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SEVENTH ITEM ON THE AGENDA

Enhanced programme of technical cooperation for the occupied Arab territories

Purpose of the document

This document reports on progress made and planned ILO interventions within the context of the programme of technical cooperation in the occupied Arab territories. It highlights ongoing ILO initiatives addressing the situation of workers and key challenges, including the unfolding humanitarian crisis in Gaza, since the last reporting period.

The Governing Body is invited to: (a) take note of the crisis in Gaza and of the developments in the ILO's technical cooperation programme in the occupied Arab territories; (b) support a robust ILO engagement in the reconstruction of Gaza; and (c) provide guidance on the proposed ILO response through the enhanced programme of technical cooperation and its implementation.

Relevant strategic objective: Not applicable.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

Author unit: ILO 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, 103rd Session, Geneva, 2014.

I. Background

1. This document 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 under the Palestinian Decent Work Programme (DWP) 2013–16, implemented in partnership with the Ministry of Labour, the Palestine General Federation of Trade Unions and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture. It highlights ongoing ILO initiatives addressing the situation of workers and key challenges, including the unfolding humanitarian crisis in Gaza (July–present),¹ since the last reporting period.
2. The period under review has been characterized by increased political instability amid escalating conflict and bloodshed. Israel suspended the peace negotiations that were originally initiated in July 2013, subsequent to the announcement of the Palestinian reconciliation agreement finalized in April 2014. A Palestinian Government of National Consensus, consisting of technocrats, was sworn in on 2 June 2014.
3. Israel launched its military operation codenamed “Protective Edge” in the Gaza Strip on 7 July 2014, which lasted seven weeks. An open-ended ceasefire entered into force on 26 August 2014. The scale of damage resulting from the 50-day escalation in hostilities is unprecedented since the beginning of the Israeli occupation in 1967. The Palestinian fatality toll is 2,131, of whom 1,473 have been identified as civilians, including 501 children and, according to preliminary assessments, 11,100 Palestinians were injured. Approximately 110,000 internally displaced persons remain in the emergency shelters provided by the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) and with host families. Some 18,000 housing units were either destroyed or severely damaged, leaving approximately 108,000 people homeless. Twenty-two schools were completely destroyed and 118 schools damaged by the conflict. UNRWA has reported at least 75 damaged school buildings. Many of the higher education facilities, including the Islamic University in Gaza, have also been affected.²
4. In his brief to the United Nations (UN) Security Council, the UN Special Coordinator for the Middle East Peace Process made it clear that “the lack of progress on the political track and ongoing conflict and occupation put at risk the very viability of the two-state solution. ... [I]n a volatile and rapidly changing region, the vision of the two-state solution and the achievements of the Palestinian Authority are elements of stability and progress that should not be lost but rather maintained and realized in full without further delay.”³
5. The Director-General, in the Appendix to his Report to the 103rd Session (2014) of the International Labour Conference, *The situation of workers of the occupied Arab territories*, sounded the alarm against a continued deterioration. The Report underlines that “the most likely outcome of a dysfunctional or stalled peace process is a continuation of the current situation. It should be well understood, however, that, on the ground, this would not be a status quo.” It concludes:

¹ 30 September 2014.

² United Nations Office for the Coordination of Humanitarian Affairs (OCHA): *Occupied Palestinian Territory: Gaza emergency*, Situation report, 4 Sep. 2014.

³ Statement delivered on 17 September 2014 by Robert Serry, the UN Special Coordinator for the Middle East Peace Process, to the Security Council.

It is imperative to maintain and intensify the peace process in order to ensure that a two-state solution can be achieved, with a Palestinian state that has a buoyant economy and a strong rights-based social dimension. ... [A]ll signs [are] pointing towards a breakdown. If such a breakdown occurs, it is likely to perpetuate a misleading status quo. For the Palestinian workers and their families, a continuation of the present situation on the ground means a steady deterioration of their position and rights.

