



الصندوق الفلسطيني للتشغيل
The Palestinian Employment Fund



التقرير السنوي 2021 ANNUAL REPORT

Table of Contents

| | |
|--|----|
| Introductions | |
| 1-Dr. Nasri Abu Jaish's Statement, The Minister of Labor and Chairman of the PEF's Board | 1 |
| 2-PEF's Board of Directors and Executive Management | 2 |
| 3-Executive Summary | 4 |
| 4-The PEF's achievements in 2021 | 5 |
| 5-Highlights on the Preparation of the Upcoming Projects in 2022 | 6 |
| Chapter I: About Palestinian Employment Fund (PEF) | |
| 6-The Establishment of the Palestinian Employment Fund (PEF) and Legal Reference | 7 |
| 7-PEF's Objectives | 8 |
| 8-PEF's Functions and Programs | 9 |
| 9-PEF's Values and Policies | 10 |
| 10-PEF and the Linkage with the National and International Plans' Objectives | 11 |
| 11-PEF Supports the (Green) Jobs (Green Economy) | 12 |
| 12-Gender Equality | 13 |
| 13-Marginalized and Vulnerable Groups | 14 |
| 14-Digitalization of PEF's Operations and Services | 15 |
| Chapter II: Achievements of the Strategic Plan for 2018-2022 | |
| 15-Strategic Objectives | 16 |
| 16-The first Strategic Objective: Policy Advice | 17 |
| 17-The second Strategic Objective: Business Development (Self-Employment and MSMEs) | 18 |
| i. Start-Up Palestine Project | 19 |
| ii. Mostaqbalna Project | 20 |
| iii. Youth Competitions Project | 21 |
| iv. Islamic Murabaha Project | 22 |
| v. PEF's Capacities to Provide Businesses Services | 23 |
| vi. Mashro'ak Project | 24 |
| vii. Employment Generation for Young Gazan Women | 25 |
| viii. An Innovative Approach to Secure the Long-Term Survival of Vulnerable Target Groups in the Labor Market through Home-Based Self-Employment | 26 |
| ix. Peace Steps Project | 27 |
| x. Green Hope Project | 28 |
| xi. Capacity Enhancement for MSMEs and Seed-Funding for Innovative Ideas in the Green Economy Project | 29 |

Table of Contents

| | |
|---|----|
| 18-The third Strategic Objective: Acquire Experience (Skilling and Qualifying) | 30 |
| i. Internship and Job-Coaching Program for Unemployed Graduates from HE and TVET Institutions in West Bank, Jerusalem, and Gaza Strip | 31 |
| ii. Phase II: Path to Economic Recovery: Facilitating Decent Jobs in the Gaza Strip (C4W) Project | 32 |
| iii. Enhance the Access to the Labor Market Project | 33 |
| iv. First Employment Facility Project | 34 |
| v. Job Creation Project | 35 |
| vi. Municipality Fund Programs for Labor-Intensive Projects to Improve Basic Services of Municipalities | 36 |
| 19-The fourth Strategic Objective: Emergency Response and Community Infrastructure | 37 |
| i. West Bank Emergency Social Protection COVID-19 Response (Cash for work) | 38 |
| ii. SOMOUD Program | 39 |
| iii. Supporting Resilience of Palestinian MSMEs affected by COVID-19 | 40 |
| iv. Enhancing Local Food Security for Most Vulnerable Households Affected by COVID-19 across Gaza Strip | 41 |
| v. Path to Economic Recovery: Facilitating Decent Jobs in the Gaza Strip (C4W) | 42 |
| vi. Supporting the MSMEs Affected by the COVID-19 Project | 43 |
| Chapter III: Challenges, Lessons Learned, Recommendations, and Success Stories | |
| 20-Challenges | 44 |
| 21-Lessons Learned | 45 |
| 22-Recommendations | 47 |
| 23-Success Stories | 48 |



**President of State of Palestine
Mahmoud Abbas (Abu Mazen)**





**Prime Minister
Dr. Mohammad Shtayyeh**





1-Dr. Nasri Abu Jaish's Statement

The Minister of Labor and Chairman of the PEF's Board

Palestinian Employment Fund (PEF) is the national umbrella for employment and the executive arm of the national employment policies and the Ministry of Labor policies in the field of employment. We seek to provide sustainable job opportunities for youth graduates, women, marginalized groups, persons with disabilities, and unemployed persons within good governance and effective participation with all production parties, including government, representatives of workers, employers, and civil society organizations

On behalf of my colleagues on the Board of PEF, we would like to present to you the annual report of the Palestinian Employment Fund's interventions. Profoundly, I would like to thank His Excellency President Mahmoud Abbas and his Excellency the Prime Minister Dr. Mohammed Shtayyeh to issue Decree-Law No. 33 of 2021, which aims to organize the work of the PEF. We would also like to thank the partners in the Palestinian Government and representatives of the private sector, workers and civil society organizations, and international institutions which cooperated with us to enhance the role of the Palestinian Employment Fund (PEF) in providing the employment services in the light of the national plan for employment in the most efficient, effective, and integrated manner.

We take pride in the fact that we contributed to supporting and creating approximately 7,000 thousand job opportunities and to creating and enhancing more than 10,000 training opportunities during 2021. In addition to strengthening the governance of the Palestinian Employment Fund, I have made sure that the PEF's implementation of its interventions is in line with a professional work environment that is constantly monitoring, evaluating, and continually improving the performance, completing its legal governance by Decree-Law No. 33 of 2021. We worked to complete the internal regulations and operational manuals which are in line with the national plans and the international standards, in addition to making achievements towards the digitalization of PEF management and services.

Through our management of PEF, we have ensured to present a good national institution that operates all over the country, implementing national policies in the field of employment in accordance with its role. We believe that efficiency, effectiveness, and transparency are the basis for work. We seek to develop performance by using the best practical and professional means and tools, benefit from international experiences, and work to provide sustainable programs for PEF. Starting with PEF's participation in the national policies advice, providing financing and subsidized loans for MSMEs, supporting and enhancing self-employment, small and micro enterprises, wage employment, capacity building, and skilling and qualifying. We are ready to deal with emergencies in the labor market and provide temporary employment interventions (Cash for Work) and national projects with intensive labor.

I would like to address three specific audiences through this report.

First: Our youth

You are the salt of the earth, its development, the present, and the future. You are the hope despite the difficult situation and the dark reality. We will spare no effort to support you to find decent job opportunities. Despite the scarcity of resources, we will work as much as possible to create decent job opportunities and utilize the available resources in the best way effectively, efficiently, and in a transparent manner.

Second: Our civil society and production parties and partners

We have created and supported together this institution as a national umbrella for employment to coordinate and consolidate the efforts. Our main objective is to create decent job opportunities for our youth, especially the vulnerable groups that need support and assistance to access the labor market. As we work collectively to support them, starting from training, education, skilling, and qualifying service providers, through the private sector and motivating them for employment, to the microfinance institutions. As employment is a social and national priority, we are ready to help everyone, who makes all the best in the field of employment, and I invite the rest of the key players in this field to join and participate in our efforts.

Third: Our friends and partners of humanitarian and international cooperation

We would highly appreciate the efforts of international associations in supporting employment and motivating the labor market. We seek by presenting good national organizations such as the Palestinian Employment Fund (PEF) as a national employment umbrella to enhance integration, participation, and consolidation of employment efforts, in addition to the stranded investment of resources, and to promote equality and accessibility for the target groups.

For this reason, I invite all donors to cooperate with the Palestinian Employment Fund (PEF) and support its programs which are derived from the National Employment Plan, the National Development Policy Agenda, and the policies of the Ministry of Labor.

Hand-in-hand toward a more hopeful future
Dr. Nasri Abu Jaish's speech
Chairman of the PEF's Board and Minister of Labor

2-Previous PEF Board of Directors (2018-2021)



His Excellency, Dr. Nasri Abu Jaish's
Chairman of the PEF's Board and Minister of Labor



Mr. Omar Hashem
President of Union of Chambers
of Commerce, Industry, and
Agriculture
Deputy



Mr. Ali Alhayk
Representative of
Private Sector



Mr. Saher Sarsour
Representative of
Palestine Trade Union



Mr. Shafer Saad
Head of the Trade Unions of
Palestine
Secretary



Dr. Salama Abu Zaiter
Representative of
Palestine Trade Union



Mrs. Anan Alatira
Representative of
the women's sector



Mrs. Faten Alqasas
Representative of
the Ministry of National
Economy



Mrs. Rana Almasri
Representative of the
Ministry of Social
Development



Mrs. Laila Ghareb
Representative of the
Ministry of Finance



Mr. Fared Ghanam
Representative of the
Ministry of Finance



Mr. Rami Mahdawi
Ministry of Labor
Observer member



Mr. Monuir Qleibo
Representative of the
ILO-Observer member



Mr. Malek Melhem
National Character



Mr. Majed Abed Fatah
National Character



Mrs. Khawla Al Azraq
Representative of
Palestinian women

Former Executive Director of the Palestinian Employment Fund



Mr. Mahdi Hamdan

2-PEF's Board of Directors and Executive Management



His Excellency, Dr. Nasri Abu Jaish's
Chairman of the PEF's Board and Minister of Labor



Mrs. Khawla Al-Azraq
The representative of
Palestinian women



Mr. Omar Hashem
President of Union of Chambers
of Commerce, Industry, and
Agriculture
Deputy



