



EIGHTH ITEM ON THE AGENDA

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

1. During the discussion of the Director-General's report to the 285th Session of the Governing Body (November 2002) on the programme of technical cooperation for the occupied Arab territories,¹ several delegates expressed support for the ILO's efforts, and requested the Office to provide "an adequate update" to the March 2003 session of the Governing Body. This note reports on the progress made to date and plans for follow-up. It must be noted that this report covers only the occupied territories in Palestine.
2. Work began on implementation of an expanded programme of technical cooperation that was proposed by the Director-General in his report to the 90th Session of the International Labour Conference,² and endorsed by the Governing Body (21 June 2002). This programme, tailored to the particular situation in the territories, comprised action in four areas: reassessment of existing projects; the creation of the Palestinian Fund for Employment and Social Protection (the Fund); design of a social protection system; capacity building for the social partners; and creating a platform for social dialogue between Palestinians and Israelis.
3. In addition to the US\$603,000 allocated by the Director-General to meet key immediate needs of the Palestinian constituents, the Governing Body approved in November 2002 a further allocation of US\$800,000 of the 2000-01 surplus, thus bringing the total ILO contribution from its own resources to US\$1.4 million, the bulk of which goes to support the establishment of the Fund.

¹ GB.285/6.

² ILO: *Report of the Director-General on the situation of workers of the occupied Arab territories*, Geneva, June 2002.

II. Progress made

4. Every effort has been made since the November session of the Governing Body to implement the technical cooperation programme under difficult circumstances. The following has been achieved:

A. The Palestinian Fund for Employment and Social Protection

- A mission was undertaken to Ramallah (27-31 December 2002) to solicit the views of Palestinian constituents and international organizations working on the ground to assist in drafting the feasibility study of the Fund.
- The draft was revised and presented to a tripartite Palestinian delegation, headed by the Minister of Labour, during a visit to Geneva (20-21 February 2003) and finalized for circulation to partner agencies and the donor community.³
- The proposed design of the Fund has taken into account the special situation in the occupied territories. A major characteristic is its autonomy and the decentralized nature of its operations. The Fund will proceed gradually and will have three major programmes: the Community Infrastructure Development Programme (CIDP), the Enterprise Development Programme (EDP) and the Human Resource Development Programme (HRDP). Civil society will be thoroughly engaged in the Fund's operations, and a system of monitoring and evaluation will ensure transparency and accountability.
- Active contacts with other agencies (UNRWA, UNDP, World Bank and UNCTAD) and donor countries have taken place. Saudi Arabia expressed interest to use its donation of US\$500,000 for training and human resource development, France proposed to undertake a joint French-ILO mission to determine its contribution to the Fund and other donor countries have signalled their interest in financing the Fund. Given the volatile situation in the Middle East, continuous consultations with stakeholders (including the quartet of the United Nations, the European Union, the United States and the Russian Federation) are being undertaken to decide on a suitable date and venue for the donors' meeting in support of the Fund.

B. Support for employers' and workers' organizations

Two projects have been initiated:

- creation of the Small Business Advocacy, Training and Service Unit (SBAT) at the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA): ILO-financed project of US\$75,000;
- Workers' Education Project to establish a computer training centre within the Palestine General Federation of Trade Unions (PGFTU): Italian-financed project of US\$325,000.

C. Capacity building

Three projects have been launched:

³ ILO: *Palestinian Fund for Employment and Social Protection, feasibility study*, Geneva, Feb. 2003.

- support for the creation of an Employment Task Force in the Ministry of Labour: an ILO-financed project of US\$200,000 to strengthen the reformed Ministry of Labour (based on the recommendations of an ILO mission undertaken in September 2002);
- strengthening Labour Market Information System: an ILO-financed project of US\$170,000 with the Ministry of Labour;
- Better Skills for Better Future: an ILO-financed project of US\$130,000 to establish three computer training centres in Jenin, Khan Yunis and Ramallah;
- establishment of Sheikha Fatima Vocational Training Centre for the Disabled in Hebron: Sheikha Fatima Bint Mubarak of the United Arab Emirates has contributed US\$1 million to establish this centre.

D. Social dialogue

At the request of the Italian Government, a US\$1 million project has been prepared by the Turin Centre entitled “Social and civil dialogue for reconstruction and reconciliation” to strengthen the capacity of the social partners to engage in social dialogue.

III. Future follow-up

5. The following steps are foreseen:

- finalizing other technical cooperation projects, especially those related to women;
- organizing the donors’ meeting for the Fund;
- assessing further needs for technical cooperation during the annual mission to the occupied territories to prepare the Director-General’s Report for the June Conference.

Geneva, 18 February 2003.

Submitted for information and observations.