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SEVENTH ITEM ON THE AGENDA

Enhanced programme of technical cooperation for the occupied Arab territories

Purpose of the document

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.

Relevant strategic objective: Not applicable.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

Author unit: Regional Office for the Arab States.

Related documents: ILO: *The situation of workers of the occupied Arab territories: Appendix*, Report of the Director-General, International Labour Conference, 101st Session, Geneva, 2012.

Background

1. This paper reports on progress made and planned ILO interventions within the context of the programme of technical cooperation in the occupied Arab territories. It covers the ILO's programme of work from the last update in November 2011, implemented in collaboration with the Ministry of Labour (MOL) of the Palestinian Authority, the Palestine General Federation of Trade Unions (PGFTU), and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA). The report highlights key ILO action, addressing the situation of workers and taking into account the severe social, economic and fiscal challenges and national responses as outlined in the National Development Plan for 2011–13.
2. The daily lives of Palestinian men and women seeking to earn a living for themselves and their families remain profoundly affected by the occupation. Acute poverty, unemployment and precarious work remain the reality for a growing number of Palestinian men and women. Most critically, the Palestinian economy and labour market are unable to generate enough jobs for the growing and increasingly young Palestinian labour force, exacerbated by an estimated 45,000 new entrants to the labour market annually. The period under review has seen a slight increase in economic growth that is primarily attributed to governance reforms, the strengthening of public institutions, the easing of prohibitions by Israel on imports of consumer goods and inputs for some infrastructure projects led by international organizations in Gaza. As a result of the global economic slowdown and declining donor support, the Palestinian Authority is now facing a deep financial crisis with an urgent need for additional funding from the international community.
3. In the midst of continued political uncertainty marked by economic fragility, the Palestinian socio-economic situation recorded an acceleration of economic growth in 2011 – estimated at 10.7 per cent. Growth was unevenly distributed between Gaza and the West Bank, with a registered decreased growth rate of 5.7 per cent in the West Bank and an increase of 26.6 per cent in Gaza. Whilst this growth is far from indicative of a healthier economy, it may be attributed to a boom in construction activity in Gaza, combined with an increase in building materials allowed in through Israel. The economy continues to be dominated by the services sector, while the productive sectors of manufacturing and agriculture contribute to less than one fifth of overall GDP – a situation which is aggravated by the plethora of restrictions on movement and access within and between the West Bank and Gaza. The employment and labour market situation in 2011 demonstrated an improvement over 2010, which still remains poor by international standards. Unemployment in the West Bank and Gaza fell from 23.7 per cent in 2010 to 21 per cent in 2011. Total employment grew by 12.5 per cent in 2011, with the addition of 50,000 jobs in Gaza and approximately 39,000 in the West Bank. Whilst the labour force participation rate increased by 4.4 per cent in 2011, it remains extremely low (42.9 per cent) due to the staggeringly low rate of participation of women.

Overall progress in programme implementation

4. The work carried out by the ILO in the Occupied Palestinian Territory continues to contribute to the priorities outlined in the National Development Plan, by supporting state-building efforts and the accelerated socio-economic development needed to secure a safe, stable and prosperous future for the Palestinian people. The Plan focuses on enabling private sector growth and job creation, modernizing and developing the Palestinian educational system to support a knowledge-based economy, as well as investing in the national infrastructure to ensure the rapid implementation of social and economic development initiatives. The ILO's work primarily relates to: the modernization and

streamlining of public administration and labour market governance; the development of new higher education curricula; promoting the full participation of women and their economic empowerment; encouraging youth employment and self-employment; supporting the establishment of a conducive business environment, the integration and reform of social safety nets and the implementation of a social protection strategy; and revitalizing the Palestinian Fund for Employment and Social Protection.