Mr. Shaher Saad
Head of the Trade Unions of
Palestine
Secretary



Mrs. Manal Farhan
Representative of The Ministry
of the Economy



Mr. Tareq Mostafa
Representative of the Ministry
of Finance



Mr. Ashraf Antabawi
Representative of the Ministry
of Agriculture



Mrs. Rola Nazal
Representative of
the Ministry of Social
Development



Mr. Ameen Asi
Representative of the
Ministry of Finance



Mr. Tayseer Mohsen
Community Representative



Mr. Belal Falah
Expert in the Employment

Executive Management



Mr. Rami Mahdawi
Executive Director



Mr. Eng. Mohammed Abu Zaiter
Deputy Executive Director

3-Executive Summary

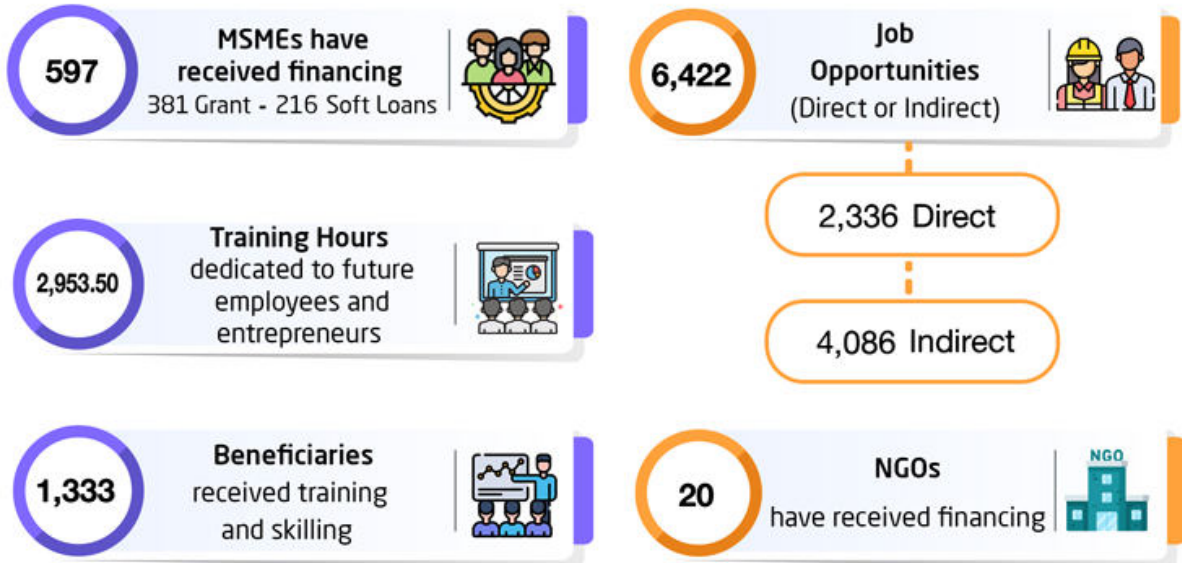
The 2021 Annual Report provides an overview of the activities and interventions carried out by the Palestinian Employment Fund (PEF) during the year in Jerusalem, West Bank, and the Gaza Strip.

It also includes a general overview of PEF's achievements in 2021, followed by a presentation of facts and figures about the interventions of PEF. These figures reflect the results and achievements of each of these interventions with a focus on highlighting the outputs for each project or intervention. In 2021, the Palestinian Employment Fund established new partnerships with donor institutions, notably with the World Bank via the Ministry of Finance, the Belgian Development Agency "Enabel", and the Arab Fund for Economic and Social Development. These new ventures contributed to the design and financing of various interventions, varying from developmental to emergency that responded to the COVID-19 pandemic, to the implications of the blockade in Gaza Strip and its economic and social effects, and to reflection on unemployment, poverty, and job opportunities.

The report also provides clarification on the newly issued Decree-Law No. 33 of 2021 pertaining to Palestinian Employment Fund and its future direction against the backdrop of the challenges facing the Palestinian Labor Market. The report is inclusive of the important Lessons Learned, Recommendations and Success Stories encountered throughout the year.

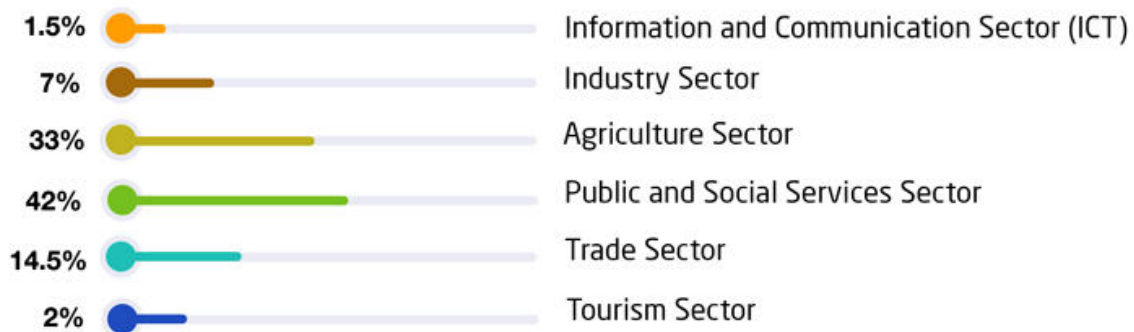


4-The PEF's achievements in 2021

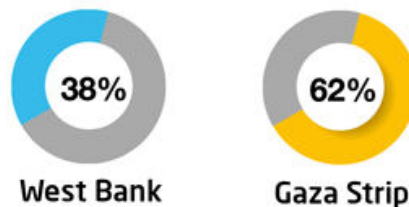


In year 2022, PEF plans to create and support approximately 10,000 job opportunities

Beneficiaries' distribution according to the economic sectors



Beneficiaries' distribution according to the geographical area



5-Highlights on the Preparation of Upcoming Projects in 2022

During the year, the Palestinian Employment Fund has obtained financing to implement interventions that are in line with PEF mandate and programs. The most important agreements expected to be signed in 2022 :

- Increasing access of youth jobseekers to the labor market through vocational training and business services " AYADI". This program (financed by the Italian Agency for Development Cooperation (AICS) for a total amount of 3,000,000 EUR) aims to support 1,100 youth (men and women) for three years.
- Loan Guarantee Fund Programme within Start-up Palestine Program with a total amount of 3,000,000 EUR which offers a guarantee for the loans that will be provided for the entrepreneurs and business founders.
- Supporting and financing the Macro, Small, Medium Enterprises (MSMEs) affected by COVID-19. This project, with a budget of 620,000 USD financed by the Arab Fund for Economic and Social Development, aims to support and finance 62 MSMEs affected by COVID-19.
- West Bank and Gaza Emergency Social Protection COVID-19 Response Project (Cash for Work), funded by the World Bank through the Ministry of Finance, aims to create 3,940 job opportunities by bringing onboard 19 NGOs





Chapter II
Achievements of
the Strategic Plan for
2018-2022

6. The Establishment of the Palestinian Employment Fund (PEF) and Legal Reference

The continuous increase of unemployment rates in Palestine is caused primarily by the Israeli occupation policy of perpetuating crises, tightening the siege, and economic suffocation. Coupled with the current state of economic market stagnation worldwide, it provided an incentive for thorough research into methods of facing these undesirable repercussions and risks. A financially and administratively independent national organization aims to fight poverty and unemployment by creating job opportunities, supporting MSMEs, entrepreneurship and self-employment, and by providing financial and national resources to contribute to the development of human resources with a focus on supporting marginalized groups and women. Although the late President Yasser Arafat's decision No. 9 of 2003 was issued, the launch of the fund was delayed until 2011, and it was activated by the decisions of the Palestinian government and Council of Ministers in 2014, declaring PEF as (1) a national umbrella for programs and projects that would create job opportunities for youth, especially unemployment graduates and (2) the executive arm of the national employment policies and the Ministry of Labor policies in the field of employment.

PEF operations are governed mainly by five parties: the government, employers, and workers' representatives, in addition to the civil society and women-interest organizations.

Legal Reference the Palestinian Employment Fund



Presidential Decree No. (9) Of 2003: "The Palestinian Fund for Employment and Social Protection was established as a national institution with legal personality and independent financial authority, which specialized in providing financial and technical resources to assist the development of human resources and the development of the business sector in the Palestinian Territories and creating job opportunities that respond to the needs of the population centers through financing or supporting projects in the productive fields."



Council of Minister's decision No. (28/103) on 9/12/2014: "The Fund was adopted as a reference to the Employment interventions, according to a decision issued by, which includes all youth and pioneering business and initiatives, training and qualification, employment, leadership and creativity through the establishment of small and very small pioneering projects characterized by creativity and sustainability."



Council of Ministers' decision No. (17/103) on 17/05/2016: "Request all ministries and official organizations to provide the Palestinian Fund for Employment and Social Protection with data of the authorized entities to carry out youth activities working in the same field."



Decree-Law No. 33 (2021) on 10/27/2021: "The Palestinian Employment Fund (PEF) is the national umbrella for employment and the executive arm of the national employment policies and the Ministry of Labor policies in the field of employment."

Completing the legal governance by Decree-Law No. 33 of 2021

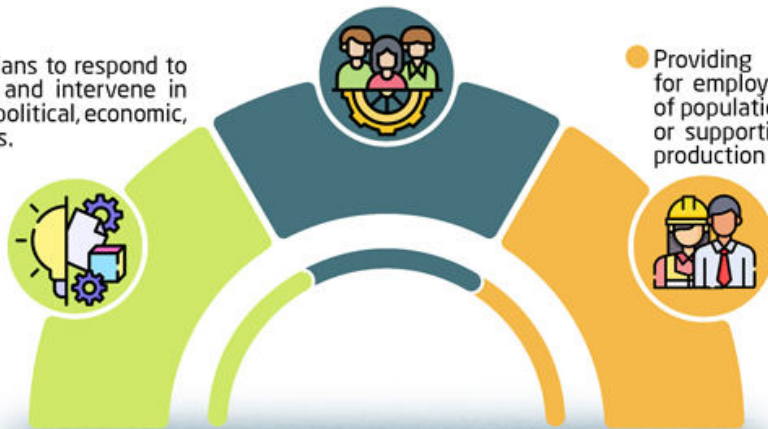
The Decree-Law of the Palestinian Employment Fund was issued in 2021, which contributes to strengthening the role of the Fund in achieving its entrusted goals, in accordance with its strategic plan, the National Plan of Employment, and the labor sector. Furthermore, the Decree-Law emphasizes that the Palestinian Employment Fund (PEF) is the national umbrella for employment and the executive arm of the national employment policies and the Ministry of Labor policies in the field of employment, which will contribute to the Fund's relations with local and national donors in the employment and job creation sector, that will contribute to organizing the Fund's relations with local and national donors in the employment and job creation sector. The Decree-Law also assigned to the Palestinian Employment Fund the responsibility to provide sustainable job opportunities for young graduates, women, marginalized groups, people with disabilities, and the unemployed. In accordance with Decree Law 33, all previous articles contrary to the provision of this decision shall be void and cancelled. The Decree Law confirms the importance of coordinating and unifying employment efforts through the Palestinian Employment Fund.

7. PEF's Objectives

- Fighting poverty and unemployment by creating job opportunities for the unemployed and supporting small and entrepreneurial projects, in addition to providing national and international financial and technical resources to contribute to the development of human resources and securing specialized assistance to empower MSMEs and entrepreneurship for individuals, families, poor and low-income groups and the unemployed Labor and producers, especially marginalized groups and sensitive sectors of women and people with disabilities .

