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Enhanced programme of development cooperation for the occupied Arab territories

Addendum

1. The unprecedented assault by Hamas on Israel on 7 October 2023 and the hostilities ensuing from the subsequent response of Israel, including Israel's military operation in Gaza, have resulted in thousands of casualties on both sides and the internal displacement of over a million Palestinians in Gaza. The impact of the ongoing conflict on the Palestinian economy and labour market will be tremendous, with hundreds of thousands of jobs set to be lost. In Gaza alone, the Palestinian Central Bureau of Statistics estimates a loss of production of US\$16 million per day due to the disruption of economic activity and the destruction of productive assets.
2. The conflict is resulting in a deep humanitarian crisis in Gaza, with huge implications for the labour market, employment prospects and livelihoods, not only within Gaza, but also in the West Bank. Entire neighbourhoods in Gaza have been destroyed, there has been widespread damage to infrastructure, businesses have closed, large-scale internal displacement has occurred, and the lack of water, food and fuel is severely crippling economic activity.
3. Job losses in Gaza are believed to be primarily in the private sector and in wage employment, which accounts for over 60 per cent of total employment in Gaza. The public sector in Gaza, or at least that part of it accounted for by the Palestinian Authority, continues to employ people, while own-account workers and contributing family members, which account for around 15 per cent of employment in Gaza, are likely to continue to undertake some form of activity in order to survive. Direct job losses in Gaza are likely to exceed 150,000.
4. Further to these direct employment losses in Gaza, Palestinian workers working in Israel pre-conflict have also been severely impacted. These include some 20,000 workers from Gaza and

over 160,000 workers from the West Bank. The majority of these workers are likely to be unemployed, even if only temporarily. While some anecdotal evidence suggests that some of these Palestinian workers continue to work in Israel, the numbers are not confirmed and remain negligible compared to the total number of workers.

5. In the West Bank, on the other hand, and while little data exists on the impact of the conflict on economic activities, restrictions on movement of goods and individuals will undoubtedly affect supply chains, production capacities and workers' access to their workplaces. With around 67,000 workers in the West Bank working in Governorates other than their place of residence, these workers' access to their jobs is extremely difficult, exacerbating the number of individuals potentially unemployed. These workers are also likely to be subject to difficult working conditions, including lower wages and long commute times as a result of hours of waiting at checkpoints. The increased numbers of checkpoints across the West Bank increasingly challenge the movement of individuals and goods, further impacting the overall economy and capacity to produce.
6. In this context, the Office has initiated emergency interventions to respond to the crisis in support of workers and enterprises. Three distinct affected groups have been identified as priority beneficiaries, namely: (i) *Workers from Gaza who were working in Israel at the time war was declared and were forcibly expelled from their jobs*. Unable to return to Gaza, they sought shelter in the West Bank, however, they often have no access to accommodation or basic livelihood means. The Palestinian Ministry of Labour estimates that more than 5,000 workers from Gaza are already stranded in this way. (ii) *Workers, employers and their families from the West Bank who have lost jobs, revenues and incomes*. Some of the workers were working in Israel and the settlements, while other workers and businesses have suffered because of closures and restrictions on movement and access of people and goods within the West Bank. (iii) *Workers, employers and their families in Gaza*, who have lost jobs, breadwinners and businesses as a result of the ongoing hostilities and destruction. Once humanitarian relief has been established, a next step will be to provide critical support to assist the recovery of jobs and businesses, as well as social assistance.
7. Based on this, the ILO has prepared a three-phase response programme. The first phase is *Relief*, during which immediate assistance such as shelter and emergency income support schemes will be provided to workers. The second phase is *Review*, which entails data collection and impact analysis in order to help prioritization and fine-tune interventions. Finally, the *Recovery* phase will focus on job creation through employment-intensive infrastructure recovery and other means as well as social protection measures and recovery of jobs and businesses.
8. As part of the relief interventions, the Office has launched an urgent assistance grant to the Palestinian General Federation of Trade Unions, to work in collaboration with the Palestinian Ministry of Labour to provide immediate assistance to workers from Gaza who have lost their jobs and are stranded in the West Bank. A second component is an immediate income support scheme directed at the same group, as part of the livelihoods support coordinated by the Ministry of Labour.
9. Building on this relief work, the ILO is working with the Palestinian Central Bureau of Statistics to launch a mixture of qualitative and quantitative surveys to assess the impact of the conflict on workers and employers. An ad hoc Labour Market Observatory is being established to produce monthly reports tracking the status of labour market and welfare indicators as the situation unfolds.

10. Based on the RBSA-supported project that was already ongoing in Gaza to develop the ability of small-scale contractors to engage in employment-intensive infrastructure works, the ILO has initiated discussions with different United Nations agencies to plan for eventual recovery in Gaza. While the timing, scale and contours of the recovery cannot currently be determined, the Office plans to focus on employment-intensive infrastructure rehabilitation to make investments more job-rich and ensure they are aligned with decent work principles.
11. The Office has reallocated available resources to kick-start the relief work. It is also working with donors to consider re-programming options and solicit urgent financial support for the ILO emergency response as it takes further shape.