



Governing Body

319th Session, Geneva, 16–31 October 2013

GB.319/POL/6

Policy Development Section
Technical Cooperation Segment

POL

Date: 21 August 2013

Original: English

SIXTH ITEM ON THE AGENDA

Enhanced programme of technical cooperation for the occupied Arab territories

Purpose of the document

The report highlights ILO responses to address the situation of workers in the Occupied Palestinian Territory, taking into account the severe socio-economic challenges facing the Palestinian people. It highlights the progress and achievements made in key areas, including: promoting labour rights and improved labour market governance; enhancing employment and livelihood opportunities for Palestinian women and men; and supporting the development of a comprehensive social security system. Building on the progress made and lessons learnt in these areas, the ILO and its tripartite constituents developed a Decent Work Programme (DWP) that will be launched in the last quarter of 2013. The DWP will support ongoing national efforts to sustain social cohesion, justice and equality through a more integrated and coherent approach, while ensuring alignment with the National Development Plan, sectoral strategy of the Ministry of Labour, and the first United Nations Development Assistance Framework for the State of Palestine (2014–2016) which is expected to be launched soon.

Relevant strategic objective: Not applicable.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

Author unit: Regional Office for the Arab States (RO-Arab States).

Related documents: ILO: *The situation of workers of the occupied Arab territories*, Report of the Director-General (Appendix), International Labour Conference, 102nd Session, Geneva, 2013.

I. Background

1. This paper reports on progress made and planned ILO interventions within the context of the programme of technical cooperation in the occupied Arab territories. It covers the ILO's programme of work in the Occupied Palestinian Territory from the last update in November 2012, implemented in collaboration with the Ministry of Labour, the Palestine General Federation of Trade Unions (PGFTU) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA). The report highlights key ILO action, addressing the situation of workers and taking into account the severe social, economic and fiscal challenges and national responses as outlined in the National Development Plan for 2011–13.
2. The Palestinian people continue to suffer under an occupation that has jeopardized the attainment of their basic human rights and human security, militating against any meaningful progress in human development terms. The period under review has been characterized by increased political instability, a continued divide between the West Bank and Gaza, stagnating economic growth, persistent fiscal crisis and higher unemployment, as well as increased poverty and food dependency.
3. The recent recognition of Palestine as a non-member observer State by the United Nations General Assembly (Resolution 67/19 of 29 November 2012) gave the Palestinian people a political boost and carried hopes for meaningful progress in state-building efforts and socio-economic development. The challenges, however, of reduced donor aid, lower than budgeted clearance revenues from Israel and further expansion of settlements constitute formidable obstacles for the social, economic and political development targeted.
4. The past year has seen a reversal of gains achieved in economic growth over the period 2008–11 which were primarily attributed to the boom in construction activity linked to the tunnel economy in Gaza. In 2012, gross domestic product (GDP) growth went down to 5.9 per cent compared to rates in excess of 9 per cent in the previous years. The stagnation in Palestinian economic activity has mainly been due to increased political instability, the absence of any further easing of restrictions on economic activity in Gaza, and Israel's 2012 military operation in Gaza. As a result, the overall rate of unemployment increased from 21 per cent in 2011 to 23 per cent in 2012.
5. The size of the Palestinian labour force reached over 1.1 million in 2012, marking a 5.2 per cent increase over the 2011 total. Yet, at 43.6 per cent, the rate of labour force participation is still considered low. This is mainly attributed to the extremely low labour force participation rate for women, which, despite some improvements, stood at 17.4 per cent compared to 69.1 per cent for men. Young people, particularly young women, have also been heavily impacted by labour market distress. As a result, only 9.5 per cent of women and 49 per cent of men aged 15–24 years participated in the labour force in 2012.
6. The employment rate fell to 33.8 per cent in the fourth quarter of 2012 from 35.1 per cent in the fourth quarter of 2011. In terms of the composition of employment, the services sector continued to dominate, accounting for 36.3 per cent of total employment in the fourth quarter of 2012, followed by the productive sectors of agriculture and manufacturing which accounted for 12.3 and 12.5 per cent of employment, respectively. The contribution of agriculture and manufacturing to GDP, however, remained lower than their share of employment, reflecting a low level of labour productivity in those sectors.
7. Considering the limited job opportunities inside the Occupied Palestinian Territory, Palestinian workers continued seeking employment in the Israeli settlements in the West Bank. Yet employment in Israel and the Israeli settlements remains governed by a regime

of quotas and permits for West Bank Palestinians who have been granted security clearance and are in possession of magnetic identification cards. This permit system lends itself to profiteering and other forms of abuse by both Israeli and Palestinian middlemen.