- Developing Fund's plans to respond to emergencies status and intervene in crises resulting from political, economic, and health conditions.

- Providing decent work opportunities for employees according to the needs of population centers through financing or supporting projects in the fields of production and services.



8. PEF's Functions and Programs

- Implementation of national policies related to the promotion and increase of employment.
- Reducing unemployment and its rates by creating job opportunities and supporting MSMEs, in coordination with the Ministry of Labor and partner agencies from the public, private and civil sectors.
- Direct and indirect provision of funding to individuals, families, or groups of beneficiary groups with concessional terms.
- Linking the vocational and technical training sector with the employment policies approved by the Ministry of Labor, to determine the priority of the labor markets to provide skills and specializations that cover these needs, and to qualify and rehabilitate to professionalize new professions, refine skills, and improve performance in professions to within the sector.
- Providing technical support to individuals, associations, and organizations for developing their capabilities to identify and prepare MSMEs aimed at creating job opportunities.
- Preparing a database for small and entrepreneurial projects based on indicators, decisions, research, and studies that reflect the reality of the local market, issued by the Ministry of Labor and other competent authorities in Palestine or abroad.
- Creating programs to enable the beneficiaries to achieve goals related to employment and create job opportunities.
- Coordinating efforts and creating partnerships with organizations and working ministries in the fields of productive social work and employment.
- Coordination with the General Services Administration of Employment and the General Administration of Employment at the Ministry of Labor to achieve the objectives which the fund was established for it.
- Strengthening the status of women and empowering them in various fields of work, and giving priority to supporting marginalized areas, such as rural areas or those threatened by expulsion or settlement.



9. Values of the Palestinian Employment Fund



Polices of the Palestinian Employment Fund



10.PEF and the Linkage with the National and International Plans' Objectives

The Fund's role in the National Employment Plan for 2021-2025



National Policy Agenda

The PEF's role in Labor Sector Strategy and the Sustainable Development Goals of the United Nations.

The first Strategic Objective: Develop jobs and services that intersect with the sustainable development goals (SDG)

Objective No. (SDG8): Promote sustained and inclusive economic growth, full and productive employment, and decent work for all

Objective No. (SDG5): Gender Equality

Indirectly :

Objective No. (SDG1): Fighting poverty

Objective No. (SDG2): Contribute to the eradication of hunger

11. PEF Supports the Green Economy (Green Employment)

The concept of the green economy is to achieve sustainable growth and development without violating the ecological system, so the interventions are effective and socially inclusive. The environmental protection standards and green economy principles should be taken into consideration in all employment interventions in addition to their commitment to decent working conditions and international standards. The protection of the environment and the climate is essential in the structure of all the fund's interventions, with priority given to small companies and projects which fall within the green economy sector. Accordingly, it couldn't support any harmful intervention to the environment in any project or business opportunity.



The Palestinian Employment Fund is currently working directly to support and finance local companies to develop products and production lines in the field of green economy, in addition to building their technical and administrative capabilities. It follows the method of collecting and exporting information through the knowledge management application with stakeholders and beneficiaries and seeks to issue scientific papers and publish the experience locally, and benefit from them in the Fund's future interventions. The green economy work falls through logically sequenced stages to design the most relevant intervention to ensure effective financing in the right way.



Through the transition to a green economy, the Fund encourages the creation of more job opportunities, maintains the sustainability of resources, and contributes to the negative mitigating environmental impacts, global warming, and carbon emissions, in addition to increasing the efficiency of the resources used, thus reducing costs, and increasing profits, also supporting the achievement of sustainable development and development goals in Palestine. The Fund develops evidence and references which document the principles and bases of the green economy implementation in the Fund's various interventions. Also, the fund seeks to develop a guide for policies and procedures during the current year, to protect the environment and should take climate change into account in the structure of interventions.



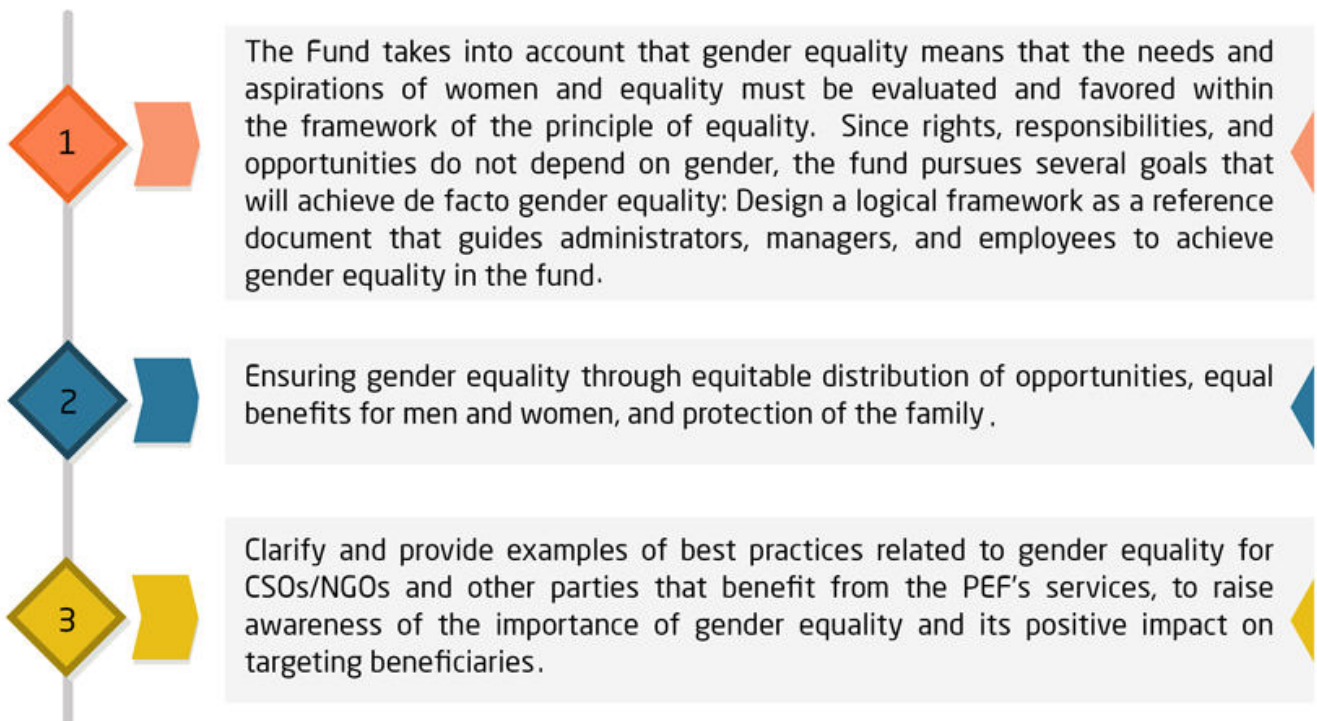
Greenhouse project



Hydroponics and Recycling project

12. Gender Equality

The gender equality policy stipulated by the Palestinian government is the foundation on which PEF based its objectives to promote gender equality. This policy defines the expected standards of performance and the regulatory mechanisms that help achieve the desired results. PEF works in all governorates to address the challenges facing women at work, with the aim of developing social and economic policies that promote gender equality and equal opportunities.



52% of the total beneficiaries in 2021 are females. It demonstrates PEF's commitment and direction to enhance women's participation in the labor market.



of the training beneficiaries are female



of the paid training beneficiaries are female

13. Marginalized and Vulnerable Groups

The PEF puts marginalized groups at the top of its priorities within the employment programs and projects that target all development and emergency interventions, and it seeks to focus on them and expand the circle of benefit from them by influencing policies. The fund seeks to provide social protection for the poor and marginalized groups and to empower them in society. The percentage of people with disabilities who benefited from different projects is over 6%. The PEF focuses on the most marginalized groups of women, as they obtain the highest scores in the assessment of social status. The projects also attract women deprived of education by integrating them into paid training programs and micro-enterprises. Social and economic vulnerabilities are also considered in temporary and paid employment projects, categorized as emergency responses, and priority is given to marginalized groups in all cases of emergency, relief, and temporary interventions.

The PEF provides tools within the code of conduct to protection for marginalized, vulnerable, and vulnerable groups, and employees participate in activities and training events and build capacity in developing mechanisms to deal with them, in addition to providing easy and quick communication channels to receive and follow up on complaints and grievances, and to study and evaluate all risks to which it is exposed. Categories within the various interventions to reduce their negative impact, as the Code of Conduct is an organizational and standard tool to achieve best practices within the fund through the principles and standards of work ethics in the financial, administrative, technical, and behavioral aspects. This is reflected positively in creating an environment based on professional and ethical dealings, raising the level of performance, increasing effectiveness, and achieving social, economic, and political development.

The operational program includes targeting marginalized groups of the poor and low-income individuals and families, which helps to provide a decent environment and improve the level of income relevant to the surrounding social level, in addition to targeting marginalized areas in the camps. Valleys, border areas, and areas are affected by the continuous aggression and invasions, whether in the agricultural or industrial sector.

14. Digitalization of PEF's Operations and Services

In 2021, PEF has completed digitalization of its services on both levels: internally to enhance efficiency of operations and management, and externally to further facilitate its services to beneficiaries. Internally, PEF completed Project Information Management System which allows for better data storage and analysis, thus enhancing PEF's operations. Externally, PEF enhanced electronic tools to better reach target groups, while maintaining transparency and integrity in selection processes and in service provision.

A- PEF's e-Portal

It is an electronic portal that enables (1) job seekers to obtain an electronic identity that qualifies them to obtain job opportunities and (2) alignment /matching of available specialization required by employers with future employees possessing required skills. The portal is PEF's external tool used primarily by employers and job seekers. PEF ensures the highest standards of integrity and transparency in the selection process for job seekers from the beginning of the portal establishment. In 2021, 174,571 job seekers were registered as users on the portal; 1,233 companies or institutions registered; and 1964 job opportunities have been announced. In total, over 4,000 opportunities (paid jobs, paid internships) have been made available using this portal.

B- Management Services

PEF's decision to further improve its internal operations to better service its external beneficiaries was needed given PEF's rapid growth. Firstly, financial management and accounting mechanism was improved by Bisan Technologies and it is now at the highest level. Secondly, with funds from the Start-Up Program, Palestinian Employment Fund has completed its human resources management system, which will further assist in hiring and training highly qualified staff.