6. Economic growth has continued on a downward trajectory since 2012, with lower donor assistance to the Occupied Palestinian Territory and heavy restrictions on economic activity being imposed on the West Bank and Gaza. Prior to 2012, the Palestinian economy witnessed three years of high gross domestic product (GDP) growth, driven by a boom in construction activity linked to the tunnel economy in Gaza. The closure of tunnels and continued restrictions on economic activity in Gaza, compounded by the more recent military incursions, have led to a significant reversal in economic gains. According to the Palestinian Central Bureau of Statistics (PCBS), real GDP growth was only 2 per cent in 2013,⁴ while real GDP per capita at constant 2010 prices reached US\$2,855 during the same year. Real GDP per capita in Gaza stood at 45 per cent of per capita income in the West Bank, even before factoring in the impact of recent events.
7. Also according to the PCBS, the overall unemployment rate was 23.4 per cent in 2013. Overall labour force participation rates remained low, at 43.6 per cent in 2013, largely due to the very low rate of participation of women, at just 17.3 per cent, compared to a rate of 69.3 per cent for men. Youth labour market outcomes fared no better, with only 29.3 per cent of young men aged 15–24 participating in the labour force in 2013, compared to a mere 8.8 per cent of young women. As per the 2013 school-to-work transition survey, youth unemployment rates in the Occupied Palestinian Territory continue to be among the highest in the region, and are positively correlated with higher education levels.

II. Overall progress in programme implementation

8. In line with the Palestinian National Development Plan (2014–16) and its Labour Sector Strategy, the Palestinian DWP (2013–16) prioritizes technical assistance in the areas of labour market governance, employment and social protection. The DWP is also in line with the recently launched *UN Development Assistance Framework 2014–16 for the State of Palestine*, which has as the first of its six priority areas “economic empowerment, livelihoods, food security and decent work”.
9. The current ILO technical cooperation programme for the occupied Arab territories consists of a portfolio of projects, standing at approximately \$2.2 million.⁵ Forty per cent of resources in the current DWP are allocated to employment, followed by 22 per cent for social protection, 21 per cent for labour standards and 17 per cent for social dialogue. The DWP benefits from contributions from the Government of Kuwait, the Welfare Association, the Multi-Partner Trust Fund Office of the United Nations Development Programme (UNDP), the UN Partnership to Promote the Rights of Persons with Disabilities and the ILO. The Government of Kuwait alone funds 85 per cent of the ILO programme in the Occupied Palestinian Territory.

⁴ PCBS: *Press Report, Preliminary Estimates of Quarterly National Accounts (Fourth Quarter 2013)*, and National Accounts database, Mar. 2014.

⁵ This figure includes all extra-budgetary and Regular Budget Supplementary Account resources. It excludes regional projects that also cover the Occupied Palestinian Territory.

10. The ILO has maintained a representative office in Jerusalem, with support from the ILO Regional Office for the Arab States in Beirut, since 1995. The Jerusalem office has five full-time members of staff, with a sixth based in Gaza.

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

1. Promoting labour rights and improved labour market governance

11. In the area of labour market governance, the ILO has continued to promote effective institutions and processes to support tripartite social dialogue. A tripartite plus working group on labour law reform was established in 2014 with a mandate to propose labour law reforms. With ILO technical input and support, the group is conducting a comprehensive review of existing labour legislation in order to propose amendments in line with international standards and best practice.
12. The ILO has also been working closely with the national occupational safety and health (OSH) committee to establish tripartite consensus around a new national OSH policy and programme in 2014. With ILO support, this committee is preparing a review of all current national laws and regulations that address OSH, in order to identify relevant gaps and areas for reform.
13. The ILO is working with the Palestinian consultative staff for developing non-governmental organizations to improve access for persons with a disability to public employment services and to promote other programmes supporting employment creation. Efforts are under way with the Ministry of Labour, the Ministry of Social Affairs and social partners to mainstream disability in their activities and programmes.
14. As part of a regional project to enhance the capacity of employers' organizations in the Arab region, funded by Norway, and a regional socio-economic and legal literacy training programme for workers' organizations, funded by the United States Department of Labor, the ILO has been working closely with the Federation of Palestinian Chambers of Commerce, Industry and Agriculture and the Palestine General Federation of Trade Unions to strengthen the contribution of chambers and trade unions to developing proactive national employment policies. With ILO technical support, the Federation of Palestinian Chambers of Commerce, Industry and Agriculture established a policy research unit in 2013, which has been issuing monthly position papers outlining the private sector's position with regard to different economic and social policies with implications for private sector growth.
15. As part of its continued efforts to enhance the knowledge of tripartite partners and their capacity to address the worst forms of child labour in the Occupied Palestinian Territory, the ILO will provide technical and financial assistance to the PCBS so that a child labour module can be incorporated into the national labour force survey in 2015. This will be the first time a child labour survey is conducted in the Occupied Palestinian Territory since 2004.