II. Overall progress in programme implementation

8. The work carried out by the ILO in the Occupied Palestinian Territory continues to contribute to the priorities outlined in the National Development Plan in supporting state building efforts and the accelerated socio-economic development needed to secure a safe, stable and prosperous future for the Palestinian people.¹
9. The ILO is currently implementing a technical cooperation programme, with an overall portfolio which stands at around US\$1.9 million and which benefits from funding from Kuwait, the Swiss Agency for Development and Cooperation (SDC), the Welfare Association and the ILO. This has allowed the Office to support the ILO presence in the West Bank, with additional national and support staff. In addition, the presence of the ILO in Gaza will soon be resumed through one full-time national project officer who will support a newly launched initiative on economic recovery and livelihoods.
10. The overarching Palestinian decent work programme (DWP) has been developed based on a series of consultations with tripartite constituents and stakeholders and is currently being finalized, taking their comments and recommendations into account. The DWP contributes to the National Development Plan, the sectoral strategy of the Ministry of Labour, and the first United Nations Development Assistance Framework for the State of Palestine (2014–2016), which will soon be launched. The DWP strategy principally: (i) promotes labour rights and improved labour market governance; (ii) enhances employment and livelihood opportunities for Palestinian women and men; and (iii) facilitates the development of an integrated social security system and the extension of social protection to all those in need in the Occupied Palestinian Territory.

III. Review of progress and achievements in key areas of work

Promoting labour rights and improved labour market governance

11. Ongoing ILO initiatives continue to target an improved mechanism for tripartite and bipartite consultations and consensus building on national development policies. This has included supporting the enhanced functioning of the National Tripartite Committee for Labour Affairs, the Minimum Wage Committee, and the Occupational Safety and Health (OSH) Committee, which has resulted in the development of a national OSH profile. Once endorsed, the profile will feed into a national OSH policy, which in turn will inform the priorities of an enhanced labour inspection system. Currently, the ILO is in the process of finalizing an issues paper, which maps the existing industrial relations environment, assesses the current system of dispute resolution, and critically examines the existing law from the point of view of international labour standards. Once endorsed by the tripartite

¹ For more detailed information on the areas of focus of the National Development Plan, see GB.316/POL/7 (November 2012), para. 4.

constituents and adopted by the Council of Ministers, the issues paper will form the basis for a comprehensive labour law review.

12. The ILO continued to implement targeted capacity-building activities for workers' and employers' organizations. Workers' organizations benefited from training on minimum wage policies, social security and child labour. Based on a needs assessment of its institutional capacity, the FPCCIA is being supported through an ILO-funded economic and policy officer who was recruited as a first step towards the establishment of a policy research unit that will be responsible for policy development and enhancing social dialogue.
13. In the coming period, the ILO will consolidate its efforts to promote labour market governance through implementing the Kuwaiti-funded project consisting of two main components: (i) developing and improving the legal framework for labour market regulation; and (ii) promoting effective institutions and processes of social dialogue in line with international labour standards at both the national and enterprise levels.
14. The ILO launched the first project on child labour in the Occupied Palestinian Territory in December 2012. Under this framework, a desk review on child labour was undertaken and presented to constituents; a capacity-needs assessment of the child labour unit in the Ministry of Labour and the PGFTU was conducted; and targeted training workshops on child labour for workers' and employers' organizations were organized.