C- Complaints, Redress, and Grievance



This important aspect of PEF's operations was further digitized and its process enhanced. The complaints systems present on PEF's website, was improved to be in accordance with the Palestinian Law of Complaints and Inquiries. Last year, the system received over 2500 inquiries and 64 complaints.

All inquiries and complaints were addressed by a specifically designated team at PEF, and have been resolved amicably. The persons filing complaints expressed their satisfaction with the manner they were approached. PEF considers their satisfaction as a positive indicator.



**Chapter I:
About Palestinian
Employment Fund (PEF)**

15- Strategic Objectives

PEF continued to implement interventions and projects, which helped it achieve its strategic directions and programs that fall within the national strategic directions. This chapter explains PEF's interventions, programs, and projects that were implemented during this year, as each of these interventions falls within a specific strategic objective of the PEF.

First Objective: Policy Advice



To promote comprehensive and feasible national policies for employment and decent work

Second Objective :Self-employment



Increasing jobs for young men and women, unskilled workers, and craftsmen in the business sector

Third Objective: Skilling and Qualifying



To enhance the professionalism and competitiveness of male and female graduates and unskilled workers in a manner that suits the needs of the local and external labor market and business development

Fourth Objective: Emergency Response



To increase the readiness of Palestinian institutions to take care of employment issues in local development projects, infrastructure, and emergency response



16-The first Strategic Objective: Policy Advice

The PEF worked to provide the supported advice by facts and evidence to the decision-makers in the relevant national and international organizations and bodies in the employment sector. PEF developed a basket of interventions in the field of research, studies, and related knowledge in national policies and legislation including employment, which ensures the protection of all Palestinian employees, whether in the local labor market or outside labor markets, as well as to promote the employment market for young men and women locally and in the Arab world.

The achievements of strategic objective

Social Dialogue: The Fund contributed to the development of the necessary studies, statistics, and facts through the activities of the current projects and agreements with donors. The Fund had a contribution to the “First National Conference for Social Dialogue” through hosting the conference in the Gaza Strip during the first half of 2021.

Studies on the labor market: Within the project “Job Creation Opportunities for Young Women in Gaza Strip in the Vocational and Technical Education and Training Sector” an exploratory study was developed to assess the needs of local market in the area of vocational and technical specializations. The study of the labor market highlights the needed skills, competencies, specializations, and human resources in the labour market, in addition to identifying potential sectors for job creation and employment.

National Plans: PEF has participated in the development and review of the labor sector plan in partnership with the Ministry of Labor and relevant stakeholders. In addition, PEF implements the interventions that are the government’s priorities in the employment, the promising sectors, and clusters, which were issued by the Palestinian Council of Ministers in 2021 and directs the interventions towards their implementation through its membership in the implementation follow-up committee of the National Employment Plan.

Matching between Demand and Supply: PEF organized discussion sessions between the private sector, higher education institutions, and ministries about education outputs and labor market needs including the projects it is implementing which aim to reflect labor market needs for the skills and competencies needed to enhance graduates’ entry to the labor market and obtain sustainable job opportunities.

Regional and International Cooperation: PEF has participated in many activities on the regional and international level, including workshops with the Union for the Mediterranean (UFM), the European Union, German cooperation (GIZ), the World Bank, German Development Bank (KfW), and participated in the Turkish-Palestinian Youth Forum.

Reconstruction: The Fund prepared a plan in response to the repercussions of the last Israeli aggression on the Gaza Strip.



Discussion sessions between the private sector and higher education institutions



Discussion sessions between the private sector and higher education institutions

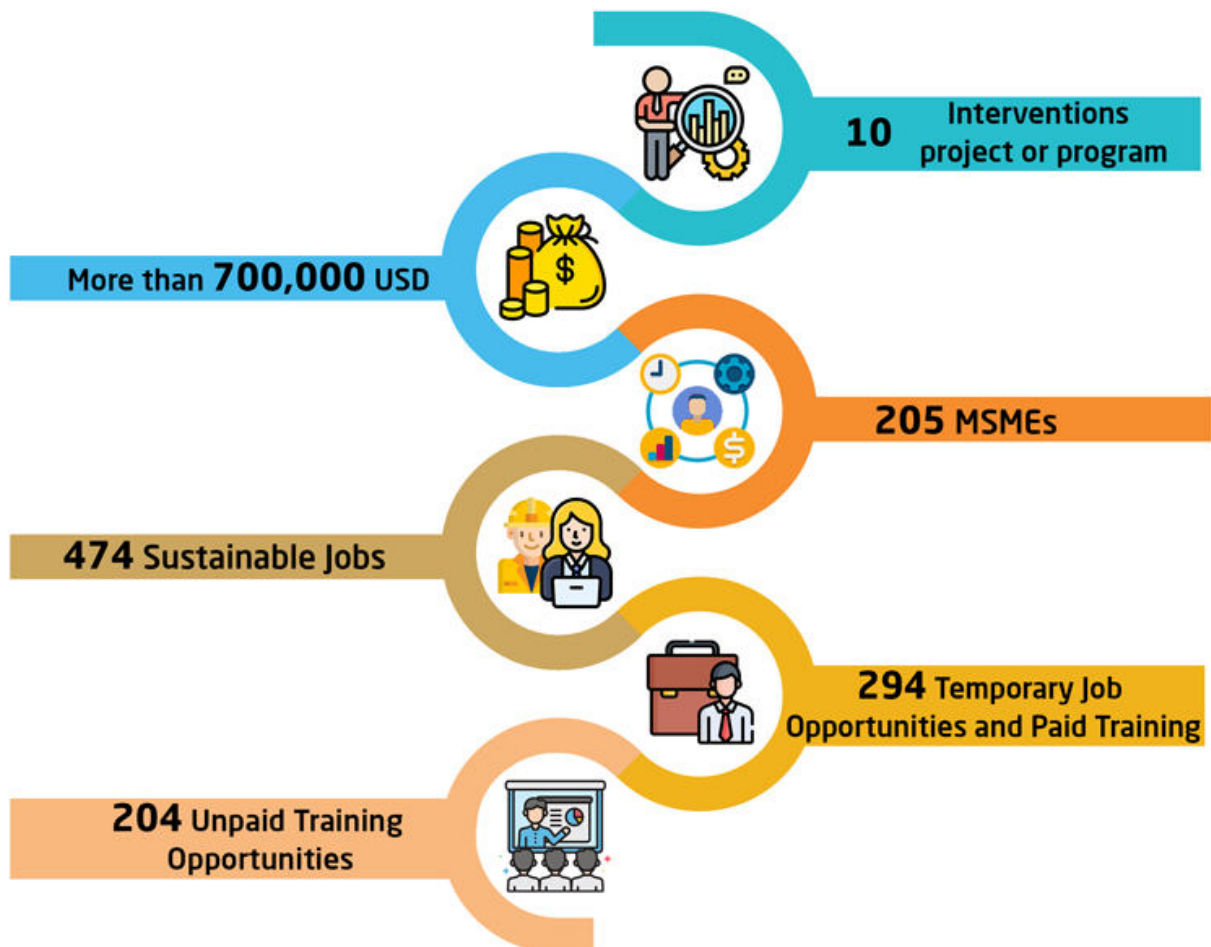
17-The second Strategic Objective: Business Development (Self-Employment and Small Business)

PEF aimed to increase jobs in the business sector by (1) providing financial support through several financing portfolios, soft loans or grants, and (2) offering a package of business development services to entrepreneurs heading for the PEF in order to obtain financing or to develop their capabilities in the field of business, or develop their existing projects through training, accompaniment, and technical, legal, financial, organizational advice from searching for an idea until the marketing the product or service. PEF provided the business development services directly through a specialized work team at its main headquarters in Ramallah and Gaza, or through field coordinators in all Palestinian governorates.

The achievements of strategic objective:

In 2021, PEF completed the implementation of several projects within the business development goal, which include interventions in all Palestinian territories, especially border and marginalized areas. Most of the interventions included supporting the establishment of new MSMEs or supporting existing projects with the aim of developing and expanding them to accommodate a larger number of employees, which in turn creates sustainable job opportunities.

PFE achieved the following achievements this year:



i. Start-Up Palestine Project

About the program

The program aims to provide soft loan portfolios for marginalized groups and indirect financing to establish and support viable projects through lending institutions, which in turn enhance the operational capacity of MSMEs and create sustainable job opportunities.

 **Donor:** Italian Agency for Development Cooperation (AICS)

 **Target Geographic Area:** All governorates of the country



Projects that fall within the program: (Lending Portfolios)

- 1-Mostaqbalna Project
- 2-Youth Competitions Project
- 3-Islamic Murabaha Project
- 4-Support Budget Fund

Achievements in 2021:

- Approximately 2000 MSMEs have received support and have been established in all governorates of the country.
- Over 400 micro projects have been selected to receive funding worth the amount of 10 million EUR in 2022.

ii. Mostaqbalna Project

About the project :

This program falls within the Italian project START UP - Palestine, which aims to increase opportunities for self-employment and promote a culture of production and entrepreneurship for marginalized groups and disabilities people by providing interest-free credit facilities to help them establish MSMEs.

 **Donor:** Italian Agency for Development Cooperation (AICS)



Partner:

ACAD Foundation for Finance and Development (ACAD)

Bethlehem Arab Association for the Rehabilitation of the Handicapped (BASR)

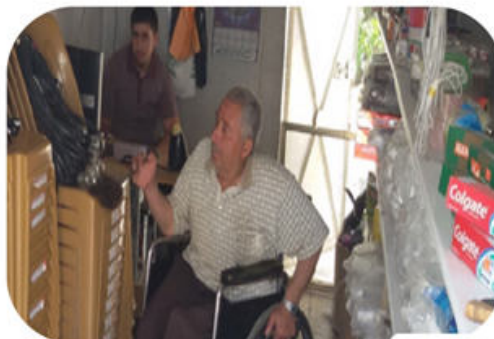


Target geographic area: West Bank governorates (Bethlehem, Hebron, Jenin, Jericho and Nablus)



Achievements in 2021

- About 60 preliminary economic feasibility studies were prepared for young people seeking to establish MSMEs.
- Funding loans were provided to 20 beneficiaries with a total amount of 89,500 USD.



One of the project beneficiaries


iii. Youth Competitions Project

About the program:

This program falls within the Italian project START-UP - Palestine, which aims at supporting the establishment of income-generating projects, by providing zero loans of the winning projects and distinguished projects in the competition, also creating new job opportunities for young entrepreneurs and owners of MSMEs and employing the unemployed people to increase jobs and self-promoting a culture of production and entrepreneurship.

