



FOURTH ITEM ON THE AGENDA

Enhanced programme of technical cooperation for the occupied Arab territories**I. Background**

1. This note reports on the progress made to date and plans for follow-up to the expanded programme of technical cooperation for the occupied territories in Palestine, as requested during the 285th and 286th Sessions of the Governing Body. It covers work progress, from the last update in November 2003, which has been made by the ILO in collaboration with the Ministry of Labour, the Palestinian General Federation of Trade Unions (PGFTU) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA).
2. In the current biennium, funding of the technical cooperation programme in the occupied territories has reached the level of US\$3.48 million, of which US\$1.51 million is invested by the ILO (RBTC and 2000-01 cash surplus) and another US\$1.97 million is extra-budgetary financing.

II. Progress made

3. In view of the political conflict and its repercussions, there had been no mission to the occupied territories undertaken by the ILO officials based in Beirut from March 2001 until December 2003, when a mission was led by the Director of the Regional Office for Arab States in Beirut. The mission provided an opportunity to reassess the overall situation on the ground and its implications for the provision of technical assistance, and to discuss the technical cooperation programme, in particular the Palestinian Fund for Employment and Social Protection, with various line ministries and social partners. It reaffirmed the relevance of the ILO's ongoing and planned activities focusing on poverty reduction and employment generation through local economic development.
4. Despite the continuing difficult situation which has worsened the social and economic condition of Palestinian workers and their families, as presented in the 2004 Report of the Director-General to the International Labour Conference on the situation of workers of the occupied Arab territories, the ILO made progress in, and further expanded, the programme endorsed by the Governing Body in June 2002. The following summarizes the achievements and developments in the implementation of technical cooperation thus far.

A. The Palestinian Fund for Employment and Social Protection (the Fund)

- Presidential Decree No. 9 formally establishing the Fund, issued by the Palestinian Authority in May 2003, was published in the official gazette.
- The first meeting of the Board of Directors for the operation of the Fund was organized in February 2004 to lay the groundwork for the functioning of the Fund administration and the organizational structure based on the operation manuals and guidelines. In its subsequent meetings, the Board has taken decisions regarding the opening of the Fund's bank account, approval of the Fund's operation manuals, the drafting of the operation manuals for the Board of Directors, and the development of promotional programmes and fund-raising activities.
- The Palestinian Authority approved provision of a proper location, equipment and furniture for the Fund office, to ensure sustainability and commitment to the Fund.
- A national consultant was commissioned for a period of four months to prepare project proposals for the implementation of the Fund's core programmes as outlined in the feasibility report. An administrative assistant was also recruited to provide support to the initial phase of setting up the Fund office and to coordinate external relations for the Fund and the Board of Directors.
- A workshop was organized in June 2004 to discuss social and economic aspects of the Fund with the relevant Palestinian partners, and to reach an understanding of how the Fund's core programmes could transform employment in the occupied territories from emergency into developmental aid.
- The Arab Fund-Raising Committee, set up by the Arab Labour Organization (ALO) to support the Fund, held a meeting as a side activity during the ALO Conference in February 2004. A major resolution adopted by the Conference includes a request to the Arab Fund-Raising Committee to take action in: (i) addressing all Arab countries and specialized Arab bodies to support the Fund; and (ii) requesting the Arab League to assist in transferring the contribution, collected from workers in Arab countries in favour of Palestinian workers, to the Fund's account. This was taken up by the ILO mission to Cairo in April 2004, and the Arab League has agreed to help in getting these funds released.
- The Government of Saudi Arabia has approved a proposal to utilize their contribution of US\$500,000 for establishing a vocational training centre in Ramallah. This facility, once set up and equipped, could provide a venue for capacity-building activities organized within the framework of the Fund. Project implementation will commence in early 2005.
- During the 92nd Session of the International Labour Conference, the Government of Turkey contributed US\$100,000 to the ILO in support of the Fund project.

B. Support for employers' and workers' organizations

- *Rebuilding and strengthening the capacity of employers' organizations in Palestine.* The project started early this year as a follow-up to the RBTC-funded project which was completed in 2003. Activities of the second phase focus on institutionalizing the FPCCIA's capacity to provide business support services, both financial and non-financial, and technical advisory services on entrepreneurship development to both

existing and new entrepreneurs. Out of the 100 small firms selected as project beneficiaries, approximately 30 were identified for business development programmes and bankable loan applications. Another ten firms receiving assistance during the first phase would be provided with access to loans and credits. In addition, an impact assessment will be conducted among the 40 firms benefiting from consultation sessions and training in 2003.

