



► ILO Emergency Response Plan for the Occupied Palestinian Territory

Introducing the ERP Recovery Programme
across the humanitarian-development-peace nexus

Summary

Updated 27 May 2024

► At a glance



Partners

Ministry of Labour, Ministry of Social Development, Ministry of National Economy, Palestinian Central Bureau of Statistics, Palestinian General Federation of Trade Unions (PGFTU), Federation of Palestinian Chambers of Commerce and Industry, UN agencies, donors



Duration

12 months (first phase)



Budget required

US\$20 million

ERP funding modality

The ERP will be funded through a multi-donor pooled funding arrangement to allow for maximum flexibility and adaptive programming. The funding will be co-mingled and not earmarked to specific outcomes. Partners contributing to the pooled fund will receive annual narrative and financial reports covering the overall ERP Recovery Pillar/Programme, and accumulated income and expenditures.

The ILO has developed an **Emergency Response Plan (ERP)** to mitigate the impact of the war on Palestinian workers and employers, based on the decision of the ILO Governing Body in November 2023, and in accordance with its mandate under the defined priorities of the Decent Work Programme for the Occupied Palestinian Territory (2023–25). The ERP's overarching objective is to support national systems and strengthen the role of tripartite constituents in mitigating the impact of the ongoing crisis. In line with the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), the ERP builds on the ILO's comparative advantage in post-disaster labour market recovery programmes, and in integrating decent work principles into emergency relief and early recovery efforts. It recognizes how vital it is to work closely within the wider context of the United Nations' relief and recovery programming to address the emerging immediate needs of the Palestinian labour market.

The ERP maps out a series of interventions across **three interconnected pillars of Relief, Review and Recovery**, in line with the **humanitarian-development-peace nexus (HDPN)**. Implementation of the Relief and Review Pillars is underway, with several activities completed. Since November 2023, the ILO has disbursed more than US\$2 million from its own resources for these pillars, enabling urgent relief efforts. These include supporting over 9,000 Gazan workers stranded in the West Bank, and facilitating the transportation of 130 containers, owned by businesses in Gaza and held at Israeli ports since October, to the West Bank. It also involves vital data collection and analysis on the impact of the war on the Palestinian labour market. The ERP's **Recovery Pillar/Programme** aims to restore jobs and businesses in the West Bank and Gaza through the coordinated implementation of three interlinked components: **Employment Promotion, Social Protection, and Business Recovery**.

Building on evidence and information from the Relief and Review Pillars, and the ILO's expertise in labour market recovery, a range of interventions have been designed for the Recovery Pillar/Programme, in partnership with key stakeholders. These include early recovery work in Gaza, as well as recovery and resilience-building in the West Bank.



► The context

The war in Gaza and surge of violence in the West Bank are **decimating Palestinian lives, livelihoods and the economy**. Gaza is in the midst of a humanitarian catastrophe. As of 27 May 2024, more than 36,050 Palestinians in Gaza have been killed, 81,026 injured, 1.7 million displaced, basic services devastated and infrastructure in ruins.¹ The West Bank is reeling from the continued occupation and expansion of settlements, incursions by Israeli security forces and violent attacks by settlers, restrictions on the movement of people, goods and services, and growing financial hardship. More than 5,000 Palestinians in the West Bank have been injured, and 489 killed as of May 2024.² Between October 2023 and March 2024, more than half a million jobs have been lost in the Occupied Palestinian Territory according to estimates by the ILO and the Palestinian Central Bureau of Statistics (PCBS).² New estimates are forthcoming. Both public sector employees and a large proportion of private sector workers are facing salary cuts as employers struggle to meet the wage bill. The loss of income from job losses translates into colossal daily labour income losses of US\$21.7 million, which increases to US\$25.5 million per day when combined with the loss of income due to the partial payment of wages and reduced incomes.

The implications of the war on the Palestinian economy are grave. A sharp contraction in gross domestic product (GDP) of 32.8 per cent overall is being driven by a contraction in value added in all sectors, with severe repercussions for living standards and labour market outcomes, including employment, working hours and incomes.⁴ Workers and businesses, especially small and medium-sized enterprises (SMEs) are struggling to cope. Already high levels of poverty and vulnerability are expected to rise ever higher. ILO research, conducted with the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) and Palestinian General Federation of Trade Unions (PGFTU),⁵ shows that 98.8 per cent of surveyed businesses in the West Bank are affected by the war.

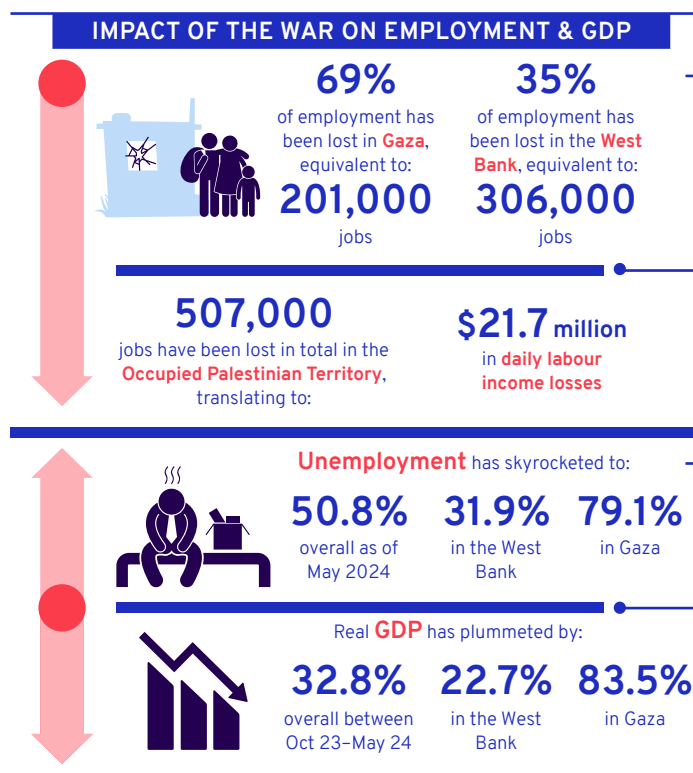
¹ UNOCHA, "Hostilities in the Gaza Strip and Israel: Day 234", 27 May 2024.

² UNOCHA, "Hostilities in the Gaza Strip and Israel: Flash Update #169", 24 May 2024.

³ ILO and PCBS, *Impact of the escalation of hostilities in Gaza on the labour market and livelihoods in the Occupied Palestinian Territory: Bulletin No. 3*, March 2024.

⁴ ILO and PCBS, *Impact of the escalation of hostilities in Gaza on the labour market and livelihoods in the Occupied Palestinian Territory: Bulletin No. 4*, May 2024.

⁵ The report is based on focus group discussions with businesses in seven sectors and a survey of 701 West Bank companies across different governorates.



Data source for job losses: ILO and PCBS, *Impact of the escalation of hostilities in Gaza on the labour market and livelihoods in the Occupied Palestinian Territory: Bulletin No. 3*, March 2024.

Data source for all other data: ILO and PCBS, *Impact of the escalation of hostilities in Gaza on the labour market and livelihoods in the Occupied Palestinian Territory: Bulletin No. 4*, May 2024.

Note: The figures on job losses, published in March 2024, are based on calculations of data collected as of January 2024. New figures on the situation are forthcoming.



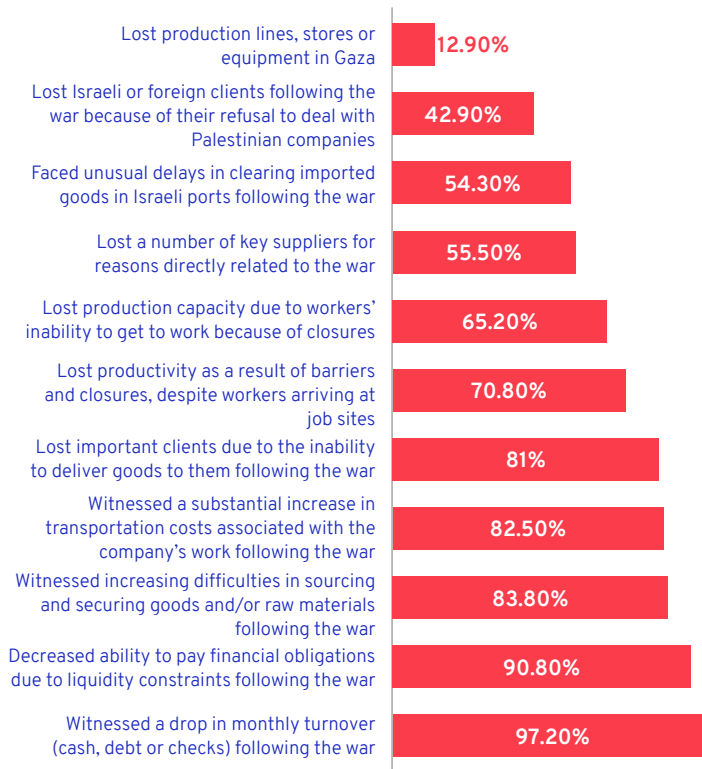
Data source: ILO surveys of workers and employers conducted with FPCCIA, December 2023 – January 2024 (forthcoming).³

Over 97 per cent of surveyed businesses are facing a drop in monthly turnover and nearly half have had to temporarily lay off workers. SMEs are especially hard-hit, with more than 40 per cent forced to permanently lay off workers.

