



COMCEC

CCO BRIEF ON POVERTY ALLEVIATION

COMCEC COORDINATION OFFICE

June 2021

CCO BRIEF ON POVERTY ALLEVIATION

I. Introduction

Poverty alleviation is an important component of economic and social development. Although most of the developing countries have experienced significant progress in poverty alleviation in the last decades, poverty levels are still high in many countries. Especially, the countries in Sub-Saharan Africa and Asia account for nearly half of the total poor living in developing countries. Twenty-one of the forty-six countries on the list of least developed countries are members of the OIC and poverty is a very serious problem in these countries.

The recent COVID-19 outbreak has disrupted economies and worsened the state of poverty globally. Paralyzing daily life in many aspects the outbreak has devastating impacts on the global economy resulting in recession and downsizing. Most of the companies have difficulties to carry on their activities and a high number of people have lost their jobs. The situation of the poor is much more fragile. Due to the stagnation of business in the agriculture sector as a result of measures like travel restrictions, curfews, quarantines, etc. food products become unaffordable for the poor. Therefore, the epidemic is expected to worsen the poverty numbers worldwide in the coming period. Estimates suggest that the epidemic is likely to cause the first increase in global poverty since 1998 with around 120 million additional poor globally %60 of which living in South Asia.¹

Due to rapid spread of Covid-19 along with high hospitalization and mortality rates, most countries adopted several measures including but are not limited to international travel controls, school and workplace closures, restrictions on gatherings and public events, public transport restrictions, internal movement constraints etc.

The extreme measures taken to contain the spread of coronavirus outbreak, which are of course necessary to prevent or slower down the contagion of the virus, had significant adverse effects on both supply and demand of goods and services, resulting in a sharp increase in unemployment claims and a large decline in global economic activity. The Covid-19 pandemic has led to the deepest economic crisis since the 1929 Great Depression, and it has disproportionately hit the most vulnerable groups.

There are many sectors that are seriously adversely affected by the epidemic, from industrial production to education and agriculture, especially the health system, transportation sector and tourism. All these unforeseen economic difficulties also strain the budgets of the states and make it difficult to deliver the necessary aid to the poor and those who lost their jobs, or to the tradesmen and SMEs with decreasing trade volume.

II. Poverty Alleviation Efforts under the COMCEC

Eradicating extreme poverty and hunger in the member countries is the strategic objective of the COMCEC Strategy in the field of poverty alleviation. Considering the devastating influences of the COVID-19 leading terrifying increase in the number of poor globally, the COMCEC Poverty Alleviation Working Group devoted its two meetings in 2021 to discuss about the socio-economic impacts of the pandemic.

¹ <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-looking-back-2020-and-outlook-2021>

Within this framework, since the 36th COMCEC Session the COMCEC Poverty Alleviation Working Group held its 16th Meeting focusing on the socio-economic impacts of the COVID-19 outbreak.

A. Covid-19 and its Adverse Effects on Socio-economic Inequalities in the OIC Member Countries

(16th Meeting of the Poverty Alleviation Working Group)

The 16th Meeting of COMCEC Poverty Alleviation Working Group was held virtually on May 24th, 2021, with the theme of “Covid-19 and its Adverse Effects on Socio-economic Inequalities in the OIC Member Countries”.

A research report with the same theme is being prepared for two consecutive COMCEC PAWG meetings (16th and 17th). While the first draft version of the report was submitted to the 16th TCWG meeting, the final version of the report will be submitted to the 17th TCWG meeting, to be held in October 2021. The main objective of the study is to review the global trends in COVID-19 and main challenges for the member countries, highlight the main data gaps and related statistical issues, evaluate the existing policies, and finally come up with some important recommendations.

In the draft report it is highlighted that the nature of shocks hitting the developing countries during the pandemic has some specific features that lead to accumulation of socio-economic risks along various dimensions. Those risks are also highly relevant for most OIC countries. Projected and estimated income/output losses are substantial for economies that extensively draw on exports of commodities, tourism revenues, remittances, and also for the ones with limited fiscal capacities. Moreover, the expected recovery after the sharp initial losses is projected to leave permanent damages on the socio-economic status of disadvantaged groups—such as low-skilled workers, women, and youth. These asymmetric effects have been harmful especially for poverty, gender equality, education, social protection, refugees/IDPs, slum dwellers, labor market outcomes, remittances, international trade, commodity prices, food insecurity, and tourism dimensions in the OIC economies.

The report is available on the COMCEC website. (www.comcec.org)

B. COMCEC Project Funding

COMCEC Project Funding (CPF) is the other important instrument of the COMCEC Strategy. Projects financed under the CPF need to serve multilateral cooperation and must be designed in accordance with the objectives and the expected outcomes defined by the Strategy in its poverty alleviation section. Projects also play important roles in realization of the policy recommendations formulated by the member countries during the TCWG meetings.

Under the 7th Call for Project Proposals, 3 projects were selected to be financed by the CCO in 2020. These projects, however, are yet to be completed due to delays arising from international travel restrictions imposed by the COVID 19 pandemic. Hence, these projects are expected to be finalized in 2021.

Benin’s project, titled “TVET Piloting in the Selected OIC Countries”, aims at ensuring better institutional governance and efficient management of TVET institutions in line with system development strategy, with the partnership of the Gambia, Niger and Turkey. In the project, a study visit is planned to the Gambia to learn the skills thought in the Gambian TVET institutions and to observe the relationship between the industrial requirements and job-oriented curriculum. A training is also planned for learning the strategies, governance models and implementation processes of TVET system in the partner countries.

The Gambia’s “Infusing Entrepreneurship Education in School Curricula” project aims at integrating the entrepreneurship and skill development into education curriculum along with providing alternative teaching products to students to increase their productivity. The project partners are Sierra Leone and Nigeria. The project activities are a workshop for drafting of the teaching and learning materials for the school curriculum and preparation of promotional teaching materials on entrepreneurship and skill development to distribute to the targeted regions of the Gambia.

Turkey’s project “Strengthening Health Human Capacity and Creating Intervention Task Force” aims at strengthening the human workforce capacity for the partner countries, Sudan, Somalia, and Niger. The project activity is a training on health emergencies for establishing a common implementation methodology for the partner countries.
