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EIGHTH ITEM ON THE AGENDA

Enhanced programme of development 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 development cooperation in the occupied Arab territories. It highlights on-going ILO initiatives addressing the situation of workers and key challenges, including the recovery programme in Gaza.

The Governing Body is invited to: (a) take note of the persistently challenging situation for Palestinian workers and their families and of the developments in the ILO's development cooperation programme in the occupied Arab territories; (b) lend support to the ILO Palestinian Decent Work Programme, including its recovery interventions in Gaza, by promoting engagement with its tripartite constituents and international partners in seeking longer-term solutions and employment prospects; and (c) provide further guidance to the ILO response and its enhanced programme of development cooperation as well as its resource mobilization implications (see paragraph 31).

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, 104th Session, Geneva, 2015.

I. Background

1. This document reports on progress made and planned ILO interventions within the context of the programme of development cooperation in the occupied Arab territories. It covers the ILO's 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 (PGFTU) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA). It highlights ILO initiatives addressing the situation of workers and key challenges, including the crisis in Gaza, since the last reporting period.
2. The period under review has been characterized by a stalled peace process, increased political instability, heightened tensions in the West Bank and high levels of deprivation in Gaza. Israel suspended the peace negotiations initiated in July 2013. The Palestinian Government of National Consensus, formed in June 2014, was dissolved on 17 June 2015. At the time of writing, a new government has not yet been appointed, due to the tensions between the Palestinian parties.
3. Following the Israeli military operation of July–August 2014 in Gaza,¹ international aid agencies operating in Gaza warned in February 2015 that approximately 100,000 Palestinians remained displaced in the winter, living in “dire conditions in schools and makeshift shelters not designed for long-term stay”.² A large part of the donor funds (of a total of US\$5.4 billion) pledged at the Cairo Conference in October 2014 has not been released. Materials for rebuilding are entering Gaza only to a limited extent. Although the work to rebuild the infrastructure has slowly started, the humanitarian situation for the 1.8 million citizens of Gaza remains extremely critical.
4. In the Appendix to his Report to the 104th Session (2015) of the International Labour Conference, *The situation of workers of the occupied Arab territories*, the Director-General sounded the alarm against the continued deterioration of the social and economic conditions in the occupied Arab territories. At the same time, the Report hailed some of the achievements of the Palestinian government in strengthening institutions such as the Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) – the future central bank – in developing social security mechanisms and in expanding the legal framework, including the labour code.
5. The fiscal deficit continued to rise in 2014 as a result of shortfalls of donor support and stoppages in the flow of clearance revenues from Israel. The Palestinian Authority has accumulated significant arrears and debts, rendering it unable to boost economic growth or to invest in employment-inducing development.
6. Palestinian gross domestic product (GDP) in 2014 experienced its first year-on-year decline since 2006. Real GDP, measured at constant 2004 prices, fell by 0.4 per cent in 2014, comprising a 15.2 per cent decrease in Gaza and 5.1 per cent growth in the West Bank. The recession was further reflected in a 3.3 per cent decline in real GDP per capita.³

¹ See GB.322/POL/7(Rev.1).

² Joint statement by 30 international aid agencies: “We must not fail in Gaza”, 26 Feb. 2015, http://www.ochaopt.org/documents/30_aid_agencies_joint_statement_26_feb_2014_eng.pdf.

³ PCBS: “Preliminary Estimates of Quarterly National Accounts (Fourth Quarter 2014)”, press report, Mar. 2015, and National Accounts database.

7. The sustained humanitarian crisis situation in Gaza, lack of economic prospects and meagre progress in the Government of National Consensus put a strain on the livelihoods of hundreds of thousands of Palestinians, limiting their access to economic opportunities and decent work. The labour force survey conducted by the PCBS for the first quarter of 2015 showed an unemployment rate of 25.6 per cent overall, and 41.6 per cent in Gaza. Unemployment is highest for young people aged between 20 and 24, at 41.5 per cent (26 per cent for men and 61 per cent for women).⁴ Youth unemployment rates continue to be among the highest in the region, and are positively correlated with higher levels of education.⁵

II. Overall progress in programme development

8. In line with the Palestinian National Development Plan (2014–16) and its Labour Sector Strategy, the Palestinian DWP for 2013–16 prioritizes technical assistance in the areas of labour market governance, employment and social protection. The DWP is in line with the *United Nations Development Assistance Framework 2014–16 for the State of Palestine* (UNDAF),⁶ which has as the first of its six priority areas “economic empowerment, livelihoods, food security and decent work”.
9. Within the framework of the United Nations Support Plan for the Transformation of the Gaza Strip, the ILO launched in February 2015 its emergency response programme with internal seed funding of around \$1 million. The programme builds on the findings of the Detailed Needs Assessment and Recovery Framework for the Gaza Strip⁷ and particularly the ILO study entitled *The “Disemployment” Impact of the 2014 Conflict in Gaza: An ILO Damage Assessment and Recovery Strategy*, published in March 2015.⁸ The programme, implemented in partnership with constituents, academic institutions and local stakeholders, prioritizes the three pillars of livelihoods and emergency employment, skills development, and the enhancement of constituents’ capacity to promote a decent work approach to crisis response and recovery. Key achievements include the launch of programmes to replace assets and subsidize private sector jobs to facilitate reconstruction, provide equipment and training to the fishers’ cooperative, and revise the Islamic University in Gaza’s curricula to meet the needs of the reconstruction process. Further programmes have been launched to

