Private Sector Development in the Palestinian Territory
Education, employment and sustainable economic development
Towards an integrated development in the Palestinian Territory

BACKGROUND

Unemployment is on the rise in the Palestinian Territory with figures above 40% in the Gaza Strip. Many young people even with a degree cannot find a job. Yet various labor market studies show that employers complain that they cannot find employees with adequate competences to work in their companies and that youngsters with technical skills are in high demand.

Technical and Vocational Education and Training (TVET) should therefore be the best career choice for youngsters to acquire relevant skills to find a job or to start their own business and provide the labor market with the skilled youth it needs.
CHALLENGES

- **TVET is not seen as an attractive option** by most young people and their parents. The reasons for this low number of enrolment (less than 3%) can be found in a cultural tradition that respects intellectual competences over technical skills.

- **The current quality of TVET.** Curricula and equipment are outdated, teachers are not properly trained and school management doesn’t have the necessary autonomy to create joint ventures with the private sector. Existing apprenticeship programs are not properly regulated and vary greatly in quality. As a result of this, companies lack trust and interest in both the TVET system and its graduates.

- **A chronic underfunding and an inadequate organisational framework** continue to obstruct the development of a strong TVET sector, while the absence of structural cooperation with the private sector results in a growing skills mismatch with the labor market and impedes TVET reaching its high potential.

CLOSING THE SKILLS GAP

To tackle this paradox and to reduce (youth) unemployment in the Palestinian Territory, the Belgian Development Agency (Enabel) launched a pilot program introducing work-based learning (WBL) schemes supporting private-public partnerships in TVET.

The principle behind work-based learning as a school-based apprenticeship program is fairly simple: the best way to make sure that young people learn skills relevant for the labor market is to assure that part of the training takes place in the workplace while doing real work. This way, WBL improves the practical skills of the students and facilitates the transition from education to employment.

A MULTI-LAYERED APPROACH

To face the large number of challenges in developing a national apprenticeship system in the Palestinian Territory, Enabel decided to operate on three levels simultaneously:

- **Strategic level:** Create a TVET coordination structure to support the development of WBL schemes at the policy level

- **Operational level:** Support TVET institutions and private companies to jointly launch labor-market relevant WBL initiatives

- **Individual level:** Facilitate the access of economically and socially disadvantaged youth to WBL with a matching pro-gender, pro-poor scholarship fund
TOWARDS A NATIONAL WBL PROGRAM

A total number of 83 WBL initiatives were successfully introduced in the West Bank and Gaza. 44 TVET institutes signed agreements with over 200 companies in a wide range of technical vocations which are in high demand in the labor market.

To assure the quality of the training and the integration of the know-how, skills and tools within the TVET institutes and the private companies implementing the WBL, Enabel initiated a series of complementary actions:

- **Orientation workshops for the directors of the TVET institutes and the managers of the companies** to assure a common understanding of WBL and to define the roles and responsibilities of the different stakeholders. The Ministries of Labor and Education and the Social partners were actively engaged as important mediators in the entire process.

- **Specialised trainings for the trainers and counsellors in the TVET institutes** to prepare them for accompanying the trainees before, during and after the WBL program, including an introduction to the tools and materials that were developed by the Enabel program (WBL manual, logbooks, etc.).

- **Master craftspersons’ trainings for the private sector mentors** to prepare them for their role in accompanying the trainees during the in-company training. The training modules and material were developed in cooperation with the Belgian Agency for Entrepreneurship Training, Syntra.

- **An effective system of tailor-made coaching and monitoring of each individual institute and its private sector counterpart** by the Enabel program to detect problems in an early stage and propose corrective measures.

The roll-out of the WBL Fund has increased more than tenfold the number of WBL students in the Palestinian Territory. Over 40% of them are women what is considerably above the pre-set target.

This is a remarkable result taking into account the low number of female students enrolled in TVET and is proof of the effective gender policy the Enabel program adopted.
The introduction of work-based learning schemes in Technical and Vocational Education and Training (TVET) in the Palestinian Territory has proven to be a very effective approach to link education and training with employment and succeeded in:

- **Decreasing the existing mismatch** between the subjects taught in the TVET institutions and provide graduates with the skills and competences needed in the labor market.