2. Supporting the development of a comprehensive social security system

16. In the area of social security, the ILO is supporting the establishment of the first social security system for private sector workers and their family members, as well as a new social security law based on international labour standards and best practice. To this end, the ILO supported the establishment of the Tripartite National Social Security Committee, headed by the Prime Minister, which is tasked with bringing the new social security law to fruition. To inform the social dialogue process, the ILO launched an actuarial study evaluating and laying out different scenarios for the introduction of an old-age, disability and survivors' pension scheme, a maternity insurance scheme and an employment injury scheme. Tripartite consensus around the policy framework for the new social security system was reached in December 2013 and the new social security law, drafted with the assistance of the ILO, is to be finalized in 2014. In addition, the ILO is also providing technical assistance to the Palestinian Authority to ensure the viability of the public sector pension scheme.

3. Enhancing employment and livelihood opportunities for Palestinian women and men

17. In May 2014, in collaboration with the PCBS, the ILO launched a report on youth labour market transitions, based on the ILO's school-to-work transition survey. The survey revealed that only a minority share of young Palestinians (22.6 per cent) have completed their labour market transition to stable and satisfactory employment. The findings will inform tripartite social dialogue around youth employment, guiding the design of any future policies and programmes.

18. In its efforts to promote decent employment for young people, the ILO trained over 1,700 young Palestinians in the context of the Know About Business programme during its pilot phase, with the aim of developing their entrepreneurial skills for self-employment as a career option. Following the success of the pilot programme, the ministries of labour, education and higher education have nationalized the programme to cover all vocational training centres, industrial schools and technical colleges.

19. As part of its socio-economic recovery efforts in Gaza, the ILO is working to support livelihoods and job opportunities in the fishery sector by enhancing the capacity of local stakeholders to deliver services. A participatory value chain analysis of the fishery sector was conducted in 2014, analysing the sector's strengths and weaknesses and the main opportunities open to it, in order to inform plans for the improvement and introduction of new approaches for fish production. In direct follow-up to the analysis, the ILO provided management training to cooperative members, with a focus on aquaculture, which has been identified as a key priority area. The ILO also facilitated a study tour of Spanish ports in May 2014, which will inform the feasibility of building the first fish market in Gaza. This will prove to be a strategic contribution to the expansion of the sector, if one of the key provisions of the August 2014 agreement does materialize, namely the extension of the fishing limit off Gaza's coast from 3 to 6 nautical miles, with the possibility of gradually increasing the fishing limit further if the truce holds.

20. The ILO has partnered with Birzeit University to promote a more gender-sensitive environment, following a 2012 national survey ⁶ that revealed that approximately one quarter of women had experienced a form of gender-based violence during the few

⁶ Conducted by Birzeit University under an ILO initiative.

months prior to the survey. As part of this initiative, the ILO trained staff from the Institute of Women's Studies at Birzeit on the participatory gender audit methodology in an effort to increase the Institute's capacity to diagnose and intervene on issues related to gender-based discrimination in the workplace. The ILO has also supported a research study on gender-based violence at the University, to be followed by an awareness-raising campaign among university students and staff, with the aim of influencing university procedures and putting in place a more gender-sensitive policy.

