

**FOR DECISION**

FIFTH ITEM ON THE AGENDA

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

1. This note reports on the progress made to date and plans for follow-up to the expanded programme of technical cooperation for the Occupied Territories in Palestine, as requested during the 285th and 286th Sessions of the Governing Body. It covers work progress, from the last update in November 2004, which has been made by the ILO in collaboration with the Ministry of Labour, the Palestinian General Federation of Trade Unions (PGFTU) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA).
2. In the current biennium, funding of the technical cooperation programme in the Occupied Territories has reached the level of US\$4 million, of which US\$1.53 million is invested by the ILO (RBTC and 2000-01 cash surplus) and another US\$2.47 million from extra-budgetary resources.

II. Progress made

3. In view of the prevailing political conflict and its repercussions, an expanded programme of technical cooperation is being implemented in the occupied Arab territories. The ongoing programme, which is being implemented with the participation of various line ministries and social partners, has reaffirmed the relevance of ILO activities targeting poverty reduction and employment generation through local economic development.
4. Despite the continuing difficult situation which has aggravated the social and economic condition of Palestinian workers and their families, as presented in the 2005 Report of the Director-General to the International Labour Conference on the situation of workers in the occupied Arab territories, the ILO made progress in and further expanded the programme endorsed by the Governing Body in June 2002. The following summarizes the achievements and developments in the implementation of technical cooperation during the period under review.

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

- A Presidential Decree was issued by the Palestinian Authority to formally establish the Fund.
- Premises, with appropriate furniture and equipment, were allocated to the Fund office, to ensure the programme's sustainability.
- The Fund's Operations Manual and Guidelines (by-laws) were developed, and the Grant Agreement signed by the parties concerned for the establishment of an institutional and operational framework of the Fund. A work programme for setting up the Fund base was prepared by the Board of Directors.
- Based on the recommendations of the feasibility study prepared by international consultants, three technical cooperation projects, endorsed by the Board of Directors, are being implemented within the framework of the Fund:
 - “Support for Palestinian Small and Medium Enterprise Development: Emergency Assistance to EMPRETEC Palestine” (commissioned to UNCTAD).
 - “Emergency Assistance to Employment Generation – Job Placement Programme” (commissioned to the Ministry of Labour).
 - “Vocational Graduates Job Placement” (commissioned to the East Jerusalem YMCA).
- Resource mobilization efforts are currently under way to ensure the Fund's continued operation. As a result, the Government of Turkey contributed US\$100,000 to the ILO in support of the Fund. In addition, the Government of Saudi Arabia has approved a proposal to utilize their contribution of US\$500,000 for establishing a vocational training centre in Ramallah. This facility, once set up and equipped, could provide a venue for capacity-building activities organized by the Fund in the future.

B. Support for employers' and workers' organizations

- *Rebuilding and strengthening the capacity of employers' organizations in Palestine.* As a follow-up to the first phase of the project, activities of the second phase focused on institutionalizing the capacities of the Federation of Palestinian Chambers of Commerce, Industry and Agriculture to provide financial and non-financial business support services and technical advisory services on entrepreneurship development to both existing and new entrepreneurs. As a result, and during the period under review, a total of 100 small firms benefited from the project as a whole.
- *Assistance to Palestinian trade unions.* Based on the needs assessment mission carried out by the Bureau for Workers' Activities, the project is currently being executed with funding from the ILO. It principally aims at raising the capacities of officials of the PGFTU to efficiently represent their members, and to ensure their active participation in social and economic policy debates.

C. Capacity-building programme

- *Strengthening the labour market information system.* An upgraded system was put in place in the Ministry of Labour to support labour administration. The data collection and verification process was successfully completed for data entry, analysis and management. Training of data operators and field staff was also organized to support the system operation and networking with various employment offices. A workshop was organized in the latter half of 2004 to review the changes occurring in the labour force survey results and their indicators.
- *Creation of an employment task force.* With funding from the ILO, four officials were recruited and are currently successfully carrying out their support tasks to the Office of the Minister of Labour.
- *Better skills for a better future.* The project was completed with four training centres established in the West Bank and Gaza Strip to provide training programmes, particularly targeting women and youth. A proposal was made by the Ministry of Labour for a second phase which could be integrated within the framework of the Fund.
- *Establishment of Sheikha Fatima Bent Mubarak Vocational Training Centre for the Disabled in Hebron.* In view of delays caused by changes in the construction location and design, including the unanticipated cost increase, further resources are to be mobilized to complete another 15 per cent of the whole construction work.
- *Training of small contractors in the West Bank and Gaza Strip.* The Government of Kuwait has approved utilizing the remaining project balance, plus the accumulated interest, amounting to a total of US\$161,161 for extending the project activities in preparation of Phase II of the project.

D. Social dialogue

- *Social and civil dialogue for reconstruction and reconciliation.* The project was launched in 2004 based on a needs-assessment exercise undertaken by the Turin Centre. Training activities were organized to provide a basis for dialogue for the national social dialogue mechanism.

E. Others

- An ILO expert was fielded to assess social security needs following the promulgation of the new social security law in January 2005. In parallel, and as a preparatory step towards the establishment of the Palestinian Social Security Institute, a Palestinian delegation headed by the Minister of Labour visited Jordan to benefit from the Jordanian experience in administering the social security scheme.
- ILO technical cooperation was extended to assist the Palestinian Central Bureau of Statistics (PCBS) to review and evaluate the results of the informal sector survey. In its effort to set up a child labour database, the PCBS also conducted a national child labour survey, targeting children aged 5-17 years, with assistance from the International Programme on the Elimination of Child Labour (IPEC) in reviewing methodology and sample design, and in evaluating data quality.
- The ILO is currently in the process of developing a programme with the “Young Entrepreneurs Palestine”, a Palestinian non-governmental organization, to promote

decent work through micro- and small-enterprise development by young women and men in the West Bank and Gaza Strip.

III. Future follow-up

5. Within the framework of the Fund, two forms of follow-up include: developing effective fundraising strategies to advocate the Fund as a common framework for job creation programmes, taking account of the international community's changing views and policies on humanitarian and development assistance and the competition for resources; and launching capacity-building activities and direct support to target beneficiaries in the Fund's core programmes, namely community infrastructure development, enterprise development, human resource development and institutional development. The sustainability of the Fund is a primary concern in this respect.
6. Resource mobilization to increase the volume of multi-bilateral technical assistance projects aiming at capacity-building programmes in the West Bank and Gaza Strip.
7. In view of the new situation in the Gaza Strip, it is foreseen that a number of opportunities and challenges will face the Palestinian people. In this connection, the ILO should closely monitor the situation there in order to appraise the type and areas of work in which ILO intervention can be most effective.

IV. In memoriam

8. On 7 July 2005, Mr. Khaled Doudine, ILO representative in Jerusalem, passed away after nine years of dedicated service to the ILO. Since his appointment in 1996, Mr. Doudine had actively contributed to the development and implementation of an enhanced technical cooperation programme in the occupied Arab territories, notwithstanding the demanding political, economic and security circumstances. He will be sorely missed.
9. *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, 19 September 2005.

Point for decision: Paragraph 9.