulatory environment for facilitating the transition of informal businesses to the formal sector, and increasing the productivity of informally employed and long-term unemployed people via training and skill-development programs and credit and business development services.
- 2. Promoting free and universal health care coverage for vulnerable groups.
- 3. Developing specific social safety net programs to improve the access of vulnerable children to health and education services to prevent intergenerational transmission of poverty.
- 4. Designing specific social safety net programs to offer a minimum regular income to people who cannot work (disabled, poor female-headed households, elderly without a pension), as well as developing social safety net programs (including activation programs) for people who can work.

The Proceedings of the Meetings and the presentations made during the Meetings are available on the COMCEC web page (<u>www.comcec.org</u>).

The Eighth Meeting of the Poverty Alleviation Working Group will be held on 3 November 2016 in Ankara, Turkey with the theme of "Forced Migration in the OIC Member Countries: The Policy Framework Adopted by Host Countries".

#### • COMCEC Project Funding (PCM)

Member Countries having registered to the Poverty Alleviation Working Group and the OIC Institutions working in the economic domain can propose multilateral cooperation projects within the framework of the COMCEC Project Funding, which is another important implementation instrument of the Strategy.

Within the framework of the second project call, four projects proposed by Cameroon, Iran, Suriname and SESRIC have been implemented successfully. Project titles and brief information about the projects implemented in 2015 are as follows;

Cameroon's project is titled "Building Productivity Capacities of Agriculture Small Scale Producers of the Coffee and Cocoa within Cameroon, Nigeria and Benin through the Improvement of Phytosanitary Practices". The aim of the project is to identify the best practices for reducing poverty within CBR programs, creating database, raising awareness for policy makers in the COMCEC Member Countries and enhancing the understanding of CBR's managers and workers regarding CBR activities toward alleviating poverty.

- Iran's project is titled "The Role of Community-Based Rehabilitation (CBR) in Poverty Reduction: A Comparative Study among Iran, Malaysia, and Indonesia". The purpose of the project is to identify the best practices for reducing poverty within CBR programs, creating database, raising awareness for policy makers in the COMCEC Member Countries, enhancing the understanding of CBR managers and workers regarding CBR activities of alleviating poverty.
- Suriname's project is entitled "Design and Implementation of the Management Information System for SSN's in COMCEC Member States". The partner countries are Guyana and Turkey. The aim of the project is to build capacity to design a Management Information System for the Social Security Net Programs of the governments of Suriname and Guyana in collaboration with Turkey.
- SESRIC's project is titled "Improving Statistical Capacities of OIC Member Countries in Poverty Statistics". The objective of the project is to conduct a series of short-term capacity building and training programmes in poverty statistics.

Moreover, under the third Project Call made in September 2015, the following project proposed by Indonesia will be implemented in 2016.

Developing Local Initiatives for Poverty Alleviation through Community-Based Sustainable Livelihood in OIC Member Countries

#### • Other Ongoing Programs for Alleviating Poverty under the COMCEC

Other ongoing programs for alleviating poverty under the COMCEC are: Islamic Solidarity Fund for Development - ISFD (within the Islamic Development Bank), Special Program for the Development of Africa - SPDA (within the Islamic Development Bank), OIC Vocational Education and Training Programme - OIC-VET (Within SESRIC) and OIC Cotton Program.

- The Islamic Solidarity Fund for Development (ISFD) is a special fund established in line with the relevant resolution of the 3rd Extraordinary Islamic Summit within the Islamic Development Bank (IDB) in 2007. It was initiated with the purpose of alleviating poverty through enhancing the productive capacity of the poor, reducing illiteracy and eradicating diseases and epidemics, particularly Malaria, Tuberculosis (TB) and HIV/AIDS, in the Member Countries. The targeted budget of the Fund is USD10 billion. The Fund was established in the form of a Waqf, meaning that the activities and projects under the ISFD can only be financed from the revenues obtained from its capital resources. The total amount of received contributions so far is US\$ 2.42 billion of which US\$ 850 million was paid by the IDB and US\$ 1.57 billion by Member States. By 2015, two Micro Finance projects in Kyrgyzstan (USD 1.7 million) and one Community Driven Development Project in Indonesia (USD 7 million) had already been completed. Additionally, 65 projects are currently active under the ISFD portfolio. The total cost of these projects is estimated at USD 97.33 million.

- The Special Program for the Development of Africa (SPDA) is another program developed in line with the relevant decision of the 3<sup>rd</sup> Extraordinary Islamic Summit to alleviate poverty in the Member States in Africa. The program was initiated in 2008; the main objectives of the SPDA

are to contribute effectively to the fight against poverty, the emergence of sustainable economic growth and the reinforcement of regional integration. The target capital of the SPDA is USD 12 billion. As of January 2016, the amount of total disbursements is US\$ 1,618 million representing 43 percent of total approvals of US\$ 3,798 million. And 67 projects have been implemented under the SPDA.

- The Vocational Education and Training Program for the OIC Member Countries (OIC-VET) was initiated by SESRIC in 2009. The main aim of the Programme is to improve the quality of vocational education and training in the public and private sectors and to enhance opportunities for people in the Member Countries. Capacity building programmes have been initiated in 22 different social and economic programmes with many sub-themes within the framework of OIC-VET.

- Within the framework of the OIC cotton initiative, the OIC Five-Year Cotton Action Plan (2007-2011) was prepared and endorsed by the 22<sup>nd</sup> Session of the COMCEC, with the aim of enhancing trade, investment and technology transfer in/among cotton producing Member States, particularly in Africa. The Action Plan has been extended for a further five years (2012-2016). So far, eight projects have been approved to be financed by the IDB. Four of the projects were implemented and Cameroon's three projects are being implemented. The total budget of these projects accounted for approximately USD 17 million. As for the remaining 19 projects submitted to the IDB, in line with decision of the 5<sup>th</sup> Project Committee, SESRIC combined 14 projects into a single technical assistance and capacity building project and submitted it to the IDB for financing. For the five investment projects the Committee requested the OIC General Secretariat and IDB to jointly review them and submit their observations to the project owners.

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