

**FOR DECISION**

SEVENTH ITEM ON THE AGENDA

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

1. At its sessions in November 2002 and March 2003, the Governing Body requested the Office to regularly report on the progress in the implementation of the technical cooperation programme for the occupied Arab territories endorsed by the Governing Body in June 2002. This document provides the requested information covering the period since the last update at the 294th Session of the Governing Body in November 2005.

II. Progress in the programme implementation

2. In undertaking the programme, the ILO has closely collaborated 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). For the current biennium, as it stands, funding available for the technical cooperation programme in the occupied territories amounts to approximately US\$1.5 million, of which US\$462,000 is provided by the ILO (RBTC and the 2000-01 cash surplus) and another US\$1 million by extra-budgetary resources.
3. The political context for most of the period under review was presented in the Report of the Director-General to the 95th Session (June 2006) of the International Labour Conference, in the Appendix entitled: "The situation of workers of the occupied Arab territories". Resource mobilization efforts were frozen on account of the international community's position vis-à-vis the new Palestinian Government. While entry visas were granted by the Israeli authority to the ILO mission for the purpose of preparing the Director-General's Report, the staff of the Regional Office for Arab States continue to face difficulties in securing entry visas for their technical missions to the Palestinian territories. Meanwhile, the situation described in the Report to the Conference has deteriorated further with events that have occurred since then, as described, for example, in the report of the Special Rapporteur on the Situation of Human Rights in the Palestinian Territories occupied since 1967 (http://www.ohchr.org/english/bodies/hrcouncil/2session/docs/A_HRC_2_5.doc).

4. Despite various difficulties and constraints, the ILO carried out the programme, which was designed particularly to promote employment and alleviate poverty through enhancing the capacities of social partners and other stakeholders. It is also noteworthy that various meetings, reviewed below, were most useful in the consideration of further enhancement and expansion of the ILO technical cooperation programme in the territories.

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

5. As noted earlier by the Governing Body,¹ the PFESP has been serving as the institutional framework designed for resource mobilization and allocation for social and economic development. The PFESP has been focusing on the three core programme areas, namely community infrastructure development, enterprise development and human resources development.
6. Due to the prevailing political and economic situation in the territories, launching of the PFESP's full operations was delayed. However, two projects out of three, which were approved within the framework of the PFESP in early 2005, were completed during the period under review. These included:
 - *Support for Palestinian small and medium enterprise development: Emergency assistance to EMPRETEC (commissioned to UNCTAD.)* The project provided assistance to EMPRETEC Palestine, particularly to enhance capacities for entrepreneurial training and to strengthen the relations between the Palestinian EMPRETEC and international EMPRETEC network;
 - *Vocational graduates job placement (commissioned to the East Jerusalem YMCA).* The project enabled to the YMCA to enhance its vocational training programmes and job placement services for its new graduates.
7. The third project of the PFESP, namely *Emergency assistance to employment Generation – Job placement programme (commissioned to the Ministry of Labour)* has not yet been implemented due to the situation of the Palestinian Government.
8. The Palestinian Authority is in the process of establishing a vocational training centre in Ramallah, within the framework of the PFESP, with Saudi Arabia's contribution of US\$0.5 million.
9. In September 2006, the ILO assisted the Palestinian tripartite partners in organizing a meeting to discuss the current status of the PFESP and its future operations. The participants reaffirmed the key role that the PFESP could play in social and economic development in the territories, and reiterated the importance of securing its sustainability. At the meeting, it was agreed by the participants that the PFESP should focus on activities related to vocational training, SME development and support to women household heads in rural areas. The ILO was requested to consider: (1) fielding a technical advisory mission to assist the PFESP's activities; (2) assisting in organizing a donor conference to secure funds for the PFESP; and (3) providing technical and financial contributions for the PFESP's operations for the four months up to the end of 2006.

¹ GB.295/1; GB.294/PV/Draft, para. 107; and GB.294/5.