- **Substituting informal apprenticeships by WBL schemes** offering a better pedagogical support, legal protection (Decent Work) and official recognition of skills (certificate) for the youngsters in cooperation with the TVET institutions and the private sector.

- **Increasing the employability of TVET graduates**: 80% of WBL graduates find an employment or is self-employed within 1 year compared to 60% or lower in traditional TVET.

- **Institutionalising the cooperation between the public and private sector** at the national, regional (governorates) and local level, improving the overall quality of TVET.

- **Facilitating the enrolment of female students in TVET** including non-traditional vocations.

The overwhelming success of WBL was further highlighted by five important decisions at the highest level since its introduction on a national scale in the Palestinian Territory:

- The Palestinian Council of Ministers will give the highest priority in the **National Policy Agenda** (2017-2022) to quality TVET aligned with the needs of the labor market and to upgrade the TVET infrastructure and facilities.

- The Ministries of Education and of Labor will **fully integrate WBL in their education and training programs** allowing more youngsters to be enrolled in TVET and follow a vocational or technical training based on the needs of the labor market.

- The different ministries and private sector organisations will bring TVET under a **joint multi-stakeholder private-public management structure** and create a Development Center for quality assurance and innovation.

- **The EU member states** aim to reach an enrolment rate of 5% in TVET by 2019 and integrate WBL in at least 50% of the TVET programs.

- **The main international actors** active in the Palestinian Territory will include WBL in their new TVET programs on a systematic basis.
KEY PERFORMANCE INDICATORS

Overall number of work-based learning (WLB) graduates

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<tr>
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<tr>
<td>Male</td>
<td>1686</td>
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<td>Female</td>
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West Bank

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Gaza

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Number of TVET institutions that are implementing formal and structural

LOCATION OF TVET INSTITUTIONS:

- West Bank: 39
- Gaza: 15

TYPE OF TVET INSTITUTIONS:

- Colleges: 15
- VSS: 12
- VTC: 27
Percentage of WBL graduates who transited to (self)employment based on the tracer study of the WBL pilot

- Technical Education graduates: Male: 50% Female: 26%
- Vocational Education graduates: Male: 79% Female: 78%
- Vocational Training graduates: Male: 78% Female: 42%

Number of TVET institutions and companies that have staff (trainers, mentors) trained to implement WBL

- Institutions: 2017: 58
- Companies: 2017: 160

Number of recipients of scholarships

- Overall: 2016: 1827, 2017: 1400
WIDENING THE SCOPE:  
FROM WBL TO PRIVATE SECTOR DEVELOPMENT

The Enabel WBL program brought the public and private sector together around the shared objectives of improving the skills and competences of the TVET graduates and to facilitate the transition from school to work.

The private sector itself, however, encounters great difficulties in keeping up with the global technological evolution and in increasing their productivity. This due to a limited access to qualified personnel, advanced technology and flexible funding mechanisms. Graduates from their side lack sufficient entrepreneurial skills to successfully start up their own business.

A more holistic approach widening the current scope of the Enabel program towards private sector development could tackle these different problems simultaneously.

By launching a series of innovate public-private partnerships to increase the productivity of existing companies, promote entrepreneurship among youngsters and support start-ups, the new program will contribute to sustainable economic development in the Palestinian Territory.

These partnerships will aim to:

1. **Create local hubs for sustainable economic development** that will increase the productivity of existing companies, promote entrepreneurship and support start-ups in economic sectors with a high growth potential.

2. **Design innovative schemes facilitating the access to finance and business development services** for companies, entrepreneurs and startups.

3. **Develop a skilled labor forces** by increasing the quality and labor market relevance of technical and vocational education and training and by setting up skills upscaling and upgrading programs for employers and employees in the private sector.

4. **Promote entrepreneurship and self-employment among graduates** to increase the labor market participation of Palestinian youth, in particular women.

5. **Facilitate the access to digital technology** and support the integration of new technologies in services and work processes of Palestinian private companies.

As a general rule of thumb, Enabel will strive to maximize synergies with other programs and (inter)national actors active in the field of job creation, entrepreneurship and private sector development.

