

Public employment service: Functional assessment

Occupied Palestinian Territory

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ACRONYMS

ALMP	Active Labour Market Programmes
CCIA	Chambers of Commerce, Industry and Agriculture
CVET	Continuing Vocational Education and Training
DWP	Palestinian Decent Work Programme 2018–2022
EO	Employment Office
ECIB	Belgian Development cooperation project Enhancing Capacity for Institution Building
FPCCIA	Federation of Palestinian Chambers of Commerce, Industry and Agriculture
GDLIA	General Directorate for Labour Inspection and Administration
GEM	Global Entrepreneurship Monitor
GIZ	German Corporation for International Cooperation GmbH
ICT	Information and Communication Technology
ILO	International Labour Organization
IMF	International Monetary Fund
LET	Local Education and Training Councils
LFS	Labour Force Survey
LMIS	Labour Market Information System
MAS	The Palestine Economic Policy Research Institute
MoEHE	Ministry of Education and Higher Education
MOL	Ministry of Labour
NEET	Not in Employment Education or Training
NEP	National Employment Plan
NES	National Employment Strategy
NGO	Non-Governmental Organization
NPA	National Policy Agenda
NTF	National Training Fund
NYS	National Youth Strategy
OPT	Occupied Palestinian Territory
OSS	One Stop Shop
PA	Palestinian Authority
PCBS	Palestinian Central Bureau of Statistics
PEA	Private Employment Agencies
PES	Public Employment Services
PFESP	Palestinian Fund for Employment and Social Protection
PFI	Palestinian Federation of Industries
PGFTU	Palestine General Federation of Trade Unions
PPES	Palestinian Public Employment Services
PWD	People with Disabilities
SME	Micro-, Small-, and Medium-Enterprise
TVET	Technical and Vocational Education and Training
UNCT	The United Nations Country Team in the Occupied Palestinian Territory
WB	World Bank

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1. INTRODUCTION

The economic prospects for Palestine were grimmer before the COVID-19 crisis hit and there are no signs that the negative trends in the key drivers of economic growth will be reversed soon. Already in September 2019, the Palestinian economy was forecasted to slip into a recession through 2020 and much of 2021.¹ The coronavirus pandemic has exacerbated the pre-existing socio-economic crisis and has impacted the Palestinian people in multiple dimensions. One of the most severe effects of the COVID-19 pandemic can be observed in the steep decline in domestic economic activity and rapid rise in unemployment. The unemployment rate reached 24 per cent in the fourth quarter of 2019: 14 per cent in the West Bank and 43 per cent in Gaza. Furthermore, the Palestinian economy productivity is expected to fall to record largest drop recorded. The estimated drop in annual GDP for 2020 is calculated to be approximately 10 per cent, according to the UNCT-report COVID -19 Development System Response Plan.

Following the COVID-19 outbreak, a large number of workers have lost their jobs, especially in sectors that have been most affected by social distancing measures, such as tourism and construction. A challenge among the 130,000 Palestinian workers that commute to Israel and the Israeli settlements in the West Bank². Factors that have contributed to an increase in unemployment, particularly in the West Bank, which accounts for 82 per cent of the Palestinian economy.³ The unemployment rate among youth, 18-29 years, on the West Bank was 23 per cent in 2019 and is expected to increase. However, according to the preliminary results in the latest, Q2 2020, Labour Force Survey (LFS) the increase is not significant during the pandemic.⁴ One reason is due to the imposed quarantine that prevented many new graduates to enter the labour market.

During normal circumstances, these individuals struggle precarious employment conditions. COVID -19 had hit the most vulnerable the hardest, such as women who work disproportionately in precarious, low-paid, part-time and informal employment, with little or no income security, social protection or health insurance. On top of that, the women are more likely to lose their jobs than men. Others affected, that also has been challenged are the vulnerable service sectors, which include small companies in cleaning, care, disposal and

¹ Economic monitor, Supplement (1 and 2), 2018 and Economic Monitoring Report to the Ad Hoc Liaison Committee (September 26, 2019)

² UN: UNCT COVID-19 Development System Response Plan, UNITED NATIONS IN THE OCCUPIED PALESTINIAN TERRITORY (2020)

³ ILO: The situation of workers of the occupied Arab territories, INTERNATIONAL LABOUR CONFERENCE 109th SESSION, DG Report (2021)

⁴ PCBS: Labour Force Survey: (April- June, 2020) Round, (Q2/2020). "Press Report Labour Force Survey. Ramallah - Palestine.

catering. A sector run mainly by small farmers (women) since the lock down has prevented access to markets due to travel restrictions (ibid).

There is an urgent need to strengthen the institutional and operational capacity of in the Public Employment Service in the Occupied Palestinian Territory, accordingly, the ILO is currently supporting its Palestinian constituents to better respond to the employment challenges and improve labour market performance. For instance, support is targeting the development of a National Employment Strategy (NES), which provides overall guidance on how to boost employment within the confines of the occupation. Further strengthening of the institutions operational capacity is for example needed on governmental level as well as the local level in clarifying responsibilities and ensure inter-ministerial coordination between different governmental agencies, infrastructure, labour market information, provided services, staff training, social dialogue, etc.

This report, as part of the of the support, is a baseline assessment of the capacity of the Palestinian Public Employment Services (PPES) to (i) help jobseekers access quality services for securing employment and enhancing their employability; and (ii) ensure services are responsive to the needs of employers. The report also includes recommendations and an action plan laid out in a Logical Framework Approach (LFA) matrix for strengthening the capacity and modernizing the PPES in the OPT, so that it can serve as an effective implementation vehicle for the forthcoming NES.

2. About this assessment

This report has been prepared based on the assessment of the PPES in OPT primarily carried out by deskwork with reviewing existing official documents and reports provided by ILO. The assessment started out with a preparatory phase including a pre-assessment survey (annex 5) that was prepared using the ILO diagnostic tool for PES Quality Improvement and distributed to representatives of operative, managerial and decision-making roles within the PPES, see annex 4 for the questionnaire. The survey was followed by a five-day field visit to OPT that took place between February 2 - 6, 2020. During the mission to OPT a number of fact-finding meetings were conducted with official from the Ministry of Labour (MoL) and several other stakeholders such as ILO officials, other government authorities and employer's organisations (see annex 6). Besides working meetings held at the headquarters of the MoL, field visits were organized to two public employment offices in Jericho and Nablus. These meetings took place in individual interviews, group discussions and one concluding workshop at MoL with PPES local office managers.

The assignment has been carried out to identify the strengths, gaps and constraints of PPES capacity in delivering services to jobseekers and employers regarding their needs for a better functioning labour market. The overall objective of the assessment has primarily been to establish a baseline assessment of the operational capacities of the PES in the OPT. The focus has been on the Palestinian Authority (PA) MoL with delimitation to the West Bank (WB). The geographical area covered have been in line with MoL responsibility for the Employment Offices on the West Bank and East Jerusalem. MoL are not in charge of the employment offices located in Gaza due to the political and geographical separation.

The purpose has been to identify the gaps in the capacity of MoL to deliver suitable services for both job-seekers and employers, including recommendations with an action plan for the way forward to enhance, strengthen and modernize the PES capacity in OPT. The resulting analysis will set the baseline for continuous improvement of the PPES operational capacity. The lion-part of the assessment was concluded pre the pandemic so additionally deskwork has been carried out to review official documents provided by ILO regarding COVID-19 aiming to shape the PPES response and suggest further action.

2.1 Approach and methodology

The approach of this baseline assessment consists of both defining priorities for action and closing identified gaps in service provision. The applied methodology aimed to assesses the current PPES capacity and identify gaps. The approach has been to draw on existing materials and methodologies, especially those available from ILO, including SWOT analysis and field visits, and semi structured interviews, in order to identify strengths, gaps, and constraints relating to efficient and effective delivery of employment services.

Furthermore, this approach has taken into account both the institutional and organizational context – driven by a clear focus on strengthening PPES capacity and modernizing the PES in OPT so it can serve as an effective implementation vehicle for the forthcoming National Employment Strategy (NES).

The five key components presented below guided the dialogue with stakeholders and partners in a participatory approach with interviews and in the missions concluding workshop with PPES managers. A separate component with actions in response to COVID - 19 have been developed and added afterwards in accordance with the desk review of documents mentioned above.

The five key components of a generic PES system

1. Policy and strategy
2. Offer of services and active labour market programmes
3. Infrastructure and resources
4. Professional staff and management capacities
5. Partnerships

The matrix below defines the scope of the assessment, which covers the key components and sub-components of a generic PPES (figure 1). Analytical work relied heavily on a desk-based review and a pre-assessment questionnaire completed by MoL.

Figure 1. Key components of a generic PES system

Processes	Key components	Sub components
Governance	Policy and strategy	Legal and policy framework, mandate Organization Link to other policies (NEP, NAP, LSS) Funding sources Managements of funds Communication
	Offer of services and active labour market programmes	Services to job-seekers Services to employers Collection of job vacancies Methods and protocols for
Core		

Support		service delivery Processes management Labour Market Information
	Infrastructure and resources	Information system Work environment Knowledge and information management Facilities and equipment
	Professional staff and management capacities	Staff management Skills and talent policy Recruitment policy Management capacities Ethics and equity Working conditions, health and safety at work
	Partnerships	Operational: other providers Strategic: social partners and other key actors Clients: employers

Source. ILO.2018. PES scan tool (Internal document).

2.2 Limitations

As stated earlier, in the response to the Terms of Reference for this assignment, the assessment draws substantially on a desk-review of the available pertinent documents, a pre-assessment questionnaire, fact-finding interviews and meetings with MoL's staff and relevant stakeholders carried out during one field visit. Although the assessment has been carried out with great support and commitment from the ILO and the stakeholders in OPT there are some hindering impediments that caused limitations in the validity of findings. For instance, the pre-assessment survey was incomplete, and the quality of information was poor as well as a limited number of respondents. None of the respondents to the surveys

completed all the questions. Furthermore, it has also been a challenge to access internal documents and policies from MoL due to the language barrier, see annex 5 for the complete responses to the surveys.

These challenges have been acknowledged earlier and could have implications for the synthesis of the lessons learned from this base line assessment. The response to the pre-assessment was not submitted on time and with poor quality of information which caused a challenge to prepare the field visit to OPT, which limited the validity of the findings during the mission.

3. Overview of findings and recommendations

Below follows an overview of the findings of strengths, areas that needs strengthening and recommendations for action for the PPES to promote a smooth functioning of the labour market in Palestine. These recommendations need to be in light of the current contextual situation after decades of occupation. The COVID-19 pandemic has worsened the already precarious situation especially for the most vulnerable population. Therefore, a component for COVID -19 has been added to the analysis to elaborate sequenced recommendations for PPES action to create a sustainability in the response. The proposed action plan is mainly developed remotely given the international travel restrictions active since March 2020. The proposed time was informed by key policy documents and international policy research (available in English), including the UNSDG – UNCT COVID -19 Development System Response Plan⁵ and ILO Policy Brief; PES responses to the COVID -19 responses⁶.

The analysis of the five PES components also draws upon the information collected over the numerous meetings and the concluded workshop with representatives of institutions, employers and their organizations, trade unions etc. as well as from what I have had on hand. For a complete list of recommendations and proposed action plan and a Logical Framework Approach (LFA) matrix, see annex 2.

A great number of factors influence the labour market and MoLs capacity for ensuring the provision of employment services and active labour market policies. The Palestine Authority is mostly affected by many years of occupation and are not fully able influencing them all, not to mention the strong dependency on the Israeli economic policy. An occupation that has a great impact on the PA and all the citizens and the functioning of the labour market, the workforce, the demand and supply, the mobility, the ability for enterprises to do businesses and grow and the employment opportunities for job seekers in the OPT as well as the capacity of PPES to actively support labour market transitions. The phenomena perpetuated by the occupation is well studied and described in available literature and will just be broadly mentioned in this report. However, the challenge of creating a functioning labour market in OPT is not just in the hands of the governing Palestinian Authority or the Ministry of Labour it is also in the hands of the Israeli economic policy, donors and partners. Unlike in most countries in the world the control of the governing is beyond the PA itself.

Although several obstacles hampered an efficient provision of employment services by MoL, concrete actions can improve the institutional performance of PPES and its relevance for its clients, job seekers and employers. For instance, it would be of great importance to use the

⁵ UN: UNCT COVID-19 Development System Response Plan, UNITED NATIONS IN THE OCCUPIED PALESTINIAN TERRITORY (2020)

⁶ ILO: COVID-19: Public employment services and labour market policy responses (2020)

opportunity and the momentum in the initiated work with the clusters with actors from the local labour market environment that is taken place in Nablus. Take advantage of the GIZ's development program of local employment offices, Employment Fund and the other actors' operation and experience from different piloting initiatives. The current context of the occupation, conflict, instability and lack of resources in the OPT and the COVID-19 pandemic cannot be overseen but a broader and systematic cooperation with different actors of the labour market can support a better functioning of the job matching and improve the quality of labour market transitions. Or as Guy Ryder, ILOs Director General, stated it "...many labour issues can only be effectively approached through coordination and cooperation" in 2021 report on the situation of workers of the occupied Arab territories where he also offers ILO support across the separation barriers in tripartite labour coordination.⁷

The findings below are divided into the scope of the assignments comprising five key components of PPES. An additional component 0, for action in response to COVID-19 has been developed in response to the negative effects of COVID-19 outbreak, which occurred after the field mission to OPT. The six components, zero to five, all provide an overview of main findings, an analysis of the current situation and as implemented initiatives, followed by recommendations for action. The recommendations of the six components are presented in accordance with the assignments five components. Which means that the proposed COVID-19 responses have been merged into the different components 1 to 5 that includes all proposed actions sequenced in a priority for PPES immediate actions in response to COVID-19 and medium and long-term actions.

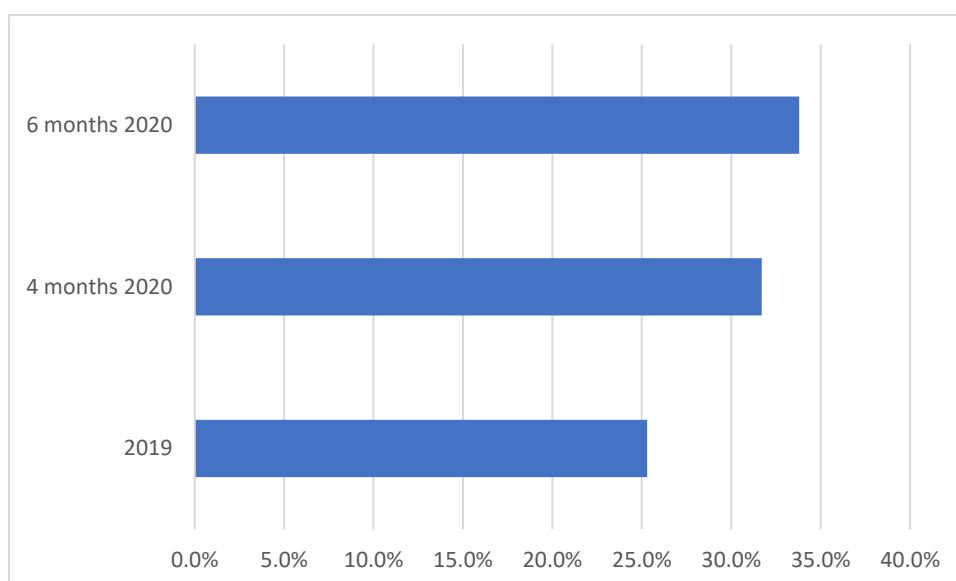
3.1 Component Zero: COVID-19 responses

The figure 2 shows the unemployment rate in the OPT in 2019 and the projections for 2020. The projections include two scenarios; a four-month lockdown and a six-month lockdown. In the first scenario the unemployment rate in 2020 is projected to grow to 31.7% and to 33.8% in the second scenario. The rising unemployment rate is not uniform over the sectors, the most negatively affected are manufacturing, transportation and storage, and other services.⁸

Figure 2. Unemployment rate in OPT 2019 and 2020

⁷ ILO: The situation of workers of the occupied Arab territories, INTERNATIONAL LABOUR CONFERENCE 109th SESSION, DG Report (2021)

⁸ ILO: Impact of the COVID-19 Pandemic on the Labour Market in the Occupied Palestinian Territory, A Forecasting Model Assessment (2020)



Source: ILO: Impact of the COVID-19 Pandemic on the Labour Market in the Occupied Palestinian Territory, A Forecasting Model Assessment (2020).

The response and recovery of the COVID-19 pandemic will be complicated due to the macroeconomic and fiscal challenges facing Palestine. All actors need to come together, mobilize and deploy resources to hinder a catastrophe; Israel as the occupying power, the Palestinian Government, civil society, international donors, the private sector. Primarily, the COVID-19 pandemic is a public health emergency; however, it also represents an opportunity to improve social well-being from the human rights perspective and the socioeconomic justice lens.

3.1.1 Current initiatives and labour market policy responses

Several different analysis have been carried out and different initiatives and actions have been taken by several actors in Palestine, like by the line ministries, Palestinian Central Bureau of Statistics, and by International organizations, like UN agencies working in the Occupied Palestinian Territory, the Ad Hoc Liaison Committee, the World Bank, the International Monetary Fund, the Office of the Quartet and so forth, to create a response to the COVID-19 pandemic. The United Nations Country Team in the Occupied Palestinian Territory (UNCT) draw on the actor's initiatives and actions when they present how to address the socioeconomic recovery in the short- to medium-term in the document the COVID-19 Development System Response Plan (2020).