5. The ILO is currently implementing a technical cooperation programme, with an overall portfolio which stands at US\$4.3 million, benefiting from funding from Kuwait, the UNDP/Spain MDG Achievement Fund, the Swiss Agency for Development and Cooperation (SDC), the Welfare Association and the ILO. This has allowed the Office to support an ILO presence in both the West Bank and in Gaza, including a representative, a programme officer, national project officers and support staff.
6. The overarching Decent Work Strategy Framework for the Occupied Palestinian Territory is currently being finalized, taking into account the recommendations of the representatives of the Palestinian Authority and the employers' and workers' organizations during the consultation workshop held for that purpose in July 2012. The Strategy supports ongoing development efforts to sustain social cohesion, justice and equality through a more integrated and coherent approach. It also contributes to the National Development Plan and the United Nations Development Assistance Framework for 2013–17, which is being developed for the first time in the Occupied Palestinian Territory. The Strategy principally: (i) promotes labour rights and improved labour market governance; (ii) supports an economic environment conducive to greater access to employment and livelihood opportunities; and (iii) supports the development of a comprehensive social security system.

Review of progress and achievements in key areas of work

Promoting labour rights and improved labour market governance

7. In line with the 2010 Turin Declaration and on the basis of institutional assessments undertaken by the ILO, ongoing work has focused on strengthening existing tripartite mechanisms in the Occupied Palestinian Territory and raising awareness among the representatives of the Palestinian Authority and the employers' and workers' organizations about the fundamental principles governing tripartism and social dialogue – given the importance of the latter for sound social and economic policy-making in the Palestinian context. This has included supporting the enhanced functioning of the National Tripartite Committee for Labour Affairs, with a fully equipped secretariat, in partnership with the social partners and in coordination with relevant ministries. During the period under review, a comprehensive capacity-building programme targeting workers' and employers' organizations was implemented to support their active engagement to advance and sustain social dialogue mechanisms in the Occupied Palestinian Territory. In the coming period, the ILO will continue to support social dialogue in the Occupied Palestinian Territory – building on the achievements and lessons learnt from previous interventions while addressing the evolving priorities of the Palestinian Authority and the employers' and workers' organizations. In parallel, the ILO will support a comprehensive review of labour legislation and continue to advocate for sound industrial relations and strong, independent and representative social partners. Finally, it will further strengthen the capacity of the MOL so that it might act as an intermediary in the prevention and settlement of labour disputes.

8. To support the reinforced coordination between the PGFTU and the Histadrut, the ILO continued to provide technical and financial assistance to the legal clinic of the PGFTU, tasked with taking the necessary action for settling the claims of Palestinian workers employed in Israel, with a recorded 138 cases reviewed during the period under review. This intervention is also being supplemented with ILO technical support for the implementation of the PGFTU strategy and action plan (2012–15). Moreover, building on the capacity-building programme carried out and the strategic planning workshop organized for the FPCCIA in March 2012, the ILO will continue helping employers' organizations strengthen their capacities for policy development, social and policy dialogue, and advocacy in a number of thematic areas, as well as consolidating relations between the Federation and the Chambers.

Supporting an economic environment conducive to greater access to employment and livelihood opportunities

