



SIXTH ITEM ON THE AGENDA

Enhanced programme of technical cooperation for the occupied Arab territories

I. Background

1. Subsequent to the 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,¹ and endorsed by the Governing Body (21 June 2002), several delegates expressed support for the ILO's efforts and requested the Office during the 285th Session of the Governing Body (November 2002) to provide "an adequate update" to the March 2003 session of the Governing Body.²
2. This document presents further significant work progress made since March 2003 to reach the target results and to mobilize extra-budgetary financing. In the current biennium, the ILO has committed a total of US\$1.75 million, from its own resources (RBTC and 2000-01 cash surplus) to implement projects aimed at creating the Palestinian Fund for Employment and Social Protection, institutional capacity building, strengthening the workers' and employers' organizations, and creating a platform for social dialogue.

II. Progress made

3. Despite the prevailing difficult situation in the occupied Arab territories, the ILO made progress with respect to projects launched in 2002. The following has been achieved thus far.

¹ ILO: *Report of the Director-General on the situation of workers in the occupied Arab territories*, Geneva, June 2002.

² GB.286/8.

A. The Palestinian Fund for Employment and Social Protection (the Fund)

- The feasibility study of the Fund was reviewed by all parties involved and finalized. It has also been translated into French and Arabic.
- A decree formally establishing the Fund has been issued by the Palestinian National Authority.
- A Board of Directors for the operation of the Fund has been formed, comprising representatives from five ministries, three workers' representatives; two employers' representatives, one representative from civil society, two representatives from women organizations, two renowned independent members, and the Fund's Executive Director.
- An Arab fund-raising committee was established. It comprises the Minister of Social Affairs and Labour of Oman, the Director-General of the Arab Labour Organization, the employers' representative of Saudi Arabia, and the workers' representative of Tunisia. The committee's first official meeting was scheduled for 17 October 2003 in Cairo.
- Local representatives of major donors have been approached and briefed on the establishment of the Fund to pave the way for resource mobilization through donors' meetings or direct bilateral contribution.

B. Support for employers' and workers' organizations

- Creation of a Small Business Advocacy, Training and Service Unit (SBAT) at the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA): Surveys and relevant reports have been completed, and training for a number of representatives of small businesses undertaken.
- Workers' education project: A computer training centre at the Palestinian General Federation of Trade Unions (PGFTU) is currently being established to provide training services to its members.
- An ACTRAV technical mission was fielded, in coordination with the ILO Regional Office for the Arab States, to the occupied Arab territories during 25 July to 2 August 2003 to assess the needs of Palestinian trade unions. The mission recommended an implementation plan to address workers' immediate, short and medium-term concerns and interests, which in turn will assist in enabling them to define their roles and in strengthening their representative and organizational capacity to support national efforts in establishing a viable nation state.

C. Capacity-building programme

- *Strengthening the Labour Market Information System.* The project's field operations have begun with the collection and analysis of data on the first target group.
- *Creation of an Employment Task Force.* Almost all required personnel have been recruited and the necessary equipment procured.

- *Better Skills for a Better Future.* Three training centres have been established in the West Bank and Gaza and are now operational with ongoing training programmes, targeting particularly women and youth. An additional centre will be established by the end of the year.
- *Establishment of Sheikha Fatima Vocational Training Centre for the Disabled in Hebron.* More than 60 per cent of construction work has now been completed. The centre should become operational in the second half of 2004.

D. Social dialogue

- *Social and Civil Dialogue for Reconstruction and Reconciliation.* The project has been approved by the Italian Government with funding of US\$1.6 million. It will be implemented in early 2004 by the International Training Centre of the ILO (Turin) in collaboration with the ILO Regional Office for the Arab States.

E. Others

- With the ILO's financial support (US\$60,000) to the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) project on credit and skill training for income generation and employment of Palestinian refugee women, assistance was provided to over 300 Palestinian women in Lebanon's refugee community in improving their and their families' economic situation, through a group-guaranteed lending scheme and skill training.
- The Palestinian Minister of Labour and the PGFTU Secretary-General visited the ILO Regional Office for Arab States in July 2003 to discuss a technical cooperation programme framework. New proposals were submitted for ILO technical assistance in areas of: (i) support to the Ministry's legal aid unit in workers' rights protection; (ii) developing a comprehensive training package for capacity building, including occupational safety and health; and (iii) extending ongoing projects beyond their completion date.

III. Future follow-up

4. Within the framework of the Fund, two immediate follow-up actions include: formulation of the by-laws to ensure proper and efficient operation of the Fund and assistance to the Palestinian National Authority in holding a donors' meeting to call on financial support of the international community and the Arab development funds for its effective operation.
5. Development of a concrete technical assistance programme to assist the trade unions in line with the ACTRAV mission's recommendations, including formulation of a PGFTU capacity-building project.
6. Within the context of the Road Map initiative, the Palestinian reform agenda and donor priorities, there exist a number of important issues pertaining to labour, employment and social protection which are of direct relevance to the ILO's constituents. The current expanded technical cooperation programme will be further developed to take account of these recent developments and to include, among others, assistance in the following areas:
 - drafting of regulations under the Labour Code, particularly concerning freedom of association and collective bargaining;

- promotion of extensive social dialogue on major economic, employment and social protection issues through capacity-building activities; and
- designing of a social security scheme for private sector workers.

7. The Governing Body is invited to take note of the developments regarding the enhanced programme of technical cooperation for the occupied Arab territories and express its views on further steps for its implementation.

Geneva, 8 October 2003.

Point for decision: Paragraph 7.