In addition, The Palestine Economic Policy Research Institute (MAS) have articulated a set of policy interventions tackling all economic sectors, including fiscal and monetary trade and manufacturing. The MAS assessment include two scenarios, the measures introduced in March will be in effect for 1.5 months and will be lifted gradually thereafter. The second more pessimistic scenario assumes 3 months of lockdown followed by gradual easing of

measures. ILO uses the MAS identified three types of workers according to their level of exposure to unemployment: temporarily unemployed workers who will go back to their jobs after the pandemic, workers laid off because of the pandemic, and jobseekers. The majority of the expected workers to be laid are the irregular wage workers, which constitute to 17% of workers, according to PCBS data from 2017, and are concentrated in low skilled jobs and elementary occupations. The PCBS estimates a 13.5% decline in GDP, resulting from both demand and supply side shocks, figures that are based on an in-house forecasting model discussed below.⁹

In PCBS household survey it is also described how the COVID-19 crisis is expected to have a disproportionate impact on women and the youth as well as other less advantaged groups of workers. Job losses will also increase the dependency ratio in the economy which may have negative repercussions for poverty and household sustenance.

The most affected segments of workers as a result of the pandemic are those working informally. For instance, the vast majority of informal workers could not access their workplaces nor were they able to work from home. At the same time, they don't meet the formal conditions to receive any compensation from employers. Informal economy workers are employed with no contracts, they include both informal sector workers and the informally employed and constitute 59% of total employed individuals in the West Bank. Most of them work in the agricultural and in construction sectors. (ibid)

The ILO report Impact of the COVID-19 Pandemic on the Labour Market in the Occupied Palestinian Territory, A Forecasting Model Assessment, put recommendations in two main ways; humanitarian and economic considerations and emphasizes on the policy actors in the labour market and focus on the way forward how to revitalize the labour market. The interventions take into account both the supply and demand side and are divided in two categories:

- Immediate economic interventions that mitigate the impact of the lockdown on workers and their families; and
- Structural economic interventions to set the economy on an indigenous based growth path, with less dependency on the Israeli economy.

The immediate interventions, proposed by ILO in the mentioned report, to be implemented upon repeated future possible lockdown include:

- income support schemes
- wage subsidies to target the services and manufacturing sectors

⁹ PCBS: Palestinian Central Bureau of Statistics, Announces Results of Impact of COVID-19 Pandemic (Coronavirus) on the Socio-economic Conditions of Palestinian Households Survey (March-May), 2020

- support to MoL and trade unions in providing legal advisory services
- support to MoL to initiate directives in telework for women to allow flexibility
- deferral of payments by the population at large, but businesses in particular
- enforce measures for a healthy and safe work environment
- reinforcement of labour rights for protection of workers' wages in line with the tripartite agreement signed in March 2020
- strengthening home based agricultural farming during lock downs
- soft loans to micro business, to cover all forms of costs
- loan guarantee schemes for business
- maintain the operation of the financial sector, through keeping banks open

To strengthen the base of the economy and generate an increase of employment, investments in productive activities are recommended. These long term structural economic interventions link the micro and macroeconomic policies to strengthen the manufacturing and agricultural sector. The aim is to become less dependent on the Israeli economy. Furthermore, to follow the impact of COVID-19 the Palestinian Bureau of Statistics (PCBS) carried out a household survey among the Palestinians the period of March-May 2020. PCBS found that 83 per cent of the main income earners in the West Bank experienced a decrease in workload in comparison to regularly working hours. Furthermore, the effects of the lock down and home quarantine rendered in consequences to be able to work and more than half of the West Bank workers were absent during the lock down. The industry and agricultural sectors were most effected.

The PCBS household survey states that COVID-19 affected income streams, wages and salaries. In the West Bank, 46 per cent of Palestinian household's income declined by half or more during the lockdown period compared to February 2020. More than half, 52 per cent, of the main income earners did not receive any wages or salaries at all during the lock down. While 25 per cent just partially received their wages/salaries 23 per cent of the main income earners received their usual wages. In a gender perspective, the gap between women and men, are significant. Only 26 percent of the female main income earners did not receive their full wages, while 52 per cent of their male counterparts not received their full wages.¹⁰

The coronavirus pandemic would increase poverty, inequality and unemployment due to its adverse impact on people's jobs and livelihoods in the key sectors of the economy. Social protection in Palestine rests on several political interventions ranging from food vouchers programs to social assistance schemes, including support for the unemployed. The Palestinian community is facing the social and economic challenges resulting from the

¹⁰ PCBS: Palestinian Central Bureau of Statistics, Announces Results of Impact of COVID-19 Pandemic (Coronavirus) on the Socio-economic Conditions of Palestinian Households Survey (March-May), 2020

pandemic with an increase of 15 per cent that received assistance after the lockdown, assistance like food vouchers, food supplies, and government cash transfers. In the absence of limited access to social safety nets, solidarity across the Palestinian territory became key during the lockdown, particularly, support from family and friends.

PCBS asked households in the survey how to prioritize social assistance programs to limit the effects of COVID-19. Almost one third of the respondents see cash transfer programs as the most helpful measure to provide support during the crisis. Job opportunities and employment programs were prioritized as number two by one-fifth of the respondents. Food vouchers, food supply packages and procurement vouchers were third in the list.

In a situational analysis and through careful consultations with the Government of Palestine at all levels the United Nations Country Team (UNCT) in Palestine identified five priority areas to “build back and better” in their development system response plan to COVID 19 pandemic. The identified areas include: i) health, ii) social protection, iii) governance and basic services iv) education v) livelihoods and economic recovery. In addition to these key areas, four cross-cutting themes were laid down regarding human rights, gender, youth and the environment.

UNCT’s report will guide efforts to mitigate the socio-economic impact of the outbreak through deploying a US\$140.6 million COVID-19 response programme over the next 12 to 18 months. 66 per cent of the total amount will be funded through existing or reprogrammed resources. As part of the socio-economic response, the UNDP will act as the technical leading agency in support of the Resident Coordinator. UNCT also warns that the pandemic will place a supplementary strain on the delivery of government services and programmes. The analysis identifies many direct and indirect impacts of COVID-19 on health systems, the economy, families, workers, women, youth, and other vulnerable individuals. It could be foreseen that this will affect the employment services, for instance, in providing services to the redundant workers, the unemployed, the job seekers and the employment programs. The UNCT overall effort in the programmed activities have been oriented to target the most vulnerable households and communities. MoL is taking responsibility, as the main national partner, for implementing the agenda on social protection, livelihoods and economic recovery. Scaling up employment intensive programmes is going to be a major activity to be carried with support from the ILO (table 1).

Table No. 1 United Nations Country Team in Palestine to build back and better: Agenda for the MOL

Priority 2: Social Protection and Development

2.2 A number of different data gathering and analysis activities are underway:

- COVID Socio-Economic Impact Survey
- Supporting PCBS in data collection on vulnerable groups and those in need of social protection schemes as a result of the shock.

- COVID Socio-Economic Impact Report under the National Socio-Economic Impact Committee
- Continuation of key data and analysis work including the MICS:

Priority 5: Livelihoods and Economic Recovery

5.1 Coordination of government socio-economic response plans:

- PMO socioeconomic recovery and response
- East Jerusalem response plan
- Ministry of Labor response plan with a gender sensitive approach

5.3 Labor market analysis from LFS data and projections on impact of COVID-19

5.5 Technical support to local partners, especially service providers to women entrepreneurs:

provide a 6-month job for 80 young female graduates (40 in the West Bank and 40 in Gaza) in the field of health, online GBV counselling and online psychosocial support.

5.7 Support schemes for affected vulnerable workers and other groups. Incentives for enterprises to ensure business continuity and maintain payrolls (conditional tax incentives and lending) including wage subsidies and indemnity payouts to workers in targeted economic sectors that have been most affected.

5.9 Microfinancing and revolving loan schemes

5.10 Enhance employability through upskilling and reskilling of workers to responding to the economic recovery period and increased labor demand

5.14 Support the development of new work modalities and designing new contingency planning to restart business operations after the shock.

Recommendations for PES immediate action in the response and recovery phases

Labour market policies and programmes are of critical importance in assisting workers and employers to deal with redundancies, avoid job losses and cut pays due to the corona virus pandemic. The PES in Palestine has a key role to play in articulating existing support delivered through MoL and other government agencies for preserving jobs and skills, facilitating employment, sustaining livelihoods and keeping people connected to the labour market.

Repositioning the Palestinian PES as part of the circuit of labour market services and programmes is paramount for a sustained recovery. International empirical evidence shows that employment services are one of the most cost-effective active labor market mechanisms aimed at helping workers and enterprises to navigate the labour market in the ensuing recession, particularly in economies with large informal labour markets.¹¹ In this context, active labour market support is likely to be more effective when delivered as an integrated package and PPES can be used as entry-exit points to available support.

Modern PES are transforming themselves from administrative (input-oriented) agencies towards client- (and result-) oriented service agencies actively supporting job transitions and

¹¹ COVID-19: Public employment services and labour market policy responses, ILO Policy brief, 2020.

effective job matching. The coronavirus pandemic has triggered a massive disruption of the Palestinian labour market resulting in disproportionate negative impacts on jobs and incomes. Employers and workers are finding extremely challenging to navigate the labour market and without an immediate strategy for action, short-term negative effects of the coronavirus crisis on employment are likely to be further translated into a decrease in long-term economic growth, skills deterioration, expansion of the informal sector and greater inequality.

Targeted labour market interventions and broader access to PES are critical to support job placement in sectors and occupations that need (or will need) additional workforce and maintain people's job-readiness during the pandemic. Assisting workers, jobseekers and enterprises in crisis times, however, requires from PES increased reactivity and flexibility. To develop the capacity of the Palestinian PES to quickly adapt and respond to existing needs, three axes of intervention are proposed. These can be considered as a point of departure for the progressive development of operational capacity in implementing core employment services and prioritized active labour market programmes in response to the coronavirus crisis.

Action line 1: Develop the capacity to formulate and implement a crisis management plan in the response and recovery phases

In a context of uncertainty and rapid changes in demand for core services, an effective service continuity plan is a key component in PES response to ensure operational continuity, maintain staff morale and safety, and cope with additional demand from essential services sectors. Such a plan needs to evolve throughout the various phases of the pandemic, from the emergency stages to the post-lockdown recovery phase of uncertain duration, including provision for relapses or new virus outbreaks.

- › Formulated a service continuity plan;
- › Enabling a secure office environment for staff and clients;
- › Define core services to be maintained, scaled up or joined up;
- › Evaluate effective immediate resource mobilization, including preferred mechanisms for reallocation and cooperation through engagement in inter-government agency delivery

Action line 2: Ensure effective delivery of job matching and services to manage job transitions

To respond to strong variations in demand for critical services MoL and the PPES need to scale up their service delivery capacity. This could be done through reallocating existing staff

members, reprioritizing and streamlining processes, including the establishment of clear eligibility rules on accessing support and targeting effectively intended beneficiaries; building a broader ecosystem around delivery; and adopting or upgrading technology-based systems.

- › Define core services and ensure systematic delivery
- › Focus on job matching and employability building of targeted populations
- › Activation of a temporary task force to facilitate filling vacancies in jobs for which demand is highest owing to COVID-19
- › Set up a dedicated COVID-19 job-hubs web system/native App

Action line 3: Improve outreach to effective client's referrals and capacity to targeting

The Palestinian PES must remain agile and responsive to the level of exigencies in a crisis, including the need to be focus and deliver effective services. To be able to function as entry-exit point to available support for jobs and employers, there is a need for linking the PPES provision to the initiatives and programmes supporting workers and employers in the recovery from the COVID-19 crisis. Targeting is a major step of every emergency response and the PPES needs to develop capacity to identify the beneficiaries such programmes are designed to serve. This entails examining local needs and resources to design referral protocols in a systematic fashion with relevant stakeholders and international donors.

- › Develop a methodology to target beneficiaries of labour market support and employment services
- › Map available labour market support and relevant providers
- › Define services for employability support: soft skills development, access to micro-finance and seed capital for self-employment and entrepreneurs, skills training led by existing labour market demand
- › Design streamlined referral processes
- › Develop a method for interagency awareness and training between the Palestinian PES and referral agencies

See the attached LFA matrix for a prioritization of proposed actions in immediate response to COVID -19. The actions are merged and sequenced in the five different components for the assessment, see annex 2.

3.2 Component 1 - Policy and strategy

Strengths

The assessment identified that the Institutional structure is in place and the current legal and regulatory framework for the provision of public employment services is underpinned by numerous different policies. Already in 2013, the ILO in the OPT developed a Decent Work Programme (DWP) with tripartite constituents that has been reviewed and updated in the 2018–2022 programme. The DWP contributed to the development of the National Policy Agenda (NPA) 2017–2022 and the Labour Sector Strategy 2017–2022. In 2015 the MoL, with support from GIZ and in cooperation with governmental and no-governmental actors, developed a Comprehensive Strategic Program for Employment in Palestine.

Additionally, several initiatives have been taken to develop and to reboot the current system and to increase the functioning of the labour market. Also, the MoL has extensive experience from cooperation with and support from several international donors when it comes to policy and operation. For instance, currently work with LSS and NES is supported by the ILO under the decent work agenda; the World Bank has for several years supported the PFESP in their policy work and implementation of Active Labour Market Programmes (ALMP); and the development of One-Stop-Shops were initiated and supported by German Corporation for International Cooperation GmbH (GIZ) through the German Public Employment Agency BA. GIZ has been working in the Palestinian territories since the 1980s and have had a supported the OSS since 2010.

Furthermore, the Palestinian Public Employment Services (PPES) organization was established already in 1994 and reorganized in 2010, when the aim was to create multi-service recruitment offices. In addition, the presidential decree (No 9) 2003 The Palestinian Fund for Employment and Social Protection (PFESP) was established. The aim of the PFESP is to support job creation through public–private partnerships and to provide a structure with employment support that responds to labour market impacts of the Israeli occupation, with a focus on ensuring decent and sustainable jobs for the Palestinian people. The fund serves as a financing mechanism for all job-creation programmes and supports a range of employment promotion activities, with a key role in overseeing the effective implementation of the national employment strategy. The PFESP strategic plan 2018–2022 focuses on five relevant strategic objectives to stimulate job creation and has as its first objective in the plan to promote comprehensive national policies that enhance employment and decent work¹².

Recommendations in support to COVID-19 immediate response

Labour market policies are of critical importance in assisting workers and employers to deal with redundancies, avoid job losses and cut pays due to the corona virus pandemic. In a

¹² PFESP; Strategic Plan 2018–2022 (2018)

context of uncertainty and rapid changes in demand for core services, an effective service continuity plan is a key component in PES response to ensure operational continuity, maintain staff morale and safety, and cope with additional demand from essential services sectors. Such a plan needs to evolve throughout the various phases of the pandemic, from the emergency stages to the post-lockdown recovery phase of uncertain duration, including provision for relapses or new virus outbreaks.

- › Develop the capacity to formulate and implement a crisis management plan in the response and recovery phases
- › Reposition the Palestinian PES as part of the circuit of labour market services and programmes is paramount for a sustained recovery
- › Evaluate effective immediate resource mobilization, including preferred mechanisms for reallocation and cooperation through engagement in inter-government agency delivery

Medium to long-term recommendation for building PPES capacity

More and better coordination is needed between different authorities and other actors implementing policies to promote better functioning of the Palestinian labour market.

The objective is a unified policy that enables institutions, primarily the PPES and the PFESP, to create a more efficient and effective labour market. There is a need to carry out a comprehensive review and assessment of the current policies in order to increase institutional capacity building to support the PPES/EO/OSS and its transition. The aim is to increase sustainability by enhancing the capacity to work, to plan and to deliver results. There is also a strong need for the systematic collection of data in order to assess the impact of different policies and the effectiveness of strategies.

- › Review and update the operational manuals for PPES and clarify the mandate of operation in line with the existing policy framework and laws, including the NES and NAP
- › Clarify the mandate of MoL and PPES and increase allocated funds
- › Separate and differentiate the provision of labour market services from the labour inspection operations and other services that are not for job matching and employability development
- › Establish an internal and external communication strategy at MoL/PPES and improve cooperation and communication with stakeholders
- › Continue to develop the regional cluster organizations with the different labour market stakeholders, including MoL, EO, OSS, LET, Chamber of Commerce and Employment Corners
- › Improve coordination within the MoL: more cooperation and less competition within the organization to avoid overlapping and fragmentation in the implementation of PPES mission.

See the attached LFA matrix for a complete proposal of prioritization of actions for component 1 in annex 2.

3.3 Component 2 - Offer of services and active labour market programmes

Strengths

In the 2015 Comprehensive Strategic Program for Employment in Palestine,¹³, the MoL stressed the importance of establishing a Palestinian Public Employment Agency (PPEA) with developed capacity to run active labour market programmes for young people, to operate and strengthen a Labour Market Information System (LMIS), and to establish an effective career guidance and counselling system. Other focal institutions mentioned in the plan included the establishment of a national TVET and revitalization of the Palestinian Fund for Employment and Social Protection (PFESP). The aim has been to use the employment offices to offer a more comprehensive package of services to young people and jobseekers in general.

Currently, a network of 16 local employment offices is established in the West Bank, comprised of eight Employment Offices (EO) and eight One-Stop-Shops (OSS). The offer of services and the capacity to deliver differs across EOs depending on the resources, local conditions, support from local authorities and stakeholders. The OSSs have been developed with the support of GIZ and are established in remodelled premises. GIZ has provided support to transform the EOs into OSSs with a wide range of services for job seekers and employers, such as employment counselling, vocational guidance, career guidance, job fairs, etc. The support from GIZ also includes valuable capacity building in management and staff training in how to provide services. With assistance from GIZ, agreements with 10 universities and two colleges have been established to provide career guidance offices on their premises. Both, the EO/OSS also offer services such as information and registration for work permits to work in Israel, as well as certificates for health insurance. Although, the MoL, with support from GIZ, has substantially developed the EOs to provide a more comprehensive package of services, however, the OSSs continue to come up short compared to the needs.