⁴ PCBS: “Labour Force Survey (January–March, 2015) Round: (Q1/2015)”, press report, May 2015; and idem: “Labour Force Survey (January–March, 2014) Round: (Q1/2014)”, press report, May 2014.

⁵ T. Sadeq and S. Elder: *Labour market transitions of young women and men in the Occupied Palestinian Territory*, ILO Youth Employment Programme, Employment Policy Department (Geneva, ILO, 2014).

⁶ An extension of the UNDAF to cover 2017 was proposed by the United Nations Deputy Special Coordinator for the Middle East Peace Process, in order to align the next UNDAF (starting in 2018) with the upcoming planning cycle of the Palestinian government. This request is currently being examined by the Palestinian government.

⁷ This report was drafted through a partnership between the European Union, the World Bank and the United Nations, based on a request from the Palestinian government to inform the National Early Recovery and Reconstruction Plan for Gaza. It is yet to be adopted by the Palestinian government.

⁸ ILO: *The “Disemployment” Impact of the 2014 Conflict in Gaza: An ILO Damage Assessment and Recovery Strategy*, ILO Regional Office for Arab States (Beirut, ILO, 2015), http://www.ilo.org/beirut/publications/WCMS_356563/lang--en/index.htm.

train persons with disabilities, build the technical and entrepreneurial capacities of women, and evaluate working conditions in the construction sector in Gaza. The ILO has committed to strengthening the capacities of employers' and workers' organizations in Gaza by providing training and arranging organizational needs assessments, with a view to mainstreaming the principles of decent work and social dialogue in the reconstruction process.

10. The current ILO development cooperation programme for the occupied Arab territories, including the Gaza recovery programme, consists of a portfolio of projects, with resources of approximately \$4 million.⁹ Of the resources in the DWP for 2013–16, 62 per cent has been earmarked for employment promotion, followed by 14 per cent for social protection, 13 per cent for work related to labour standards and 11 per cent for social dialogue. The DWP receives contributions from the Government of Kuwait, the Welfare Association, the Multi-Partner Trust Fund Office of the United Nations Development Programme, the UN Partnership to Promote the Rights of Persons with Disabilities, and the ILO. The Government of Kuwait funds 54 per cent of the ILO programme in the Occupied Palestinian Territory. Additional fundraising efforts are ongoing to support gender and cooperatives development, skills development, youth employment and social security.
11. The ILO has maintained a representative office in Jerusalem, with support from the Regional Office for the Arab States in Beirut, since 1995. The Jerusalem office has four regular-budget staff members and one development cooperation staff member, and two development cooperation staff members are based in Gaza to support the ILO's recovery programme there.

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

1. Promoting labour rights and improved labour market governance

12. The tripartite-plus working group on labour law reform has agreed upon an action plan to structure its upcoming work. The working group will be holding a series of consultations on the updated labour legislation with ILO technical advice, in order to support its adoption by the government.
13. The ILO submitted comments on the Palestinian government's draft law on trade unions, which are under examination by the constituents. The ILO is also facilitating dialogue between the constituents on the draft law, by convening a series of meetings and workshops.
14. Based on the national occupational safety and health (OSH) profile developed with ILO support in 2014, the national OSH committee has developed a new national OSH policy and programme. The constituents have discussed the application of key ILO instruments, including the Occupational Safety and Health Convention, 1981 (No. 155), and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187). The final OSH policy and programme are now pending Cabinet endorsement. Furthermore,

⁹ This figure includes all extra-budgetary and Regular Budget Supplementary Account resources, as well as regular-budget resources allocated for the Gaza recovery programme in 2015. It excludes the regional projects that also cover the Occupied Palestinian Territory.

the ILO has translated the Work Improvement in Small Enterprises (WISE) and Work Improvement in Small Construction Sites (WISCON) checklists into Arabic.