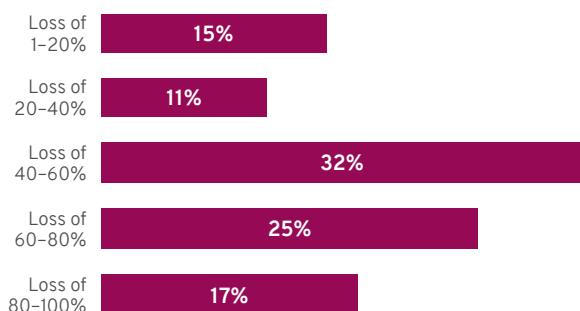
Firms are grappling to survive by reducing working hours or days to cut costs, closing production lines, cancelling orders, and laying off employees – sometimes without even being able to pay their complete wages or end-of-service indemnities. This has led to a reduction in the average workforce across sectors, with the total average workforce decreasing by 18 per cent. This will have an onward adverse impact in the form of decreased purchasing power – a fall of 70 per cent, according to UNIDO estimates – and a further contraction of the economy in the West Bank.

The impact on workers is equally clear and alarming. An overwhelming majority of respondents report experiencing a 40–100 per cent decline in their household income due to the loss of jobs, receiving only partial wages, and a shift to part-time work. These patterns are fairly similar for women and men.

IMPACT OF THE WAR ON BUSINESSES IN THE WEST BANK

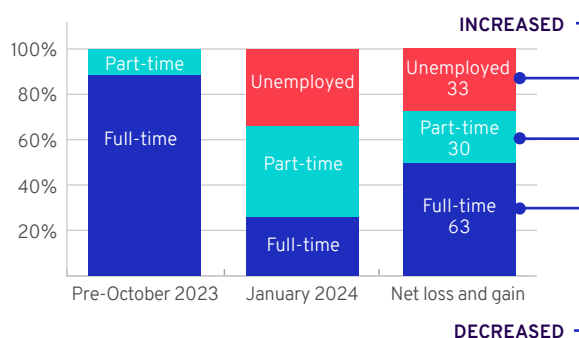


HOUSEHOLDS THAT HAVE LOST INCOME



Data source: ILO surveys of workers and employers conducted with FPCCIA, December 2023 –January 2024 (forthcoming).³

CHANGES IN WORKING PATTERNS



► ERP Pillars and the Recovery Programme's outcomes and outputs

PILLAR 1. RELIEF | Displaced workers and affected employers from Gaza have access to immediate relief measures through a coordinated mechanism

Relief Output 1.1. Displaced workers from Gaza in the West Bank have access to basic needs

Relief Output 1.2. Displaced workers from Gaza stranded in the West Bank have immediate income support

Relief Output 1.3. Employers from Gaza are provided immediate support to manage shipments

PILLAR 2. REVIEW | Data and analysis supports the understanding of the conflict's immediate impact on the labour market, and the design of subsequent interventions

Review Output 1.1. Qualitative analysis provides an understanding of the conflict's impact on workers and employers in the West Bank and Gaza

Review Output 1.2. Regular bulletins on the impact of the hostilities on employment and the labour market in the OPT

Review Output 1.3. Technical support is provided to the Palestinian Central Bureau of Statistics on the regular Labour Force Survey

PILLAR 3 RECOVERY PROGRAMME

The labour market in the Occupied Palestinian Territory begins recovering from the impact of the war through the revival of jobs and businesses, and the expansion of social protection

OUTCOME

EMPLOYMENT PROMOTION



BUDGET:
US\$7.5 MILLION

Recovery Outcome 1. Employment Promotion – Affected workers have access to decent job opportunities and labour justice

Recovery Output 1.1. Employment-intensive investment programmes (EIIP) generate decent work, infrastructure and essential services

Recovery Output 1.2. Access to decent work is supported through job placements and accelerated apprenticeship schemes

Recovery Output 1.3. Workers' apex organizations provide information, legal services and advocacy to improve industrial relations, and to protect and create jobs

OUTCOME

SOCIAL PROTECTION



BUDGET:
US\$7.5 MILLION

Recovery Outcome 2. Social Protection – Palestinian women and men, and their families, have access to rights-based social protection systems, ensuring income security against life cycle risks

Recovery Output 2.1. The coherence and coordination of social assistance programming is improved across the humanitarian-development-peace nexus

Recovery Output 2.2. Social allowances are established for vulnerable groups most affected by the crisis

Recovery Output 2.3. A temporary unemployment benefits scheme is established for the most affected workers

OUTCOME

BUSINESS RECOVERY



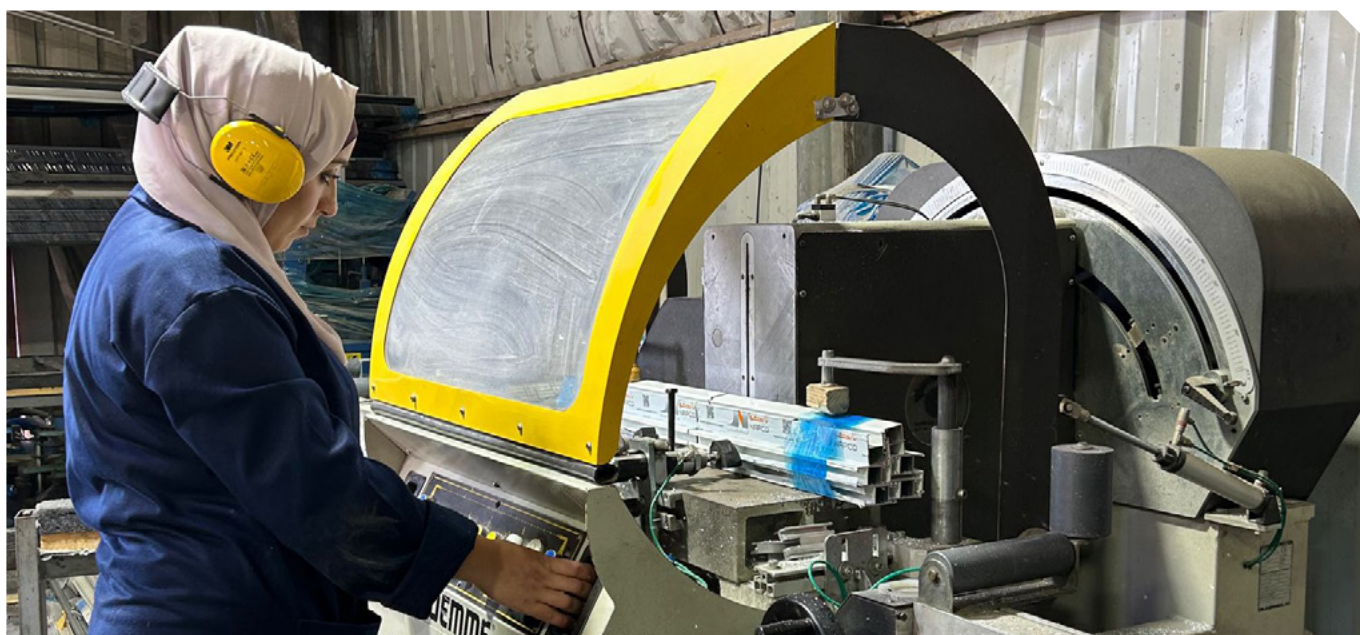
BUDGET:
US\$5 MILLION

Recovery Outcome 3. Business Recovery – Enterprises in priority sectors have increased resilience and swift recovery through strengthened value chains and enhanced access to business support services

Recovery Output 3.1. Businesses and social enterprises are supported with access to finance, business inputs and new markets

Recovery Output 3.2. Employers' organizations support affected businesses in critical economic sectors

Recovery Output 3.3. MSMEs are strengthened through value chain development in priority sectors



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► ERP Recovery Outcome 1. Employment Promotion – Affected workers have access to decent job opportunities and labour justice



Unemployment, already a major challenge in the Occupied Palestinian Territory before the war, has skyrocketed and is expected to rise ever higher – with over half a million jobs lost, and unemployment rising to 50.8 per cent across the Occupied Palestinian Territory as of May 2024 (79.1 per cent in Gaza and 32 per cent in the West Bank). Projections suggest an increase in the annual unemployment rate to 47.1 per cent overall in 2024, under the scenario that the war continues until August. Under this scenario, labour force participation rates are projected to decline by 3.8 percentage points for men and 1.3 percentage points for women. To weather the crisis and recover from it, workers need support to restore and secure decent work.

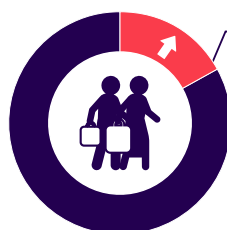
This outcome aims to restore lost jobs, create new employment opportunities, and ensure the swift reintegration into the workforce of workers who have been adversely affected by the crisis – all with a view to fostering economic recovery and stability. A range of inter-related interventions will be implemented under this outcome to create new jobs through emergency employment schemes designed to provide incomes for women and men, as well as provide critical services and infrastructure essential to recovery; match job-seekers with new opportunities through upskilling, job placements and apprenticeships; and strengthen the role of workers' organizations to protect labour rights.