Areas that need strengthening

Although committed to involvement in mediation, the MoL's success in the provision of matching and counselling services is very limited. A weaknesses in this regard include a lack of sufficient number of qualified staff members. For instance, job matching, and active collection of vacancies are more or less non-existent services. Particularly at the EOs, the main activity is the registration of job seekers for other reasons than job matching, such as registration for health certificates. Furthermore, the EO/OSS lack capacity to network to be able to build relations to employers when the offices and staff lack of transportation to be able to set up meetings and visit employers and other stakeholders. Another challenge is the lack of clarity regarding roles and responsibilities.

¹³ MoL: Comprehensive Strategic Program for Employment in Palestine (2015)

Matching, career guidance and counselling are sparsely offered, if at all, and need to be developed as core services. Nevertheless, OSSs seem to be focusing on developing such services and are also taking action to coordinate with stakeholders to carry out job fairs and other relevant intermediation activities including job-matching, counselling and vocational guidance.

Measures of crucial development besides the above mentioned is to increase capacity in the area of starting up your own business, especially since the Palestinian Fund for Employment and Social Protection (PFESP) is carrying out a project funded by the World Bank to increase the number of small and micro enterprises. In the same vein, the MoL and other Ministries are investing in increasing support for people to start their own business. Given the limited size of waged and formal employment in the Palestinian labour market, it is crucial to develop in the EO/OSS the capacity to deliver self-employment and entrepreneurship support, either directly or through referral of clients to specialized providers.

ALMPs are mechanisms to improve the employability of jobseekers and increase the chances of landing a job in particular, of target groups such as youth and women. The female population in Palestine has an extremely high unemployment rate, in particular among the youth; moreover, almost half of the population in the occupied territories is below the age of 20 according to the ILO¹⁴. An increase in employment rate cannot be achieved by the PPES or MoL alone. There is a need for policies and structures with developed childcare, flexible working hours, etc.

In alignment with the new NES the Employment Services is expected to play a key role. The new NES point out that there is a need of improving the PPES organizational and human resource capacity to create an operation that are more responsive to job-seekers and employers. The upcoming NES is also aiming to strengthen the coordination of implementation and monitoring of ALMPs as well as introduce programmes that are systematically evaluated.

Another challenge in the capacity of delivering services like job matching is PPES market share of job seekers and vacancies. To manage the matching process, you need to reach out to most of the clients on the market, employers with vacancies as well as job seekers, if you are aiming to carry out a qualitative matching process between demand and supply.¹⁵ At the same time, the LMIS technical team informed there were over 500 vacancies registered in 2019.

¹⁴ ILO: The situation of workers of the occupied Arab territories, INTERNATIONAL LABOUR CONFERENCE 109th SESSION, DG Report (2021)

¹⁵ ILO: The Occupied Palestinian Territory: An Employment Diagnostic Study, ILO Regional Office for Arab States – Beirut (2018)

From a service perspective that reaches out to a larger number of vacancies, it is crucial for PPES to develop the service delivery to employers in order to be able to collect a larger proportion of vacancies. More varied services that better suit the demand, such as qualitative job matching, job fairs or to assist employers develop requirement profiles before recruitment. A greater share of collected vacancies will result in an increased interest of job seekers to register since that will increase their possibility to find a suitable job to apply for. One method may be to identify success stories and communicate them to the public, including potential jobseekers and employers, in order to attract a larger share of the market's supply and demand for labor.

Although, the pre-assessment survey indicated that there is an annual and semi-annual strategic plan used by the MoL to monitor the PPES's operations, there seems to be a lack of consistency in regularity and methodology to review the performance of PPES operations and the impacts of the various ALMPs. From a performance perspective, there is a need to clarify the role of PPES. For instance, the current operation manual dates back to 2010, however, since then policy priorities and the organization of the PPES has changed and adapted to evolving needs. When it comes to ALMPs, there are so many different implementing organizations and patchy approaches that make it difficult to evaluate their impact.

Employment and Social Protection (PFESP). A number of piloting initiatives funded by international donors are being delivered through the fund, which consequently is building competence and institutional capacity in this area. The PFESP has involved the OSSs in delivering ALMP including through the Employment Corners, where different stakeholders are represented. Furthermore, the Local Employment Councils and the Chamber of Commerce also collaborate with the fund. A great approach of important collaboration that would be more sustainable with adequate capacity of MoL/PFESP/PPES to plan, manage, implement, review and evaluate the ALMPs. In parallel, several other institutions carry out ALMPs such as skills training and TVET/VET, where the MoL is only one player.

While the data for reviewing and evaluating the impact of the programmes is not available, some employees at the MoL claim that the hit rate for finding jobs for the participants in certain programmes might be as high as 90 per cent. This claim is rather anecdotal than evidence-based supported. However, in several training-programmes, especially in the construction and maintenance sector (e.g., welders, carpenters and construction workers), they can't fill the available seats. This is true despite the fact that the market has a great demand in these occupations, so the participants are expected to find jobs easily. Once again, the job seekers choose to work in Israel for better pay, and where they also are not required to participate in an education programme or obtain a certificate in order to be offered a job.

Recommendations in a 2019 study by the MoL and the United Nations Population Fund (UNFPA), in cooperation with SHAREK Youth Forum, included that donors should fund the establishment of a central database that aims to collect data of current and future graduates and, at the same time, forecasts the labour market needs¹⁶. The study also stressed that public institutions like the MoL and the Ministry of Higher Education should coordinate the work with planning, guidance and monitoring, and have the main role in job-creation programmes for graduates.

To create opportunities for employers to reach potential job seekers, as well as to build competence and increase the employability of vulnerable groups, PWD, young people, women and job seekers in general, a number of ALMPs could be developed in accordance with the above suggested ones or others. Such programmes, current or new, could assist firms in increasing their growth or lower the unemployment rate. The development of such programmes should be carefully prepared and carried out in accordance with the context in PA and also in line with the limited financial and human resources within the MoL. As summarized in ILOs Employment Diagnostic Study of OPT, (ibid) today's challenge is the lack of sustainability, weak accountability, fragmentation of programs, limited capacity to plan and deliver results and the lack of internal financial resources. Today the vast majority of the ALMPs depend on support from international donors.

The OSS seems to be redirecting their work at a faster pace than the EO and is focusing on job fairs and building relations with employers, even with very limited resources allocated to carry out work in the field. The mandate and role of the MoL is not clear in general and in provision of ALMPs or PPES. Furthermore, the MoL has neither been equipped with the right tools nor been provided proper training for its various tasks. However, in spite of lack of resources certain offices and staff members seem to have high ambitions in providing relevant employment services and also produce weekly, monthly and annual reports of the outcomes, which they communicate and follow up from the DG, through the Director of the office to the employment officer.

Recommendations in support to COVID-19 immediate response

To respond to strong variations in demand for critical services MoL and the PPES need to scale up their service delivery capacity. Repositioning the PPES to become a strong actor in the circuit of labour market services and ALMPs is paramount for a sustained recovery. The PPES must remain agile and responsive to the level of exigencies to the crisis to ensure effective delivery of job matching and services to manage job transitions.

- › Deliver ALMPs as an integrated package where the PPES can be used as entry-exit points to available support

¹⁶ MoL/UNFPA: Labor market needs in Specialized and Professional Occupations: medical, ICT, law, media, arts, music sports, marketing and accounting” SHAREK Youth Forum (2019)

- › Formulate a service continuity plan
- › Define core services to be maintained, scaled up or joined up
- › Focus on job matching and employability building of targeted populations
- › Activation of a temporary task force to facilitate filling vacancies in jobs for which demand is highest owing to COVID-19
- › Define services for employability support: soft skills development, access to micro-finance and seed capital for self-employment and entrepreneurship, skills training led by existing labour market demand

Medium to long-term recommendation for building PPES capacity

To clarify the role and develop offered services to employers and job seekers is key for PPES to become a key player on the labour market in OPT. Due to the lack of financial and human resources a clear assignment with relevant expectation is of great importance. Development of PPES service delivery and ALMPs is crucial for a smooth functioning labour market with matching between demand and supply but also in preventing people from falling into unemployment and to remove barriers to participation in the labour market. A developed institutional infrastructure with an updated operational manual for the PPES (EO/OSS) including service delivery, responsibilities etc. are of central importance towards improved effectiveness and impact.

- › Review the operational plan for PPES with a manual describing methods for service delivery
- › Define and/or redefine the provision of services to employers and job seekers
- › Redesign the provision of services to offer targeted support to workers, jobseekers affected by COVID 19
- › Implement a training programme to professionalize the provision of employment services, including, job matching, counselling and career guidance, referrals to ALMP, monitoring and performance management
- › Establish a strategy for monitoring and evaluating provided services
- › Develop and implement ALMPs that respond to the needs of clients and can be offered on a regular basis over time
- › Improve monitoring and evaluation of ALMPs to ensure targeted delivery
- › Increase coordination capacity between the PFESP and MoL to design and implement ALMPs
- › Involve external stakeholders and service providers in the development and delivery of ALMPs
- › Clarify roles and responsibilities for institutions and organizations that implement TVET to ensure clients have access to skills training and to facilitate job placement
- › Develop policies regarding TVET to increase employment (The Tripartite Committee at the MoL)

- › Promote the development of TVET policies in line with GIZ Employment Promotion Program and Belgian Development cooperation project Enhancing Capacity for Institution Building (ECIB)
- › Strengthen cooperation and development of TVET to bridge work with planning, guidance and monitoring according to labour demand.
- › Develop a media strategy for relevant communication channels, externally and internally
- › Improve capacity in cooperation, partnership and communication with stakeholders

See the attached LFA matrix for a complete proposal of prioritization of actions for component 2 in annex 2.

3.4 Component 3 - Infrastructure and resources (Labour Market Information System)

Strengths

The Palestinian Public Employment Services (PPES) has operated under the MoL since 1994 and is now established in all regions of the OPT, although with limited financial and human resources.

With the MoL's establishment of OSS, supported by GIZ, the capacity was significantly strengthened in the provision of services related to labour supply and demand.

A Palestinian Labor Market Information System (LMIS) is in use, which works as a shared website and a database of job seekers and employers, and also provides services such as certificates for health insurance and registration of work permits for Palestinians working in Israel.

The LMIS is the responsibility of the MoL and is meant to provide labour market data to assist decision-makers. The system was first developed during the 1990s and today consists of four subsystems, all of which are designed for collecting data to support decision-makers and, eventually, to assist in the matching process as well as forecasting future supply and demand on the labour market. The LMIS is divided into four subsystems: population (demographic and labour data); education (higher education, formal and non-formal education, technical and vocational education, vocational retraining); enterprises (unmet needs, dismissals, firms, skills, sectors, work experience); and labour market (unemployment, jobseekers, vacancies and filled vacancies). However, the LMIS is not functioning well because of the MoL's inability to keep the system updated owing to a lack of resources and a weak collaboration with stakeholders.

Furthermore, today's LMIS aim to serve as a dynamic system for training and education in the OPT. The LMIS is expected to provide precise up-to-date data on demand and supply in the labour market to assist decision-makers, employers, and individuals in identifying current and future needs to forecast gaps in skills and professions. Employment and education and training policies are supposed to be developed through the findings of the LMIS. However,

the LMIS is not functional due to several reasons like; weak internal and stakeholder contributions, lack of financial and human resources. Furthermore, today's system is an ineffective and unsustainable management information system.

Areas that need strengthening

The OPT's need of modernizing its labour market and formalizing reform includes changes to the PPES operations and to transform the LMIS, which is crucial for PPES matching the supply and demand of labour, into a modern self-sustaining, dynamic and demand-driven service system.

The current LMIS is not functioning and needs to be complemented with a comprehensive, user-oriented, and self-sustained system that also should include a management labour market information system at the MoL/PPES as a basis for launching management by objectives and results, a digital system that should be accessible for staff members as well as clients and stakeholders. In accordance, an IT-based system for all PPES offices is under development and expected to be included as an objective in the new National Employment Strategy.

The next step could be linking data with other institutions, such as data collected by the Palestinian Central Bureau of Statistics (PCBS), to broaden the scope and potential of labour market analysis.

With a new digital system in place, the MoL would enhance and not just manage the immediate job matching, and it would also improve the different functions of employment services with the collection, analysis and dissemination of information about the current and future demands of specific skills. A transparent system would help the MoL and the EO/OSS improve access to information about the labour market and would also assist the MoL to make forecasts when it comes to the supply and demand of labour. Furthermore, with a modern management labour market information system, the need of a monitoring system for ALMPs and TVET to carry out the current task to provide up-to-date data on demand and supply could be solved. A new LMIS can, in the long run, also call for institutional changes and improve access to information about formal job opportunities.

Among the network of Employment Offices (EO/OSS), there is need of improvement to create a better work environment. This includes the remodelling of premises as well as the acquisition of new equipment.

Recommendations in support to COVID-19 immediate response

There is a strong immediate need to implement a uniform, digital and transparent digital system within the PPES/MoL/PFESP.

- › Build a broader ecosystem around delivery; and adopting or upgrading technology-based systems
- › Set up a dedicated COVID-19 job-hubs web system/native App

Medium to long-term recommendation for building PPES capacity

Develop a digital transformation strategy and invest in technology for service delivery where appropriate.

- › Update the LMIS to become main source of knowledge of the labour market
- › Implement a LMIS that has the capacity to monitor the operational services in coordination and partnership with the PFESP
- › Implement an efficient ICT system with adequate software/hardware and technical equipment with accessible in containing a job-seekers' register and a vacancy bank at piloting PPES

See the attached LFA matrix for a complete proposal of prioritization of actions for component 3 in annex 2.

3.5 Component 4 - Professional staff and management capacities

Strengths

Despite the lack of financial resources and HR training, the commitment between the management and the staff in PPES seems to be present at all organizational levels. One strength that MoL can use is the long-term collaboration in development projects with local, national and international stakeholders. For example, the developed capacity that has taken place within PFESP and OSS and their work with a performance management system and the definition of clear goals.

Areas that need strengthening

Firstly, the resources allocated to the employment officers' intermediation duties, including matching and counselling to job seekers and employers at the EO/OSS, are extremely limited. There is a great need for increasing funds and personnel to ensure provision of services relevant to clients. Only with an increase in resources can the MoL carry out the HR Department assignment more effectively. There is also a need for levelling up the organization's resources to make it possible to provide a minimum level of service throughout the EO/OSS. It is clearly not possible to fulfill its mandate with the current heavy workload, even if they were equipped properly.

Secondly, the employment officers at the EO/OSS spend most of their time registering job seekers for services other than job intermediation, such as access to health insurance,

issuance of work permits and so forth, instead of concentrating on job matching services that would facilitate labour market transitions.

Thirdly, the MoL's bank of registered job seekers reflects more the job seekers' need of health insurance than job matching, counselling, skills and readiness to take a job.

Fourthly, the organization with the labour inspectors alongside the employment officers in EOs work against each other, resulting in counteracting the objectives of their assignments. While the labour inspectors inspect a company according to the law and regulations, the employment officers are supposed to build a network with trustful relations with potential employers to be able to collect vacancies.

The actual work done by the employment officers at the PPES with clients, both employers and job seekers, is limited due to a lack of resources and excessive bureaucracy. Moreover, the provided services differ a lot and are very dependent on the local office's particular environment. All working and service processes, from the registration process to client's follow-up, differ substantially between EO and OSS.

While OSS works more actively with traditional customer-oriented employment services, the EOs seem to work passively with the registration of job seekers. The former Director General (DG) of the PPES has done a great job of supporting some of the EOs/OSS and the employee's work, but this is not a viable approach for the whole organization and especially not at the Ministry level.

The commitment and the will of the PPES appears to be present, but the organization and execution is ineffective, with unclear tasks and objectives and a lack of resources, skilled staff, and equipment. There is a great need for an analysis of the PPES operations that would include an application of process modelling workflows to identify a better structure and also get a better understanding of the shortcomings and weak points.

The analysis could be designed to assist and optimize for increased efficiency and results. With the analysis that process modelling would provide, the MoL would be able to strengthen the capacity, focus on relevant services for the operations and do away with some of the burdensome bureaucracy that they carry out. For example, do the officers visit businesses/employers to collect vacancies that they later register in the vacancy bank or do they collect vacancies published in newspapers and register them in the vacancy bank? It would be ideal to have a system in place providing employers access to a digital self-service system, where they could register their vacancies themselves. In the first case, the logistics of transportation takes a lot of time since the MoL has few vehicles, if any, available at the local office. So, an additional benefit to an analysis would be to help the MoL to define what

measures are needed to be able to introduce new services. A process modelling analysis would be the basis for redesign of service protocols.

Recommendations in support to COVID-19 immediate response

- › No recommendations applicable in this component

Medium to long-term recommendation for building PPES capacity

Enhance the institutional capacity, competence and to develop an updated comprehensive HR strategy

- › Transform PPES from an administrative agency to a client-oriented agency
- › Scale up the PPES service delivery capacity by reallocating existing staff members, reprioritizing and streamlining processes
- › Enable a secure office environment for staff and clients
- › Increase the institutional capacity at the MoL/PPES and update the HR strategy
- › Develop a competence policy, for staff skills and service -oriented mindset
- › Develop a staff training model for the PPES in cooperation with the PFESP and implemented in the MoL organization
- › Standardize the operational and business process across offices that take into account local capacities
- › Establish a management system with indicators for the performance of staff
- › Improve the general working conditions at the MoL/PPES; facilities, tools and equipment in accordance with duties

See the attached LFA matrix for a complete proposal of prioritization of actions for component 4 in annex 2.

3.6 Component 5 - Partnerships

Strengths

Several different initiatives have been taken by the MoL to create and support partnerships with different stakeholders to enhance the social dialogue. With support from GIZ, the MoL has established 10 Local Education and Training Councils (LET) in the West Bank.