For a short presentation of the launch of the WBL program of Enabel in the Palestinian Territory, see: B. Horemans and R. Hilal, Closing the Gap: The introduction of Work-Based Learning Schemes in Palestine, TVET@Asia (2017). http://www.tvet-online.asia/9/issues/issue9/horemans-hilal
Creating local economic dynamics through the local governance portfolio

BACKGROUND

Following the Local Government sector strategy 2017-2022, adopted by the Ministry of Local Government (MoLG), the protection and the development of the Palestinian identity and cultural heritage as well as the promotion of the development of the local economy are both important political priorities.

Due to the limited Palestinian self-rule on a national level, Local Government Units (LGUs) are key levers for development and stability. Refocusing on the locality and on its economic, social and cultural development is therefore crucial in the current fragile political situation.

Additionally, supporting the territorial integration process (connecting area C with A and B) is a must for efficient and cost effective service delivery to the local communities.

Economically and socially, local citizens and authorities start realizing the importance of working together to have a bigger territory for development and of including the rehabilitation and the restoration of their historic centers into their development vision

OBJECTIVE

The Belgian Development Agency’s objective is to improve the social, cultural and economic development of Local Government Units and Municipalities in the Palestinian Territory.

Investments in the local institutions, the local infrastructure and territorial integration are made to enhance the local governments’ capacity to regenerate historic centers and to support sustainable economic development in their areas.
A MULTI-LAYERED APPROACH

The involvement of multiple stakeholders in developing joint visions and plans for sustainable economic development at the local level is an important success factor. Therefore, the program works together with the local private sector, with the support of the Municipal Development and Lending Fund (MDLF), and with the Ministry of Local Governance and the local authorities.

“It was very important for us to include all concerned parties in the municipality when we worked on the strategies for the local economic development. Having a common plan will strengthen our possible future projects and it will also ensure their implementation with fruitful results.”

Coordinator of the LED Department of Dura Municipality, Alaa Switi

The first phase of the program has set the necessary institutional and infrastructural foundations to reduce the territorial fragmentation of the Palestinian Territory, which was weakening the state building process and undermining the development process.

Institutional activities:

- Promoting inter-village institutional arrangements and collaboration, also with villages in Area C, laying the foundation for future annexations, mergers or agglomerations
- Encouraging the ministries to put local development support on their agenda
- Developing the legal and regulatory environment capable of stimulating local economic development
- Strengthening the partnership between the local authorities, the public and private sectors, and civil society organizations
- Facilitating decentralization to increase local authorities’ autonomy and responsibilities
- Capacity building of the Local Government Units’ staff to strengthen their technical and managerial skills
The traditional municipality offers classical services like keeping the place clean and organized, while a modern municipality is concerned with a comprehensive development. Which means that developing the local infrastructure goes together with cultural, social and economic development.

City Director Ramallah Municipality, Ahmed K. AbuLaban

Infrastructural activities with a direct socio-economic impact:

- Developing an efficient and reliable infrastructure (water, energy, communications, road networks, industrial zones) to facilitate the work of the private sector

- Linking the different villages in a cluster for a better provision of services (e.g., garbage collection) through road improvements, (service) building improvements and the establishment of joint water departments within the Joint Service Councils (JSC)

The second phase of the program is about developing the economy that is ‘local’ in as many aspects as possible: local ownership, local entrepreneurial initiatives, local resources, local employment, local customers, local providers, and, most important, collaboration between local economic entrepreneurs, and local political, administrative and social entrepreneurs.

The program also pays particular attention to enhance the value and appeal of the local villages, so that more inhabitants can benefit from tourism and related businesses, through the rehabilitation of historic centers.
Participation from and support to the community was ensured through community activation initiatives at different stages of the implementation:

- **Orientation sessions and workshops**: communication workshops and orientation sessions were conducted for the members, staff and representatives from the local communities.

- **The first national conference for local economic development**: the conference covered four main topics: Local, Regional and International LED Experiences; Legal Environment for Local Economic Development; Sources of financing for LED initiatives; and Integrated public/private roles and responsibilities to achieve sustainable Local Economic Development.

  In addition there were also specialized sessions in which a more in-depth view was given on for example public-private partnerships; investment in renewable energy and solid waste; and international best practices.