507,000

Palestinians have already **lost their jobs** since the war began

Most workers who have lost their jobs **remain unemployed and incomeless**



16.9%

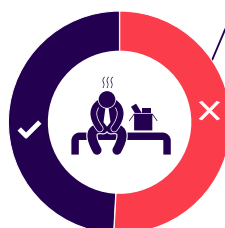
of all employed **Palestinians worked in Israel and the settlements** before the war

160,000+

Palestinian workers in Israel & the settlements **have lost their jobs** due to movement restrictions and the revocation of permits

9.4%

decline in **daily wages** is projected if the war continues until August 2024



50.8%

unemployment in the Occupied Palestinian Territory as of May 2024 (and estimates of 47.1% overall in 2024)



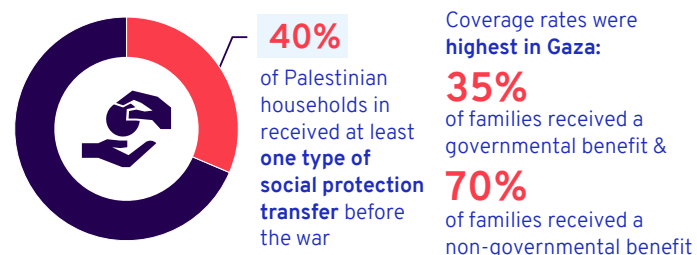
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► ERP Recovery Outcome 2. Social Protection – Palestinian women and men, and their families, have access to rights-based social protection systems, ensuring income security against life cycle risks



The overwhelming majority of Gazans are estimated to be living in multidimensional poverty. Socio-economic vulnerability is also on the rise in the West Bank. People who were already likely less resilient to income shocks, such as older persons or persons with disabilities, are disproportionately affected by the impact of the war. There is an urgent need to support social assistance for Palestinians – which protects individuals and families against vulnerability, and enables them to retain a measure of economic stability while conditions improve. It is far more difficult and costly to pull people out of poverty than it is to prevent them – through social protection – falling into poverty in the first place.

Under this outcome, the ILO will support recovery and stabilization through direct financial assistance for those most in need, while strengthening national social protection systems. This will include enhancing coordination in the social protection sector by building on the ILO's leading role in improving coherence across the humanitarian-development-peace nexus in the Occupied Palestinian Territory; delivering social allowances to support the most vulnerable groups (older persons, persons with disabilities, women and children) whilst strengthening national systems; and providing unemployment benefits – linked to revitalizing important social security reforms – coupled with support for workers to transition back to the labour market.



Humanitarian assistance programmes have remained **misaligned** from governmental schemes like the **National Cash Transfer Programme**





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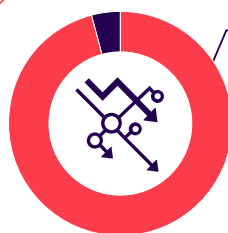
► ERP Recovery Outcome 3. Business Recovery –

Enterprises in priority sectors have increased resilience and swift recovery through strengthened value chains and enhanced access to business support services



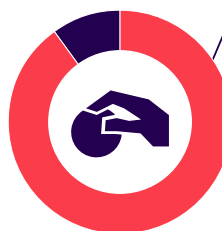
Palestinian businesses are struggling to cope with the impact of the current crisis, with monthly turnover dropping and the vast majority forced to take desperate measures, including laying off workers. In the medium-term, prolonged reductions in expenditure and consumption can lead to a demand-side recession and permanent closure of businesses. Just as it is more than twice as expensive to lift a household out of poverty than it is to prevent them falling into poverty in the first place, equally for businesses, it is more cost-effective to retain existing workers, leading to a faster recovery and eliminating lay-off and re-hiring costs. Small and medium-sized enterprises and cooperatives are the entities worst affected by the crisis, as well as the entities who can propel social and economic recovery. With the right support, they will not only survive, but thrive and lead the way to recovery.

This outcome will advance business recovery by supporting businesses to access the finance, inputs and new markets they need to recover from the crisis. This includes providing employers with wage subsidies to retain workers (a win-win scenario, helping businesses to continue operating while securing workers' jobs); enabling employers' organizations to better assist affected businesses in critical economic sectors; and strengthening micro, small and medium-sized enterprises and cooperatives through value chain development.



97.2%

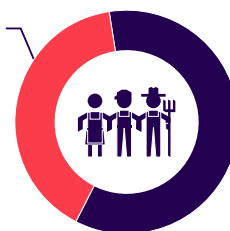
of surveyed businesses in the West Bank have had their **monthly turnover drop** following the war



90.8%

of surveyed businesses have a decreased ability to pay financial obligations due to **liquidity constraints**

40%
of surveyed SMEs have been forced to **permanently lay off workers**



74%

of surveyed households report a **loss of 40% to 100% of their income**

70%
decrease in purchasing power in the OPT is estimated by UNIDO





International
Labour
Organization

ILO Emergency Response Plan

Recovery Programme

Employment Promotion

Output 1.1

► Employment-intensive investment programmes for recovery

To avoid competing with or undermining national institutions in the long-term, livelihood recovery initiatives need to mainstream the principles of employment-intensive investment programmes from the very outset. This effective, economically viable approach is urgently needed in the Occupied Palestinian Territory.



violence, and the increased confiscation of land by Israeli settlers and the Israeli state. This adds a further layer of crisis to the job and income losses that Palestinians in the West Bank are facing because of the economic downturn.

Ongoing livelihood recovery programmes, although sorely needed, risk setting up parallel and un-harmonized interventions that will eventually compete with national institutions. This is why **mainstreaming the principles of an employment-intensive investment programme approach** in early recovery employment generation and reconstruction work is part of the **ILO Emergency Response Plan's (ERP) Recovery Programme**.

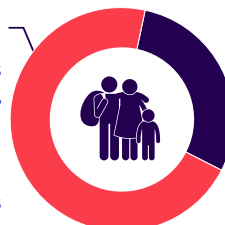


1.7 million

Palestinians in Gaza have been **displaced** since the war began (UN estimates) This is:

75%

of Gaza's population, many of whom have been displaced **multiple times**



900,000

Palestinians in Gaza have been **displaced between 6 and 18 May 2024**, including 812,000 people displaced from Rafah

290,000

houses in Gaza have been partially damaged &

70,000

houses have been completely destroyed

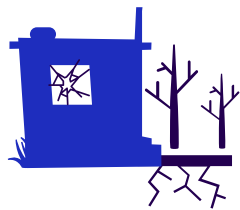


Occupied Palestinian Territory

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► The challenge

The war in Gaza has caused damage on an unimaginable scale. Infrastructure has been decimated across the Gaza Strip, with housing bearing the brunt of this damage, alongside large-scale damage to industrial and service sector buildings, agricultural land, and health, energy and water systems. Among the 75 per cent of Gaza's population who have been displaced, a large proportion sought shelter in Rafah. On 7 May 2024, Israeli began a military operation in eastern Rafah, forcing hundreds of thousands of people to flee in search of safety. As more and more people are confined in tiny devastated areas, without sufficient supplies or professionals able to provide services, critical systems are breaking down – from basic healthcare to solid waste management. This leaves scores of women, men, boys and girls in Gaza in an increasingly hazardous environment with unimaginably poor living conditions, and threatened further by the outbreak of disease and growing devastation. In the West Bank, there are increasing reports of people being unable to access farmland and workplaces because of movement restrictions, rising

**60%**

of residential buildings in Gaza &

80%

of commercial facilities have been damaged as of Jan 2024 (World Bank estimates)

73%

of schools (29% UNRWA schools) have been damaged

60%

of water & sanitation (WASH) infrastructure assessed by the WASH Cluster is not functional

65%

of primary healthcare facilities are not functional (WHO estimates)

155

health facilities have been damaged (MoH Gaza estimates)

► The change

UNDP and the ILO are implementing an emergency employment programme in Gaza, which is hiring women and men to provide critical health services and municipal services, including solid waste management. This generates much needed income, while simultaneously delivering essential services. Crucially, the initiative is strengthening national partners and mechanisms to shift from a cash-for-work approach – where the focus is on the infrastructure created, rather than on maximizing the number of jobs generated or ensuring the quality of these jobs – to a more sustainable, decent work mainstreamed, employment intensive-investment programme (EIIP) approach.

Building on this experience, this output – under the **Employment Promotion outcome** of the **ILO ERP Recovery Programme** – will mainstream EIIP principles in early recovery employment generation and reconstruction work. These principles combine local participation in planning with the utilization of locally available skills, appropriate technology, materials and work methods. This has proven an effective and economically viable approach in many countries, and is well-suited to the Palestinian context.