 **Donor:** Italian Agency for Development Cooperation (AICS)

 **Partner :** Palestinian Banking Corporation - Local Operating Councils

 **Target geographic area:** West Bank governorates (Bethlehem, Al-Bireh, and Nablus)



Achievements in 2021:

- Funding loans were provided to 22 beneficiaries with a total amount of 256,800 USD.
- Many of the training sessions were carried out in the field of capacity building, entrepreneurship, and how to start a small business, in addition to various life skills training.
- 10 preliminary economic feasibility studies have been prepared for the project beneficiaries.
- 10 financial, legal, and marketing consultations were provided for young entrepreneurs.



Graduation ceremony for the youth participating in the training program within the project's activities

iv. Murabaha Islamic Project

About the program:

The program aims to expand the operational capacity of existing small and medium companies, to address the need of vulnerable groups, and to finance small and medium entrepreneurship initiatives with the aim of promoting job opportunities by financing projects through Murabaha Islamic way in accordance with Islamic law that meets the needs and requirements of clients.

 **Donor:** Italian Agency for Development Cooperation (AICS)

 **Partner :** Palestinian Banking Corporation

 **Target geographic area:** West Bank governorates and Gaza Strip



Achievements in 2021:

- Funding loans were provided to 11 beneficiaries with a total amount of 86,400 USD •



Field visits to follow-up of MSMEs that were funded within the program

v. PEF's Capacities to Provide Businesses Service

About the project:

This project falls within the START-UP Palestine program concerning the fund's capacity building and enhancement project, which consists of four main sections: supporting the fund's human resources capabilities, providing technical advisory services, supporting the promotional activities of the START-UP program, and the latter covered the fund's administrative expenses.

 **Donor:** Italian Agency for Development Cooperation (AICS)

 **Target geographic area:** West Bank governorates and Gaza Strip



Achievements in 2021:

- Providing technical support, business services, and consulting services to 260 beneficiaries to develop their ideas and prepare preliminary economic feasibility studies.
- 16 projects eligible for financing were evaluated and selected from within the project.
- Completing and auditing feasibility studies for eligible projects.
- 80 follow-up visits to beneficiaries were implemented within the STARTUP Palestine program in general.



MSMEs that were funded within the STARTUP program



Field visits to follow-up of MSMEs that were funded within the STARTUP program

vi. Mashro'ak Project

About the program :

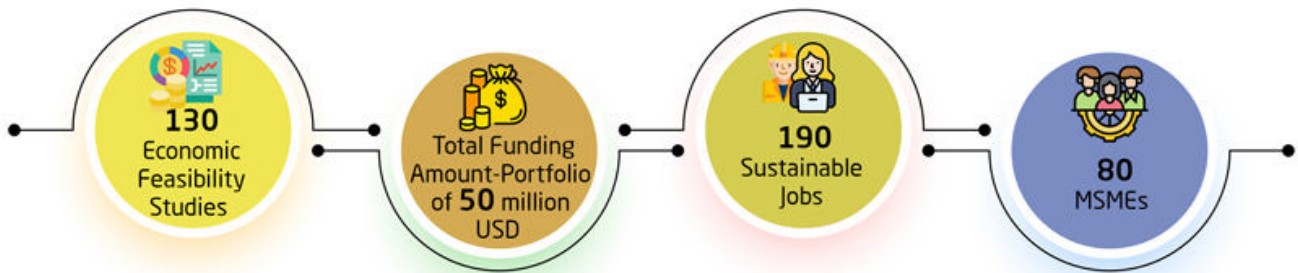
This project aims to finance the establishment of small and micro projects for graduates, unemployed youth, and people with entrepreneurial ideas in order to establish income-generating development projects through soft loans, low-interest rates, and a grace period after studying it and submitting to the Unified Employment Offices of the Employment Fund in all governorates.



Partner: Palestinian Government in partnership with Ministry of Labor



Target geographic area: All Palestinian Governorates



Achievements in 2021:

- Funding loans were provided to 80 beneficiaries with a total amount of 746,230 USD.
- About 130 preliminary economic feasibility studies have been prepared for the project beneficiaries.
- About 130 financial, legal, and marketing consultations were provided for young entrepreneurs.

Challenges or Obstacles :

- Decreased rate of loan provision due to repeated closures caused by the COVID-19.
- The credit decision in the Bank of Palestine follows new strict policies based on the existing economic situation and the high level of risk.



One of the beneficiaries' project



The ad for a project which was implemented in partnership with the employment offices in the Ministry of Labor

vii. Employment Generation for Young Gazan Women

About the project:

The project aims to increase the access of 100 unemployed young women to the local labor market by enhancing and developing their skills to meet the requirements of the labor market, through a series of training courses in various skills (most importantly life skills, technical skills of the professional specialization, and business skills) and on the process of starting small employment projects, to enable them to get a salary-job or by becoming an entrepreneur.

Donor: The Japanese government in partnership with the United Nations Development Program - UNDP's Program of Assistance to the Palestinian People (UNDP/PAPP)

Target geographic area: Gaza Strip Governorates



Achievements in 2021:

- Implementation of a training program of 1,019 training hours for 96 young women beneficiaries of seven vocational and technical specializations in partnership with vocational education and training centers and Palestine Technical College
- Implementation of 83 preliminary economic feasibility studies for beneficiaries' projects and determining the required value for financing.
- Project evaluation and feasibility studies through the Business Services Department are based on the clarity of the project idea, the possibility of project expansion, the level of profitability, opportunities for the project to spread, and its stability in the market in light of the competition in the field.
- Financing 31 MSMEs and providing 41 sustainable job opportunities.



One of the winners during the winning businesses exhibition



Part of the practical training in the labor market - sewing specialty

viii. An Innovative Approach to Secure the Long-Term Survival of Vulnerable Target Groups in the Labor Market through Home-Based Self-Employment

About the project:

The project aims to enhance access to the labor market for unemployed women and youth from marginalized groups by supporting self-employment through entrepreneurship projects from home, in the governorates of Hebron, Bethlehem, and Jerusalem, by supporting the establishment of 20 small home-based projects that provide a source of income and a job opportunity.

 **Donor:** The German Federal Ministry for Economic Cooperation (BMZ) through the German Development Agency (GIZ) via the Program Access to the Labor Market (PALM)

 **Target geographic area:** West Bank Governorates (Hebron, Bethlehem and Jerusalem)



Achievements in 2021:

- Funding 20 small home-based projects for youth through the purchase of machinery, equipment, and raw materials.
- Providing the technical support for 20 beneficiaries, as the Fund's work team carried out 26 training hours of personal skills.
- The 20 beneficiaries' needs for the projects have been identified in terms of equipment and materials needed to start and develop the project based on a work plan.
- The two-day workshop was held for the concerned beneficiaries on food manufacturing standards and health safety, in cooperation with the Palestinian Standards and Metrology Institution.
- Providing specialized mentors in the field of work of each project and providing 24 hours of training and guidance related to the project operations initiative.



One of the beneficiaries' project
Hebron Governorate



One of the beneficiaries' project
Jerusalem Governorate

ix. Peace Steps Project

About the project :

The project aims to promote comprehensive and sustainable economic and social growth in the Bedouin Palestinian communities. One of the most important results of the project is the dissemination and promotion of economic practices within frameworks of social solidarity and economic integration, in order to ensure job opportunities and achieve sustainable, comprehensive, and equitable economic development for youth and women in marginalized Bedouin societies of Area C. This was achieved by supporting the establishment and development of 43 economic institutions of a social nature and providing grants to 20 grassroots institutions.

 **Donor:** Italian Agency for Development Cooperation (AICS)

 **Partner:** Vento Di Terra Foundation

 **Target geographic area:** West Bank governorates (Bethlehem, Hebron, Jenin, Jericho and Nablus)



Achievements in 2021:

- Providing grants to 20 grassroots institutions.
- Establishment and development of 43 economic institutions of a social nature.
- Implementing training through the Technical Services Department for four beneficiary associations in the West Bank in the field of management, marketing and fundraising for MSMEs to ensure the sustainability of their MSMEs. Providing training in the management and marketing of tourism services.
- Field follow-up with economic institutions of a social nature benefiting from the capacity-building program in the Gaza Strip to measure the impact of the interventions, including farmers, the Palestinian Women Development Association (Gaza Gelati Project) and the Zeina Association for Women.



SAHARI Tourism project was funded in the West Bank





A part of the activities of one of the beneficiary associations in the Gaza Strip (Al-Galateria - Shushiala)

x. Green Hope Project

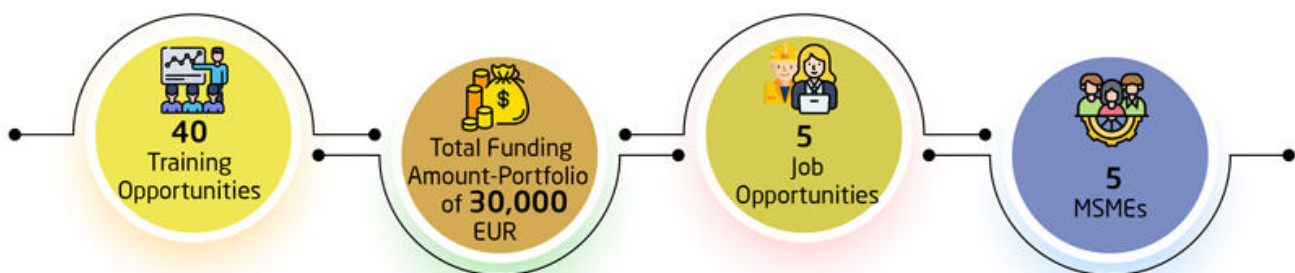
About the project:

The project aims to support the steadfastness of the residents of the economically targeted popular areas in Gaza (Al Nada Towers, Al Ezba, and Al Awda Towers) and focus on their social integration, security, and sustainability in the development of popular areas, with the aim of improving the economic situation of the area's residents through the development of income-generating projects through the provision of a program training for 40 beneficiaries and financial grants for 5 of them .