- *Assistance to Palestinian trade unions.* Further to the needs assessment mission conducted by the Bureau for Workers' Activities (ACTRAV) in 2003, this project was formulated for both internal and external resource mobilization. The project is currently being executed with initial funding from the ILO, and builds on the groundwork developed under the multi-bilateral project on workers' education. It aims at reinforcing the institutional capacity of the PGFTU to represent efficiently its members in a changing environment, where there are pressing demands for increased member services, in particular in areas of workers' rights and social protection, and for greater involvement of workers' representatives in social and economic policy debates.

C. Capacity-building programme

- *Strengthening the labour market information system.* An upgraded system is expected to be in place in the Ministry of Labour by the end of 2004 to support the labour administration. The data collection and verification process was successfully completed for data entry, analysis and management. Training of data operators and field staff was also organized to support the system operation and networking with various employment offices. A workshop has been scheduled for the last quarter of the year to review the changes occurring in the labour force survey results and their indicators.
- *Creation of an employment task force.* Four more individuals have been recruited and are successfully carrying out their support tasks to the Office of the Minister of Labour.
- *Better skills for a better future.* The project was completed last December with four training centres established in the West Bank and Gaza to provide training programmes, targeting particularly women and youth. A proposal was made by the Ministry of Labour for a second phase which could be integrated within the Fund programme.
- *Establishment of the Sheikha Fatima Bent Mubarak Vocational Training Centre for the Disabled in Hebron.* In view of delays caused by changes in the construction, location and design including the unanticipated cost increase, further resources are to be mobilized to complete another 15 per cent of the whole construction work.
- *Training of small contractors in the West Bank and Gaza.* The Government of Kuwait has approved utilizing the remaining project balance, plus the accumulated interest, amounting to a total of US\$161,161 for extending the project activities.

D. Social dialogue

- *Social and civil dialogue for reconstruction and reconciliation.* The project was launched in March 2004 with a mission from the International Training Centre of the ILO (Turin) to conduct a needs assessment, based on which a workplan was formulated. The first training activity started in June to provide an international

overview of social dialogue for the national social dialogue mechanism, the Tripartite Consultative Committee for Labour Policies, which was established by the Palestinian Authority in 2003. A second course will be organized in November 2004.

E. Others

- In response to a request by the Ministry of Labour, a law firm was contracted, on a pilot basis, to furnish legal aid and counselling services on workers' rights to Palestinian workers employed in Israel.
- Following the promulgation of the new social security law which, declaring that the social security system would be fully operational by January 2005, an ILO expert was fielded to assess social security needs as a basis to develop a technical assistance programme. In parallel, and as a preparatory step towards establishing the Palestinian Social Security Institute, a Palestinian delegation headed by the Minister of Labour visited Jordan to benefit from the Jordanian experience in administering the social security scheme.
- ILO technical cooperation was extended to assist the Palestinian Central Bureau of Statistics (PCBS) in reviewing and evaluating the results of the 2003 informal sector survey. In its effort to set up a child labour database, the PCBS also conducted a national child labour survey, targeting children aged 5-17 years old, with assistance from the International Programme on the Elimination of Child Labour (IPEC) in reviewing methodology and sample design, and in evaluating data quality.
- In cooperation with the United Nations Conference on Trade and Development (UNCTAD) and the Palestinian Economic Policy Research Institute, new technical assistance was initiated to formulate an integrated framework for Palestinian macroeconomic, trade and labour policy. Full and sustainable national ownership of the framework is a major anticipated result upon completion of the programme.

III. Future follow-up

5. Within the framework of the Fund, three forms of follow-up include: establishing a grant agreement to facilitate the full operation of the Fund office; developing fund-raising strategies to advocate the Fund as a common framework for job-creation programmes, taking account of the international community's changing views and policies on humanitarian and development assistance and the competition for resources in the light of reconstruction in Iraq; and launching capacity-building activities and direct support to target beneficiaries in the Fund's four core programmes namely, community infrastructure development, enterprise development, human resource development and institutional development.
6. Development of concrete technical assistance programmes in the following areas: social protection, labour market policies and strategies, workers' rights and gender equality.
7. Resource mobilization to increase the volume of multi-bilateral technical assistance projects aiming at capacity-building programmes.

8. *The Governing Body is invited to take note of the developments regarding the enhanced programme of technical cooperation for the occupied Arab territories and express its views on further steps for its implementation.*

Geneva, 6 September 2004.

Point for decision: Paragraph 8.