► ILO's comparative advantage

The ILO has led post-disaster labour market recovery programmes in a range of crisis situations, including in the Arab States region, using its unique **employment-intensive investment approach**. This approach links infrastructure development with decent employment creation, poverty reduction, and local economic and social development. By using local labour and resources, the approach creates much-needed employment and income, reduces costs, saves foreign currency, and supports local industry, while increasing the capacity of local institutions. The EIIP approach is aligned with the principles of the humanitarian-development-peace (HDP) nexus approach. It is also fully in line with the ILO's Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Possible partners

Palestinian Contractors' Union, Palestinian Employment Fund, UNRWA, OCHA, UNDP

Sphere of action

What we will do
(activities)

- Build the capacity of agencies involved in designing and implementing emergency employment programmes – including development partners and national institutions – to mainstream EIIP principles from the very beginning of planning their interventions
- Work with the partners whose capacity has been developed to implement an EIIP demonstration project, showcasing how the EIIP approach works in practice, and why integrating decent work principles leads to stronger outcomes for sustainability (possible interventions: clearing debris; repairing buildings; building shelters, houses, schools and hospitals; providing essential services, e.g. solid waste management or restoring utilities)

Sphere of influence

Results we will help to
achieve (outputs)

- Output 1.1 of the ILO ERP Recovery Programme:
- Employment-intensive investment programmes (EIIP) generate decent work, infrastructure and essential services**

Sphere of impact

Impact to which we will
contribute (outcome)

- ERP Recovery Outcome 1 on Employment Promotion:
- Affected workers have access to decent job opportunities and labour justice**



International
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ILO Emergency Response Plan

Recovery Programme

Employment Promotion

Output 1.2

► Job placements and accelerated apprenticeships

Unemployment is sky-rocketing in the West Bank, but employers are still struggling to find workers with the skills they need. Job placements and accelerated apprenticeships that match workers with employers will enable workers to secure decent jobs, while ensuring that employers have access to the talent they need for their recovery and resilience.



Occupied Palestinian
Territory

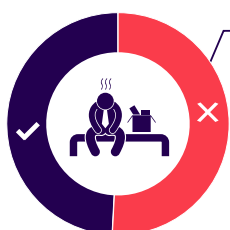
► The challenge

Unemployment was already high in the West Bank and Gaza before the war. Now, unemployment has soared to a staggering 50.8 per cent as of May 2024 in the Occupied Palestinian

Territory overall, affecting all economic sectors. The ILO estimates that 507,000 jobs have already been lost. A survey conducted by the Palestinian General Federation of Trade Unions (PGFTU) with the ILO's support reveals that the share of surveyed workers employed in Israel and the settlements dropped dramatically from 22.2 per cent before the crisis, to merely 2.3 per cent by January 2024. This has resulted in a substantial increase in the domestic labour supply, exacerbating the imbalance between labour supply and demand.

Despite high levels of unemployment, employers in the West Bank report that they cannot find workers with the skills needed for their firms. This was especially true before the war, as increasing numbers of skilled workers found jobs in Israel. Since the war began, scores of these workers have been laid off, either because they have been unable to access and, therefore, have lost their jobs in Israel, or because of movement restrictions within the West Bank. These workers are now looking for jobs locally.

Palestinian workers need to be matched with employers, and many require additional skills to take up available jobs. This is why **job placements and an accelerated apprenticeship scheme** are part of the **ILO Emergency Response Plan's (ERP) Recovery Programme**.

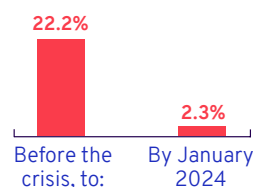


50.8%
unemployment
in the Occupied
Palestinian Territory
as of May 2024 (and
estimates of 47.1%
overall in 2024)

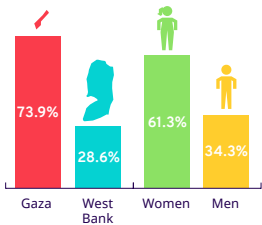


507,000
Palestinians
have already
lost their jobs
since the war
began

The share of
surveyed workers
employed in
Israel and the
settlements
dropped from:



Before the war, **youth unemployment** was already at **38%** and **graduate unemployment rates** were very high:



Most workers who have lost their jobs since the war began **remain unemployed and incomeless**



But employers report that **they cannot find workers** with the skills their businesses need

► The change

This output, under the **Employment Promotion outcome** of the **ILO ERP Recovery Programme**, proactively seeks to address existing challenges by spearheading a job placement scheme, and an accelerated apprenticeships scheme. Apprenticeships combine workplace and classroom training, while providing a stipend equivalent to 50–80 per cent of the wage the apprentice is expected to receive when she/he is fully trained and employed, thereby reducing the opportunity cost of being in training. Apprenticeships will help address immediate skills needs, but will also be designed to enhance emerging skills related to digitalization and environmentally responsible ways of working – training that is otherwise not widely available, but is useful for businesses to modernize and access new markets – and help implement business development plans. The scheme (based on competency standards developed with employers) will be governed by the Ministry of Labour in collaboration with employers’ and workers’ representatives. Both of these schemes will be implemented in tandem with other interventions under the ERP Recovery Programme, such as a temporary wage subsidy scheme (output 3.1), to maximize impact and sustainability.

► ILO’s comparative advantage

The ILO has provided policy advice, capacity development services and support for the implementation of apprenticeship and job placement programmes in more than 30 countries. The ILO’s tried and tested approach to quality apprenticeships contributes to lowering unemployment rates, reducing skills mismatches, and enhancing the productivity and competitiveness of enterprises. In a fast-changing world of work, the apprenticeship model empowers both youth and older workers to re-skill and up-skill. Decades of experience in skills development and employers’ engagement make the ILO uniquely well-placed to support job placements and apprenticeships in the Occupied Palestinian Territory, in line with the ILO’s Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Partners
Ministry of Labour, Palestinian General Federation of Trade Unions, Federation of Chambers of Commerce, Industry and Agriculture

Sphere of action

What we will do (activities)

- Conduct a skills needs and value chain assessment with employers to determine the competencies they require
- Set up an employment exchange mechanism (housed in a national organization) for jobseekers to register with and have their skills matched with vacancies provided by employers
- Train staff of the mechanism on collecting information, providing basic career guidance, and monitoring job placement results
- Provide training through apprenticeships to “top-up” the skills of workers who need additional skills to before they can be matched with a job

Sphere of influence

Results we will help to achieve (outputs)

► Output 1.2 of the ILO ERP Recovery Programme:
Access to decent work is supported through jobs placements and accelerated apprenticeship schemes

Sphere of impact

Impact to which we will contribute (outcome)

► ERP Recovery Outcome 1 on Employment Promotion:
Affected workers have access to decent job opportunities and labour justice



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Employment Promotion

Output 1.3

Workers' apex organizations provide information, services and advocacy



Occupied Palestinian
Territory

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Organizations that represent workers have a vital role to play in protecting their members from the impact of the war, and providing services, information and networks that advance workers' rights and resilience. Supporting the Palestinian Territory's apex workers' organization to play this proactive, capable role will be a boon to recovery.

The challenge

The Palestinian labour market crisis has worsened due to three primary factors: job losses in the Israeli economy and settlements, impediments to employment within the local economy due to heightened restrictions, and a decline in employment opportunities due to reduced market demand, supply chain disruptions and increased transportation costs. Over half a million workers, including many who used to work in Israel, have lost their jobs. Many workers have not been paid their full wages or end-of-service benefits, and have no access to information on their rights in these circumstances.

Apex organizations representing workers, such as the Palestinian General Federation of Trade Unions, have a key role to play in protecting their members from the adverse impacts of the war, and supporting their recovery and resilience. Workers' organizations are crucial societal actors, and the mobilization potential of their membership base puts them at the forefront of efforts to prevent conflicts, or at least to mitigate the effects of conflicts when prevention is not possible. They are in prime position to provide their

members with access to services, information and networks, as well as to collect, analyse and generate data to inform decision-making. Yet in times of crisis, societal institutions such as trade unions can stop functioning effectively. This undermines the potential for strong labour market recovery.

This is why **supporting workers' organizations to increase their services for members** is part of the **ILO Emergency Response Plan's (ERP) Recovery Programme**.



Many workers have not been paid their full wages or end-of-service benefits, and have no access to information on their rights



► The change

The output, under the **Employment Promotion outcome** of the **ILO ERP Recovery Programme**, will support the apex Palestinian workers’ organizations – the Palestinian General Federation of Trade Unions (PGFTU) – to increase services for members. These include legal services, acting as a pressure group against workers’ rights violations, strengthening members’ analytical capacities, building networks with other labour rights organizations, and consolidating sustained communication channels with the business community and government actors before, during and after the conflict.

This output focuses on enhancing tripartite social dialogue capacity for a more effective, inclusive approach to mitigate the impact of the conflict on the labour market. This will be achieved by positioning the PGFTU to take a more capable, proactive role in economic recovery for the restoration of jobs, in advocating for policy reforms, and in fostering stakeholder collaboration. The output will build on the leading role that PGFTU was supported to take in identifying and implementing emergency relief measures for its members when the crisis began, to improve services for members, and to strengthen their capacities so that they can lead early recovery.