Enhancing employment and livelihood opportunities for Palestinian women and men

15. Within the framework of supporting youth employment in the Occupied Palestinian Territory, the ILO is providing technical and financial support to the Palestinian Central Bureau of Statistics (PCBS) to conduct a school-to-work transition survey (SWTS) in order to better understand the youth labour market and specific challenges facing young people. The findings of the survey will inform the design of subsequent policies and programmes, hence contributing to an improved policy environment for youth employment that facilitates the transition of young women and men to decent work.
16. Through a partnership with the Welfare Association, the ILO continued to support the nationalization of the Know About Business (KAB) training package within the modernized curricula, as a means to promote an entrepreneurship culture and self-employment for Palestinian youth. As a result, the KAB programme was adopted by the Ministry of Labour and the Ministry of Education for implementation in vocational training centres and industrial schools, respectively. In the coming period, the role of the ILO will be instrumental in establishing relevant linkages with the private sector and supporting access to financial and non-financial business development services.
17. During the period under review, the ILO concluded a skills development initiative in Gaza, implemented in partnership with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and financed by the SDC. The project has contributed to social and economic development in Gaza by enhancing the opportunities for over-aged students to enter and sustain gainful employment/self-employment in the construction sector, through three- to six-month-long targeted training courses. During the last year of the project, the ILO has provided technical support to UNRWA vocational training centres on the competency-based training (CBT) approach and on curriculum development; developed the curriculum of six courses in the construction sector corresponding to six occupations; and facilitated the review of competencies for each occupation, while ensuring the full engagement of the private sector in the review process.

Based on the lessons learned from this project and the findings of its final evaluation, the ILO is discussing with UNRWA the possibility of jointly implementing a second phase to undertake improvements in vocational training targeting over-aged students as a means of supporting the delivery of market-relevant training programmes, and improving the employability of young Palestinians. It is also exploring potential partnerships with other training providers, such as the Islamic University of Gaza, in order to enhance their capacities to provide market-relevant training of good quality and support the job matching of university graduates with targeted companies.

18. The period under review also saw the completion of activities under the MDG Achievement Fund (MDG-F) Joint Programme on Gender Equality and Women's Empowerment in which the ILO had taken the lead on advancing equal opportunities for women's economic participation. In parallel, internal resources were used to complement and follow up on the work done through the MDG-F Programme, and pave the way for a new fully fledged project on gender equality in the Occupied Palestinian Territory. Significant progress was registered through providing technical assistance to the National Committee for Women's Employment (NCWE) for developing its vision and strategy, supporting participatory gender audits for tripartite and other national institutions and building the capacities of cooperatives extension workers in the Ministry of Labour to provide advisory support services and counselling to cooperatives on enterprise management and governance issues. The ILO has developed two training packages on gender-based violence in the workplace, one targeting undergraduate students and teachers, and the other for labour inspectors. In addition, part of the Kuwaiti funds were earmarked to support additional work in the coming period on the development of women's cooperatives, particularly in the agricultural sector, and to initiate new activities to promote pay-equity building, drawing on experiences from other countries from inside and outside the Arab region.
19. During the period under review, and as a result of a mission to Gaza and consultations with tripartite constituents and local stakeholders, the ILO developed a project to support livelihoods and job opportunities in the fishery sector in Gaza. The project activities will be launched in the last quarter of 2013 and will focus on enhancing the capacities of local stakeholders from the sector in core technical areas, and on supporting the development of a comprehensive fishery development plan for Gaza.

Supporting the development of a comprehensive social security system

20. Following a series of consultations with tripartite constituents, the ILO developed a project that will support the progressive establishment of a comprehensive social security system in the Occupied Palestinian Territory. As a first step, two actuarial studies targeting private sector workers and their families, one for the implementation of a pension scheme covering old-age, disability and survivors' benefits, and the other for the establishment of a maternity insurance scheme and an employment injury scheme, are currently being prepared and will be presented to the tripartite steering committee on social security before the end of October 2013. A tripartite capacity-building workshop on social security principles, policies, administration and financing will also be organized before the end of 2013 so as to provide the ILO constituents with the basis for decision-making on the design of social security benefits. These consultations, including those with the UN agencies, should pave the way for introducing the social protection floor in the Occupied Palestinian Territory.

IV. Next steps

- 21.** The Palestinian DWP has been endorsed by the tripartite constituents and is expected to be officially signed and launched in the last quarter of 2013. The resumption of peace talks between Israel and the Palestinians constitutes a significant step forward and an opportunity towards achieving a comprehensive peace agreement between both sides. Such a development took place with encouraging indications from the Israeli authorities of specific planned measures to easing restrictions on Palestinian movement and access, whether of people or goods, between the West Bank and East Jerusalem. These steps and measures would facilitate the execution of the technical cooperation projects and the implementation of the Palestinian DWP.

- 22.** The Governing Body is invited to take note of these developments and the proposed ILO response through the enhanced programme of technical cooperation, and to provide guidance on further steps for its implementation.