Representatives from the Palestinian Authority (PA), Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA), Palestinian Federation of Industries (PFI) and Palestine General Federation of Trade Unions (PGFTU) have been involved. The aim of LET is to enhance the social dialogue at the local level and is meant to be a link between different stakeholders and the MoL/PPES/PFESP operation to help define workforce development. In

some areas, at the local level, there seem to be a quite strong local partnership around the LET. A partnership that was expressed by the Nablus office in the pre assessment survey and by expressions of high appreciation by the following field visit to Nablus in meetings with the manager at staff members at the Employment Office as well as meetings with representatives for the PGTFU.

The staff members at the EO described the partnership in the LET as a common interest. For instance, as partnership to implement activities on career guidance for job seekers and women's empowerment by holding short training sessions, conduct job fairs etc. Furthermore, the partnerships in LET also prepare studies on the labour market needs and follow up the implementation of the European Union projects in the field of vocational and technical education.

At the national level employers and industry support programmes and projects aimed at addressing skills constraints, mainly by providing internships, apprenticeships, and other work-based learning, and sometimes through supporting curriculum development.

Areas that need strengthening

The MoL would benefit from increasing coordination and cooperation with other government agencies and stakeholders with core mandates related to local development, job creation and social protection. Currently, however, these collaborations are occurring to different degrees in different local contexts, depending on the legislative framework, institutional capacity, extent of decentralization of the delivery system, and levels of investment in ALMPs and PPES. A point of departure for working under the umbrella of a strategic plan could be the already established LET and the Employment Corners that were established by GIZ, where local and national stakeholders are represented. There is much to be gained from the experience in these LETs and from the policy agenda that were put forward for aligning education and workforce development to economic development that was carried out in 2013 with support of the World Bank.¹⁷ A partnership built around the LET and Employment corners could be a basis that could create synergies and assisting the PPES in delivery of core service.

Although the employers and trade unions are involved on the national level in a Higher Vocational and Technical Education Council and in the Tripartite Committee, they seem to play a limited role on a strategical level in cooperation with the MoL, particularly in the perspective of workforce employability and the demand of labour. Meetings are held on a quarterly basis but tend to focus more on labour disputes and minimum wage than on issues related to workforce development, employability and how to address skills constraints.

¹⁷ ILO: The Occupied Palestinian Territory: An Employment Diagnostic Study, ILO Regional Office for Arab States – Beirut (2018)

Recommendations in support to COVID-19 immediate response

There is a further need of developing current partnerships and building new ones based on the common interest of workforce development, for instance bridging the gap between education and labour market demand by taking advantage of the experience gained from the initiatives and current work being carried out by the MoL, GIZ, FPCCIA, PGFTU with LET councils and Employment Corners.

- › Map available labour market support and relevant providers
- › Design streamlined referral processes
- › Develop a method for interagency awareness and training between the Palestinian PES and referral agencies

Medium to long-term recommendation for building PPES capacity

There is a need of strengthening the MoL's strategic approach, collaboration and social dialogue with partners focusing on the supply and demand of labour in accordance with tasks at the national, regional and local levels. Besides, developing private partnerships on national, regional and local level could be done aiming to establish a platform that could speed up the job-creation process.

- › Improve capacity in cooperation, partnership and communication with stakeholders
- › Link service delivery to local initiatives for job creation supported by public private partnerships
- › Enhance the institutional architecture for social dialogue and social security
- › Amend/modify policies and streamline assignments to conduct relevant cooperation to develop partnerships
- › Coordinate the stakeholders' and partners' initiatives for services delivery through referral protocols

See the attached LFA matrix for a complete proposal of prioritization of actions for component 5 in annex 2.

4.Introduction - contextual environment

Due to the military occupation that dates back to 1967, the labour market in the Occupied Palestinian Territory is suffering from severe and chronic imbalances. The key economic indicators show that the socio-economic challenges in Palestine are widespread, living conditions are similar to those in low-income countries, and economic growth is insufficient for meeting the needs and aspirations of the Palestinian people. Ongoing Israeli restrictions imposed on the Palestinian productive sector and on their economic growth potential have resulted in extremely high unemployment rates, in particular among young people and

women. It is worth noting that nearly half of the population in the occupied territories is below the age of 20¹⁸. The limited job opportunities in Palestine in combination with restricted access to the Israeli labour market has led to widespread frustration and instability. “Poor labour market outcomes for young people combined with high dropout rates lead to a large proportion of young people not in employment, education or training (NEETs), reaching 32.3% in 2016.”¹⁹

In a context of occupation and political conflict, Palestinian workers have been dependent on the Israeli labour market where the minimum wage is three times higher than in the occupied territories. In 2019, the Palestinian private sector accounted for around two-thirds of total employment, while Israeli firms employed around one in ten working Palestinians.²⁰ As of March 2020, policies for Palestinian workers to Israel changed substantially in the context of the COVID-19 pandemic. Workers commuting daily before the coronavirus outbreak received stay permits issued by the Israeli authority, that allowed workers to remain in Israel for 30 to 60 days. This special permit required employers to provide accommodation, however, Palestinian workers were not provided with health insurance during the pandemic²¹. During the lockdown in Israel, many worksites were closed, and Palestinian workers returned to the West Bank. Meanwhile, for Palestinians in Gaza the closure of borders due to COVID-19 removed any possibility of accessing the Israeli labour market.²²

The Palestinian Authority (PA) has taken rapid action in response to the COVID-19 pandemic. Ministerial-level plans have been prepared covering a wide spectrum of areas, from the economy at large – including employment and acceptable levels of business continuity– to public health and more. For instance, a tripartite agreement in an emergency plan was signed to protect workers and their jobs during the COVID-19 pandemic. The aim is to mitigate the impact of the COVID-19 outbreak on jobs and workers’ welfare, notably by ensuring wage protection during the crisis.²³

Some analysts consider there are four main factors behind the poor performance of the Palestinian economy: border closures, the withholding of tax revenues, labour flow reductions to Israel, and dependency. Although analyzing the political developments in

¹⁸ ILO: The situation of workers of the occupied Arab territories, INTERNATIONAL LABOUR CONFERENCE 109th SESSION, DG Report (2021)

¹⁹ UNESCO: Analytical Review of Existing Tools and Mechanisms of Labour Market Information System (LMIS) for Education and Training Policy Making in Palestine (2108)

²⁰ Op. cit. Economic Monitoring Report to the Ad Hoc Liaison Committee (September 26, 2019)

²¹ Niezna, M. (2020). Under Control: Palestinian Workers in Israel During COVID-19. Available at: <https://www.law.ox.ac.uk/research-subject-groups/centre-criminology/centreborder-criminologies/blog/2020/07/under-control> [2020-09-20]

²² ILO: The situation of workers of the occupied Arab territories, INTERNATIONAL LABOUR CONFERENCE 109th SESSION, DG Report (2021)

²³ MoL: State of Palestina, Ministry of Labour, Plan to Mitigate the Effects of COVID-19 Pandemic on Workers (2020-05-17)

Palestine falls outside the scope of this report, it is worth noting that the political climate has a strong influence on labour market performance and further exacerbates existing employment and labour market challenges. For instance, the announcement of the Middle East Peace Plan by the United States of America in January 2020, jeopardized the Oslo Accords and the accompanying peace process.

With numerous attempts to reach peace, during the 57 years of occupation the Israeli-Palestinian conflict has been one of the most complex and intrusive in recent world history. Resolute action through a two-state solution has long been one of the most coveted desires of the international community. Although the aim of the recently signed agreement between Israel, the United Arab Emirates and Bahrain to normalize relations and establish full diplomatic relations with Israel was historic, the effectiveness of the deal is questioned. The core conflict in the region is still unaddressed by the agreement according to some critics²⁴.

The full potential of the Palestinian economy is unlikely to be achieved unless the restrictions on movement, access and trade are lifted to allow for economic and social development in the occupied territories. In 2017, the World Bank's report on prospects for economic growth and jobs in Palestine identified priority actions for improving the business climate and creating jobs. Some of the key recommendations included lifting restrictions on the movement of persons and trade, improving the ease of doing business, increasing quality and access to vocational training to bridge the skill gap in the labour market, and accelerating land registration to fully release this factor of production into the economy.

The International Journal of Training Research (2019) reported that access to education is widespread in the OPT, but extremely unequal in terms of both access and quality.²⁵ High literacy rates can represent an advantage when planning for the provision of TVET and job training to make it more responsive to labour market demand. In 2019, a school-to-work transition survey of young people aged 15–29 found that only a small proportion of those surveyed (38.9 per cent of young men and 6.6 percent of women) had completed the transition to stable and secure employment.²⁶

The ILO has reported on the effects of the lack of job opportunities for Palestinian people, including: a weakened local labour market, constraints on the rights of Palestinian workers, and eroded resilience of workers and enterprises.²⁷ These conditions affect the population significantly and result in increasing poverty and unemployment, especially among the

²⁴ <https://www.nytimes.com/2020/09/15/us/politics/trump-israel-peace-emirates-bahrain.html>

²⁵ Hilal Randa, TVET and decent work in Palestine; lessons learned from fragile states, International Journal of Training Research (2019)

²⁷ ILO: The Occupied Palestinian Territory: An Employment Diagnostic Study, ILO Regional Office for Arab States – Beirut (2018)

youth. National statistics indicate that only one in three young people is in the labour force and that the youth unemployment rate in the 4th quarter of 2018 was 24,5 per cent in the West Bank, even among young people with tertiary education.²⁸

The COVID-19 pandemic has severely disrupted economies and labour markets across the globe. The pandemic went from a public health crisis in the early stages into a profound economic and labour market shock. However, in Palestine which lacks strong trade and financial links to the rest of the world, is faced with an exacerbated risk to being able to implement economic policies for a future well-functioning Palestinian state. The Israeli-occupation eroded the Palestinian economy, as it has been characterized by the imposition of restrictions on movement of people, goods and the confiscation of natural resources. Further, from a labour market perspective, travel bans and quarantine/lockdown measures have made it difficult for enterprises and workers. Small and Medium-sized Enterprises (SMEs) have been struggling to sustain business operation. Many of the Palestinian workers could not go to their workplaces, resulting in reduced income and increased poverty rates.

However, according to PCBS updated figures for the third quarter of 2020 the labour market is the most affected sector regarding the COVID -19 pandemic there has been some recovery. The Palestinian government has taken several actions in addition to the first measures in the emergency plan to limit the outbreak of the pandemic. The figures below give a picture of the current situation of some important indicators from the 3rd quarter of 2020.

- The number of employed persons increased by 46 thousand in the 3rd quarter of 2020, from 890 000 in the 2nd quarter to 936 000 in the 3rd, which is an increase of 5% in the Gaza Strip respectively by 6% in the West Bank.
- The number of employed persons increased by 46 thousand in the 3rd quarter of 2020, from 890 000 in the 2nd quarter to 936 000 in the 3rd, which is an increase of 5% in the Gaza Strip respectively by 6% in the West Bank. The largest increase, by 27 000, is among employers and self-employed, followed by the number of wage employees, by about 25 000 for the same period. At the same time the number of employed persons as unpaid family members decreased from 45 000 to 39 000.
- 13% of employed persons were absent from their jobs due to the pandemic, which is a decrease from the 2nd to 3rd from 268 000 to 119 000. The decrease is due to reducing the measures and gradually returning to work in the workplace.
- The period also show an increase in the number of employed persons in Israel and Israeli settlements by 30 000, which reached 132 000 in the 3rd quarter of 2020. The highest increase, with 21 000 in numbers was within the constructions sector by 21 thousand.

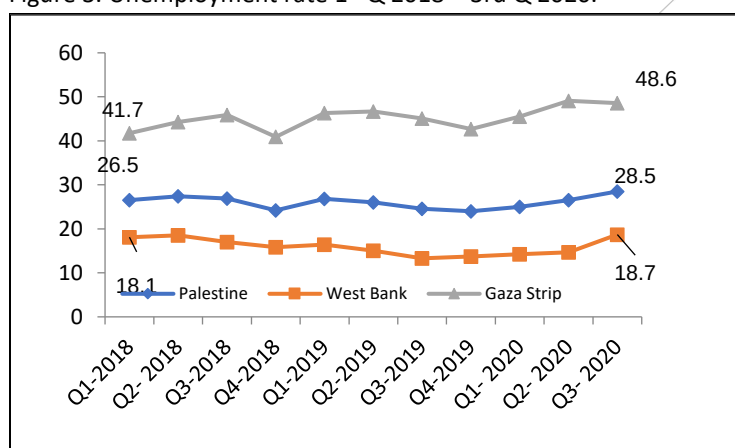
²⁸ PCBS : Palestinian Labour Force Survey 2018 - Annual Report

- The reduced measures increased the labour force participation and led to a return of individuals aged 15 years and above, which positively affected the participation rate with an increase to 41% in the 3rd quarter compared to 39% in the 2nd quarter 2020, 41% to 45% in the West Bank, while it remains almost at the same level 35% in Gaza Strip.

While there are several positive figures on the labour market regarding the reduced measures the unemployment rate increased slightly. The increase of unemployment for the 3rd quarter can be tracked to the increase of 95 000 in the labour force while the increase in employment just reached 46 000. Still, one main challenge, is as mentioned above, the extremely low level female participation. The unemployment rate during the 3rd quarter 2020 reached 29% for 15 years and up, while the total underemployment of labour was about 38%.

The unemployment rate during the 3rd quarter 2020 reached 373 000; of which 208 000 in Gaza Strip and 165 000 in the West Bank, which is 49% respectively 19%. See figure 3. below. The unemployment rate in Palestine is very uneven between sexes, with 25 per cent for men compared to 44 per cent for females.

Figure 3. Unemployment rate 1st Q 2018 – 3rd Q 2020.



Source: PCBS: The Impact of the Coronavirus Pandemic on the Labour Market During the Third Quarter of 2020 (July – September)

The unemployment rate in the OPT has been high since the beginning of 2010 and the Palestinian economy is heavily dependent on and affected by the Israeli closure and movement restriction policies. The unemployment rate fluctuated between 14.3 per cent (2000) to 31.6 percent (2002) and has never recovered when it comes to unemployment rates.²⁹ The figures from PCBS, 1st Quarter 2020 and before COVID 19, shows that the unemployment rate in Gaza is as high as 45,5 percent, which is three times higher than in the West Bank with a 14,2 percent unemployment rate and 25 percent in Palestine, where at the same time the total labour underutilization stands at 33 percent, according to the same

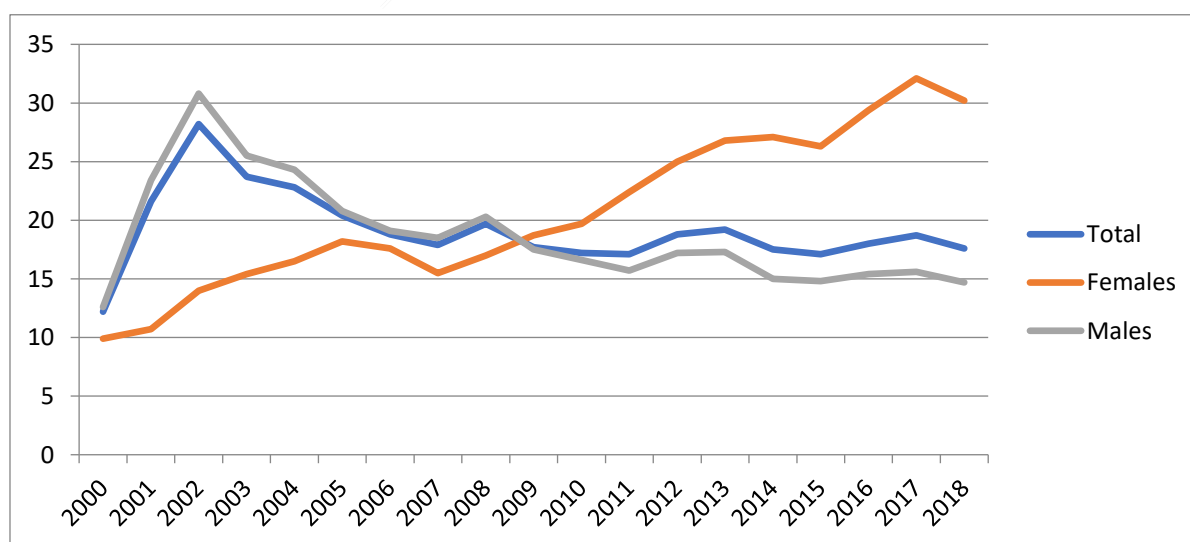
²⁹ PCBS : Palestinian Labour Force Survey 2018 - Annual Report

survey.³⁰ Compared to the PCBS figures above regarding 3rd quarter it is worth noting that West Bank labour market have so far been hit harder by the pandemic, and for instance have seen an higher increase in unemployment, with 4.5 percentage points, than in Gaza.

In addition, the Palestinian economy is by large dominated by small and family-owned enterprises. Approximate 82 per cent of Palestinians are employed by micro, small and medium-sized enterprises.³¹ Small businesses in the informal sector are an important source of job creation for individuals and families but also very cumbersome and limited for the functioning of the labour market. The labour force survey from 2018 (PCBS, 2018c) indicates that as much as close to one-third, 59 per cent, of the work force is employed in the informal sector in the OPT.

Furthermore, except for the large gap in the participation rate between women and men there are also a gap between age groups. Data by the PCBS for 2018 shows that only one out of three young people participate in the labour force and the participation rate is even lower for young women, standing at 12,4 per cent. The Palestinian labour market suffers from severe and chronological imbalances and weak economy, which created obstacles like low demand, underemployment, mismatches, informality and marginalization in the labour market. According to PCBS the highest unemployment rate was in the 1st quarter 2018, 49.6% among youth aged 20-24 years.³² The situation for people with disabilities (PWD) is even worse since, in addition, most of them are unable to work due to stereotypical perceptions.