- **Job fair at the Joint Service Council (JSC) of South-East of Nablus and the surrounding localities**: one of the major challenges in the region is the high youth unemployment, which exceeds 40%. The job fair aimed at helping unemployed graduates by equipping them with essential employability skills through trainings (“How to develop an effective CV”, “How to have a good job interview”,...) and by connecting them with potential employers from the private and civil society sectors.
A SUCCESSFUL APPROACH / SUCCESS STORIES

Al Karmel

The first economic development project was launched in the newly created municipality of Al Karmel, which consisted of four villages before the merger. The socio-economic analysis of Al Karmel revealed that the cluster has four sectors of high economic potential. The most important of them is the agricultural sector.

The agricultural sector’s growth was hindered due to a severe lack of water. Therefore, the development strategy for Al Karmel focused mainly on improving the access to water for the local farmers. In total, 35 water cisterns were rehabilitated, and farmers could start collecting rainwater for agricultural purposes again.

In addition to the above mentioned direct outcome, the project also achieved the following additional results:

- **Local employment**: the project created temporary jobs for 129 local workers.
- **Local construction materials**: the required construction material was bought in the Al Karmel cluster, benefiting the local economy.
- **Beneficiaries’ training**: 40 farmers were trained on water management skills and best water practice awareness, in order to maximize the use of the available rainwater.
- **Financial benefits (savings)**: depending on variable factors (family size, water consumption rate and purpose (drinking; agriculture; and/or for livestock), water wells’ capacity; and winter season rain level), the focus group assessment showed that every beneficiary could save an average of 150 cubic meters a year (because the quantity of purchased water was reduced), which can be translated financially to 3000 ILS a year.
- **Agricultural benefit**: some beneficiaries explained that saving water in their rehabilitated wells has encouraged them to get involved in agriculture for home use. Those who were already involved in agriculture were able to cultivate additional trees such as citrus and almonds trees.
- **Water quality**: the reliance on external water sources, of unstable quality, for personal use has been reduced. The community can now use the rehabilitated water wells, which guarantee a better water quality.
“We collect rain water in the well to water our olive trees and to provide our sheep with drinking water. Having our own water resource 8 months a year significantly benefits our business. It makes us independent because we don’t have to rely on external water sources and it allows us to save money because we don’t have to buy water tanks anymore. The women of the family are in charge of the business and it allows them to contribute to the family income by selling milk, meat, yoghurt…

Wisam Smirad

Water is essential for our olive production: the more water we have, the better the olives taste because water reduces the acidity in the olives. Thanks to the water well our production cost has gone down and our business is more profitable. We also got a training to maintain the water cistern ourselves, which allows us to cut costs even more.

Ali Alhamamdeh
Highlights from the “Quick Fruit” projects

Twelve historically and culturally valuable areas in the West Bank are currently affected by abandonment and physical and economical depletion. These areas were selected to benefit from preservation and development.

The projects have the following objectives:

- Revitalizing Palestinian heritage by restoring historic buildings and/or compounds
- Improving the income of and creating job opportunities for the local community by housing businesses in the newly rehabilitated buildings and/or compounds
- Offering high quality products to cover market needs
- Activating the role of women in the socio-economic society

Example activities:

- **Asira Al Shamaliya – Nablus Governorate**
  A workshop for handmade accessories, including: Palestinian dresses, shawls, head covers, traditional and non-traditional accessories, hand bags and wallets, table sheets, and similar ideas and a workshop for local soap (soap with natural oils and herbs)

- **Bani Zeid Al Gharbiya - Ramallah Governorate**
  Grinding, drying, freezing and storing local agricultural products such as: “Mlokhiyyeh”, “Freika”, almonds, nut, thyme, etc.

- **Bani N'aim – Hebron Governorate**
  A municipality’s service center, branches for some ministries (agriculture, veterinary services, marriage registrar), a cafeteria, space for some NGOs, social activities place and a museum

3 Joint Service Councils are institutional arrangements for inter-village collaboration.
ABOUT THE BELGIAN DEVELOPMENT AGENCY (Enabel)

Enabel is the Belgian development agency. We implement and coordinate Belgium’s international development policy and carry out public service assignments in Belgium and abroad under the 2030 Agenda for Sustainable Development.

We build a sustainable world where women and men live under the rule of law and are free to pursue their aspirations.

We are a European player enhancing the impact of Belgium in international development.

Since 1997, Belgium has been supporting the development activities and emergency interventions in the Palestinian Territory.

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