



FOR DEBATE AND GUIDANCE

FIFTH ITEM ON THE AGENDA

Enhanced programme of technical cooperation for the occupied Arab territories**Background**

1. This paper reports on progress made and plans for follow-up to the programme of technical cooperation in the occupied Arab territories. It covers the ILO programme of work from the last update in November 2008, which was implemented in collaboration with the Ministry of Labour of the Palestinian Authority, the Palestine General Federation of Trade Unions (PGFTU), and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA). This report highlights ILO interventions to address the situation of workers in the occupied Arab territories, with special attention to progress made in Gaza.
2. Work was undertaken in an environment characterized by a dismal human, economic and social situation, overshadowed by stalled peace negotiations. While the situation of workers in the West Bank appears to have benefited from a slight improvement in security and economic activity, the situation in Gaza has all the ingredients of a humanitarian catastrophe. The population continues to be sealed off from the rest of the world and lives on international assistance, with 85 per cent of the population dependent on external aid.
3. Movement of people and goods in and between the West Bank and Gaza remains heavily constrained by a pervasive system of multi-layered restrictions. These restrictions separate Palestinian communities and impede access to land, enterprises and places of work, as well as basic social services, while increasing Palestinian dependency on aid in the context of deteriorating socio-economic conditions. The overall situation is marked by destroyed livelihoods, continued high unemployment, low-productivity employment, persistent poverty, and uncertain future prospects.

Progress in programme implementation

4. The “Palestinian Employment Programme” was officially launched at a high-level ceremony with the tripartite constituents and national development actors of the occupied Palestinian territory in the last quarter of 2008. The programme was developed to address the rising employment challenges identified in the Palestinian Reform and Development Plan (2008–11), and targets three principal objectives: strengthening labour market governance and rights; improving employability through skills and local economic development; and strengthening entrepreneurship and productivity for private sector

growth. During the period under review, activities were implemented in a highly volatile environment marked by the humanitarian repercussions of the military offensive on Gaza, the absence of a national unity government, changing leadership of the Ministry of Labour, and ongoing national reforms placing employment at the forefront of the national agenda.

5. Within this changing context, the ILO, through its Regional Office for the Arab States, secured additional financial and human resources to support the programme and respond to the increasing demands of constituents. More than US\$2 million were mobilized from extra-budgetary and regular budget resources, including the gender window of the UNDP/Spain Millennium Development Goals Achievement Fund, the UNDP Programme of Assistance to the Palestinian People, the Swedish International Development Cooperation Agency, and the regular budget for technical cooperation (RBTC) reserve. In addition to the presence of a representative, a programme officer, and support staff, the ILO Office in Jerusalem is being strengthened through two additional positions to be filled in the next quarter: a chief technical adviser on employment and labour market issues, and an associate expert, who will provide programming support to the expanding technical cooperation programme.

Review of progress and achievements by programme objective

Strengthening labour market governance and rights

6. Within the context of ongoing reforms and to promote the centrality of employment within the Palestinian Authority's policy-making and planning process, the ILO provided technical advice to the Ministry of Labour to enable it to better respond to the adverse effects of the economic and political crisis. The assistance focused on strengthening the Ministry's capacity for effective service delivery through the improved availability of labour market information and job intermediation services, and employment coordination at the national level.
7. In response to the Palestinian Council of Ministers' decision to develop a multi-sectoral National Palestinian Plan (2011–13), the ILO is supporting the Ministry of Labour to take the lead in the formulation of a national employment strategy. The results of the strategy will feed into the overall National Palestinian Plan, including the eventual establishment of a national employment agency and the revitalization of the Palestinian Fund for Employment and Social Protection. The programme has also contributed towards improved access to labour market information, and training and microfinance opportunities through the development and dissemination of a reference guide on employment support services. Moreover, ILO tools and guidelines adapted to the local context have been used during the gender audit training of trainers' sessions, the results of which should inform relevant institutions and policy-makers on gender mainstreaming in the world of work.

Enabling employability through skills upgrading and local economic development

8. In partnership with relevant development actors in the occupied Palestinian territory, the ILO is supporting ongoing reforms of the Technical Vocational Education and Training System. It provides technical assistance to the Ministry of Labour, the social partners, and other national stakeholders to design a national framework for skills and employability development. The findings and recommendations of the ILO-led mapping and capacity gap analysis of vocational education and training institutions will inform national policy on the

promotion of employability and skills development in the occupied Palestinian territory. The ILO is also taking the necessary steps for the procurement of equipment and provision of initial training to the staff of the Sheikha Fatima Bent Mubarak Vocational Training Centre for Disabled People in Hebron.

9. In the absence of a United Nations Development Assistance Framework in the occupied Palestinian territory, the UN country team developed a Medium-term Recovery Plan primarily focusing on food security, employment, livelihoods, and local economic development. The ILO is taking the lead in the development of an inter-agency local economic development programme, aimed at strengthening the economic and planning capacities of local institutions to identify, design and implement projects at the community level.