Figure 4: Unemployment Rate Among Labour Force Participants of Individuals Aged 15 Years and Above in Palestine by Sex, 2000-2018 (PCBS)³³



Source: PCBS: The national labor force survey (PCBS, 2018c)

³⁰ PCBS: Labour Force Survey Preliminary Results First quarter, January – March 2020.

³¹ International Finance Corporation, Micro, small and medium-sized enterprises country indicators, IFC/World Bank, Washington, DC, 2014.

³² PSCB: Palestinian Labour Force Survey 2017 – Annual Report, 2017b

³³ PSCB: Palestinian Labour Force Survey 2018 – Annual Report

While the challenges highlighted are extremely complex and economic performance has been poor for decades, the Palestinian Authority maintains a high level of ambition. Three interlinked documents set out a vision for labour market governance in the Occupied Palestinian Territory: the National Policy Agenda, the Labour Sector Strategy 2017–2022 and the Palestinian Decent Work Programme 2018–2022 (DWP). The DWP points out that a future review is needed to rethink the priority of “employment” and suggests a “focus on interventions at macro level, in order to monopolize on the ILO’s comparative advantage beyond small-scale employment outcomes³⁴.”

The 2017-2022 Labour Sectoral Strategy (LSS) developed by MoL aims to organize the Palestinian labour market in line with international standards and practices. Targets for 2022 are to reduce the unemployment rate by 1 to 2 per cent annually, upgrade LMIS, expand vocational training and increase quality, etc. Another of the LSS essential objectives is to enhance social dialogue and tripartite cooperation between the Ministry of Labour and the social partners. The MoL strategic plan of 2015,³⁵ already stressed the importance of establishing a Palestinian Public Employment Agency (PPEA) for running active labour market programmes, as well as operating a Labour Market Information System and an effective career guidance and counselling system. The current NPA is under revision with a focus area of Employment Creation, especially for youth, with reforms aimed at enhancing the provision of vocational training.

There are a number of active labour market programmes and labour market projects being implemented such as self-employment, entrepreneurship, employment training to assist and elevate in the difficult economic and labour market situation. ILO estimates that there is a lack of monitoring and coordination.³⁶ The Employment Diagnostic Study carried out by ILO in 2018 claimed that one of the main challenges with the ALMPs is that they are implemented by several different actors and there is a lack a systematic follow up, further stating: “Review and evaluation of ALMPs is either non-existent or very weak...”. The situation has been worsened lately due to political instability even as several donors have reduced their aid.

There is an urgent need to strengthen the institutional and operational capacity of the Public Employment Service in the Occupied Palestinian Territory; accordingly, the ILO is currently supporting its Palestinian constituents to better respond to the employment challenges and improve labour market performance. This is currently being done, for instance, through institutional capacity building, with analysis and policy development, social dialogue, and

³⁴ ILO: The Palestinian Decent Work Programme 2018 – 2022, April 2018

³⁵ MoL: Comprehensive Strategic Program for Employment in Palestine

³⁶ ILO: The Occupied Palestinian Territory: An Employment Diagnostic Study, ILO Regional Office for Arab States – Beirut (2018)

inter-ministerial coordination to develop a National Employment Strategy (NES), which is intended to provide overall guidance on how to boost employment within the confines of the occupation. The NES will provide an integrated framework for all employment-related programmes and interventions, whether short-, medium- or long-term, and it is assumed to include the PPES.

The Palestinian Public Employment Services (PPES) are established in all regions of the OPT, but with limited resources. The 16 local employment offices consist of seven One-Stop-Shops (OSS) and nine Employment Offices (EO) with regular services. The PPES employees perform various employment services, such as registration, counselling, and vocational guidance and job fairs, in accordance with available capacities. Seven offices have been upgraded within the previous strategic plan,³⁷ which, besides the establishment of Employment Agencies, included the aim to build hubs with One-Stop-Shops (OSS). A number of initiatives were listed in the MoL programme for employment³⁸. Some of the initiatives have been realized, while others are noticeably absent. For instance, the development of OSSs with support of GIZ seems to be well on its way in terms of services and having established remodeled offices with a broad approach, including competence development of staff, career guidance, and the development of local partnerships with employers and other organizations. Nevertheless, the OSS, as well as the EOs, still lack the resources, funding and staff that are required to provide effective services. This is the case especially because it is necessary for the staff to spend an enormous amount of time on registering job seekers and handling health insurance issues.

5.The MoL policy and strategy, institutional framework

The EOs and PFESP-institutions are subject to reforms and changes in response to MoLs national and regional strategies and policy priorities. The common objective for the framework in the perspective of the MoL is to create an enabling environment for employment through policies, institutional development, infrastructure and other direct or indirect measures.

The ambitions are high and the 2017-2022 Labour Strategy (LSS) target is to reduce unemployment rates by 1 to 2 per cent annually. Another aim in the LSS is to enhance participatory and interactive relationship between the MoL, employers and the workers. Already in the strategic plan of 2015³⁹ the importance of establishing a Palestinian Public Employment Agency (PPEA) with developed capacity to implement active labour market measures, Labour Market Information System as well as implementing a career guidance and counselling system were mentioned. One of the main responsibilities of the MoL is

³⁷ Assessment for the further improvement of the service of the One-Stop-Shops (OSS) and Employment Offices in Palestine – defining concrete steps to make the OSS more effective (2017).

³⁸ MoL: Comprehensive Strategic Program for Employment in Palestine (2015)

³⁹ Comprehensive Strategic Program for Employment in Palestine

overseeing the Public Fund for Employment and Social Policy (PFESP) and establishing funding of Local Education and Training Councils (LET).

In OPT the PFESP is the focal point for implementation and development of programmes regarding employment, job creation and entrepreneurship. PFESP is a semi-independent/autonomous body established in 2003 by the Presidential Decree number 9 with the mandate of reducing poverty-alleviation and promoting employment. In articles 3 and 4 in the same Presidential Decree it is regulated that the PFESP is govern by Board of Directors and an Executive Council, chaired by the Minister of Labour. The Board is composed of 15 members including the Minister of Labor. The PFESP supports the MoL in the implementation of Active Labour Market Policies (ALMP) mainly in entrepreneurship, Business Development and Small Business Support Programmes but also other measures as employment training services and on the job training. PFESP is also responsible for assisting in job placement and is actively supporting the OSSs.

In September, the 4th in 2014, the Council of Ministries adopted a new Decree giving the PFESP the status as a reference entity for employment, including all youth and entrepreneurship initiatives, training, qualification, leadership and creativity through the establishment of small-sized entrepreneurial projects. The PFESP works directly with beneficiaries, university students, new graduates, job seekers, and its partners include labour unions, NGOs, employer's organisations, cooperatives, VET-centres, etc. In May, two years later (2016) the PFESP received an additional assignment when the authority by decision, No. 103, of the Council of Ministers decided that all institutions operating in the field of employment in Palestine should coordinate their activities with PFESP. The PFESP act since then as an incubator for all economic and social activities in the field of job creation and support of entrepreneurship projects⁴⁰.

Some stakeholders are critical to the PFESP expanded assignment since their broader mandate runs a risk to duplicate the MoLs mandate. Another critical perspective among stakeholders is in terms of the expanded responsibility, which could be rendering in high expectations that will be a challenge to match. Furthermore, the great variety of ALMPs runs from emergency, humanitarian aid to long term unemployment that are not always focusing on employability development that will assist the unemployed or underemployed transitioning into employment or becoming self-employed/entrepreneur. In addition, the sustainability can be questioned since most of the ALMPs are financed by international donors and implemented by around 100 different providers including, NGOs, private employment agencies, etc. Some of these providers not always have the capacity to plan, coordinate, implement, monitor and evaluate ALMPs. Although, some ALMPs contribute to development of employability skills and enhance the matching there is a great need of

⁴⁰ PFESP; Strategic Plan 2018-2022 (2018)

development of relevant measures to tackle the challenges on the Palestinian labour market. Or as the ILO diagnostic report of ALMPs stresses several times; what is needed besides the lack of possibilities to track the programmes is “...more regulation and coordination between different employment programmes and not entirely new programmes.”⁴¹

As examples of instruments that provides the framework for implementation of employment policies there is a Comprehensive Strategic Program for Employment in Palestine (2015), the National Policy Agenda 2017-2022, PFESP strategic Plan 2018-2022, etc. The National Development Plan 2014-16, (NES) recognizes the interrelation between economic growth and employment as a central element. The Strategic Program from 2015 aims to increase the capacity of the MoL and improve the employment services to businesses as well as to job seekers⁴². Accordingly, the implementation of the Employment Strategy needs to be closely tied to the respective governmental economic development strategy.

As stated in the ILO Employment Diagnostic (2018), the Labour Sector Strategy 2017–2022 is a key planning document establishing strategic goals for the labour sector, such as the reduction of unemployment, development of TVET, strengthening of the sector’s institutional capacities and reform of its underlying legal framework. A well-developed labour administration system, enhancing tripartism and social dialogue as a means for developing and regulating the labour sector. A strategy built on an extensive partnership between the national labour administration system and its multiple governmental and NGO partners. One component of great importance in such system is employment and employment services.

A key objective for such Employment Policy in Palestine should be to promote a better functioning of the labour market by strengthening governance and a more efficient and effective Public Employment Service that deliver suitable services for both job-seekers and employers. Besides strengthening the MoL its mandate needs to be clarified when it comes to the scope of responsibility, the mission, the role in coordination, and ensured in cooperation with institutions like PFESP, PCBS etc. and among different employment service providers. An Employment policy offers a framework to bring institutions and stakeholders together and defines how to enable the MoL to support the EO/OSS operation to deliver and monitor employment services

The Labour Sector Strategy (LSS) contributes to all ten policy priorities of the National Policy Agenda (NPA) and builds on the previous one. The LSS integrates current strategies as well as the MoL departmental plans, including employment, TVET, and cooperatives. There is a

⁴¹ ILO: The Occupied Palestinian Territory: An Employment Diagnostic Study, ILO Regional Office for Arab States – Beirut (2018)

⁴² Comprehensive Strategic Program for Employment in Palestine (2015)

comprehensive summary of the alignment between the LSS and the NPA's policy interventions described in the ILO Employment Diagnostic⁴³.

The current legal and regulatory framework for the provision of public employment services is underpinned by numerous different policies and documents, for instance:

- National Development Plan 2017-2022
- National Policy Agenda 2017-2022
- Palestinian Employment Strategy 2017-2022
- Palestinian Labour Law No. 7 of 2000
- Palestinian Fund for Employment and Social Protection, Presidential Degree No. 9 (2003)
- Manual for the EO operation (2011)
- MoL annual Department Plans
- Comprehensive Strategic Program for Employment in Palestine (2015)
- Labour Sector Strategy 2017-2022

Although, the ambitions are high and the PPES is described as an effective service provider that responds to the needs of its clients, with the list of examples of different legal documents and policies for the framework of the MoLs operation it is obviously lacking oversight. Given existing institutional fragmentation in the implementation of labour market policies and the lack of a clear mandate with traceable objectives for the modernization of the MoL are structural problems. It is of great importance to note that the effort to align employment policy under one umbrella with strong tripartite participation is very much needed.

A successful employment strategy needs to have strong linkages with the economic strategy. Furthermore, the employment strategy will have to be interlinked with many other of the government's socio-economic policies with focus on possibilities for employment and labour market institutions – such as employment services and the TVET system. In this the main goal is strengthen the capacity of the Employment Agency (EO/OSS).

As stated in the previous Palestinian Employment Strategy the capacity of the MoL needs to be further improved in order to be able to provide better employment services to jobseekers and employers. Strengthen the capacity with clarifying the mandate for the MoL for promoting a smooth functioning of the labour market is key as well as dismantling some obligations that burden them and are contra productive for their efficiency, for instance labour inspection and other bureaucratic administration. There is a need of separating the operations related to provide labour market services from labour inspection and other services that are not for job matching and employability development. At the same time

⁴³ ILO: The Occupied Palestinian Territory: An Employment Diagnostic Study, ILO Regional Office for Arab States – Beirut (2018)

there needs to be a continued increase in the PFESP capacity to take the lead to coordinate ALMPs.

6. PPES structure and functions

The PPES in OPT was established in 1994 under the Ministry of Labour (MoL) and included in the Labour Law of 2000. In 2010, the MoL was restructured and the recruitment services were launched with the creation of the Palestinian National Authority. The Director General of Employment is heading the operation through an administrative unit of the department of employment. The MoL employs 900 officials distributed in the regional offices in each of the 16 governorates, 11 in the West Bank and 5 in Gaza. The MoL is responsible for labour legislation enforcement as well as providing employment services to job seekers and employers.

The Palestinian Public Employment Services (PPES) operate under the MoL and are today established in all regions of the OPT but with limited resources. The 16 local employment offices consist of seven One-Stop-Shops (OSS) and nine Employment Offices (EO). The financial resources for the operation are very limited and depend to a great extent on international donors. The donors finance through partnerships with the MoL as well as other institutions and offer programmes and support in development of the services. For instance, the OSS were initiated and supported by GIZ through the German Public Employment Agency BA. Belgians Development Cooperation, the World Bank, USAID, ILO and other donors have been also involved in supporting the development of the PPES.

The provision of employment services differs, depending on capacity, between the 16 offices and contains of a widespread of variety from registering job seekers and vacancies to provide employment permits for work in Israel to labour inspections of employers. The matching and counselling services to job seekers and employers are very limited and weak among EO services. The main task at the EO is more or less registrations of job seekers for other reasons than job matching, including health insurance and Israeli work-permits. On the other hand, the OSS-offices have built an increased capacity and aim to provide services in accordance to the ILO Employment Service Convention, 1948 (No. 88) that outlines the four functions of a generic PPES:

- 1) support for job-searching, counselling services and job matching,
- 2) provision of labour market information,
- 3) implementation of active labour market programmes; and
- 4) administration of unemployment benefits when available.

While some struggle in providing minimal basic services due to capacity limitations from insufficient allocated resources the EO/OSS in Qalqilia describes their main functions/tasks as listed below.

1. Register job seekers and vacancies.
2. Conduct assessment and provide counselling and vocational guidance.
3. Match vacancies and job seekers.
4. Provide information and advice.
5. Collect and monitor information on the labour market.
6. Represent the EO in the LET.
7. Coordinate vocational training institutions to establish a kind of integration in identifying the training needs of the various professions needed in the labor market.
8. Provide information for job seekers and facilities offering training opportunities.
9. Register facilities and individuals with the Palestinian Labor Market System.
10. List and register institutions that support small enterprises.
11. Assist individuals interested in self-employment in developing and evaluating business plans and feasibility studies.
12. Provide vocational guidance and counselling to students of the 10th grade and students of vocational training centers, introducing them to the mission of labor and recruitment offices.

The OSS, operated by the MoL (funded by GIZ), redirects their work at a faster pace than EO and focuses on job matching with job fairs and building relationships with employers but still with very limited resources. The support from GIZ has indeed increased the capacity of the OSS. At the same time, they still have a limited number of employees, shortage of skills and the offices are not equipped to provide adequate employment service.

While in the majority of EOs, job matching, counselling and career guidance are services sparsely offered, if at all, OSS are such as the one located in Nablus have prioritize developing services such as coordination with employers and stakeholders to carry out job fairs and other relevant intermediation and job-matching services. Another initiative that seems to be fruitful is the Employment Corners that involve different local stakeholders in social dialogue. The Employment corners are established in parallel to LET and provides a platform for a common local initiatives regarding employment issues. An organizational structure that has the potential to be replicated by other EOs/OSSs.

The gap between the provision of services offered by EO/OSS in Palestine and the general global ambition where the PPES describes as an effective service provider that responds to the needs of its clients –jobseekers, employers and the general public is of course deep, although very diversified. The ambitions are there with several analysis done as well as initiatives taken by the MoL, PFESP and others but due several reasons in the Israeli-Palestinian conflict the labour market and its institutions continues to present a grim picture. The know how is shown in numerous of strategies, recommendations, action plans etc. but the lack of sustainable resources (financial/institutional capacity/manpower) is a major constraint. There is a need of clarifying the MoL mandate in coordination with other institutions both in the policy dimension and strategical dimension in strengthening the

capacity in delivering public employment services. For further information about the function, provided services and the visible gaps see the excel compilation in annex 5.

6.1 ALMP

Active Labour Market Programmes (ALMP) are an important tool to increase the employment opportunities for jobseekers and enhanced efficiency in the matching of jobs and workers. ALMP can be classified according to their intended functions in influencing labour demand and supply, and the intermediation of the two as explained in the box below.⁴⁴

Types of active labour market policies

Demand-side measures are used to preserve or support employment during the crisis and recovery, and also to provide incentives to create new jobs. These measures, which are of limited duration, cover wage subsidies, reductions in non-wage labour costs and short-time working support.

Supply-side measures are used to enhance workforce adaptability, including through on-the-job and classroom training, typically with effects on medium- to long-term job prospects. These policies also provide incentives to seek and keep employment, often targeted at low-skilled and vulnerable workers, through in-work benefits in the form of wage payments and subsidies, for example in temporary public employment programmes. Incentives are also applied to promote self-employment and entrepreneurship.

Labour market intermediation measures help bridge the gap between supply and demand in the labour market by promoting more efficient and better-quality matching of jobseekers and vacancies. They increase the probability of jobseekers finding employment through job-search assistance, counselling, advice, labour market information and job-matching.

