



SULTANATE OF OMAN

Extension of the
Decent Work Country Program
2014-2016

RATIONALE AND PURPOSE

The present document is the result of a consultation process, which took place during an ILO programming mission to Muscat between 31 March and 3 April 2014. A series of meetings were held with ILO constituents and other government agencies, the Supreme Council for Planning and Petroleum Development Oman. The discussions focused on the review of achievements under the DWCP 2010-2013 and on new emerging national tripartite priorities and needs. ILO constituents expressed their wish to extend the current country programme until the end of 2016 given the continued overall relevance of DWCP priorities and the need to further consolidate and enhance previous achievements.

Overview of results achieved and support provided during the period 2010-2013:

Under priority 1: Enhance the integration of the national labour force into the economy

The ILO conducted an assessment of Labour Market implications and Omanization of the Economic Diversification Strategy. The assessment analyzed macro-economic trends and employment/unemployment outcomes, providing an analysis of future demand with particular focus on employment in the private sector.

In parallel, the KAB programme has been institutionalized in the curricula of all six national vocational training centers under the MOM. The ILO carried out an impact assessment/evaluation of the KAB project in 2013.

Under priority 2: Ensure effectiveness of the social dialogue in compliance with ILS

The capacity building programmes, which the ILO had tailored to the Omani context and implemented during the period 2010-2013, have yielded some tangible results in the areas of social dialogue and labour inspection. Mechanisms for social dialogue have been institutionalized, with the government articulating its commitment to the further improvement of the functioning of these structures. A social dialogue strategy and roadmap for the ratification of Conventions No. 87, 98 and 144 are also under discussion¹. In the area of labour inspection, the Oman labour inspection system is considered advanced compared to other best practice among Gulf States. Oman has a well capacitated labour inspection team as a result of the vigorous capacity building activities provided by the ILO, during the period 2010-2013.

The ILO continues to provide enhanced capacity building to constituents with the aim of strengthening their role in economic and social policy-making. The General Federation of Oman Trade Unions (GFOTU) was recognized internationally following the Congress of 15 February 2010. The ILO has provided technical advisory services to the GFOTU in preparation for its First Congress which was held in February 2014, with support from the regional USDOS funded project.

The Oman Chamber of Commerce and Industry (OCCI) has similarly benefited from ILO's Regional Employers' Project funded by the Government of Norway. The Project aims at increasing OCCI capacity to engage in evidence-based policy dialogue to create an enabling environment for sustainable enterprise and employment. An independent assessment was carried out following the comprehensive report produced by the project on restructuring and priority setting within the Chamber. This assessment was further discussed during the high-level Symposium on Employers' Organizations and Chambers of Commerce, which took place in Oman in November 2012.

¹ National workshop in 2012

Overall Strategy and articulation of the extension:

The components of the DWCP will continue to be fully integrated in national strategies and development plans, including Oman's vision 2020 and its eighth development plan 2011-2015, ensuring centrality of ILS and social dialogue. The objective of the extension of this DWCP is to assist the Ministry of Manpower, social partners, and other stakeholders in better positioning themselves in national policy-making especially within the context of the current National Development Plan, and the 2040 vision currently under development. The duration of the extension is 2.5 years. The DWCP will continue to be fully integrated at the regional level, specifically within the ILO/GCC and ILO/ALO common activities.

Given their relevance to the current labour issues in the country, the priorities set out and articulated in the DWCP remain the same, with the addition of only one new priority focused on labour administration.

PRIORITIES AND OUTCOMES

A. Omanisation

1. Effective employment policies formulated to support productive work in the private sector and decrease economic dependence on foreign labour.
2. Strengthened TVET sector and employment services for enhancing the employability of Omanis including PWD.
3. Entrepreneurship culture promoted through the creation of an enabling business environment and the provision of SME support services for youth, men and women.

B. Social Dialogue

1. Social dialogue enhanced among social partners to effectively contribute to the development of social and economic policies.

C. Labour Administration

1. Strengthened labour administration to enforce application of labour law in compliance with ILS, including anti-trafficking;
2. Tripartite approaches promoted to strengthen labour inspection and labour dispute settlement institutions,

D. Social protection

1. National legislation of the Unemployment Insurance Fund amended and introduced

1. Effective employment policies formulated to support productive work in the private sector and decrease economic dependence on foreign labour.