► ILO’s comparative advantage

The ILO is at the forefront of assisting workers’ organizations to face multiple, overlapping crises in the world of work. By supporting core functions within the PGFTU, this output project will contribute to workers’ securing their employment rights, thereby makes significant strides towards a policy and institutional environment conducive to decent work. The formation of a Worker’s Protection and Advocacy Unit within PGFTU will fortify the union’s ability to safeguard workers’ rights, offer legal aid, and enhance its data management and analytical capacities. Drawing from the ILO’s past collaborations with PGFTU, this output leverages important lessons learned. This output is also fully in line with the ILO’s Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Partners
Palestinian General Federation of Trade Unions (PGFTU)

Sphere of action

What we will do
(activities)

- Support PGFTU to revisit its structures in light of new realities in the labour market, in order to better serve and represent its members and influence recovery plans
- Form a Workers’ Protection and Advocacy Unit (WPAU) from selected members of PGFTU’s units
- Build the WPAU’s capacity to collect and analyse information on the labour market, continuously provide PGFTU leaders with accurate information and advice on services to protect workers’ rights and support job recovery, and to deliver gender-responsive assistance and advocacy services tailored to the needs of workers and sectoral unions

Sphere of influence

Results we will help to
achieve (outputs)

- Output 1.3 of the ILO ERP Recovery Programme:
Workers’ apex organizations provide information, legal services and advocacy to improve industrial relations, and to protect and create jobs

Sphere of impact

Impact to which we will
contribute (outcome)

- ERP Recovery Outcome 1 on Employment Promotion:
Affected workers have access to decent job opportunities and labour justice



International
Labour
Organization

ILO Emergency Response Plan

Recovery Programme

Social Protection

Output 2.1

► Social protection coherence across the humanitarian-development-peace nexus



Occupied Palestinian
Territory

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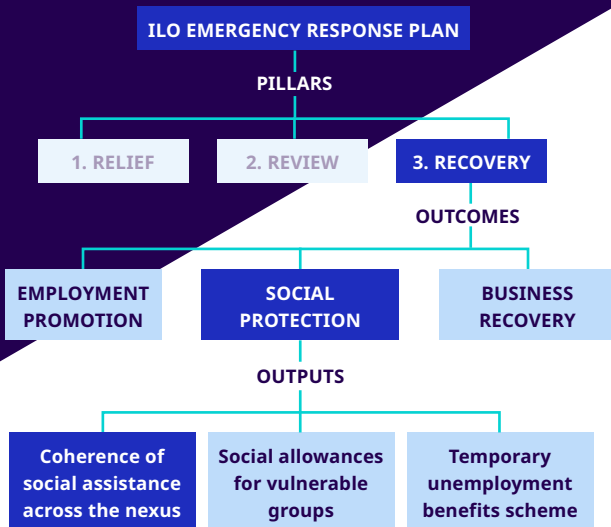
Palestinians risk slipping through the cracks of a fragmented social protection sector, marked by insufficient coordination between national and humanitarian programmes. A “nexus” approach to social protection is needed to ensure the coverage of all those in need, and to move towards a resilient, comprehensive national social protection system.

► The challenge

Access to social protection is a human right, vital for supporting people across the life cycle and building resilience to shocks. The Occupied Palestinian Territory does not have a comprehensive social protection system to support people in times of shock (like the current crisis) or through periods of income insecurity, poverty or vulnerability. Many humanitarian programmes, originally conceived for emergencies, have become structural over time. Until October 2023, and still today in the West Bank, these make up a significant share of social protection coverage and outlays. Both metrics are higher than of the Palestinian Authority’s main scheme, the National Cash Transfer Programme, implemented by the Ministry of Social Development. A lack of coordination between national and humanitarian programmes limits the effectiveness of social protection, resulting in a fragmented sector with scattered results.

The only way forward in such a complex context is to strengthen the connections between humanitarian action, development, and peace-building – that is, through the humanitarian-

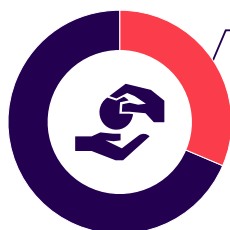
development-peace nexus approach. In the Occupied Palestinian Territory, partners have spent years building up innovative coordination mechanisms in line with the nexus approach. A dedicated team at the Ministry of Social Development is supporting coordination across the nexus. As needs sky-rocket – especially in Gaza, but also in the West Bank – support for a nexus approach is needed now more than ever to ensure the coverage of all those in need, and to lay the groundwork for a resilient national social protection system in the long-term. This is why **supporting social protection coherence across the nexus** is part of the **ILO Emergency Response Plan’s (ERP) Recovery Programme**.



The Occupied Palestinian Territory was rated the world's

34th most fragile

context in 2023,
before the war



40%

of Palestinian households receive at least **one type of social protection transfer**

Coverage rates are **highest in Gaza**

35%

of families receive a governmental benefit

70%

of families receive a non-governmental benefit

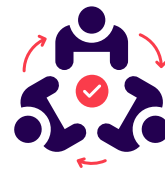


Humanitarian assistance programmes have remained **misaligned** from governmental schemes like the **National Cash Transfer Programme**

The Social Protection Cash and Voucher Assistance Thematic Working Group (**SPCVA TWG**) brings together governmental, development and humanitarian stakeholders to

improve coordination

on social assistance **across the nexus**



► The change

This output, under the **Social Protection outcome** of the **ILO ERP Recovery Programme**, proactively seeks to overcome challenges and meet urgent needs in the Palestinian social protection sector.

Using a nexus framework – and building on the ILO's past successes in implementing reform projects with the Ministry of Social Development and other sectoral partners – this output will act as a critical catalyst to improve coherence across social assistance programming in the Occupied Palestinian Territory.

This output will focus on strengthening capacities and systems-strengthening support to improve the coherence of social assistance across the nexus. The output is structured using the OECD DAC Nexus Pillars (coordination, programming, and coordination), which are broad enough to allow flexibility and the re-prioritization of activities as new circumstances emerge.

► ILO's comparative advantage

Since 2021, the ILO, UNICEF and Oxfam have been implementing an EU-funded project, "Strengthening nexus coherence and responsiveness in the Palestinian social protection sector", with the Palestinian Authority and humanitarian partners. Through the project, the Social Protection Cash and Voucher Assistance Thematic Working Group (SPCVA TWG) was established. This body – bringing together government, development and humanitarian stakeholders – has improved coordination, synergies and coherence towards a harmonized approach to short-term emergency relief and long-term cash and voucher programming. This output builds on, and will further advance, such successes. It is fully in line with the ILO's Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Partners

Ministry of Social Development, social partners, development and humanitarian actors working on cash assistance

Sphere of action

What we will do
(activities)

- Continue facilitation of the SPCVA TWG and sub-groups, with greater investment in participatory dialogue, joint workshops and on-demand analysis
- Provide capacity building will also be provided for actors across the nexus, particularly to strengthen the ability of the Ministry of Social Development to lead and guide nexus discussions
- Set up a facility to provide urgent on-the-job support and other capacity measures for the ministry to support the nexus coherence of social assistance programmes
- Support actors in defining a joint costed roadmap for social assistance across the nexus

Sphere of influence

Results we will help to
achieve (outputs)

- Output 2.1 of the ILO ERP Recovery Programme:
- The coherence and coordination of social assistance programming is improved across the humanitarian-development-peace nexus**

Sphere of impact

Impact to which we will
contribute (outcome)

- ERP Recovery Outcome 2 on Social Protection:
- Palestinian women and men, and their families, have access to rights-based social protection systems, ensuring income security against life cycle risks**



International
Labour
Organization

ILO Emergency Response Plan

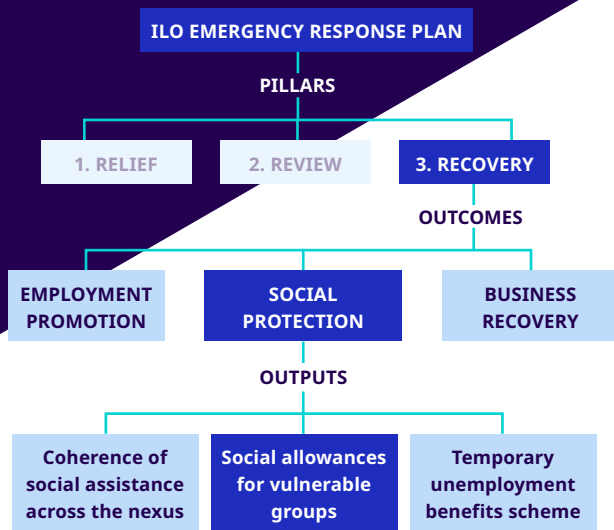
Recovery Programme

Social Protection

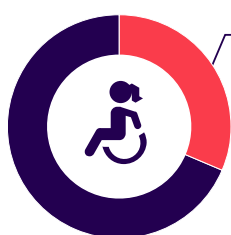
Output 2.2

► Social allowances for the most vulnerable groups

Social allowances are tax-financed cash transfers paid regularly to provide income support across the lifecycle, regardless of a person's employment history or social security contributions. By expanding social allowances to older people, persons with disabilities and children, this output will mitigate the impact of the war on some of the most vulnerable groups in the Occupied Palestinian Territory, enabling them to live with dignity.

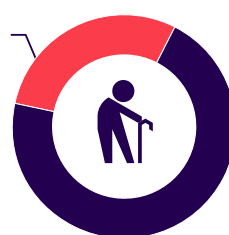


As the war causes poverty and vulnerability to sky-rocket, expanding social protection in the Occupied Palestinian Territory has never been more important. External support for the establishment of social allowances is required to directly improve the well-being of some of the most vulnerable groups in Palestinian society, to preserve and maintain existing national social protection systems, and to contribute to overall socio-economic recovery and resilience. This is why **social allowances** are part of the **social protection component** of the **ILO Emergency Response Programme's Recovery Pillar**.