 **Donor:** Italian Agency for Development Cooperation (AICS) through the Association for Cooperation and Solidarity (ACS)

 **Partner:** Union of Agricultural Work Committees - Aisha Association for Women and Children
CISS-studio Azue Association

 **Target geographic area:** North Gaza Governorate



Achievements in 2021:

- Implementation of training for 40 beneficiaries in the field of entrepreneurship, how to set up MSMEs, marketing basics, and life and administrative skills to start a small business.
- Evaluating the beneficiaries according to specific criteria and selecting five beneficiary projects that are candidates for obtaining the financial grant and funding.
- Preparations have been made for the supply and launch of small sales corners (kiosks) for the grant winners.
- Funding was provided in the form of materials, equipment, and devices to five beneficiaries in the form of non-refundable grants.



supply of MSMEs for grant recipients in the project



Interview sessions to select the beneficiaries of the project

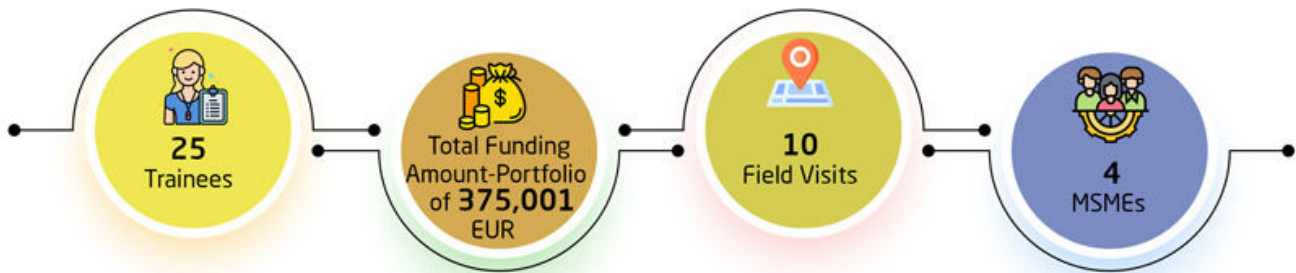
xi. Capacity Enhancement for MSMEs and Seed-Funding for Innovative Ideas in the Green Economy Project

About the project:

The project aims to enhance the capabilities of small companies and fund creative ideas in the green economy to enhance their technical capabilities and business skills. Businesses operating in the field of improving access to drinking water, the environment, alternative energy sources, and recycling will receive technical and financial support to market innovative green solutions in the local market and to develop these ideas to achieve viable and marketable businesses and to upscale existing businesses.

Donor: The German Federal Ministry for Economic Cooperation (BMZ) through GIZ through the Gaza Strip Population Stabilization Support Program (GRP)

Target geographic area: Gaza Strip Governorates



Achievements in 2021:

- Implementation of a participatory field evaluation for the four beneficiary companies. During evaluation, PEF interviewed companies, inspected the worksites, and identified the nature of the project, and collected field data on 5 basic elements: management and leadership in the company, human resources management, business development, public relations, and financial management.
- Training the four companies on preparing a risk management plan and working on preparing plans for each company, as these plans will be part of the project's risk plan.
- About 40 job opportunities have been provided through the project.



Part of the evaluation sessions with the beneficiary companies



Signing the agreement and launching the project

18-The third Strategic Objective: Acquire Experience (Skilling and Qualifying)

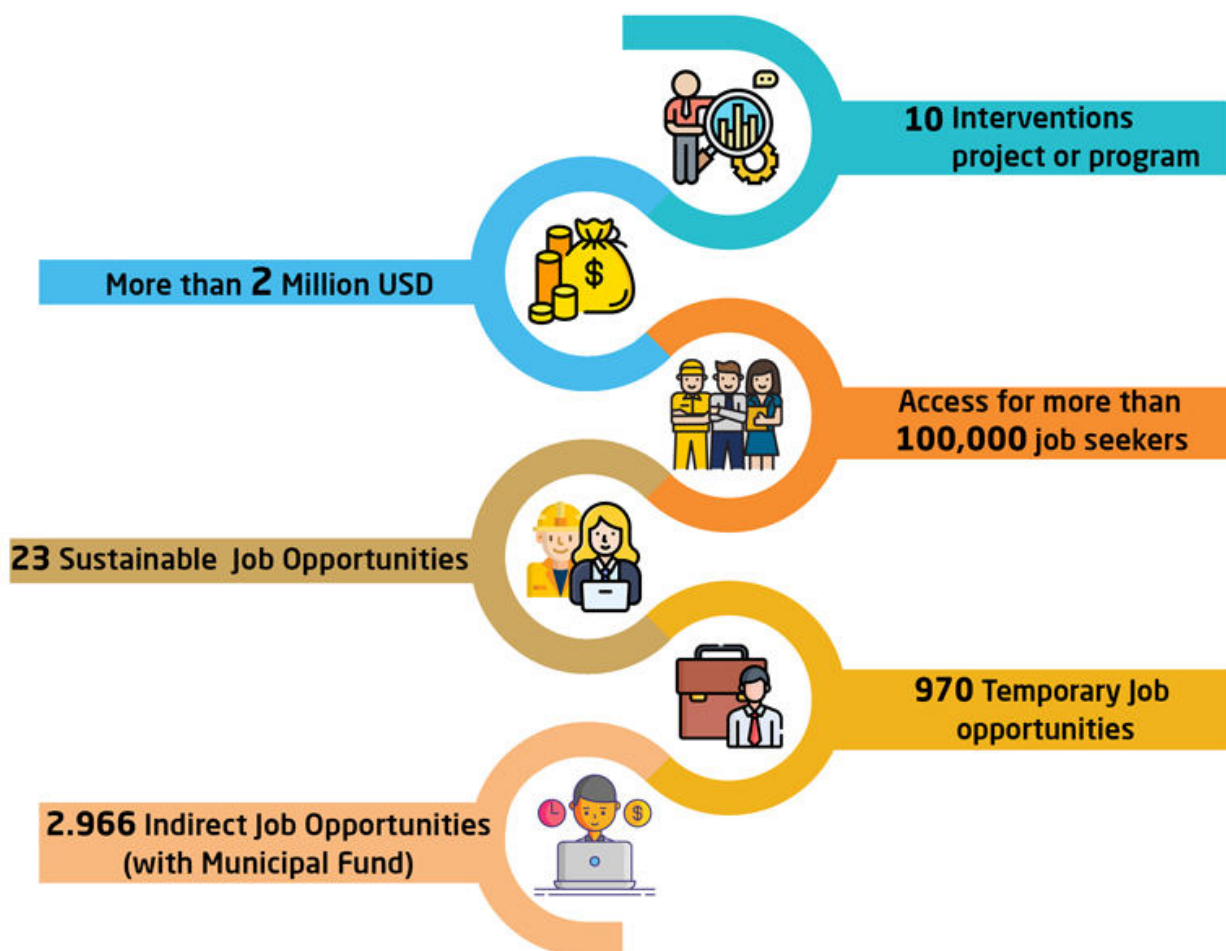
The PEF works to provide a package of interventions that include the necessary training to qualify young people and graduates through specialized professional training and on-the-job training for specific economic sectors, in addition to life and personal skills aimed at enhancing their access to the labor market. Through a partnership with local authorities, public sector institutions and the private sector, in order to achieve development goals and create job opportunities at the same time in areas that suffer from high unemployment rates among young people and workers.

The PEF focuses on supporting temporary employment programs for graduates in companies and institutions that have the potential for future employment and encouraging vocational training, remote employment, and employment, especially in the fields of engineering, technology, and communication.

The achievements of the strategic objective

During 2021, the Fund implemented projects and activities within the objective of gaining expertise, which included interventions in the field of cash-for-work and temporary employment either directly by the Fund, or by providing sub-grants to NGOs. In addition, PEF implemented interventions aimed at qualifying graduates and building their capabilities in order to enhance their entry into the labor market and provide paid on-the-job training opportunities in private sector institutions/companies.

The most significant achievements of PEF



i. Internship and Job-Coaching Program for Unemployed Graduates from HE and TVET Institutions in West Bank, Jerusalem, and Gaza Strip

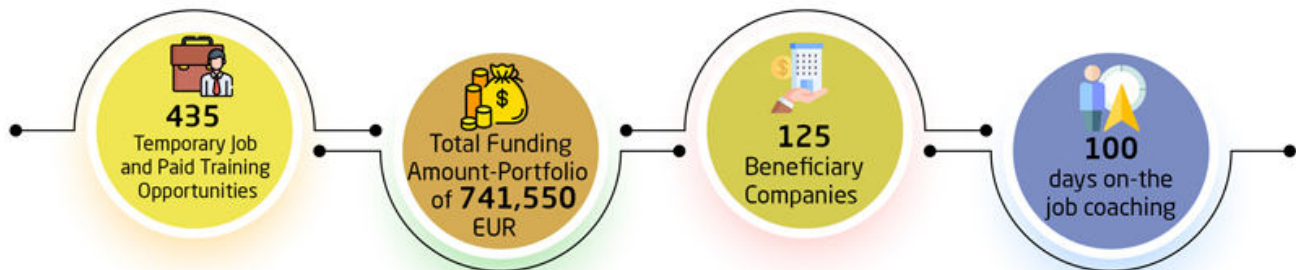
About the project :

The project goal was to facilitate the integration of young job seekers and graduates of universities and technical education and vocational training institutions into the labor market through on-the-job training. The program trained and qualified 435 graduates looking for work through short-term, paid training within private sector companies and institutions, as well as provided training for trainees in the workplace in the field of management, life, and personal skills.

Donor: The German Federal Ministry for Economic Cooperation (BMZ) Giz through the Program for Access to the Labor Market (PALM)

Partner: Ministry of Labor

Target geographic area: Governorates of the West Bank, Jerusalem and the Gaza Strip

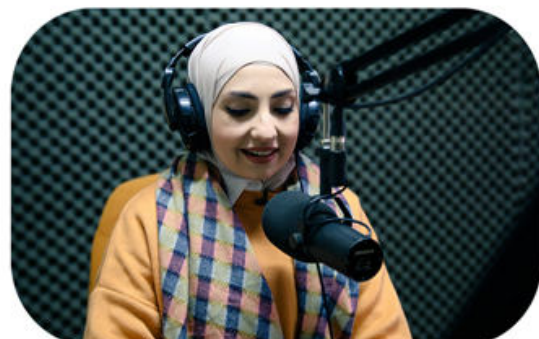


Achievements in 2021:

- Preparing a methodology to reach companies and stakeholders from the public and private sectors.
- Holding introductory meetings about the project in the West Bank with the Association of Banks, the Federation of Chambers of Commerce, and the Federation of Insurance Companies, and in the Gaza Strip with the General Federation of Palestinian Industries and the Office of the Federation of Palestinian Chambers of Commerce and private sector umbrellas.
- Completing round-table discussions between the private sector and the education sector (Ministry of Education), contracting with trainers, and supplying media and stationery materials.
- 435 paid on-the-job training opportunities were provided to promote the entry of young people into the labor market
- At least 100 orientation days were carried out for the beneficiaries of the project and no less than 200 field visits were carried out



One of the beneficiaries' TAMHIR project



One of the beneficiaries' TAMHIR project

ii. Phase II: Path to Economic Recovery: Facilitating Decent Jobs in the Gaza Strip (C4W) Project

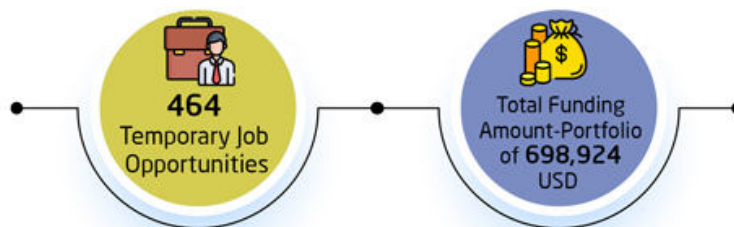
About the project:

The project main goal was to provide temporary job opportunities for 325 beneficiaries for a period between 3-6 months. Secondary goals were limiting the spread of the COVID-19 epidemic by taking precautionary measures to preserve public health, and provision of basic services for cleaning, sterilization, and disinfection of public utilities in cooperation with local authorities. launch of intensive awareness programs, and safe disposal of waste materials in health detention centers in accordance with the standards of the World Health Organization.