In OPT the main Active Labour Market Program are of two types but rely heavily in donor aid. There are a number of ALMP and labour market projects to assist and elevate in the challenging economic and labour market situation caused by the constraints under the occupation, that has accelerated due to the pandemic situation. The difficulty is that all the ALMPs largely rely on financial support from international donors, and as ILO estimates, there is also a lack of monitoring and coordination⁴⁵. The two different major categories of assistance are; Entrepreneurship and Small Business assistance and Employment and Training programmes. The first category aims to enable unemployed to start up a business to increase the job opportunities for others and the second category range from training, job search, intern ships to poverty alleviation. The Employment Diagnostic Study by ILO gives an in-depth overview of the ALMPs and the services and target groups. Although, there has

⁴⁴ ILO: COVID-19: Public employment services and labour market policy responses (2020)

⁴⁵ ILO: The Occupied Palestinian Territory: An Employment Diagnostic Study, ILO Regional Office for Arab States – Beirut (2018)

been positive impacts from the action taken with the referred ALMPs the study also summarizes five main problems quoted in the box below:

1. LACK OF SUSTAINABILITY

The vast majority of employment programmes in the OPT are entirely dependent on financial support from international donors, and several of them-particularly short-term job creation programmes implemented by small NGOs - are not sufficiently institutionalized within the organisations implementing them. Accordingly, the long-term sustainability of projects is then challenged when funding disappears.

2. WEAK ACCOUNTABILITY

Review and evaluation of ALMPs is either non-existent or very weak with most ALMPs only tracking process and output level indicators, rendering the measurement of impact and efficiency of nearly all ALMPs, including those most institutionalized, nearly impossible.

3. FRAGMENTATION

ALMPs in both the West Bank and Gaza are fragmented, with often similar goals, overlapping objectives, and target groups, without necessarily being coordinated, as they are implemented by different organisations or funded by different donors. Proliferation and fragmentation of ALMPs often leads to inefficiencies (such as double targeting), with several organisations working to serve the same (often not necessarily the most disadvantaged) target groups. It is believed that many organisations have established these programmes without a clear long-term vision in order to diversify their funding sources.

4. LIMITED CAPACITY TO PLAN AND DELIVER RESULTS

Capacity to plan, manage and effectively implement ALMPs within many implementing organisations is often lacking. This situation clouds and obscures the aims and oversight of employment programmes.

5. LIMITED CAPACITY TO ACHIEVE SCALE OR REACH OUT TO THE MOST VULNERABLE

Despite the important contribution of ALMPs in developing Palestinian skills to match labour market needs, the structural problems facing the labour market and its limited ability to absorb the enormous number of new entrants that join the workforce each year makes their contribution to reducing unemployment level very marginal. The various ALMPs implemented in the West Bank and Gaza over the past 15 years have been unable to address the structural problems of the labour market, but the failure of these programmes should not be surprising

The decline of the employment rate and lack of job opportunities is widespread the labour force, affecting in particular some groups, including youth, women, graduates, refugees, vulnerable groups and people with disabilities. The employment rate among women is one of the lowest in the world, in 2013 had just 6,6 percent of women completed the transition from school to stable and secure employment (Ibid). Parallel to that, the demographic

development with estimations that the population will double over the coming years are especially causing anxiety.

The weak institutional capacity has become even more challenging lately due to the complex political situation that puts severe restrictions on the Palestinian economy and its foreign trade relations at the same time as several donors reduced their aid. There is also a great need of common effort and coordination to implement ALMPs that develop skills and address the structural challenges. The MoL is one among a multitude of actors running programmes but is not in the driver's seat of the ALMPs in OPT. The MoL has objectives stipulated in the Employment Strategy and ambitious ideas but a limited mandate to implement such measures. The expanded mandate of the PFESP runs the risk of duplicating several of MoL's mandated functions which also result in priority challenges when it comes to implementing the ALMPs. At the same time, the MoL is the partner for several donor funded programmes, among them is the GIZ Access to Labour Market (PALM), which is as a result of a cooperation with earlier programmes the LET Councils and OSS's have established.

The MoL, besides PFESP, should be one of the main actors to plan, manage and implement the ALMPs. An approach that would create a circuit of support services for improving employability, job matching and job opportunities. Besides coordination and common effort, a developed LMIS with the ability to enhance knowledge and monitor the labour market including ALMPs could be seen as one instrument to improve implementation of ALMP. Furthermore, draw on the experience and competence that the PFESP has built carrying out several ALMPs, including piloting initiatives funded by international donors. The PFESP could be building institutional capacity in this field together with the MoL, Chamber of Commerce etc. and support the development of the OSS as well as the Employment Corners and Local Employment Councils.

As presented in PFESP Strategic Plan 2018 - 2022 the target groups are youth (including the NEET), women, rural, the long-term unemployed, and low-skilled workers and thus the implementation of ALMP also pursues an inclusion objective. PFESP has the aim to create partnerships with all relevant stakeholders and beneficiary institutions like the MoL, other governmental institutions, NGOs and private companies. The PFESP will provide financial and technical services for the development of projects as well as to run programmes to young graduates, women and unskilled workers in order to enhance their employability and skills.

There is a need of clarification about who is responsible for ALMPs. Should PFESP "lead and coordinate ALMPs towards improved effectiveness and impact" like recommended in ILOs Employment diagnostic from 2018 or is it MoL and PPES responsibility. To be able to enhance the capacity and to increase impact and effectiveness in developing and

implementing the ALMPs there is a need to sort out the roles between the two institutions and clarify their mandates.

6.2 TVET

A number of organizations, including government agencies, NGOs, semi-governmental and UN bodies implement the Technical Vocational Education and Training (TVET) programmes in Palestine. Already in 1948 when 300 000 Palestinian became refugees, TVET programmes were established as a vehicle for social equity, inclusion and sustainable development. An approach that has continued to today. The UN and religiously affiliated organizations established TVET as an offer of their support to the Palestinians. The TVET programmes, as it is highlighted in the NPA 2017–2022, seek to integrate marginalized groups in the labour market, increase youth employment, and promote economic development.⁴⁶ Today the Higher Council, an inter-ministerial body, is responsible for coordinating TVET.

The ILO highlighted TVET as one the key strategies for social and economic development in Palestine. TVET links skill development policies to employment needs and labour market requirements and contributes to economic development. With a policy in Palestine that strengthen the linkages between the PPES and the TVET system they could play a role for economic and social development. A supporting services with the purpose of skills training, upskilling and retraining the workforce. In addition, such linkage could enhance the employability and also promote gender equality, which includes to enrich skills development among disadvantaged groups. The international empirical literature on whether labour market training has a positive impact on employment is extensive.⁴⁷ European Training Foundation (ETF) stated in its last report (2019) that in Palestine is TVET a priority in bridging the gap between the demand and supply in the labour market.⁴⁸

At the same time the challenges with TVET are in general similar to those facing the implementation of ALMPs. The TVET system is rather complex with a fragmentation of providers. The fragmentation got even worse in April 2019 when the new government was approved and the main governance and policymaking actors were split between Ministry of Education (MoE), the Ministry of Higher Education and Research (MoHE), and the Ministry of Labour (MoL). The current governance structure, with the Higher Council of TVET supported by the Executive Council as the TVET law is under revision (ibid).

⁴⁶ Hilal Randa, TVET and decent work in Palestine; lessons learned from fragile states, International Journal of Training Research (2019)

⁴⁷ Kingombe, C. Lessons for developing countries from experience with technical and vocational education and training, paper prepared for the International Growth Centre, Sierra Leone country programme (London, IGC, London School of Economics). (2017)

⁴⁸ ETF: Mapping vocational education and training governance in Palestine (2014)

GIZ, EU and the German government in partnership with the MoL and Education and Higher Education is leading the TVET and Employment promotion program aimed at bridging labour demand supply gaps. The focus is on adapting vocational training to fit the current employment situation and meet the needs of the labour market. The Belgian Development Cooperation is implementing an institutional building project aimed to enhance capacity and improve the quality and TVET labour-market relevance. The beneficiaries are students at all levels of education, jobseekers, adult learners and employees, and relevant PA ministries, such as the MoL, the United Nations Relief and Works Agency for Palestinian refugees (UNRWA), the private sector, and TVET institutions.

As with the ALMPs, the government's and donor's funding are the main factors determining TVET sustainability. In the Palestinian TVET strategy five main sources of funding are outlined: course fees, government subsidies, the National Training Fund (NTF), national and international grants and donations, and income-generating activities of TVET institutions. Clear and understandable but also fragile.

There is a need and potential to develop an overarching strategy for TVET that represents an avenue for linking skills training with the labour market. TVET can play an important role and create opportunities for employers to be exposed to potential job seekers as well as to build competence and increase the employability among vulnerable groups, PWD, Youth, women and job seekers in general. A number of programmes could be developed in accordance with the above suggested ones or others. Encourage the private sector to take action in identifying labour market needs to support the reform and updating of TVET provision. PA and especially the MoL, with international donors, could support different employer organizations to develop capacity to make TVET more responsive to identified skills demands in the labour market.

Skills training programmes that could provide skills responding to effective labour market demand, that can facilitate transitions into the labour market, assisting firms to increase their growth. For example, programmes like on the job training, internships. The development of such programmes should be in alignment with the demand in the service sector where two thirds of the work force work. In contrast, there is for instance, a potential risk that current levels with high unemployment among the well-educated impacting negatively in the perception of youth towards education. ILO conducted a school-to-work transition survey in 2014 that showed that higher education correlated with unemployment among both young men and young women (aged 15–29). The unemployment rate increased with each incremental addition of education level (ibid).

Programmes targeting the large informal sector: which is estimated to be one third of the employees work that in Palestine. The Palestinian economy is largely dominated by small

and family-owned enterprises. Small enterprises in the very large informal sector are an important source of job creation, which nevertheless remains limited.

Other programmes of crucial development are capacity building in the field of Start Up your own business especially since the PFESP is carrying out a project funded by WB to increase the number of small firms. At the same time, the MoL stress the importance of increasing the opportunity to start your own business. The MoL and PFESP (EO/OSS) could develop a systematic linkage of the existing programs with a referral mechanism for evaluation. The challenge of such programs is of course improvement of economic performance and the reliant on international donors besides the complex political situation which puts severe restrictions on the Palestinian economy and its foreign trade relations.

There is a high demand for TVET students and a high employment rate among graduates from TVET programmes, although the proportion of students that enter TVET is very small, less than 5 percent according to ETFs Education and Business study in 2011.⁴⁹ On the other hand, the results are clear, 89 percent of TVET graduates joined to the labour force while, in general, only 32,7 percent of youth entrants into the labour force. Furthermore, 77 percent of TVET graduates are employed compared to 59 percent for Palestinian youth that haven't participated. After having completed, TVET education, young graduates are more likely to work in the private sector and twice as many as others become employers or self-employed.⁵⁰

At the same time there is a need to bridge the gap between education and labour market, and the TVET programmes is not viewed as prestigious among students, having been stigmatized as a pathway for low-income occupations. Once again, the outcome of a TVET strategy aimed at promoting the program has not yet resulted in a tool for planning, follow-up and monitoring. Already in the previous Employment Strategy, 2014-2016, it was stated that it is of great importance to improve the cooperation between the Palestinian Public Employment Agency, PFCCIA, PFI and the TVET-sector. The organization level of employers' organisations needs to improve in order to optimize systems such as a labour demand driven TVET and employment services.

Having stated that, there are several weaknesses in current TVET according to the mentioned study carried out by ETF in 2019; TVET governance is fragmented, weaknesses in the implementation of policies and strategies, lack of financial resources, lack of LMIS etc. The Torino Process is ongoing and committed work has been done. Several focus groups have been conducted with many different stakeholders to monitor and evaluate the TVET

⁴⁹ ETF: Education & Business Occupied Palestinian Territory (2011)

⁵⁰ Hilal Randa, TVET and decent work in Palestine; lessons learned from fragile states, International Journal of Training Research (2019)

sector in Palestine. The final Torino Process Report 2019 is estimated to be published in 2020.⁵¹

6.3 LMIS/LMI

The Palestinian Labour Market Information System is the responsibility of the MoL. The LMIS aims to provide labour market data to assist decision-makers and support the matching process, job seekers and vacancies as well as forecasting skills shortages and education. The LMIS also include a website that is supposed to work as database of job seekers, employers and provide services such as the health insurance and registration of Palestinians work permits for work in Israel and data on their social rights. In Palestine the LMIS and its sub systems provide information to a number of stakeholders besides the MoL, Ministry of Education and Higher Education, the private sector, the chambers of commerce, statistical bodies, jobseekers and graduates.

The LMIS comprises four sub systems

1. Population (demographical and labour statistics)
2. Education (formal and informal, higher and vocational education)
3. Employers (demand, dismissals, firms, skills, sectors, working experience)
4. Labour Market (unemployment, job seekers, vacancies)

The ambition is errorless but the current LMIS is not. There is no clear or effective labour market information system in place, although this forms part of the cooperation between GIZ, the MoL as well as other ministries. The development seems still to be at a quite early stage.

The ICT system lacks functionality due to a great shortage of resources, manpower and funds. The LMIS is not a reliable instrument for information due to the limited coverage, accuracy and validity. For instance, the LMIS has limited possibilities to use in matching labour demand and supply, the registration in the LMIS are for other reasons than applying for jobs, the LMIS had only slightly more than 500 vacancies registered accumulated during 2019.

An updated LMIS that could become a reliable and the main source of knowledge of the labour market would be of great importance for the MoL development and would also be essential to becoming successful in matching of labour supply and demand. The design and the architecture of the ICT infrastructure need to be in line with the MoL assignment and mandate.

The development and implementation of a LMIS, based on one methodology applied throughout the organization and that provides data on both national, regional and local labour markets, is one of the MoLs key challenges. A developed LMIS and its subsystems or

⁵¹ ETF: Palestine, Education Training and Employment Developments (2019)

an adequate ICT system should be of high priority for MoL/PPES if they like to become successful to provide services like job matching, counselling, vocational guidance etc. LMIS or a new ICT system has many purposes, including to increase knowledge about the labour market, building valuable contacts and networks with employers and learning about their needs as well as being a critical planning tool and a management system for the whole organization.

The establishment of an ICT infrastructure plays a crucial role in comprehensively and actively supporting the MoL operation. The ICT fixture could be a user oriented, and self-sustaining system, including collection, storage and monitoring of data about employers and job seekers as well as the possibilities of labour market analysis's and as a tool for planning the operation including management performance indicators and the communication strategy.

Recommendations in a study carried out by the MoL and UNFPA from 2019 included that donors should fund the establishment of a central database, which aims to collect data of current and future graduates and at the same time, forecast the labour market needs. Data and information that would be useful for EO/OSS officers in matching, counselling, vocational guidance etc. The referred study also stressed that the public institutions like MoL and the Ministry of Higher Education should coordinate the work with planning, guidance and monitoring and should have the main role in creating job creation program for graduates.⁵²

Today, LMIS and its subsystem are in general not used to provide employment services. The collected data is not correct or reliable. Although, there is a link to MoL's website for registration of vacancies the focus in the offices is more on registration. At the same time the LMIS linkage to the labour market information provided by PCBS are missing. Some employment officers, in limited numbers, seek and collect data published on PCBS website, like the quarterly update or labour market surveys, to provide job seekers with vocational guidance and counseling.

6.4 PPES service delivery

As described above the PES in Palestine operate under limited resources and unclear mandate. In consequence, the basic service provisions to clients are not in place and are very scarce and not sustainable. The limited resources challenge is further augmented by the execution of non-PPES core tasks and functions and excessive bureaucracy. For instance, the staff spend a lot of time to work with health insurance registrations and other duties

⁵² MoL/UNFPA: Labor market needs in Specialized and Professional Occupations: medical, ICT, law, media, arts, music sports, marketing and accounting" SHAREK Youth Forum (2019)

besides providing employment services. At the same time the provided services differ a lot and are very dependent on which local office you look into. The commitment of the employees seems to be there, but the assignments are in general unclear with limited resources, staff, training and equipment.

Below in table 2, the responses to the survey from two of the offices, Jericho and Nablus, that were among the ten offices that responded to the survey. See Appendix 5 for the complete answers to the pre assessment survey. The two PPES, Jericho and Nablus, an EO and an OSS, described below were also visited during the mission. As mentioned earlier in this report, the pre assessment survey was incomplete and the quality of the information was poor as well as a limited number of respondents. None of the respondents in the survey answered all the questions.

However, as can be seen in the table below, the two offices offer a wide range of services. Although, this should be seen as an ideal description of the services provided in these offices, for instance the two offices below only have one respectively two employees to do the job described. As a matter of fact the pre assessment survey gave the picture on hand that all offices are understaffed, with between 1-4 employees devoted to providing clients with employment service. Again, the ambitious are there but not the financial or human resources to realize the services.

In addition to the limited financial staff resources, the two offices operate under completely different circumstances in terms of premises, equipment and so on. While OSS in Nablus is located in a shopping center with completely remodelled premises, the office in Jericho is located in a back street and in great need of remodelling. For example, in Jericho the employment service shares a desk with other employees in the office and the space for customers is almost non-existent. In addition, in both offices they expressed that they can't visit the employers they would like to, because they do not have any vehicles available in the offices.

Table No: 2 - What are the most important functions / tasks performed by the employment offices?