40%
of persons with disabilities &
live in poverty
in the Occupied
Palestinian Territory

live in poverty
in the Occupied
Palestinian Territory



27%
of older persons
live in poverty
in the Occupied
Palestinian Territory

live in poverty
in the Occupied
Palestinian Territory

People with disabilities are

30%

more likely to
live in poverty &

than people without disabilities

40%

more likely to live in
extreme poverty



Occupied Palestinian
Territory

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► The challenge

Older people and persons with disabilities are more likely to live in poverty than other groups in the Occupied Palestinian Territory. They have limited opportunities of earning an adequate income. Social protection coverage, including contributory schemes, is limited across all age groups. While the coverage of pensions is concentrated among older persons, governmental and non-governmental assistance tapers off for those in old age. As a result, older persons are actually covered less by social assistance than other age groups. Persons with disabilities face greater hardship and poverty throughout the lifecycle, but they do not receive any more cash assistance than other groups. This means that a large number of Palestinians with disabilities are living in deep poverty, without access to government cash support, particularly in Gaza. Social assistance, charity or *zakat* offer some relief, but such support is limited, ad hoc and inadequate. While political will exists to develop a comprehensive system of social allowances for all (a social protection floor), conflict and fiscal crisis pose critical constraints.

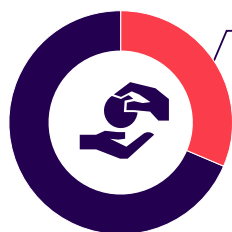
**32%**

of people aged 75+ have a disability, a much higher disability rate than among younger people

Older women are

7 times

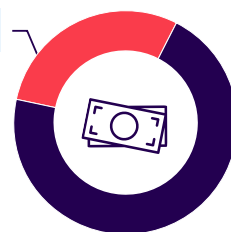
more likely to be widowed than older men, depriving them of spousal support (material, social and emotional)

**36%**

private sector workers actually receive their end-of-service indemnity

17.4%

of older persons receive a pension from the Palestinian Pension Agency



► The change

This output, under the **Social Protection outcome** of the **ILO ERP Recovery Programme**, will address these challenges by supporting the delivery of rights-based, adequate, sustainable income security for older persons, persons with disabilities, women and children. All individuals are at risk of falling into poverty or vulnerability across their lifecycle and might need income support. This is why a lifecycle approach, rather than a poverty-targeting approach, are needed.

In the West Bank, the European Union's Mécanisme Palestino-européen de Gestion de l'Aide Socio-économique (PEGASE mechanism) will fully finance the roll-out of new social allowances for older persons and persons with severe disabilities until 2026. This output will focus on expanding coverage of social allowances to Gaza in a complementary manner to EU PEGASE funding in the West Bank, and thereby contributing to the gradual implementation of a national social protection floor in the Occupied Palestinian Territory. Channelling funding through the national system to deliver social protection (cash transfers) in Gaza will be a significant proof of concept, demonstrating to donors and sectoral actors that the Ministry of Social Development's systems are able and willing to make these payments.

► ILO's comparative advantage

The ILO's approach to social protection – through building rights-based, universal social protection floors – has been globally agreed at the International Labour Conference and reaffirmed at the Arab Ministerial Forum in 2021. In the Occupied Palestinian Territory, the ILO has been supporting the Ministry of Social Development to work towards the establishment of social allowances for several years, in line with the Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Social Protection Floors Recommendation, 2012 (No. 202). This output responds to a direct request from the ministry to support the implementation of social allowances for persons with disabilities and older persons. It is fully aligned with the ILO's Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Partners

Ministry of Labour, Ministry of Social Development, UN agencies

Sphere of action

What we will do
(activities)

- Phase 1 (3–6 months): Establish and gradually roll out social allowances for elderly women in Gaza (65 years old+), starting with those already identified in the Ministry of Social Development's database and in coordination with the civil registry in Gaza
- Phase 2 (2025–onwards): Scale-up social allowances to older persons (65 years old+) and persons with severe disabilities in Gaza, with an additional option to transfer allowances to pregnant women and newborns, building on the mechanism and design principles used by other UN agencies in their emergency cash response in Gaza (depending on funding availability)

Sphere of influence

Results we will help to
achieve (outputs)

- Output 2.2 of the ILO ERP Recovery Programme:

Social allowances are established for vulnerable groups most affected by the crisis

Sphere of impact

Impact to which we will
contribute (outcome)

- ERP Recovery Outcome 2 on Social Protection:

Palestinian women and men, and their families, have access to rights-based social protection systems, ensuring income security against life cycle risks



International
Labour
Organization

ILO Emergency Response Plan

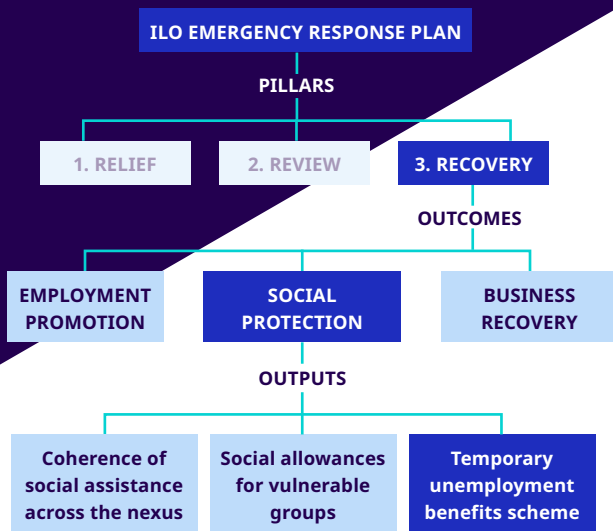
Recovery Programme

Social Protection

Output 2.3

► Temporary unemployment benefits scheme for Palestinian workers

Unemployment protection schemes are vital to ensure income security for workers and their families. By supporting a temporary unemployment benefits scheme for workers who have lost their jobs in the Palestinian and Israeli labour markets, this output will mitigate the war's impact on workers in sectors hardest hit by the ongoing crisis.

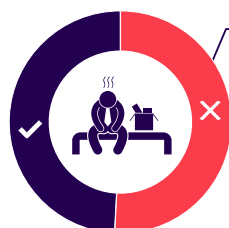


stranded in the West Bank. Without work in an economy ravaged by crisis, these workers need support to weather the storm and get back on their feet. Unemployment benefits can help women and men sustain themselves and their families while they look for jobs or upskill to find new ones. This is why a **temporary unemployment benefits scheme** for workers who have lost their jobs is part of the **social protection component** of the **ILO Emergency Response Plan's (ERP) Recovery Programme**.



507,000

Palestinians have already **lost their jobs** since the war began



50.8%

unemployment in the Occupied Palestinian Territory as of May 2024 (and estimates of 47.1% overall in 2024)

160,000+

Palestinian workers in Israel & the settlements have **lost their jobs** due to movement restrictions and the revocation of permits

9.4%

decline in **daily wages** is projected if the war continues until August 2024



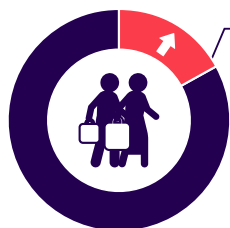
Occupied Palestinian
Territory

► The challenge

The Occupied Palestinian Territory has experienced colossal job losses since October 2023, driving up the already high rate of unemployment. Projections indicate that unemployment will shoot up further in 2024, leaving scores of workers unemployed and without income for an indefinite period of time. Across Gaza, the war is taking a devastating toll on the Palestinian economy, with the destruction of establishments, infrastructure and services. In the West Bank, increased restrictions on movement, incursions by Israeli forces, attacks by Israeli settlers, and the withholding by Israel of tax revenues it owes to the Palestinian Authority have led to an increase in unemployment, poverty, and a contraction of the economy. Forecasts show that workers in the industry and services sectors will be worst affected. In addition, more than 160,000 Palestinian workers from the West Bank employed in Israel and the settlements face job losses as they can no longer access their workplaces and work permits have been revoked. They join the ranks of thousands of workers from Gaza previously working in Israel who were forcibly expelled from their jobs in October and are

Thousands

of Palestinian workers from Gaza employed in Israel have **already been expelled** and are stranded in the West Bank



16.9%
of all employed **Palestinians** worked in Israel and the settlements in before the war

Despite challenging conditions, workers employed in Israel earn

2.7 times
more than workers in the Palestinian labour market



Most workers who have lost their jobs **remain unemployed and incomeless**



► The change

This output, under the **Social Protection outcome** of the **ILO ERP Recovery Programme** will address these challenges by supporting temporary unemployment benefits for vulnerable Palestinian workers in sectors hardest hit by the impact of the war. The unemployment benefits scheme will be linked to other ILO ERP interventions, including skills development and job placement, to support Palestinian women and men to re-enter the labour market. This scheme marks a move from a social assistance approach towards unemployment benefits, coupled with support for jobseekers to find new work and transition back into the labour market.

In light of the Palestinian Authority's reaffirmed commitment to advancing social security reform, including in the agenda of the new administration, this output will support progress made and envisages the possible reactivation of the Palestinian Social Security Corporation in an emergency shape to administer a temporary unemployment benefits scheme. The temporary scheme, in the form a pilot, will also aim to lay the foundation for a full-fledged unemployment insurance system, which was introduced in the last version of the draft Social Security Law in 2023, based on strong demand from social partners.