Strengthening entrepreneurship culture for private sector growth through the development of competitive cooperatives and micro-, small and medium-sized enterprises

10. This outcome addresses the difficulties facing the growth of the private sector and takes into account the rising number of Palestinians working in the informal economy. The ILO has led a number of interventions during the period under review, including an assessment of the Palestinian cooperatives sector and technical support for the finalization of a unified cooperative law. A national cooperative strategy is currently under development and will address the key elements of the law, including identifying policy measures to ensure the participation of women in selected rural cooperatives.
11. In view of the considerable economic and movement restrictions facing Palestinian businesses and workers and the relatively high enrolment rates in educational and training institutions, the Government is taking measures to stimulate micro- and small enterprises. Under the authority of the Prime Minister, the ILO is providing technical assistance to the Palestinian Authority for the development of an integrated and coherent national policy to promote small and medium-sized enterprise development. The process follows a multi-sectoral approach involving the active participation of key governmental institutions and national actors and is expected to be completed in December 2009. This intervention is complemented by ILO assistance targeting the Ministries of Labour and Higher Education to promote entrepreneurship among young women and men. The “Know About Business” package is currently being rolled out within vocational and secondary schools in the West Bank and Gaza. This initiative was supplemented by the training of trainers’ programme, GET Ahead for Women in Enterprise, based on similar interventions undertaken in other countries of the region.
12. To further support the development of a sustainable and inclusive private sector in the occupied Palestinian territory, the ILO is partnering with the Swedish International Development Cooperation Agency to develop the capacities of the FPCCIA to become a stronger advocate of employers’ organizations and a more efficient private sector representative in the occupied Palestinian territory. The initial phase targets the formulation for the Federation and its member chambers of a capacity development and growth strategy that can be implemented with the Palestinian business community.

ILO interventions in Gaza

13. With the participation of the ILO, the UN developed the Palestinian National Early Recovery and Reconstruction Plan for Gaza 2009–10, based on an Early Recovery Rapid

Needs Assessment. A total of US\$4.48 billion were pledged in support to Gaza at the International Conference in Support of the Palestinian Economy for the Reconstruction of Gaza in March 2009. A UN trust fund is being established to finance development reconstruction and rehabilitation projects.

14. With initial seed funding from the RBTC reserve (US\$390,000), the ILO undertook a series of needs assessment missions and is currently implementing quick-impact interventions in Gaza, in partnership with the United Nations Relief and Works Agency for Palestine Refugees in the Near East, UN Human Settlements Programme, and the Cooperative Housing Foundation (CHF International). Taking into consideration the continued tight closure on Gaza and the ban on the import of construction materials, spare parts and other industrial goods, ILO interventions are focusing on upgrading the skills of local workers in the construction sector using alternative technologies. The initiative entails building shelters by employing compressed earth blocks, without the use of cement or other standard materials. This will address the urgent housing needs in Gaza, promote the creation of skilled and semi-skilled jobs, and the use of locally produced materials, with a specific focus on green construction. Moreover, in coordination with the Gaza union of contractors and local trade unions, the ILO is developing a database of qualified construction companies, skilled trades people and workers to serve as potential service providers to the main construction actors.
15. The ILO is also supporting the Sharek Youth Forum in Gaza by enhancing the gathering and sharing of knowledge and information between national and international stakeholders on youth economic empowerment. The results of these short-term interventions are being translated into technical cooperation projects to be implemented once the ban on Gaza has been lifted and the UN trust fund operationalized.

Social dialogue

16. To support policy initiatives implemented within the framework of the Palestinian Employment Programme, the ILO is assisting constituents to encourage tripartism and social dialogue at the national level. It organized a roundtable discussion as a side event to the Arab Employment Forum (Beirut, Lebanon, October 2009) to revitalize the national tripartite committee, benefiting from regional and international best practices. The committee will ensure effective and transparent governance of the labour market through social dialogue. Recognizing that the commitment of strong and representative workers' and employers' organizations is of quintessential importance to support this initiative, the ILO is implementing capacity-building programmes for the social partners. The ILO is also supporting the establishment and operationalization of a legal clinic at the PGFTU to provide legal advice and services to Palestinian workers employed in Israel. This initiative supports reinforced coordination in this area of work between the PGFTU and the Histadrut.

Expanding the decent work response

17. In line with the conclusions and recommendations of the Director-General's Report on the situation of Arab workers in the occupied Arab territories,¹ as well as with the principles of the 2008 ILO Declaration on Social Justice for a Fair Globalization, the ILO is expanding the nature of its interventions beyond emergency employment and job creation.

¹ ILO: *The situation of workers of the occupied Arab territories*, Report of the Director-General, Appendix, International Labour Conference, 98th Session, Geneva, June 2009.

A mapping of the social security situation of the Palestinian population is currently being conducted. It covers the West Bank and Gaza (including the refugee population in the occupied Palestinian territory) and includes the social security rights of Palestinian workers currently or formerly employed in Israel. The results of the assessment will provide policy recommendations to the Government, based on which a technical assistance programme targeting priority areas (such as financial sustainability, legal rights, equity, coverage) will be developed. The ILO is also supporting national efforts to promote occupational safety and health in the occupied Palestinian territory through the provision of technical advice to government counterparts and training opportunities on occupational safety and health management in the construction sector.

Next steps

18. The main achievements and progress made to address the difficult human, economic and social situation facing Palestinian workers will form the basis for a national decent work strategy for the occupied Palestinian territory, to be developed during 2010.
19. The Governing Body is invited to take note of these developments and the proposed ILO response through the enhanced programme of technical cooperation, and to provide guidance on further steps for its implementation.

Geneva, 13 October 2009.

Submitted for debate and guidance.