9. Following the signing of the Grant Agreement between the ILO and the Palestinian Fund for Employment and Social Protection, the ILO extended technical and financial support during the period under review for the revitalization of the Fund: the physical infrastructure was set up, a core team appointed and three emergency job-creation programmes were piloted (i.e. “supporting the self-employment of workers as a viable alternative to previous jobs in settlements”; “supporting former settlement workers to establish small businesses that are expected to employ between one and four other former settlement workers”; and “employment of young unemployed graduates through job insertion in selected enterprises of the private sector”). A capacity-building programme targeting the Fund's core team was implemented with the support of the ILO International Training Centre to enable its members to better manage, monitor and report to the Board of Directors on the results achieved. In the upcoming period, and given the resources raised by the Government of the Palestinian Authority to ensure the sustainability of the infrastructure that is already in place, ILO support will be provided for the implementation of additional employment-generation projects with a view to working towards an expanded and long-term operation.
10. Given the success of the pilot project in the Occupied Palestinian Territory in promoting an entrepreneurship culture and self-employment for youth, and acting upon the recommendation of the Ministries of Labour, Education and Higher Education of the Palestinian Authority, the ILO has now embarked upon a nationalization process, integrating the Know About Business (KAB) training package within the modernized national curricula. Upon the rollout of the KAB training package to relevant educational institutions, the ILO will be instrumental in establishing relevant linkages with the private sector and supporting access to financial and non-financial business development services with a view to supporting the school-to-work transition process.
11. The ILO continued the implementation of the skills development project in the construction sector in Gaza, financed by the SDC, showcasing the benefits resulting from the strategic partnership between the ILO and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). To support the consolidation of the competency-based training programme undertaken in the final quarter of 2011, the ILO continued to provide technical assistance to ensure the quality of the training provided through regular monitoring, training and coaching. Based on the lessons learnt from this intervention, the ILO is finalizing the vocational curricula through an inclusive validation process that will pave the way for the recognition of these standards as part of the National Qualifications Framework and the development of a national certification system for qualified instructors. In the upcoming phase, the ILO is considering a review of the

National Technical and Vocational Education and Training (TVET) Strategy, with an analysis of its implications for skills development in Gaza, exploring potential partnerships with employment services providers, and helping the MOL put in place an assessment and certification process for retrenched construction workers. The ILO was also instrumental in supporting national reconstruction efforts that are grounded in sustainable and green construction methods to promote increased efficiency, the re-use and recycling of raw materials, energy and water, and the reduction of waste and pollution.

12. The MDG Achievement Fund (MDG-F) Joint Programme on Gender Equality and Women's Empowerment has promoted women's employment opportunities in the Occupied Palestinian Territory, targeting low-income women and young women graduates – including those in refugee camps. The programme was effective in making significant progress towards the gender sensitization of the tripartite partners; increasing the influence of gender advocates and workers' and employers' organizations in decision-making and planning; building the capacities of business development service providers to better mainstream and upstream gender equality considerations for women entrepreneurs; supporting cooperatives to better service low-income women through the provision and management of an integrated grant scheme; and developing and implementing training programmes for women in key areas that are increasingly in demand in the labour market. To support the sustainability of the programme and maintain the momentum, the ILO has raised additional resources to implement targeted activities to consolidate the work that has been carried out and to pave the way for a second phase.
13. Building on its positive experience in the MDG-F Gender programme and other joint United Nations initiatives in the Occupied Palestinian Territory, the ILO is currently working with a number of UN agencies on developing joint proposals for submission to donors in the areas of social and economic empowerment of youth, employability and skills development for vulnerable youth, as well as disability.

Supporting the development of a comprehensive social security system

14. Building on the social security mapping undertaken in partnership with the Palestine Economic Policy Research Institute and following the ILO scoping mission in the Occupied Palestinian Territory in August 2012, which included discussions with the Prime Minister of the Palestinian Authority and the representatives of employers' and workers' organizations, the ILO will support the establishment of a national social security strategy. This strategy will consider the extension of the social insurance scheme for private sector workers and their families through the development of a pension scheme, maternity insurance scheme and employment injury scheme.

Next steps

15. The Decent Work Strategy is being finalized in consultation with the representatives of the Palestinian Authority and the employers' and workers' organizations and will represent the overarching framework supporting the vision of the tripartite partners for socio-economic development in the Occupied Palestinian Territory, utilizing the ILO's technical support, capacity and comparative advantage. The upcoming involvement of the MOL, the PGFTU and the FPCCIA in the United Nations Development Assistance Framework (UNDAF) development process for 2013–17 represents an important commitment to ongoing development work and the promotion of the Decent Work Agenda in the Occupied Palestinian Territory.

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