Jericho - Employment Office	Nablus – One stop shop
● Professional guidance and counseling ● Search for Job Opportunities ● Networking with NGOs and the Private sector ● Networking with supporting institutions ● Setting a general policy for operations in the province ● Reports and Computers ● Reduce unemployment ● Create entrepreneurship Projects ● Civil visits to institutions	● Service in the local operational sector ● Employment development, with visits to institutions and enterprises to collect job opportunities ● Matching ● Strengthen the relationship with employers and promote the services ● Programs for training and presentation of graduates ● Coordination with other institutions ● Provide individual and group guidance services

• Provide information and work-permits to work in Israel • Certificate of eligibility for free health insurance • Welcome and direct auditors	• Guidance sessions to school students • Provide individual operational services • Assist job seekers in decisions about economy and help them in networking with supporting institutions • Hold workshops in universities and in public and private training centers • Arrange job fairs • Provide work permits for Israeli workers • Registration for free health insurance
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The mediation, matching and counselling services are very limited among the MoLs services. The main task at the EO is more or less registrations of job seekers for other reasons than job matching. One of the staff members met during the mission claimed that he devoted 90 per cent of his working time to registration of either certificates for work permits or health insurance. Career guidance and counselling is sparsely offered and needs to be developed. The registration of vacancies is rare due to the lack of information on what to expect from the service, which has created an increased mistrust in the offered services amongst employers. Some OSS, like the one in Nablus, are focusing on developing an offer of services for employers and also taking actions to coordinate stakeholders to carry out job fairs and other relevant intermediation and job-matching services.

There is also a contradiction in provided type of services. While the PPES has the assignment to provide employment service to employers they also have the task to carry out labour inspections at the work places. At the same time, as an employment officer are supposed to create a relation to provide services to an employer a labour inspector from the same PPES have the duty to inspect the employers' workplace. For obvious reasons there is a need in separating the duties of labour inspectors and employment service officers.

Hence, there is a huge need for institutional capacity development in terms of provided service and the quality of such service as well as the number of staff members and their competence in the Public Employment Services in OPT. ILO is currently supporting its Palestinian constituents to better respond to the employment challenges. This is for instance done by, developing the capacities of the relevant institutions, encouraging national policy dialogue and inter-ministerial coordination to develop a NES to promote employment of Palestinian men and women.

In this perspective there is a need of a revised and comprehensive operational plan for PPES which should include; clarification and definition of PPES role, a mandate and task in accordance with allocated financial resources and manpower, a manual describing methods for service delivery, strengthen the capacity and focus on core services, removing some of the burdening bureaucracy and separate all task not directly link to job search support and

matching. Public and private partnerships could expedite the transition to provide job intermediation/placement, skills training etc. For further action see recommendations in the action plan in annex 2.

Due to limited resources, it would be of great value to invest in a feasibility study for an ICT system. An ICT system in PPES operation including potential self-services with minimal staff interaction, registration of jobseekers and vacancies, applications for work permits, insurance registration, etc. would be useful for internal reasons as well as for jobseekers and employers. The Palestinian population seem to be ready for it according to several websites that publish statistics about the number of users of digital services. The penetration of internet users is increasing in Palestine and reached 63 per cent of the population, in January 2020, at the same time as the number of mobile connections was equivalent to 86 per cent.⁵³ An investment in an ICT system can in the long run release internal human and financial resources. At the next level, services such as assessment needs, counselling and participation in job-seeking workshops can be identified and developed.

The PPES can provide services to job seekers and employers and to be the main hub for the job matching, counselling, implementation of employment policies, provision of LMIS and with respect to the informal economy in promoting self-employment and formalization of employment. Even if the labour demand and EOs/OSS capacity are weak PPES can provide targeted services as well as ensure coordination of such services to maximize impact. With current limited resources, it is crucial to define what kind of core and complementary services the PPES should provide and through which channels.

Building partnerships with different stakeholders needs to be defined and is of mutual interest. Establishment of partnerships need to be actively managed with clear objectives for the PPES and with defined stakeholders. Mapping relevant stakeholders, including job seekers and organisations, can increase the capacity of the PPES to deliver some of the core functions. The role of partnerships and stakeholder coordination can be established around four different groups⁵⁴:

- 1) supervising authorities
- 2) social partners
- 3) service providers
- 4) institutions (other than service providers)

PPES in collaboration with other identified service providers could offer possible solutions in response to national and local needs in combining experience, knowledge and resources.

⁵³ <https://datareportal.com/reports/digital-2020-palestine/> <https://www.internetworldstats.com/me/ps.htm>

⁵⁴ European Commission: PES Network Benchmarking Manual, Icon Institut, DR Michael Fertig and Natalija Ziminiene (2017)

The regional LET or local Employment Corners established in some OSS could be seen as a model to build upon. A study carried out by ILO is showing how partnerships are becoming instrumental in delivering employment services and how active labour market programs assist employers and jobseekers in adapting to change and coping with labour market transitions in an increasingly complex labour market⁵⁵. An experience that partly could be developed and implemented by the MoL in the OPT building on the partnerships established in OSS with Employment Corners.

Cooperation between the MoL and an established Network with identified stakeholders and Employment Services Providers based on a search for complementarity in their activities. Stakeholders like other government, employers, social partners, that carry out services within different operational structures tailored to specific local circumstances and needs. The services could be developed and provided in EO/OSS, requiring the delegation of powers to the provider, which operates the employment and entrepreneurship centers, to deliver on behalf of associated providers. A methodological guide for joining up services is described by ILO in the pamphlet briefs on PES and ALMP⁵⁶ which also include the organizational services of each centers in three different streams below (example from Local employment and entrepreneurship centers in Colombia).

Stream 1 Basic services	Stream 2 Specialized services	Stream 3 Enabling services and inclusion strategies
• Initial needs assessment • Core job skills • Job counselling and vocational guidance • Entrepreneurship and training • Job-search support and placement	• Life skills • Core job skills • Vocational training • Skills certification • Employability services • Language courses • Micro financing and non-returnable seed funds	• Basic literacy and numeracy skills and self-confidence • Access to basic health-care • Affordable child-care • Specialized services for people with disabilities

A shift from stand-alone services delivered by independent providers towards joined-up provision for disadvantaged population groups entails going beyond traditional ways of

⁵⁵ Avila, Zulum: Public Employment Services in Latin America and the Caribbean: Colombia. ILO, Geneva. (2015)

⁵⁶ ILO: briefs on Employment Services and ALMPs, Issue No. 1,

working. The notion of integrating or joining up services for people facing disadvantage in the labour market relies heavily on cooperation and coordination between PPES and strategic partners. The aim of this approach is to ensure that jobseekers and employees receive the necessary support from PPES, and that they are referred to other government initiatives or specialist providers offering complementary services and support according to local availability of services (ibid).

6.5 Multi-channelling of service delivery

As identified above the establishment of a sustainable ICT infrastructure plays a crucial role in comprehensively and actively supporting the MoL operation. In the view of limited resources such a system can potentially deliver self-service to job seekers, employers and the general public. A developed self-service that with minimal staff assistance provides services like registration of job seekers CV and employers vacancies for a smooth and speedy matching process and information about the labour market.

In the era of IT development, PPES is increasingly diversifying their models of service provision to be available through different channels in interactive systems that are web-based and reached via computers or smart phones. Technology is transforming the way employment services are being delivered. The diffusion of online technologies has changed the ways in which jobseekers find out about vacancies and apply for jobs, the way employers advertise their vacancies, interview and hire, and how employment services and welfare programs are run. The potential is set in the contextual concept and of course the level of penetration of internet users and also apply different modes to different needs or services, could be online self-service options, mobile apps, face to face etc. As mentioned above, the internet penetration, in Palestine, stood at 64 percent in January 2020 while the penetration of mobile connection reached a level of 86 percentage of the population.⁵⁷ In line with a feasibility study of a LMIS it is of interest to carry out such a study for self-service of PPES provision of services.

Last but not least, regarding the improvement of cooperation and co-ordination internally within MoL/PPES and externally with all stakeholders the PPES needs to continue the development of the comprehensive media strategy for relevant communication channels. There is a need of communication for different departments at the MoL and relevant communication channels and also external communication with the public, potential job seekers and employers and stakeholders.

An internal communication strategy that include the channels used for different communication and point out the primary channels for continually communication

⁵⁷ <https://datareportal.com/reports/digital-2020-palestine>

throughout the organization. The aim with the internal communication is to provide important, timely and accurate information to all employees and enhance a common knowledge of different topics or communicate certain activities. The communication could be a weekly letter from the Director General, information on how to provide services, be online training for employees, examples of successful cooperation or a brief description from a local activity etc. Besides the importance of that the whole organization have access to the same information the internal communication also creates the spirit within the organization.

A point of departure for an internal strategy could be the work aiming at a developed service provision. In alignment with the new services a sectoral strategy could be developed for sectors like industry and agriculture that have a demand labour. A concrete way forward could be -how to approach employers to increase the collected vacancies? An important matter not just for the employers with vacancies or job seekers looking for jobs it should also be prioritized of PPES in its effort to increase the reputation and build a stronger brand.

An external communication strategy is document that describes information activities in alignment with the agency's assignments, objectives, and key communication messages of the organization. The strategy prioritizes needs, identifies target groups, stakeholders and determines the message and how it is going to be delivered, and is also supposed to measure how the recipients received it, successful or not. For example, an external strategy could interact with the effort to improve coordination with other agencies and stakeholders. To identify all MoL/PPES stakeholders would assist in defining the target audience for the communication, stakeholders that has the power to influence change of PPES or vice versa.

6.6 Human Resources

There is a wide gap between the institutional capacity of the MoL and the responsibility to overseeing the employment offices providing services to jobseekers and employers. A coherent framework with an overarching strategy and delivery service model that provides a vision, objectives, outcomes, indicators for performance etc. is missing. The assessment shows that the ambitions are high to become an effective service provider that responds to the needs of its clients. The aim is set out in an annual strategic plan for the General Directorate of Employment and in addition to that a formulation in an annual plan for each department of recruitment in the governorates. However, the high ambitious, as stressed several times above, the resources are limited and the operational manual in use is from 2011. Anyhow, the backdrop with the scarce resources at the MoL makes it a challenge to carry out their function. The Director General and some managers are doing a great job trying to support and follow up the employee's work and performance with regularly phone meetings, but it is not the fact for the whole organization and especially not at the ministry level.

There is a shortage of staff members working in PPES on the West Bank. The pre assessment survey shows that only 1-4 employees are dedicated to support job seekers and employers, and work as an employment officer, in each office among the 10 PPES-offices that answered. Each office is managed by a Director for the office, who also are part of the managing board for the PPES that is headed by the Director General at the PPES headquarter at the MoL. In addition, there are personnel for administrative tasks at each PPES office as well as other staff members for other tasks. The PPES offices also include sections for local labour inspections and a section for development. Most of the staff members holds a university degree although not always in the field related to their job in the PPES operation. Some of the staff members at the EOs have participated in work related training for their position by participating in workshops, seminars and so forth. The staff members in the OOS is offered training in different employment service technics and methods by GIZ or other organizations. Some staff members in the OSS have had the opportunity to go abroad to participate in longer technical training programs.

The HR department at the MoL consists of 30 employees with tasks throughout the PPES organization and divided into four departments with different personnel responsibilities. The HR department operate with scarce resources and without a computerized system. They have a diversity of assignments including to monitor the labour law, overview the public and private TVET, handle procurement and the MoLs vehicles, etc. Although the HR Department operates responding to a job description, qualification profiles and guidelines the operation lack financial resources and staff in alignment to carry out their assigned task.

Training of staff members is key in institutional capacity building. To enhance the capacity and professionalize the work of staff members a wide range of training is needed. Skill development for managerial level as well as in basic skills for the local employee level in EO/OSS. The provision should include basic training as well regular training for staff to stay abreast and adapt to change within an HR focus on defined skills to be able to manage the responsibilities. Performance measures will evolve over time in an attempt to provide more relevant and specialized training.

There is also great need of an assessment of the operations performance with the implication to introduce an HR strategy including competence profile, training as well as performance management. To begin with the assignment and duties of the EO/OSS organization need to be a clearly defined. The next step could be to introduce a performance management that collect information on performance results available for managers at all levels in the organization, enabling rational decisions to be made on the priority of resources. Furthermore, next step of interest would be to link the PM to the budget cycle, so it can be utilized to improve *effectiveness* as part of the budget cycle.

The MoL is in need of up-scaling their HR-dep. resources and staff members if they are going to be able to provide relevant services. To begin with the MoL would be able to strengthen the institutional capacity and focus more of the relevant services if they reallocate some of the burdening bureaucracy, and non-related tasks to job-seeking or matching, the employment officers carry out in EO/OSS. The first step for the MoL would be developing a simple performance management system with clear targets and indicators, together with capacity building of the PPES, to ensure that results are measured, and officers are motivated to perform.

The work carried out with everything from the registration process to follow-up differs for instance substantially between EO and OSS. There is therefore an urgent request for defining the assignment and further standardization of working methods. However, within the current structure, there are obvious limits to the functional division of work, as many local offices only consist of 1-2 staff carrying out employment services functions. For these offices' specialization is simply not an option although there is a need to define and professionalize and carefully plan the work for employment officers, counsellors etc. An ICT system as described above could deliver self-service that with minimal staff assistance provides standardized services like registration of job seekers CV and employers vacancies.

While some local offices seem to be burdened by, non-related tasks to job seeking and matching, instead of providing efficient services to employers and job-seekers others carry out ambitious work and also conduct weekly, monthly and annual reports of the outcomes. There is a gap between offered services between the EO / OSS. While the office in Jericho (EO) just have one employment officer that is burdened with registrations of certificates for health insurance and Israeli-work permits the office in Nablus (OSS) is staffed and equipped to pro-actively work with job fairs and other services to employers.

The MoLs capacity development to become a provider of employment services towards improved efficiency and impact will depend on investment in human resources of its staff members. The HR and fiscal capacity constraints on public administrations could be eased if collaboration with other actors is developed as described above under Policy and strategy as well as under PPES services delivery. Another possible way forward is to broadening the partnership with public and private institutions as expressed above. For instance, extend the coalition of employment services in municipal offices or TVET institutions, like the ones established in some universities. Coalitions might be a way forward for PPES to become better equipped and staffed to be able increase the capacity to expedite the job intermediation and placement service.

7. Conclusions

The gap between the provision of services offered by EO/OSS in Palestine and the general global ambition where the PPES is described as an effective service provider that responds to the needs of its clients –jobseekers, employers and the general public is of course deep, although very diversified. The ambitions are there with several analysis done as well as multiple initiatives taken. The know how is shown in numerous of strategies, recommendations, action plans etc. but the lack of resources (financial/institutional capacity/staff) has a big impact. Of course, in Palestine you can't neglect that the functioning of the labour market per se is providing limited opportunities for waged employment due to the overall prevailing political situation.

The range of services offered by the PPES are in general narrow and basic. Functional public employment services tailor their products to the needs of their clients; with the objective of empowering them to find jobs and make informed decisions about their jobs and career pathways with a lifelong learning approach. PPES assist in employment recruitment process and match jobseekers to available vacancies. At present, the EO/OSS in Palestine offers a limited range of basic services, such as registration of job seekers and vacancies. But most of the resources are used to register beneficiaries for health insurance and Israeli-work permits. The employment services according to the needs of individual jobseekers relating to job search assistance, labour market information, advice on self-employment, etc. is very limited. Unfortunately, the same limited amount of services applies to employers to fill vacancies. The LMIS has been running since 1998 with several updates in support of ILO and GIZ. The LMIS is still in operation, despite some teething problems – inadequate information, frequent system downtimes, slow pickup, poor matching, and technical hitches and challenging maintenance.

ALMP and training of job seekers are instrumental in improving the functioning of the labour market as well as enhancing employability. In Palestine the PES does not alone implement ALMP, instead, the PFESP is responsible for the implementation. However, ALMPs and skills training are also implemented by a numerous of different institutions, across the public and NGO sectors, albeit without strong coordination with, or link to, the MoL/PFESP.

Services to employers are weak, revolving around matching of jobseekers to notified vacancies or arrangements of job-fairs. While commendable efforts have been made in some local offices in coordination with other actors, such as LET and Employment Corners, the MoL has not yet developed a viable employer sector strategy. A sector strategy to developed the service provision for the industry and agricultural sector that have a demand for labour. An important matter not just to be able to fill the vacancies or increase employment it should also be seen as PPES effort to become on actor for a smooth functioning of the labour market.

The capacity of the MoL, EO/OSS is weak. The 12 managers and the employment officers in post, across the 16 offices have an undoubtedly heavy workload. Some local offices have just one employment officer appointed to the service provision to thousands of clients. Further, the professional capacity of the MoL staff needs strengthening, as there is no systematic training plan in place. Professionalization of the employment services staff is thus lacking. TVET/ALMPs are provided independently of the PPES, hence the need to establish a clear protocol regarding coordination of the MoL remit and, the mandate and the function.

The infrastructure of the PPES is poor and does not present a good image to clients, particularly high-skilled jobseekers, young people and employers. With one of the lowest employment rates among women there is also a gender challenge on the labour market that needs to be addressed. The image of the PPES is one of the determining factors for success in attracting clients. Furthermore, the MoLs budget is too low to meet the ambitious objectives set out in the assignments and there is no systematic performance management system in place.

The improvement of the MoL and the PPES is of great importance to create a smooth functioning of the labour market but although capacity building of the institutions will have a positive effect on the labour demand and supply side, hence it is not a solution alone to increase employment. The development and transition of PPES should take the point of departure on lessons learned and build on existing experience, for instance surveys and analysis of current providers services of PPES and ALMPs. As mentioned above the political context as well as the business environment and the trade gap are challenges among others that need to be addressed for sustainable employment in Palestine. A pre-condition to reach a well-functioning labour market is an improved infrastructure with strong institutions, stable and supportive legal framework, financial business possibilities as well as a high skilled labour force. Of course, you can't be blind for the context the MoL in OPT operate in with the occupation. The full potential of the Palestinian economy is unlikely to be achieved unless the restrictions will be lifted.

The structural reconfiguration and alignment of policies will indeed strengthen the leading role of the MoL and PFESP in the formulation, implementation and coordination of labour market interventions, including delivering employment services and ALMPs. ALMPs have since long been recognized as indispensable to the achievement of employment through their catalytic role in improving the functioning of the labour market.