National efforts will be supported to promote productive employment and enhance the quality and sustainability of employment through skills development and enterprise development with focus on vulnerable groups, including persons with disabilities.

The strategy of the office will focus on combining policy-level analytical work and dialogue. This approach will aim at contributing towards a better understanding of employment challenges and viable policy responses.

ILO will support the Ministry's efforts in developing Labour Market Strategy. , This includes: a) improving knowledge base to support policy options through technical assistance in carrying out labour market analysis on a variety issues, as required by the Government, such as an assessment of wages and wage setting mechanisms b) capacity building in the formulation and implementation of the national employment policies c) strengthening of the labour market information system for better informed policy making and monitoring capacities.

2. Strengthened TVET sector and employment services for enhancing the employability of Omanis including PWD.

The ILO will review the importance of skill mismatch as a main constraint to the Omanisation policy. It will implement a functional assessment of employment services in the Sultanate, to understand the reform required for labour market institutions to deliver on the four main functions of a Public Employment Service: 1) labour market information; 2) job matching and recruitment systems; 3) administration of active labour market policies; and 4) administration of income replacement (usually called passive labour market policies). It will also undertake a skills anticipation exercise for the Tourism sector, training sectoral committees and relevant institutions on skill anticipation methodologies. The ILO will also provide technical support for the setup, implementation and evaluation of new skills development programmes including apprenticeships. Competency Based Training will also be made available to the TVET Directorate General and related training centres. In addition, capacity building programmes for the Ministry and PAMR will include career guidance (with ITC Turin), labour market information and other elements related to service delivery to job seekers and employers.

3. Entrepreneurship culture promoted through the creation of an enabling business environment and the provision of SME support services for youth, men and women.

A number of challenges were faced in the introduction of the KAB programme in the Sultanate which the ILO has been implementing in Oman since 2010, of it:

- The absence of Omani teachers and the total reliance on expatriates who constantly changed;
- The lack of monitoring and follow-up to ensure quality delivery/absence of a national KAB coordinator.

The ILO will assess the implementation and the results of the KAB programme and will review the content of the Programme in light of the results of the pilot implementation. As a result of the latest

changes on the VT education, namely the 2013 where the ministry prepared a general framework for Curriculum Development for Vocational Diploma which includes a 1.5 year of foundation where students take English, IT and Math followed by 2 years of specialization. KAB has become a credit hour course provided to all students as a vocational center requirement over 2 contact hours/week during two semesters for total of 64 hours. All courses in vocational training are to be delivered in English starting September 2014. Based on that, the ILO will deliver the TOT in English using the KAB 2014 version. To ensure proper implementation, the ILO will conduct two refresher workshops during the Academic year 2014-2015.

Regarding the need to roll-out the KAB in English to 7 colleges of technology in the Sultanate, the colleges implemented the KAB programme as a result of sending a number of their teachers to attend the KAB course at the Turin Center. A certification process for the teachers is expected at the end of the implementation of this KAB based on a reporting to be undertaken by the Ministry.

The ILO will undertake an evaluation/assessment of the previous KAB implementation phase. Based on the results of the assessment and if need be, review the Programme content and Omanise it.

Priority II Social Dialogue

1. Social dialogue enhanced among social partners to effectively contribute to the development of social and economic policies.

Social dialogue and its current mechanisms of interaction mainly the National Social Dialogue committee, Secretariat, and the sectoral committees need to be strengthened to play their roles effectively. There is a consensus among constituents on the need to strengthen the social dialogue processes. Promoting social dialogue and strengthening industrial relations in the gas and oil sector is one of the priorities of the proposed extension.

The MOM, with ILO technical assistance, will work on improving the functioning of the tripartite social dialogue committee so that it can become a platform for effective tripartite consultations between government representatives and social partners on key policy issues, including Omanisation, labour law reform, and employment policy. The ILO will also provide technical support to enhance the function of sectoral committees especially in the oil and gas industry.