Donor: The Norwegian Government in partnership with the United Nations Development Program - UNDP's Program of Assistance to the Palestinian People (UNDP/PAPP)

Partner: Ministry of Labor

Target Geographic Area: Gaza Strip Governorates



Achievements in 2021:

- 14 operators selected, in addition to several hosts, based on the interventions.
- Candidates sorted according to specific criteria, examined by the relevant authorities, subsequently interviewed in the hosting institutions.
- 464 beneficiaries employed with the operating agencies; five beneficiaries were appointed as project supervisors.
- Field follow-up and follow-up of workflow and achievement in activities.



One of the beneficiaries of the Temporary Job project



One of the beneficiaries of the Temporary Job project

iii. Enhance the Access to the Labor Market Project

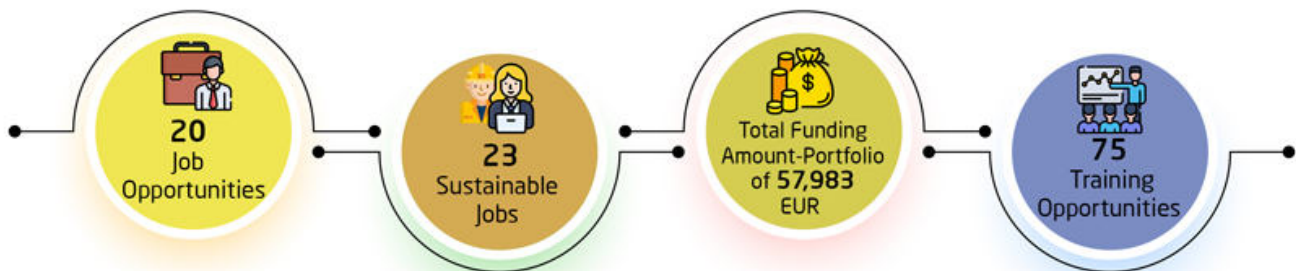
About the project :

The project aimed to enhance job opportunities for young men and women in the Gaza Strip by enhancing the access of 75 job seekers in three economic sectors (marketing and related disciplines, sterilizers industry, hydraulics and pneumatics) to the labor market, through a capacity-building training program consisting of theoretical exercises and practical (on the job) and enhance the necessary skills according to the needs of the labor market.

Donor: The German Federal Ministry for Economic Cooperation (BMZ) Giz / Program Access to the Labor Market (PALM)

Partner: Private sector umbrellas (specialized industrial associations, chambers of commerce)

Target geographic area: Gaza Strip Governorates



Achievements in 2021:

- 43 beneficiaries have access to the labor market.
- Implementation of the first training, which is life skills, with a total number of 105 training hours for the beneficiaries.
- Implementation of the second training, which is theoretical training with a total number of 135 training hours for the beneficiaries.
- Implementation of the third training, which is practical training with a total of 39 days of practical training that includes on-the-job guidance and counseling.
- The most important results were the arrival of 43 beneficiaries to the labor market (23 MSMEs/Sustainable jobs, 20 temporary jobs).



Practical training in the sterilizer sector



Practical training in the industrial sector

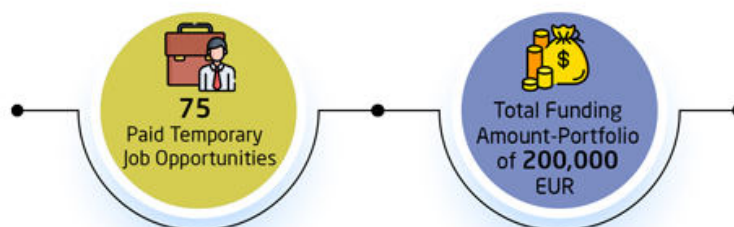
iv. First Employment Facility Project

About the project :

The project goal was to facilitate the access of graduates of higher education, vocational and technical education, and training to the labor market by developing an integrated training methodology based on harmonizing the skills of graduates to match the requirements of the labor market and raising the ability of graduates to compete and obtain job opportunities. The project targeted 75 graduates between 18-29 years who have never been employed.

 **Donor:** Belgian Development Agency - Enabel

 **Target geographic area:** West Bank Governorates



Achievements in 2021:

- Coordination meetings were held with partners and representatives of the private sector and the educational sector, where they were informed of the project plan.
- The basic structure of the methodology has been developed, its components have been identified, and the rest of them are developed.
- A workshop was held with the attendance of 85 participants, which included all relevant parties to review the needs and opinions of the different sectors to consider them during the development of the training methodology. The workshop included an introduction to the graduate training methodology through my first job project, followed by a dialogue session between representatives of the private sector and the educational sector, in addition to open dialogue with the participants.
- Work will continue to develop and update all parts of the methodology during the project implementation period based on the lessons learned to better suit the needs of companies and graduates, and to produce a final, integrated version at the end of the project.
- The project will be closed in August 2022.




Workshop linking the private sector and educational institutions

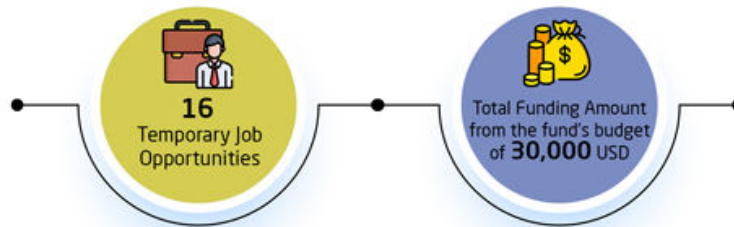
v. Job Creation Project

About the project :

The program goal was to build experience and build capacities within human resources development and create temporary job opportunities for new graduates to help them develop their skills, which would increase the graduates' chance of obtaining sustainable job opportunities. The project contributed to the development of the infrastructure of local community institutions to reach marginalized and disadvantaged groups and build their capacities.

 **Donor:** Self-financing from the PEF

 **Target geographic area:** Governorates of the West Bank, Jerusalem and the Gaza Strip



Achievements in 2021:

- Provision of temporary jobs for 16 beneficiaries who were hosted in a group of local national institutions for a period from 3 to 6 months and with a monthly salary not less than the minimum wage.



One of the beneficiaries - Job Creation Project

vi. Municipality Fund Programs for Labor-Intensive Projects to Improve Basic Services of Municipalities

About the program :

The program objective was to create temporary job opportunities that serve the population centers through labor-intensive projects implemented by the municipalities of the West Bank and the Gaza Strip, through the Development and Lending Fund for Local Authorities - within the framework of the Municipal Development Program, Phase III (MDPIII) in order to implement special projects to improve basic services for the municipalities.

 **Donor:** World Bank Financing, KfW, AFD

 **Partner:** The main outlet is the Municipal Credit and Development Fund

 **Target geographic area:** Governorates of the West Bank and Gaza Strip



Achievements in 2021:

- Providing temporary jobs for 2,966 job seekers in the West Bank and Gaza Strip,
- During the years 2020 and 2021, about 4,970 job opportunities were created through this program.



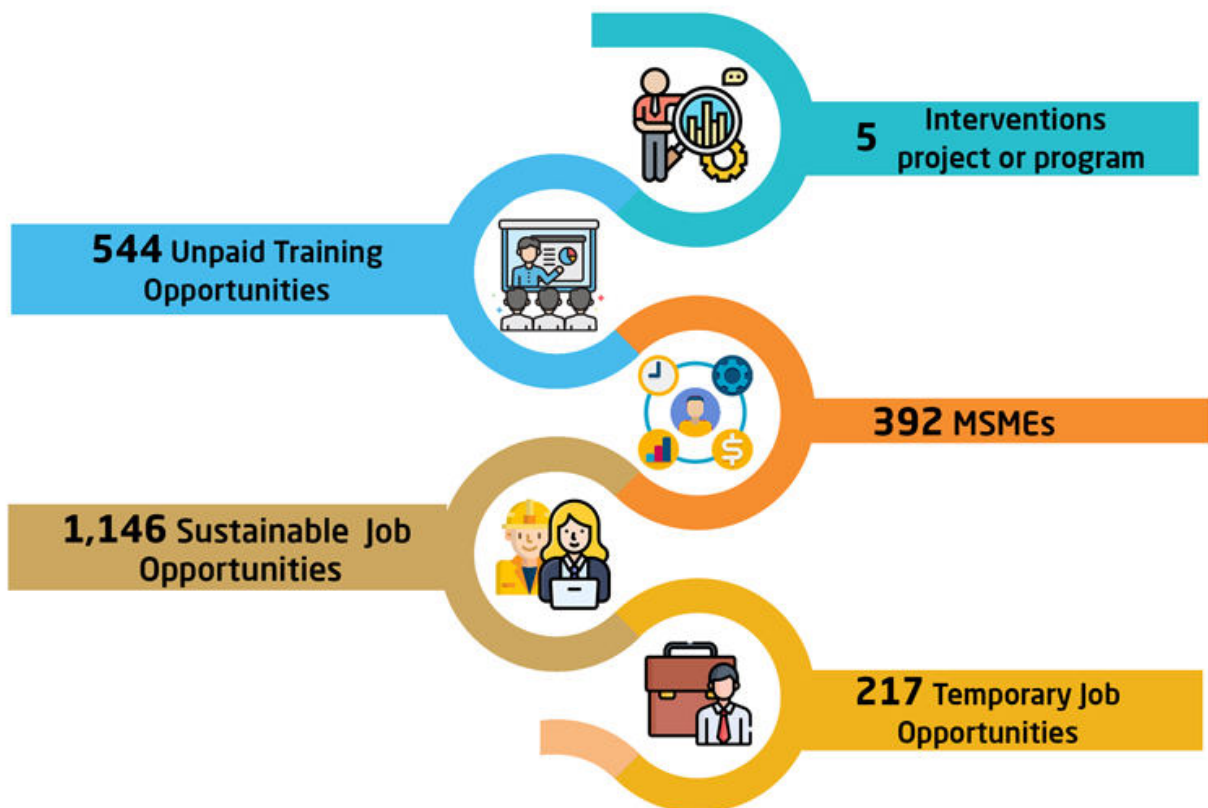
19-The fourth Strategic Objective: Emergency Response and Community Infrastructure