The ALMPs can stimulate labour demand, enhance skills, address skill mismatch, promote mobility, increase employment, prevent skills attrition or keeping people attached to the labour market, particularly amongst vulnerable groups even where the informal sector is a challenge. Moreover, PPES and ALMPs increase employment opportunities for the

unemployed and help workers to keep attached to the labour market during economic downturns. These government programmes also have an impact on structural unemployment and hence complement macroeconomic and structural policies and could induce the development of a market-oriented educational system in line with the demand.

Political stability and investments in knowledge, skills, and innovation are necessary for greater integration and development. The relatively small size of the Palestinian economy, future economic growth will depend on investment in human resources, the skills of its workers, and the entrepreneurship of its business community in Palestine. The challenges with the current COVID -19 pandemic that causes enormous economic and social disruptions the main obstacle for Palestine decades of occupation with all the restrictions on movement, investment, trade and so forth. The Palestinian labour market is stifled and unable to function under restrictions caused by occupation. It is not surprising that in the context of occupation in Palestine there is an extremely low labour force participation and rife unemployment and labour underutilization.

However, the MoL has a significant role for the EO/OSS and Public Employment Services to play in facilitating smooth transitions in the labour market by establish and use of new technology in parallel with traditional methods and evolve partnership working with other employment service providers and stakeholders. There is a lot of experience in strengthening in the global network of PES, through sharing knowledge, lessons and experiences for peer learning. For instance, the collected studies through organizations like ILO, WB, OECD as well as the European Commission PES knowledge centre and the Global Network of PES in the World Association of Public Employment Services, can be utilized to implement measures for improvement.

8.Recommendations

Recommendations presented in annex 1 below focus on priorities that are believed to be key for inducing the PES capacity in the Occupational Palestinian Territory (OPT) to be able to deliver suitable services for both job seekers and employers. The recommendations are divided into the assessments five key components in column 1, while the recommendation is singled out and summarized in column 2 with the identified area of intervention presented in the third column.

The recommendations are intended to provide the basis for further discussions with the MoL and other stakeholders. The aim is to identify more nuanced actionable recommendations for the MoL and relevant stakeholders and actors, see next chapter for the action plan for a proposal to prioritize the next step. The capacity development activities and alignment of policies aim to strengthen the role of the MoL in the formulation, implementation, coordination and monitoring in delivering suitable services for both job seekers and employers.

9.Action Plan

Within the recommendations several activities need to be undertaken in order to facilitate a completion of a successful institutional set-up for provision of employment services, and the active labour market policies. In the table below follows a suggestion of possible prioritization of actions. The recommendations are presented sequenced in a priority for immediate response in support to COVID -19 and medium to long-term actions to build PPES capacity. The actions are a first sketch of the next steps that need to be taken. Proposed actions are aligned with the identified measures in developing outputs in the PPES component in the draft Employment Strategy. Besides prioritizing among the actions, a financial projection for each recommendation with available funds need to be allocated.

Annexes

1. *Recommendations*
2. *Action plan / Matrix*
3. *Bibliography (documentary evidence)*
4. *Assessment questions*
5. *Pre-assessment survey and findings*
6. *Mission programme*

1.Recommendation matrix

Component	Recommendation	Area of Intervention
1. Policy and strategy IMMEDIATE RESPONSE IN SUPPORT TO COVID-19	1.0 Develop the capacity to formulate and implement a crisis management plan in the response and recovery phases	Conduct a support programme with an action plan to cushion the consequences of the pandemic and support the recovery
	1.1 Reposition the Palestinian PES as part of the circuit of labour market services and programmes is paramount for a sustained recovery	Immediate capacity building support that enhance ability at PPES in providing employment services
	1.2 Evaluate effective immediate resource mobilization, including preferred mechanisms for reallocation and cooperation through engagement in inter-government agency delivery	Support in reviewing and evaluating evidence-based design to develop the resource mobilization within and between the ministries
1.Policy and strategy MEDIUM TO LONG-TERM BUILDING PPES CAPACITY	1.3 Revise the operational manual for PPES and clarify the mandate of operation in line with the overall policies, labour legislation, NES, NAP etc.	- Conduct support to revise, modernize and clarify current legal framework, and manuals in accordance with the labour legislation, NAP, Employment strategy, NEP, labour law etc. - Enhance and clarify of MoL/PFESP and EOs/OSS different roles and mandates - Divide and separate the duties and professions of labour inspectors, health insurance and mediation responsibilities
	1.4 Clarify the mandate for the MoL and PPES and increase allocated funding	An increase of the allocated funding is a basis to be able to carry out the current and future task
	1.5 Establish an internal and external communication strategy and improve cooperation and communication with stakeholders	- Support the development of an external communication strategy - Support the development and implementation of a strategy for internal communication
2. Offer of services and active labour market	2.0 Deliver ALMPs as an integrated package where the PPES can be used as entry-exit points to available support. Formulate a service continuity plan	Support implementation of programmes to facilitate jobs, promote labour market attachment and provide employability-oriented assistance

	2.1 Define core services to be maintained, scaled up or joined up	Support improvement of service delivery targeting all levels and all staff in the organization
	2.2 Focus on job matching and employability building of targeted populations Activation of a temporary task force to facilitate filling vacancies in jobs for which demand is highest owing to COVID-19 Define services for employability support: soft skills development, access to micro-finance and seed capital for self-employment and entrepreneurship, skills training led by existing labour market demand	- Support with business operation and process to produce targeted outputs in services (value) to different customers - Support the establishment of a system for monitoring and evaluating provided services
2. Offer of services and active labour market program MEDIUM TO LONG-TERM BUILDING PPES CAPACITY	2.3 Review the operational plan for PPES with a manual describing methods for service delivery Improve service delivery	- Support MoL in designing an operational process with a business model including provision of services to employers and job seekers - Support institutional capacity development and technical assistance of MoL - Support implementation of a standardized process and operational guidelines targeting all levels and all staff in the organization - Broaden the employment services by partnering with private providers and other actors
	2.4 Define and redefine the provision of services to employers and job seekers Conduct training in employment services methods, matching, counselling, career guidance. Establish a strategy for monitoring and evaluating provided service	- Support with business operation and process to produce targeted outputs in services (value) to different customers - Enhance channeled services according to customers need - Enhance the effort to collect vacancies and actively work with job matching - Support to establish a strategy for monitoring and evaluating provided services

	2.5 Provide development and implementation of a sustainable variety of ALMPs Create, monitor, review and evaluate the aim and targets in ALMPs to employers and job seekers Increase capacity of the PFESP / MoL to lead and coordinate ALMPs towards improved effectiveness and impact. Involve external stakeholders and service providers in the development and delivery of ALMPs	▪ Support in reviewing and evaluating of evidence-based design to target the right ALMPs to employers and job seekers ▪ Prioritize the ALMPs and monitor results
	2.6 Clarify roles and mandates for institutions and organizations that implement TVET (In alignment with responsible governmental bodies; TVET and Education Higher Councils) Develop policies regarding TVET to increase employment (The Tripartite Committee at the MoL) Promote the development of TVET policies in line with GIZ Employment Promotion Program and Belgian Development cooperation project Enhancing Capacity for Institution Building (ECIB) Strengthen cooperation and development of TVET to bridge work with planning, guidance and monitoring according to labour demand.	▪ Support to develop TVET work with planning, guidance and monitoring according to labour demand ▪ Define clear roles and mandates for institutions and organizations that implement TVET ▪ Strengthening educational opportunities outside the school system
	2.7 Develop a media strategy for relevant communication channels, externally and internally Improve capacity in cooperation, partnership and communication with stakeholders.	▪ Strengthen the communication to raise awareness of the labour market situation and trends.

3. Infrastructure and resources (Labour Market Information System) IMMEDIATE RESPONSE IN SUPPORT TO COVID-19	3.0 Build a broader ecosystem around delivery; and adopting or upgrading technology-based systems Set up a dedicated COVID-19 job-hubs web system/native App	Support to the design of a specific architecture of the ICT infrastructure that can be amended without prohibitively high effort
3. Infrastructure and resources MEDIUM TO LONG-TERM BUILDING PPES CAPACITY	3.1 Update the LMIS to become main source of knowledge of the labour market Implement a LMIS that has the capacity to monitor the operational services in coordination and partnership with the PFESP	- Establish ICT infrastructure that comprehensively and actively supports the MoL operation - The design and the architecture of the ICT infrastructure is in line with the MoL assignment and mandate
	3.2 Implement an efficient ICT system with adequate software/hardware and technical equipment at piloting PPES and accessible in xx containing a job-seekers' register and a vacancy bank.	The ICT fixture a user oriented, and self-sustaining system, including collection, storage and monitoring of data about employers and job seekers as well as the possibilities of labour market analysis's and as a tool for planning the operation including management performance indicators and the communication strategy
4. Professional staff and management capacities	IMMEDIATE RESPONSE IN SUPPORT TO COVID-19 No recommendations applicable in this component	

4. Professional staff and management capacities MEDIUM TO LONG-TERM BUILDING PPES CAPACITY	4.1 Scale up the PPES service delivery capacity by reallocating existing staff members, reprioritizing and streamlining processes Increase the institutional capacity, competence and an update the HR strategy Develop a competence policy consisting of -a requirement profile -a model for identifying staff training needs -a model for planning, performing and evaluating staff training -an organization for planning performing and evaluating staff training	▪ Support to reallocate human and financial resources -staff regarding workload and responsibilities and duties ▪ Support institutional capacity throughout the organization ▪ Support the development of a HR policy including recruitment, introduction, training, promotion etc. ▪ Streamline, clarify and formalize framework for recruitment and employment ▪ Increase competence and build trust in the organization by all staff members
	4.2 Develop a staff training model for the PPES in cooperation with the PFESP and implemented in the MoL organization, including - - objectives and directions - structures and methods - responsibilities and organization Conduct staff training in different employment services methods	▪ Allocate resources and number of staff according to task/workload with duties in accordance to realistic expectations
	4.3 Standardize the operational and business process	▪ Enhance the effectiveness and efficiency of all workflows and their transparency (management, core operation, supporting processes) ▪ Develop handbooks and operational guidelines with visualized flowcharts and clear division of responsibilities
	4.4 Establish a management system with performance indicators	▪ Implement a support structure that facilitates the staff performance with clear operational plans; objectives, follow up, feedback, re plan etc. ▪ Establish an ICT to support the HR-policy and performance indicators
	4.5 Improve the general working conditions at the MoL / PPES; facilities, tools and equipment in accordance to duties	▪ Create an adequate office layout that matches revised service protocols ▪ Enhance the EOs location and equipment modality in accordance to a modernized MoL operation

5. Partnerships IMMEDIATE RESPONSE IN SUPPORT TO COVID-19	5.0 Map available labour market support and relevant providers Design streamlined referral processes	Conduct a comprehensive review of the relevant, their cooperation assignment
	5.1 Develop a method for interagency awareness and training between the Palestinian PES and referral agencies	Support enhanced cooperation on economic and labour market development priorities to improve decision making

5. Partnerships MEDIUM TO LONG-TERM BUILDING PPES CAPACITY	5.2 Coordinate the partners initiatives Improve capacity in cooperation, partnership and communication with stakeholders. Link service delivery to local initiatives for job creation supported by public private partnerships	Set up informal and formal cooperation and partnerships to deliver segmented profiled services
	5.3 Develop MoL relations and seek social dialogue between representatives of labour the demand and supply side Provide support to MoL/PPES to undertake an assessment of the social dialogue in accordance to tasks at national, regional and local level	- Support the dialogue at central, regional and local level: Ministry – EO – LET – OSS-CCIA - FPCCIA - PGFTU – PCBS – SMEs etc. - Strengthen employers' and workers' organisations representation
	5.4 Increase the capacity in coordination and cooperation with other governmental bodies and stakeholders with core mandates related to economic and social rights	- Enhance tripartite dialogue on economic and labour market development priorities to improve the policy and decision making - Support existing and new initiatives like Employment corners, NGOs etc.

2.Action plan / Matrix

(Presented in a separate file/document)

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4. Assessment questions PES OPT

1. Key Component - Policy and Strategy

Sub-components

Legal and policy framework, mandate

Organisation

Link to other policies (NEP, NAP, LSS)

Funding sources

Managements of funds

Communication

1. Is there a legal framework/legislative instruments mandating or regulating the employment services functions?
2. Is there, on an annual/biannual basis a strategic plan or similar which sets goals, identifies implementation partners, specifies enabling activities to achieve goals, provides dates / timeframes, responsibilities, benchmarks / indicators to measure progress
3. To what extent are strategic goals formulated for PES?
4. How are operations of the PES financed? (staff, expenditures, funds, cash benefits...)
5. What are your communication channels (assigners, public, job seekers, employers...)?

2. Key Component - Professional staff and management capacities

Sub-components

Staff management

Skills and talent policy

Recruitment policy

Management capacities

Ethics and equity

Working conditions, health and safety at work

1. Is there, on an annual/biannual basis a strategic plan or similar which sets goals, identifies implementation partners, specifies enabling activities to achieve goals, provides dates / timeframes, responsibilities, benchmarks / indicators to measure progress
2. Who contributes to the decisions regarding PES operations?
3. Do you have a skills and talent policy?
4. Do you have a recruitment policy?
5. What is the common competence profile?
6. Is there possibility for staff to be promoted or degraded within the PES unit?
7. Is there any form of social protection/transfer related to the employment condition?

3. Key Component - Infrastructure and resources

Sub-components

Information system

Work environment

Knowledge and information management

Facilities and equipment

1. To what extent does PES use information technology? (LMI, registration, penetration, communication...)
2. What self service facilities are job seekers provided with?
3. What self service facilities are employers provided with?

4. To what extent are you using an international classification of occupation? (ISCO, ISIC)
5. To what extent is it clear to staff that documentation and evaluation is central to delivering quality and results?
6. To what extent have staff obtained formal training in working with documentation and evaluation?

4. Key Component - Partnerships

Sub-components

Operational: other providers

Strategic: social partners and other key actors

Clients: employers

1. To what extent do PES interact with other partners? (Social partners, NGOs, trade unions, Employers organisation, international org...)
2. Do PES have ongoing partnerships for coordination, collaboration or joint service delivery with any other national entity?
3. Who else, other than PES, provides job matching, training, counselling, career guidance in the OPT? (private or public institution)
4. Who provides vocational training?
5. What is the relationship between PES and PRES?

5. Key Component - Offer of services and active labour market programmes

Sub-components

Services to job-seekers

Services to employers

Collection of job vacancies

Methods and protocols for service delivery

Processes management

Labour Market Information

Active Labour Market Policies

1. What are the Main functions/tasks performed by PES?
2. Who are the main stakeholders of the PES (as identified by the office itself?)
3. Is there an operation manual describing processes and procedures?
4. To what extent have PES defined services to job-seekers?
5. To what extent have PES defined services to employers?
6. What is the number of staff in relation to job-seekers / vacancies?
7. To what extent are the outcomes and success criteria of their own work clear to staff?
8. To what extent do you provide ALMPs and how sufficient / efficient are the measures?

5.Pre-assessment survey and findings
(Presented in a separate file/document)

6.Mission programme

Mission to the OPT schedule for Mr. Bengt Lyngback 01 - 07 February 2020

<u>Saturday</u> <u>01.02.2020</u>		
	Arrival	
	A taxi driver, Mr. Bassem Abdo, will be waiting for you at Ben Gurion airport on your arrival.	Mobile +972527049410
<u>Sunday</u> <u>02.02.2020</u>	<u>Ramallah- Ministry of Labour</u>	
10:00 – 11:00	Meeting with LMIS Team and IT Unit @ MoL	Confirmed
11:00 – 12:00	Meeting with General Directorate of Employment @ MoL	Confirmed
12:00 – 13:00	Meeting with Minister of Labour, Dr. Nasri Abu Jaish @ MoL	Confirmed
13:00 – 14:00	Lunch break	
14:00 – 15:00	Meeting with General Directorate of TVET @ MoL Technical Vocational Education & Training	Confirmed
<u>Monday</u> <u>03.02.2020</u>	<u>Ramallah</u>	
09:00 – 10:00	Meeting with General Directorate of Policy Planning, budget and PM office focal point on labour sector @ MoL	Confirmed
10:00 – 10:45	Meeting with General Directorate of HR & Administration @ MoL	Confirmed
11:00 – 12:00	Meeting with MOSD, Deputy Minister, Mr. Daoud El Deek @ MoSD (Ministry of Detainee Affairs)?	Confirmed
12:00 – 13:00	Lunch break	
13:00 – 16:00	Field visit to Employment Office in Jericho	Confirmed
<u>Tuesday</u> <u>04.02.2020</u>	<u>Ramallah</u>	
09:00 – 11:00	Meeting with Executive Director of PFESP and technical team @ PFESP (Palestinian Fund for Employment and Social Protection)	Confirmed
11:30 – 13:00	Meeting with FPCCIA in Ramallah @ FPCCIA (Palestinian Federation of Chambers of Commerce, Industry and Agriculture)	Confirmed
13:00 – 14:00	Lunch break	

14:15 – 15:30	Meeting with GIZ team @ GIZ	Confirmed
<u>Wednesday</u> <u>05.02.2020</u>	<u>Nablu</u>	
10:00 – 11:30	Meeting with PGFTU in Nablu @ PGFTU (Palestinian General Federation of Trade Unions)	Confirmed
12:00 – 14:00	Field visit to Employment Office in Nablu	Confirmed
<u>Thursday</u> <u>06.02.2020</u>	<u>Ramallah- Ministry of Labour</u>	
09:00 – 12:00	Workshop for Employment Directors in the Directorates @ MoL	Confirmed
12:30 – 13:30	Debriefing for Deputy Minister of Labour, Mr. Abdelkarim Daraghme @ MoL	Confirmed