The ILO will provide assistance in organizing trainings for the Ministry of Manpower and social partners, in an effort to strengthen national capacities on issues of social dialogue and industrial relations. An effective bi-partite social dialogue is needed to allow social partners to enhance working conditions, discuss Omanisation and improve productivity in an autonomous way as well as other sector-specific challenges. The ILO will provide advocacy material in the Arabic language on issues of social dialogue and labour disputes. It will also organize capacity building workshops on social dialogue and use for this purpose Arabic speaking experts both in Oman and in ITC / Turin to maximize the understanding and benefit of the respective beneficiaries.

Technical advice and support will be provided to build the capacity of the Secretariat of the National Tripartite committee. A direct request was raised by Petroleum Development Oman during the mission, for a technical assistance programme combining assessment, capacity building, training and study visits abroad on issues of social dialogue and industrial relations. Petroleum Development Oman expressed its readiness to finance the programme.

The capacity of the MOM and the social partners will be strengthened to monitor and apply the ratified conventions, and to effectively engage in social dialogue and the reform processes the government is pursuing for the country.

Specific activities will target employers' organizations. The OCCI has identified² skills mismatch as a major obstacle in current business environment in Oman. This result was also reflected in the "Enabling Environment for Sustainable Enterprises OMAN" Report (2011). An Employers Skills demand survey will be conducted in the second half of 2014. Following the skills mismatch survey, a national tripartite workshop will be conducted with constituents to garner tripartite consensus around the necessary policy interventions to address the skills gap.

As a result of ILO technical and financial support, the General Federation of Oman Trade Unions (GFOTU) was able to extend its presence among workers all over the country reaching 182 established unions since its inception in 2010. Moreover, the federation during the last biennium had engaged in a fruitful dialogue with the government and employers organization concerning areas of common interests (wages, labour law, social insurance...). However, the ability of the GFOTU to effectively impact socio-economic policies is still limited due to the absence of the necessary legal framework, political will of the government to ratify C87 and 98, and the shortfall of its structures and capacities.

ILO interventions will support the GFOTU in developing its structure (building its sectoral unions), and capacities (Social Dialogue, Collective Bargaining and strategic planning). To this end, the ILO will provide technical support to the GFOTU to effectively promote ratification of conventions 87 and 98 and respect for FPRW. The ILO will also support GFOTU efforts to influence the government to consider amendments of the labour law and social protection floor as priorities, and to develop its capacities to organize and represent the interest of all workers including migrants. The ILO will provide other support as necessary for the GFOTU to engage in DWCP implementation, monitoring and evaluation.

An assessment of training needs for GFOTU will be carried out, and technical support will be provided to establish a capacity building unit within the GFOTU. Capacity building workshops will also be organized on the Social Protection Floor and informality, and on TU sectoral structure. Leaflets, brochures, and educational materials will be disseminated.

Priority III Labour Administration

1. Strengthened labour administration to enforce application of labour law in compliance with ILS, including anti-trafficking.

In line with ILO's longstanding commitment to strengthen Labour Administration structures (represented by the Directorates of Inspection, Occupational Safety and Health, Labour Care, Dispute Settlement, and Labourer's welfare in the Ministry of Manpower), and institutions to ensure they carry out their functions with greater efficiency and impact, the ILO will continue to strengthen its partnership with the MOM. To this end, a Labour Administration Audit will be carried out in Oman during the second half of June 2014.

The Ministry continues to review the labour law with constituents. Technical comments will be provided, as needed and as requested by the MOM.

² Workshop held in July 2013

ILO will also continue to provide Oman with technical advisory services to ratify ILO conventions, especially Conventions No. 98, 87, and 142. The ILO will also provide capacity building opportunities to better report on ratified and non-ratified conventions through attending training courses organized by HQ and the field.

Occupational Safety and Health is an area of particular importance to the country. An OSH strategy will be finalized and adopted by the country. The ILO will therefore provide technical assistance in building the institutional capacities of the MOM on the implementation of this strategy following OSH convention No. 155, Occupational Health and Services Convention No. 161, and the Promotional framework for OSH Convention No. 187, as well as application of the Guide on Occupational Safety and Health especially in private establishments.

The MOM will work to ensure conformity of working conditions of migrant workers to the standards prescribed by the national labour law and international labour standards. ILO will technically support government efforts and will therefore invite the MOM to the capacity building workshops, which the ILO is organizing on the governance of domestic workers, forced labour and trafficking.