15. With ILO guidance, the FPCCIA drafted position papers on the social security and labour laws, which were adopted by the relevant tripartite committees. As part of its Gaza recovery programme, the ILO supported the drafting of technical assistance plans to upgrade the operational capacities of Gaza chambers and trade unions.
16. To improve access to the labour market for persons with disabilities, the Palestinian Consultative Staff for Developing NGOs implemented a host of activities with ILO support, including: a mapping of public employment offices to review their accessibility for persons with disabilities; a review of legislation; competency-based training for jobseekers with disabilities; and advocacy sessions targeting constituents.
17. Following Palestinian accession to certain international instruments, including the International Covenant on Economic, Social and Cultural Rights, the ILO held a workshop in cooperation with the United Nations Children's Fund (UNICEF) and the Office of the High Commissioner for Human Rights (OHCHR) to familiarize line ministries with the provisions related to the right to work and the reporting process, in order to support the integration of treaty standards into the government's work.

2. Supporting the development of a comprehensive social security system

18. With ILO support, the Tripartite National Social Security Committee is finalizing the social security law for private sector workers and their family members, which will be submitted to government for adoption in the last quarter of 2015. The ILO is currently seeking donor support of approximately \$3.7 million to support the process of setting up an independent social security institution, which will administer the new national social security system for private sector workers.
19. To foster South–South cooperation, the ILO organized study tours for stakeholders to the Jordanian Social Security Corporation and the Omani Public Authority for Social Insurance, and supported their participation in regional social security conferences. A campaign to raise awareness of the new scheme among private sector workers and employers is planned.
20. Within the framework of the Gaza recovery programme, the ILO will conduct a cash assistance assessment to map child benefits in Gaza and assess costs for an emergency cash child benefit (with a view to converting it into a child benefit as part of a national social protection floor).

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

21. Through its Gaza recovery programme, the ILO is implementing targeted interventions with a specific focus on supporting livelihoods and job opportunities, as well as promoting cooperative principles and improved employment prospects for young women and men and persons with disabilities.
22. Building on the findings of the 2014 participatory value chain analysis of the fishery sector and the Detailed Needs Assessment, the ILO provided the General Syndicate of Marine

Fishers with technical and financial support. Areas of intervention include the training of fishers on technical skills, capacity building on OSH and direct support on matters such as boat repairs and replacement of assets.

23. The ILO is providing technical support to the Islamic University of Gaza, through the introduction of structured apprenticeships, improvement of curricula, and skills upgrading for engineering students, including women and persons with disabilities, to enable future graduates to meet the needs of the private sector in the reconstruction process.
24. The ILO has provided several NGOs with technical and business management training and skills development aimed at women and at promoting cooperative principles.
25. The ILO is supporting the process of gender mainstreaming within Birzeit University. Using ILO methodology, the Institute of Women's Studies carried out a participatory gender audit followed by awareness-raising initiatives for university students and staff to introduce more gender-sensitive policies and create an environment free of gender-based violence.
26. The ILO is providing technical support to the PCBS in conducting a survey on pay equity in the education sector, in coordination with the Ministry of Labour and the National Committee for Women's Employment. The results of the survey will be available in December 2015 and will provide input on the corrective actions needed.

IV. Next steps

27. In the light of the continued challenges faced by workers and their families in the West Bank and Gaza, the Governing Body is invited to support the Office in further promoting the Decent Work Agenda and social justice for the Palestinian people.
28. The end to the war in Gaza was accompanied by promises of reconstruction but no agreed roadmap for achieving the result. It is to be hoped that the Gaza Reconstruction Mechanism will be successful and that it will be facilitated by an end to the blockade. Yet, for this mechanism to yield its outputs, the peace process needs to be resumed and donors must disburse the large sums pledged for the reconstruction of Gaza.
29. Despite major challenges in recent years, the DWP has led to tangible achievements. During the reporting period, the ILO, in consultation with constituents, developed a DWP implementation plan that has integrated Gaza not only in terms of recovery interventions but also in the institution-building process with a focus on the labour and social dimensions. This is in line with the observations of the Director-General in the Appendices to his Reports to the 103rd and 104th Sessions of the International Labour Conference. The latter report noted that “[b]eyond the immediate reconstruction efforts, Gaza needs to be able to gain real prospects for economic and commercial development, and it should have access to the markets in the immediate vicinity”.
30. In consultation with constituents, the ILO will undertake an internal review of the DWP in the last quarter of 2015. The review will guide the remaining period of the current DWP and provide recommendations for the next programme, with an action plan for developing partnerships with traditional and emerging donors. As underlined by the Director-General

in his report to the 104th Session of the Conference, it will be crucial to remind the parties of the “interrelated and *mutually reinforcing objectives of decent work*”.¹⁰

- 31.** The Governing Body is invited to take note of these developments and the ILO response through the enhanced programme of development cooperation. It is invited to support the DWP, including recovery interventions in Gaza, through engagement with constituents and international partners in seeking longer-term solutions. Lastly, the Governing Body is invited to provide guidance on further steps for the implementation of the enhanced programme of development cooperation as well as its resource mobilization implications.

¹⁰ Emphasis added.