► ILO's comparative advantage

The ILO's approach to social protection centres on the strengthening of national institutions. In the Occupied Palestinian Territory, this work will build on its longstanding partnership with the Ministry of Labour, Ministry of Social Development, and other stakeholders, as well as lessons learned from extensive consultations on the introduction of social security mechanisms. It also builds on emergency relief work by the ILO, in partnership with the Ministry of Labour, Palestinian General Federation of Trade Unions (PGFTU) and UNRWA, to design and implement an emergency cash assistance programme for workers from Gaza sheltering in the West Bank, in line with international labour standards. This output is fully aligned with the ILO's Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.

**Partners**

Ministry of Labour, Ministry of Social Development, UN agencies, humanitarian partners

Sphere of action

What we will do
(activities)

- Support the emergency reactivation of the Palestinian Social Security Corporation to administer a temporary unemployment benefits scheme, thereby channelling support through national institutions
- Deliver unemployment benefits through the scheme to an initial group of 10,000 Palestinian workers previously employed in the West Bank, Gaza and Israel, focusing on sectors most affected by the crisis (e.g. industry and services)
- Support the resumption of social dialogue for the adoption of social security reforms and the identification of a suitable pathway for its gradual and realistic roll-out

Sphere of influence

Results we will help to
achieve (outputs)

- Output 2.3 of the ILO ERP Recovery Programme:

A temporary unemployment benefits scheme is established for the most affected workers

Sphere of impact

Impact to which we will
contribute (outcome)

- ERP Recovery Outcome 2 on Social Protection:

Palestinian women and men, and their families, have access to rights-based social protection systems, ensuring income security against life cycle risks



International
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ILO Emergency Response Plan

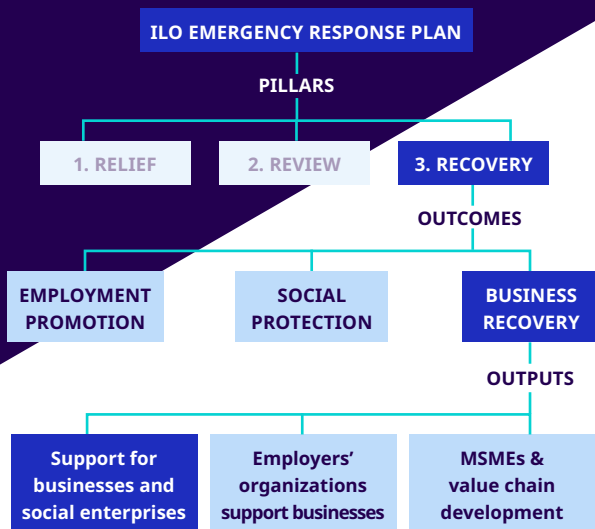
Recovery Programme

Business Recovery

Output 3.1

Supporting Palestinian businesses and social enterprises

Palestinian businesses are struggling to cope with the current crisis. They need support to stay afloat and retain workers, including access to finance, business inputs, and new markets. By preventing them from slipping into economic collapse, immediate support will enable businesses not only to survive, but to thrive and lead economic recovery.



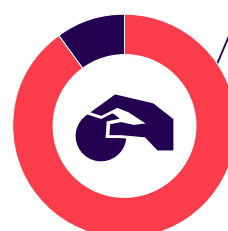
The challenge

The devastation wrought on the economy of Gaza, as well as the disruption to economic life in the West Bank, has led to substantial losses in employment and livelihoods. In the West Bank, a survey of employers conducted by the ILO and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture in January 2024 indicates that nearly 99 per cent of participating establishments have experienced adverse impacts due to Israeli measures implemented since October 2023. More than 97 per cent of these establishments have witnessed a drop in monthly turnover, and nearly 91 per cent are struggling to cover financial obligations due to liquidity constraints. Over 81 per cent report losing important clients as a result of the war, and 82 per cent report substantial increases in business-related transportation costs. Firms are trying to cope in different ways. These include reducing working hours or days to cut costs, closing production lines, cancelling orders, and laying off employees – sometimes without being able to pay their complete wages or end-of-service indemnities. This has led to a reduction in the average workforce across sectors, with the total average workforce decreasing by 18 per cent.

This will have an onward adverse impact in the form of decreased purchasing power and a further contraction of the local economy in the West Bank. This is why **supporting businesses and social enterprises to access finance, business inputs and new markets** is part of the **ILO Emergency Response Plan's (ERP) Recovery Programme**.



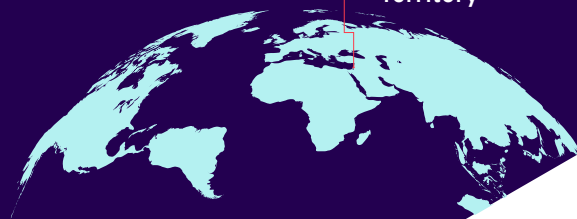
97.2%
of surveyed
businesses in the
West Bank have
had their **monthly
turnover drop**
following the war



90.8%
of surveyed
businesses have a
decreased ability
to pay financial
obligations due to
liquidity constraints

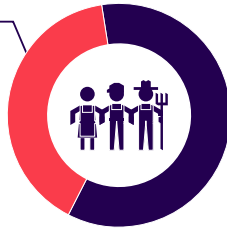


Occupied Palestinian
Territory



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40%
of surveyed SMEs
have been forced to
**permanently lay off
workers**



**Top 5 ways businesses
are trying to cope:**

75.7%
have stopped business
development projects

73.4%
have reduced workers'
hours or days to cut costs

71.7%
have reduced credit
sales

68.3%
have cancelled orders
placed before the war

57.6%
have stopped paying
for overtime

► The change

This output, under the **Business Recovery outcome** of the **ILO ERP Recovery Programme**, will support businesses to access funds, new markets and business inputs by addressing decent work deficits and improving operations. This will involve the ILO working closely with other UN agencies, such as the United Nations Industrial Development Organization (UNIDO), as well as with national partners, especially employers' apex organizations and cooperative unions, and in tandem with the Workers' Support and Advocacy Unit and job placement mechanisms to be implemented under the ERP Recovery Programme (see outputs 1.2 and 1.3).

Based on the priorities identified through assessments, firms will be supported to access inputs such as renewable energy infrastructure, occupational safety and health improvements, or even measures to help them retain staff, such as hiring carers for the children of working parents. This support will be complemented by establishing a sustainable revolving credit facility and a temporary wage subsidy scheme. This will enable businesses to stay afloat while retaining the skills and knowledge needed to up-start their activities after the crisis and, at the same time, their workers will stay employed and continue earning.

► ILO's comparative advantage

When businesses are supported with immediate measures to prevent them slipping into economic collapse, they are able to generate and retain decent jobs, and drive economic recovery. This output draws on the ILO's unique experience of supporting businesses and workers worldwide, including through assessments of decent work deficits covering international labour standards on occupational safety and health, gender equality and non-discrimination, the right to organize and collectively bargain, and the elimination of child labour and forced labour. These will help companies and sectors address decent work deficits, gain the benefits of compliance, and secure access to funds and markets. This output is in line with the ILO's Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Partners

Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA), UNIDO, UN agencies, cooperative unions

Sphere of action

What we will do
(activities)

- Support production process improvements by assessing firms; developing production and decent work improvement plans (to help firms improve their products, address decent work deficits, introduce new ways of working, and access new markets, funds, compliance, etc.); and assisting firms to access inputs
- Establish a sustainable revolving credit facility to enhance enterprises' operational capacities by offering interest-free loans
- Implement a temporary wage subsidy scheme for enterprises significantly impacted by the crisis, to help them retain employees and save jobs

Sphere of influence

Results we will help to
achieve (outputs)

- Output 3.1 of the ILO ERP Recovery Programme:
- Businesses and social enterprises are supported with access to finance, business inputs and new markets**

Sphere of impact

Impact to which we will
contribute (outcome)

- ERP Recovery Outcome 3 on Business Recovery:
- Enterprises in priority sectors have increased resilience and swift recovery through strengthened value chains and enhanced access to business support services**



International
Labour
Organization

ILO Emergency Response Plan

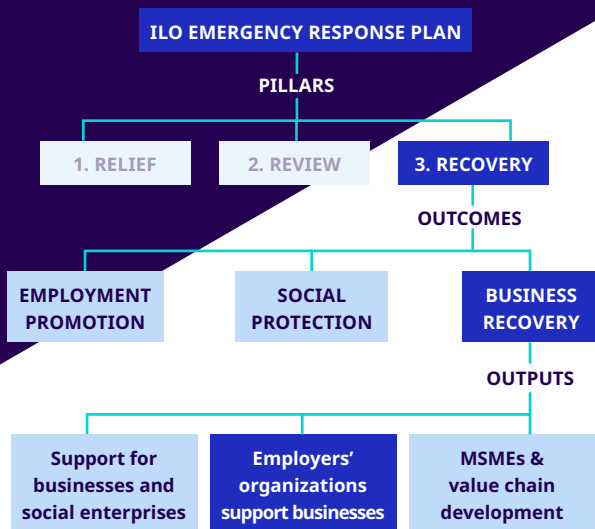
Recovery Programme

Business Recovery

Output 3.2

Employers' organizations support affected businesses

Organizations representing Palestinian employers are in prime position to foster the conditions needed for the recovery and resilience of businesses. Supporting employers' organizations is vital to help businesses stay afloat during the current crisis, and to create the enabling business environment they need to thrive in its aftermath.