B. Support to employers' and workers' organizations

10. *Rebuilding and strengthening the capacity of employers' organizations.* The ILO, in cooperation with the Federation Palestinian of Chambers of Commerce, Industry and Agriculture (FPCCIA), organized a workshop on small and medium enterprises to review the status of SME development in the territories and to establish the plan of action for further enhancement in this sector. The ILO is currently preparing a technical assistance programme to accommodate the request that emerged from the workshop.
11. Furthermore, a Roundtable Meeting for the Chairmen and Senior Executives of the Federation of Palestinian Chambers of Commerce and Industry (FPCCIA) and its 14 member chambers in the West Bank and Gaza was organized in June 2006, with participation of 28 representatives. The Meeting's main objective was to establish a strategy for cooperation on the priority issues of employers' organizations. The Meeting successfully brought a consensus on measures for further improving cooperation and on the role of employers' organizations in employment creation, particularly through promotion of small and medium enterprises. Participants also agreed on seeking funding from the PFESP for a project entitled "Sustainable development for SME: Support the work and protect the worker", which would be a joint project with the workers' organizations.
12. *Assistance to Palestine trade unions.* The ILO continued the implementation of the workers' education project which is funded by Norway with a supplementary financial contribution from the ILO's 2000-01 cash surplus. The main objective of the project is to strengthen the institutional capacities of the PGFTU to better address the prevailing challenges. During the period under review, three seminars were organized with respect to the issues which were of critical concern to the trade unions. These included: (1) industrial relations; (2) social security system and the Palestinian social insurance code; and (3) employment policies and bargaining skills. These events provided trade unionists with opportunities to improve their expertise on the said issues.
13. Furthermore, assistance was provided to the PGFTU in its preparation for participation in consultations related to the proposed law on organization of trade unions, which would be discussed in the Palestine Legislative Council. In this respect, the ILO assisted the PGFTU in organizing a meeting to improve awareness of the union members on the subject, including the relevant ILO Conventions, and to agree on the PGFTU's position on the proposed law and on promotion of decent work among youth.

C. Capacity-building programme

14. Within the framework of the Italian-funded project, *Integrated approach to promoting good governance*, the ILO undertook a needs assessment of the need related to labour administration. Subsequently the ILO conducted a training workshop which brought together, for the first time, high-ranking administrators from Gaza and the West Bank to discuss strategic policy issues in labour administration and social dialogue. The conclusion of the workshop highlighted the need for strengthening capacities of labour administration on conciliation and mediation, labour legislation and tripartism. Participants established a plan of action for labour administration and identified the areas for assistance requested of the ILO.
15. *Establishment of Sheikha Fatima Bint Mubarak Vocational Rehabilitation Centre in Hebron.* In view of cost increases resulting from changes in the construction location and

design, the donor has agreed to provide the ILO with additional resources amounting to US\$166,585. The construction of the centre resumed in the second half of 2006.

16. *Training of small contractors in the West Bank and Gaza.* The Government of Kuwait approved utilizing the remaining project balance, plus the accumulated interest, amounting to a total of US\$161,161 for extending the project activities which are scheduled to be reactivated by the end of 2006.
17. The International Training Centre of the ILO in Turin continued operation of its programme on *promotion of social dialogue*. A training course on “Design and implementation of development projects” was conducted late 2005. It was designed to enhance capacities of the Palestinian Authority and municipal bodies with a view to ensuring the effective formulation and implementation of development programmes and projects. In addition, several fellowships were granted for participation in the training courses organized at the Turin Centre.

III. Future follow-up

18. Securing sustainability and the proper functioning of the PFESP remains a priority. This is a joint endeavour of the Palestinian Authority and the ILO. The PFESP provides for a common framework to support the international community national development efforts with particular emphasis on poverty alleviation and job creation. The ILO will continue to provide technical assistance for capacity building of the PFESP and for its core programmes and direct support to the target beneficiaries of PFESP activities.
19. Efforts will be intensified for mobilizing extra-budgetary resources for projects which are designed to promote employment and to enhance capacities of social partners. New initiatives will particularly focus on local economic development, which would enable the social partners and a wide range of stakeholders to participate in the process.
20. To further improve the ILO’s response to the needs in the occupied Arab territories, consideration will be given to strengthening the ILO Office in Jerusalem.
21. ***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 October 2006.

Point for decision: Paragraph 21.