



COMCEC

# CCO BRIEF ON POVERTY ALLEVIATION

COMCEC COORDINATION OFFICE

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## I. Introduction

Since the early 1990s, the global community has made substantial progress in reducing extreme poverty, with over one billion people escaping poverty during this period. The global extreme poverty rate declined sharply from around 36 percent in 1990 to approximately 9-10 percent by the mid-2010s, largely driven by sustained economic growth in regions such as East Asia, the Pacific, and parts of South Asia. This era represented a significant milestone in development, as rising incomes were accompanied by broader improvements in living standards and access to opportunities.

Despite the achievements, the momentum of poverty reduction has weakened in recent years. A combination of structural and emerging challenges - including the lingering impacts of the COVID-19 pandemic, persistent inflationary pressures, rising public debt, geopolitical tensions, and increasing climate-related vulnerabilities - has hindered further progress. As of 2025, it is estimated that roughly 8-9 percent of the global population, corresponding to around 680-700 million people, continue to live in extreme poverty, surviving on less than \$3.00 per day. Although this indicates a slight improvement compared to previous years, it also underscores the fragility and uneven nature of recent gains.

Furthermore, progress in poverty reduction has been highly uneven across regions. In particular, sub-Saharan Africa continues to bear a disproportionate burden, with persistently high poverty rates and limited progress over the past decades. Even in regions where poverty levels have declined, rising income inequality remains a critical concern. Economic growth has not always been translated into inclusive and equitable development, and disparities in income and opportunity continue to widen. Therefore, while the reduction in extreme poverty is noteworthy, ongoing challenges such as inequality, regional disparities, and the long-term socio-economic effects of recent global crises highlight that poverty eradication remains an incomplete and pressing global agenda.

Given that twenty-one out of the forty-four countries included in the Least Developed Countries list are OIC member countries, it is evident that poverty is a significant challenge for the OIC. Therefore, the COMCEC Strategy identified poverty alleviation as one of the cooperation areas and Poverty Alleviation Working Group (PAWG) was established with the strategic objective of “eradicating extreme poverty and hunger in the member countries.”

## II. Poverty Alleviation Efforts under the COMCEC

### A. 26<sup>th</sup> and 27<sup>th</sup> Meetings of the Poverty Alleviation Working Group: *“Preventing the Skill Mismatch in the Labour Markets of the OIC Member Countries”*

Addressing skill mismatch remains a critical challenge in many developing countries, particularly in the context of rapidly evolving labour markets. Structural changes driven by technological advancements, digitalization, demographic pressures, and shifting economic demands have widened the gap between the skills possessed by the workforce and those required by employers. In many cases, education and training systems are not sufficiently aligned with labour market needs, resulting in unemployment, underemployment, and reduced productivity, especially among youth populations.

Effectively preventing skill mismatch requires comprehensive and forward-looking policy responses that go beyond traditional education frameworks. Integrated strategies should focus on strengthening the alignment between education systems and labour market demands, enhancing technical and vocational education and training (TVET), promoting lifelong learning, and improving labour market information systems. In this regard, targeted public investments, strong private sector engagement, and multi-stakeholder cooperation are essential to ensure that skills development systems remain responsive, inclusive, and adaptable. Policies should also be aligned with national development priorities and economic transformation strategies to support sustainable and inclusive growth.

Due to the importance of the subject, the Poverty Alleviation Working Group has dedicated its Meetings in 2026 to the issue of skill mismatch. In this respect, The 26<sup>th</sup> Meeting of the COMCEC Poverty Alleviation Working Group was held virtually on April 21<sup>st</sup>, 2026, with the theme “Preventing the Skill Mismatch in the Labour Markets of the OIC Member Countries.”

In line with this focus, a research study on the same theme is being prepared for two consecutive COMCEC PAWG meetings (26<sup>th</sup> and 27<sup>th</sup>). While the draft version of the report was submitted to the 26<sup>th</sup> PAWG meeting, the final version will be submitted to the 27<sup>th</sup> PAWG meeting.

The draft research report currently includes introduction and methodology and one case country chapter. The final report will cover six case studies - Nigeria, Malaysia, Pakistan, Saudi Arabia, Türkiye and Germany - supported by field visits to relevant government agencies and NGOs.

Within this framework, the 26<sup>th</sup> Meeting of the Working Group elaborated on the issue and considered the main findings of the draft research report. Participants shared their experiences and perspectives on addressing skill mismatch in labour markets, with a focus on policies, institutional frameworks, and practical approaches to better align skills supply and labour market needs.

The 27<sup>th</sup> Meeting of the Working Group will be held on 16-17 September 2026 and will consider the final research report. The report will provide a comprehensive analysis of skill mismatch in the labour markets of the OIC Member Countries and present policy implications to address the issue. The participants are also expected to discuss the Policy Recommendations to be submitted to the 42<sup>nd</sup> COMCEC Ministerial Session. The research report and the Policy Recommendations document will be available on the COMCEC website ([www.comcec.org](http://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 serve cooperation among member countries and are designed in accordance with the objectives and the expected outcomes defined by the Strategy in the poverty alleviation section. Projects also play important roles in realization of the policy recommendations formulated by the member countries during the Poverty Alleviation Working Group meetings.

In 2026, four projects have been selected for implementation in the area of poverty alleviation, as follows:

The Project titled “Foresight Skills Lab (FSL): Bridging Today’s Skills with Tomorrow’s Jobs” will be implemented by Pakistan with the partnership of Malaysia and OICLC. The project is

designed with the purpose of equipping policymakers and TVET planners with forecasting tools, and pilot forecasts that inform curricula, training programs and employment policies to meet the future demands of the labour market.

The Project titled “Mobilizing Capital for Affordable Housing: A Masterclass on REITs, REIFs and Housing Sukuk” will be implemented by Nigeria in the partnership with Türkiye and Malaysia. The purpose of the project is to equip capital market and housing sector professionals with the technical expertise to structure, launch, and manage real estate investment trusts, real estate investment funds, and sukuk bonds specifically designed to finance affordable housing in Nigeria.

The Project titled “Closing the Gap: Strengthen Industry Driven TVET through Strategic Partnership to Boost Employment in OIC Countries” will be implemented by Malaysia with the partnership of Iraq, Jordan, Gambia, Nigeria, Pakistan and SESRIC. The project aims at strengthening TVET systems in OIC member countries by leveraging Malaysia’s expertise to address skill mismatches, enhance workforce readiness, and improve labour market integration.

The project on “Experience Sharing on Islamic Financial Instruments for the Provision of Social Housing” will be implemented by SESRIC for the benefit of 3 Member Countries. The project aims at strengthening institutional and human capacity for pro-poor housing by integrating Islamic financial interventions into housing policy, planning, and delivery.

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