Government support, policy changes, and financial interventions are crucial for economic recovery, with businesses calling for chambers of commerce's comprehensive support. This is why **supporting employers' organizations to assist affected businesses** is part of the **ILO Emergency Response Plan's (ERP) Recovery Programme**.

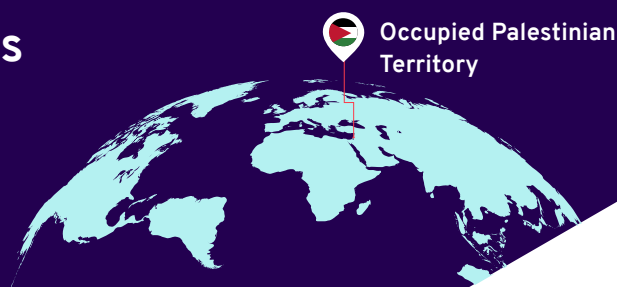


of surveyed businesses in the West Bank report being **negatively affected by the impact of the war**



Private sector recommendations for business recovery:

- ▶ Policy, financial and business continuity assistance
- ▶ Programmes to retain and upskill workers
- ▶ Collaboration and knowledge-sharing between employers' and business membership organizations, government agencies and unions



Occupied Palestinian Territory

The challenge

Employers' organizations have a vital role to play in fostering conditions for the recovery and resilience of Palestinian enterprises. They can do so by influencing the environment in which they do business, as well as by providing services that improve businesses' individual performance. They are in prime position to advance advocacy and stakeholder engagement through collaboration between business membership organizations, government agencies, workers' unions and other stakeholders. Supporting employers' organizations to do so is among the recommendations provided by the private sector to address existing challenges, and support businesses to withstand the impact of the war in Gaza on the Palestinian labour market.

A survey by the ILO and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture in January 2024 reveals that nearly all West Bank businesses (almost 99 per cent) have suffered from the impact of the war, including significant decreases in turnover (97 per cent) and liquidity (nearly 91 per cent). Challenges such as higher transportation costs (over 82 per cent) and sourcing difficulties (nearly 84 per cent) are widespread, alongside a notable reduction in the workforce among surveyed firms.

► The change

This output, under the **Business Recovery outcome** of the **ILO ERP Recovery Programme**, will address these challenges by supporting the establishment and functioning of an Enterprise Support and Advocacy Unit (ESAU) at the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA).

This unit will work in close collaboration with the Workers' Protection and Advocacy Unit at PGFTU (see output 1.3). Its technical support for enterprises will prioritize businesses experiencing difficulties in sustaining their operations, covering a range of areas including gender-responsive business development services, planning and business continuity management, market analysis and marketing tools, legal support, and facilitating access to financial services and funds for MSMEs to implement resilient and collaborative interventions. For example, one initiative under discussion is supporting a Recovery Fund for MSMEs to help them implement collaborative, business continuity and recovery measures. This initiative will be linked to the revolving credit facility (see output 3.1).

► ILO's comparative advantage

The ILO's longstanding partnership with FPCCIA has been instrumental in fostering business recovery and resilience. Past efforts include providing emergency assistance to Gaza-based enterprises whose goods were stranded at Israeli ports, and a comprehensive assessment of the impact of the war on businesses in the West Bank. This output builds on this collaboration to empower FPCCIA and its member enterprises to navigate and overcome the complex challenges posed by the current crisis. By supporting core functions within the FPCCIA through the establishment of an Enterprise Support and Advocacy Unit, this output will foster business recovery and a more resilient business environment. This output is in line with the ILO's Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Partners

Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA)

Sphere of action

What we will do
(activities)

- Establish an Enterprise Support and Advocacy Unit (ESAU) at the FPCCIA, which
- Support the ESAU to provide technical assistance to regional chambers (which, in turn, will support MSMEs in critical sectors); to foster collaboration and dialogue between FPCCIA and relevant ministries, sectoral workers' and employers' representatives, and other partners; to establish networks and partnerships with peer organizations, including with the Palestinian employers' diaspora, to strengthen collaboration and access to markets and inputs

Sphere of influence

Results we will help to
achieve (outputs)

- Output 3.2 of the ILO ERP Recovery Programme:
- Employers' organizations support affected businesses in critical economic sectors**

Sphere of impact

Impact to which we will
contribute (outcome)

- ERP Recovery Outcome 3 on Business Recovery:
- Enterprises in priority sectors have increased resilience and swift recovery through strengthened value chains and enhanced access to business support services**



International
Labour
Organization

ILO Emergency Response Plan

Recovery Programme

Business Recovery

Output 3.3

► Strengthening MSMEs through value chain development

Agriculture in the Occupied Palestinian Territory depends on small producers, but they face immense challenges to their productivity, operational efficiency and access to markets. Helping agricultural MSMEs thrive through value chain development will contribute to creating decent jobs, ensuring food security and building resilience.



► The challenge

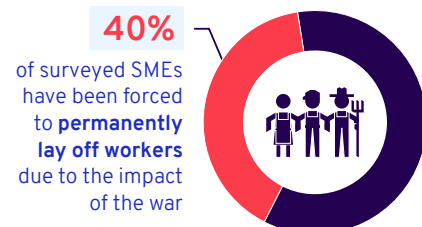
The agricultural sector in the Occupied Palestinian Territory can play a vital role in ensuring food security in times of crisis. Agriculture is central to the Palestinian national identity, and is intimately associated with resilience. While soaring unemployment is projected to affect all economic sectors, agriculture alone is expected to remain stable as it initially absorbs those who become unemployed in other sectors. Supporting small producers is more important than ever in this context, especially as micro, small and medium-sized enterprises (MSMEs) are especially hard hit by the deteriorating economic conditions. Surveyed SMEs have reported taking drastic measures to cope, including 40 per cent resorting to permanent layoffs.

By harnessing the strength of its agricultural potential, the Occupied Palestinian Territory can address concerns about food supply shortages and reduce dependence on imported items that are susceptible to price fluctuations and supply disruptions. To do so, it is vital to address challenges that limit the productivity, operational efficiency, returns, competitiveness and access to market opportunities among agricultural producers, particularly MSMEs.

In this time of unparalleled crisis, bolstering the resilience of small producers – and by extension, the resilience of rural Palestinian communities – are more important than ever. This is why **strengthening MSMEs through value chain development** is part of the **ILO Emergency Response Plan's (ERP) Recovery Programme**.



99%
of surveyed
businesses in the
West Bank report
being **negatively**
affected by the
impact of the war



40%
of surveyed SMEs
have been forced
to **permanently**
lay off workers
due to the impact
of the war



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74% of surveyed households report a loss of 40% to 100% of their income



70% decrease in purchasing power in the OPT is estimated by UNIDO)

Agriculture has been identified as a sector that will absorb Palestinian workers as they lose jobs in other sectors



This makes supporting small producers more important than ever in the current context

► The change

This output, under the **Business Recovery outcome** of the **ILO ERP Recovery Programme**, will support inclusive market systems and value chain development (VCD) in agricultural subsectors, to contribute to the sustainable creation of decent jobs in agriculture. It will build on sectoral assessments previously conducted by the ILO in seven agricultural subsectors (beekeeping, dairy, dates, grapes, medicinal herbs, vegetables, and agri-tourism), in-depth value chain analysis of the beekeeping and dairy subsectors, and pilot interventions initiated to enhance productivity, expand access to markets and create employment opportunities.

It establish innovative operational mechanisms and business models to enable small-scale producers, especially women and youth, to seize market opportunities along agricultural value chains, while addressing power inequalities and gender disparities. At the same time, the output will contribute to the creation of livelihood alternatives and the promotion of decent work for women and men who were previously working in Israel and Israeli settlements.

► ILO's comparative advantage

Several ILO business development tools have been institutionalized within national mechanisms in the Occupied Palestinian Territory. This output will leverage these tools and approaches, such as Start and Improve Your Business (SIYB) – which helps small businesses improve their products, markets and management practices in line with the principles of decent work and formalization – and Managing Your Agricultural Cooperative (My.COOP) – which helps cooperatives increase their membership, improve management practices, and diversify products to reach new markets. These also include Sustainable and Resilient Enterprises (SURE) training to strengthen SMEs' resilience to complex hazards. This output is in line with the ILO's Decent Work Programme 2023–25 and the United Nations Sustainable Development Cooperation Framework in the Occupied Palestinian Territory.



Partners

Cooperative Works Agency, Enterprise Support and Advocacy Unit (see output 3.2), MSMEs and cooperatives

Sphere of action

What we will do (activities)

- Build on sectoral assessments, value chain analysis and pilot interventions to support market innovation, introduce MSMEs to new market opportunities, and enhance their capacity to manage their businesses – all with a view to strengthening the resilience, productivity and competitiveness of small-scale farmers/producers, cooperatives, and MSMEs in the agricultural sector
- Draw on ILO tools to spearhead interventions, and adapt tools to specific subsectors and types of businesses

Sphere of influence

Results we will help to achieve (outputs)

- Output 3.3 of the ILO ERP Recovery Programme:
- MSMEs are strengthened through value chain development in priority sectors**

Sphere of impact

Impact to which we will contribute (outcome)

- ERP Recovery Outcome 3 on Business Recovery:
- Enterprises in priority sectors have increased resilience and swift recovery through strengthened value chains and enhanced access to business support services**