21. Also as part of its efforts to promote gender equality, the ILO has been providing technical assistance and capacity-development support to the National Committee for Women's Employment and to tripartite stakeholders in order to promote pay equity. To inform this advocacy work, the PCBS will prepare a study with ILO support, analysing the gender wage gap in the education sector, which represents a major employer of women in the West Bank and Gaza.
22. Technical support to the General Directorate of Cooperatives at the Ministry of Labour to identify new non-traditional economic sectors for cooperative development for women was also provided. As part of this effort, the ILO is providing support to cooperative counsellors at the Ministry of Labour, to enhance their capacity to provide advisory services and counselling to cooperatives, including in addressing gender-specific concerns.
23. As part of its efforts to support the reconstruction and recovery process in Gaza, the ILO will, in the coming period, support the Islamic University of Gaza in its work to enhance graduate employability, including through the introduction of structured apprenticeships and the restructuring and validation of university curricula. As part of this upcoming project, the University will establish an Industry and Community Liaison Office, which will institutionalize linkages between the University and the private sector and ensure that the education provided meets labour market demand.

IV. Next steps

24. In the light of recent hostilities and the devastating repercussions on livelihoods in Gaza, the Governing Body is invited to take note of the crisis and support a robust ILO engagement in the reconstruction of Gaza.
25. The Occupied Palestinian Territory has witnessed a drop in donor funding since 2010. Through multi-donor trust funds, the UN system was the largest contributor over the period 2008–09. The progressive closure of these trust funds saw the UN share of allocations drop from 50 per cent in 2008–09 to less than 10 per cent in subsequent years. The establishment of new multi-donor trust funds is now seen as a priority, particularly as part of an emergency response to the Gaza crisis.
26. The ILO is currently working closely with the UN Country Team in the Occupied Palestinian Territory to develop a UN support plan for the transformation of the Gaza Strip, which prioritizes governance, recovery, reconstruction and structural development issues. The plan will be based on the Government of National Consensus's needs assessment and recovery plan for the Gaza Strip. It will also follow the principles of post-conflict needs assessment, as adapted to the realities of the Gaza Strip. As part of the UN plan, the ILO is partnering with the UNDP's Programme of Assistance to the Palestinian People to develop a one-year emergency employment and early recovery programme, focused on strengthening resilience and restoring livelihoods in Gaza.
27. The Palestinian DWP was endorsed by the tripartite constituents in 2013 and its priorities remain valid. The Ministry of Labour has announced that it plans to revitalize the Tripartite

Labour Policies Committee, which has been frozen for the last two years. This bodes well for social dialogue and will lead to stronger engagement with national counterparts to improve the implementation of the DWP with enhanced tripartite cooperation and institutional capacity building.

28. At the time of writing, the UN continues to work intensively with the parties to finalize a mechanism to kick-start shelter rehabilitation and reconstruction in the Gaza Strip. The UN is engaged with all parties to find a way forward on a mechanism that will respond to these needs and enable the Government of National Consensus to lead, and the private sector to carry out, the reconstruction of the Gaza Strip.
29. The ILO is currently engaged with the Palestinian Government of National Consensus and the social partners to formulate the appropriate implementation plan for rendering the DWP effective also in Gaza, should the UN efforts materialize in that respect, targeting a balanced, buoyant national economy for Gaza and the West Bank and reinforcing a strong rights-based social dimension to all public policy. This reflects the main observations of the Appendix to the Director-General's Report to the 103rd Session (2014) of the International Labour Conference, *The situation of workers of the occupied Arab territories*, which foretold of the imperative to “defuse” the “time bomb” of Gaza, after “... nearly seven years of blockade, soaring unemployment, aid dependency, social tensions and the paralysis of all economic activity”. The ILO will continue to work with national and international partners to provide technical solutions towards sustainable economic development and social justice for the Palestinian people.
30. 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.