2. Tripartite approaches promoted to strengthen labour inspection and labour dispute settlement institutions.

Building on the technical assistance and intensive institutional capacity training programme provided by the ILO from 2007 to 2013 on issues of labour inspection, forced labour and trafficking, the ILO will promote the Ministry's capacity to upgrade and improve its institutional capacities³. Training will be provided to the newly recruited labour inspectors (around 150), including conducting training of trainers, and trainings on labour disputes and dissemination of advocacy material on labour disputes in the Arabic language. To maximize the benefit from these workshops, Arabic speaking trainers will conduct the training, which will be administered in the Field. ILO will ensure also forwarding promotional letters of invitation for participation in the relevant Turin training courses.

Priority IV Social Protection

1. National Unemployment Insurance Scheme introduced

The government is considering introducing an Unemployment Insurance Scheme to provide temporary income support to persons who lose their employment involuntarily and who seek to become reemployed, thus adopting unemployment insurance legislation, based on international social security standards and worldwide best practices, including the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Employment Promotion and Protection against Unemployment Convention, 1988 (No.168). The ILO already undertook an exploratory mission in this regard in November 2012 and will complete an actuarial study and the legal framework for establishing an unemployment insurance scheme for private sector workers in Oman.

2. ILO Social Security (Minimum Standards) Convention, 1952 (No. 102)

The Government of Oman also wants to explore the possibilities of ratifying the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102). The ILO will carry out a legal assessment on the

³ As per discussions held during April's DWCP mission.

compatibility of the Omani social security legislation with the Convention and will provide the necessary assistance to the Government for ratifying the Convention.

Management and institutional arrangements

The Role of the Ministry of Manpower of Oman, Workers' and Employers' Organizations in the implementation of the DWCP

The DWCP is a collaborative framework between the ILO and the MOM, Workers' and Employers' organizations, along with other relevant national stakeholders. It reflects the priorities set by the constituents and their commitment to achieve the goal of decent work.

The Ministry has designated representatives from the MOM, Workers' and Employers' organizations to constitute the DWCP Tripartite Advisory Committee. The latter will actively engage in guiding and implementing the DWCP, including monitoring and evaluation.

The constituents will provide guidance during the implementation, and will be actively engaged in resource mobilization, including leveraging their own national resources to support implementation of all outputs. Collaboration with line ministries (mainly the Ministry of Social Development) may be established for the achievement of specific outcomes.

The Role of the ILO

The ILO, Regional Office for the Arab States, will be responsible for the overall management of the implementation of the DWCP, in close consultation and follow up with the MOM, social partners, and other relevant stakeholder.

The ILO will ensure optimal technical support for DWCP implementation, including availability of training programmes for tripartite constituents through the Turin International Training Centre.

Planning, Monitoring and Evaluation

Annual work plan and reporting

The ILO in close consultation with the tripartite partners will prepare a DWCP implementation plan. ILO will prepare the annual work plan and implementation report on the DWCP for the review of the Tripartite DW Committee established by the Ministry. The report will discuss progress, challenges, and also identify areas with resource gaps.

Monitoring and Evaluation

The ILO will prepare a Results Framework to monitor the implementation of the DWCP. The Results Framework will delineate key outputs, indicators, milestones, and targets, providing a reference for the monitoring and performance review.

Progress, achievements and challenges will be reviewed on a bi-annual basis with the tripartite constituents.

A final DWCP review will be carried out to assess overall achievements.

Financing of the DWCP program

The ILO will provide the technical support and assistance, and where possible complement national efforts with regional technical cooperation projects⁴, as needed. The Government will provide the logistical support for all activities including its costs, and the costs of the international experts that the ILO will identify for any type of technical assistance required. Detailed mechanisms for the recruitment of these experts will be identified in order to ensure the right expertise is made available to the Omani constituents in a timely manner.

Assistance to analyse and provide policy implications on the inter-dependencies between the labour market of nationals and that of expatriates is provided in collaboration with the “Migration and Governance Network (MAGNET)”, a technical project implemented by the ILO and funded by the Swiss Development Cooperation (SDC).

⁴ Including the Regional Employers’ and Workers’ projects funded by Norway and USDOS respectively, and core funds.