PEF aims to promote and support small, medium, and large projects in partnership with local authorities, public sector institutions and the private sector, in order to achieve development goals and simultaneously create temporary job opportunities in areas that suffer from high unemployment rates among youth and workers, especially in the Gaza Strip. The Fund focuses on determining the priority list for projects based on the number of working days provided by the project compared to the allocated budget. Priority has been given to projects related to the construction of buildings and facilities specialized in education and training and the provision of services to the youth and the unemployed. The fund worked to finance, facilitate and coordinate employment projects implemented by official institutions, civil society institutions and private sector institutions in emergencies that target marginalized areas.

The achievements of strategic objective:

Launched in 2020 due to the emergency declared in the Palestinian Territories as a result of the outbreak of the COVID-19 pandemic, the program implemented interventions according to the emergency response plan announced by the Palestinian government. In 2021, the Fund completed the implementation of projects and activities which included interventions in the agriculture and food security sector, support to existing projects in order to enhance their resilience in the face of the pandemic, and to provide financing portfolios and emergency lending.


PFE achieved the following in 2021:




i. West Bank Emergency Social Protection Project (Cash for work)

About the project :

Designed in response to the outbreak of the COVID-19 pandemic in the West Bank, the project aimed to improve the provision of services in the health, education, social services, and livelihoods sectors for marginalized groups in the West Bank, by providing 3,940 temporary jobs for the unemployed and those affected by the -pandemic. Sub-grants were provided to NGOs to carry out the operation and follow-up process for the beneficiaries of the project. The role of the fund was to provide direct management and supervision of projects implemented by NGOs.

 **Donor:** The World Bank through the Ministry of Finance

 **Partner:** Ministry of Labor

 **Target geographic area:** Governorates of the West Bank and Jerusalem



Achievements in 2021:

- Project procedures manual developed and approved by all partners and related parties.
- Information sharing sessions and workshops implemented for NGOs wishing to obtain a sub-grant to implement cash-for-work projects in the West Bank.
- Grant application and guidelines for applying for the grant developed.
- Initial evaluation process carried out to examine the eligibility of NGOs to obtain funding Detailed evaluation and study of the project proposals of eligible institutions carried out.
- Meetings with the Ministry of Finance held to discuss and approve the results of the evaluation.
- 19 NGOs nominated for the sub-grant.



Periodic meetings between PEF team and the Ministry of Finance to follow up on the work

ii. SOMOUD Program

About the program:

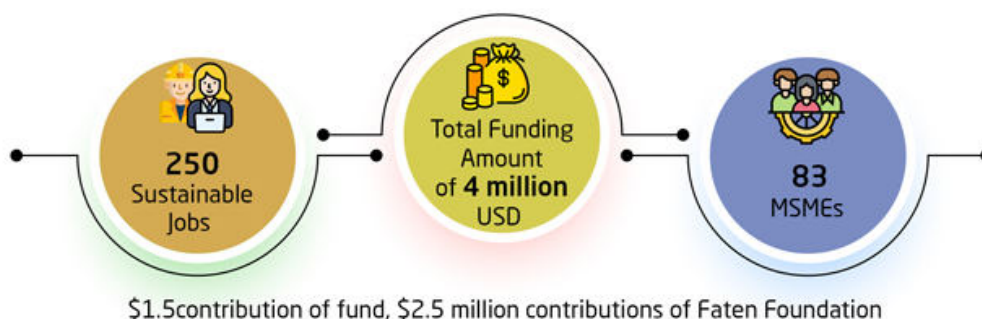
The outbreak of the Covid-19 pandemic came unexpectedly and surprisingly in the world, prompting the Palestinian government to take unprecedented measures to contain the spread of the virus. To meet this challenge, the Palestinian Employment Fund supported the Ministry of Labor in developing an emergency response plan that included the development of mechanisms and interventions to contribute to alleviating the negative effects of the continuation of the pandemic and its impact on the closure of many economic facilities, and alleviating unemployment on workers

Designed in May 2020, the project was an emergency lending project aimed at supporting establishments affected by the spread of the pandemic by granting low-interest loans without commissions or fees.

 **Donor:** Italian Agency for Development Cooperation (AICS)

 **Partner:** Ministry of Labor / Palestinian Institution for Credit and Development (Faten)

 **Target geographic area:** All governorates in the Palestinian territories



Achievements in 2021:

- Funding loans were provided to 83 beneficiaries with a total amount of \$1,102,207.

Challenges or Obstacles:

- The credit approvals carried out solely by the Faten Foundation were based on new policies reflecting the difficult economic situation and increased risk levels, and therefore were not very inclusive.



Pictures of field visits to one of the beneficiaries' programs- restaurant project - West Bank governorates

iii. Supporting Resilience of Palestinian MSMEs affected by the COVID-19

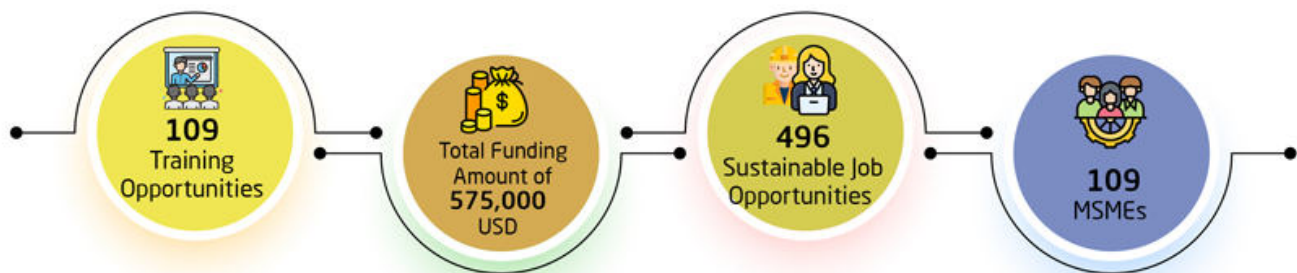
About the project :

The project goal was to enhance the resilience and to support the recovery of small and micro companies in the main economic sectors affected by the COVID-19 pandemic in the West Bank, Gaza Strip and Jerusalem through provision of technical and financial support, while ensuring compliance with safety and public health measures to prevent the spread of the virus.

Donor: The Japanese government in partnership with the United Nations Development Program - UNDP's Program of Assistance to the Palestinian People (UNDP/PAPP)

Partner: Ministry of Labor

Target geographic area: Governorates of the West Bank, Jerusalem and the Gaza Strip



Achievements in 2021:

- Funding provided to 190 beneficiary projects.
- Technical support provided on how to improve business plans and how to use the grant effectively through field visits and phone calls.
- Implementation of technical training (in person and through the Zoom program) for most of the beneficiaries of the project.
- PEF project teams carried out follow-up field visits to ensure that the MSMEs projects were implemented according to their plans.



Visits of the Fund's staff and the donor to the beneficiary projects, Gaza Strip



Workshops for Beneficiaries projects, West Bank

iv. Enhancing Local Food Security for Most Vulnerable Households Affected by COVID-19 across Gaza Strip

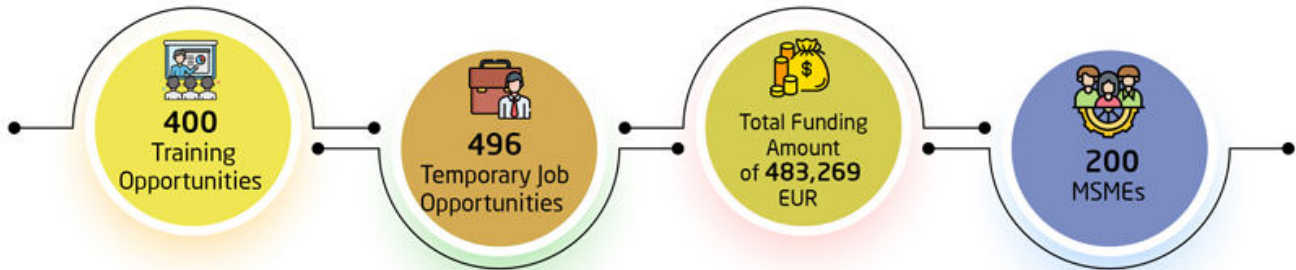
About the project :

The project goal was to address the immediate food needs and to enhance the resilience of the most vulnerable families affected by closures caused by COVID-19 pandemic in the Gaza Strip through the establishment of home-based agricultural projects for 200 vulnerable households. The secondary aim was to provide paid on-the-job training opportunities for several graduates in agricultural and related disciplines.

Donor: The German Federal Ministry for Economic Cooperation (BMZ) through GIZ / Gaza Strip Population Stabilization Support Program (GRP)

Partner: Ma'an Development Action Center

Target geographic area: Gaza Strip Governorates



Achievements in 2021:

- Supplying and installing home-based agricultural projects for 200 households of the project in all governorates of the sector, including fertilizers, pesticides, and protective equipment.
- Providing technical training in the field of agriculture and food production by the partner.
- Implementation of 800 agricultural guidance and direction visits, and follow-up and evaluation of beneficiaries by the partner.
- Implementation of training for 20 beneficiary projects in the field of business services to transform small household units into income-generating projects. 10 projects were nominated for financing from the lending portfolios of the Fund during the coming period.



One of the project beneficiaries developed the home agricultural unit into an income-generating project





A field visit from PEF staff accompanied with the donor to one of the azolla cultivation projects

v.Path to Economic Recovery: Facilitating Decent Jobs in the Gaza Strip (C4W)

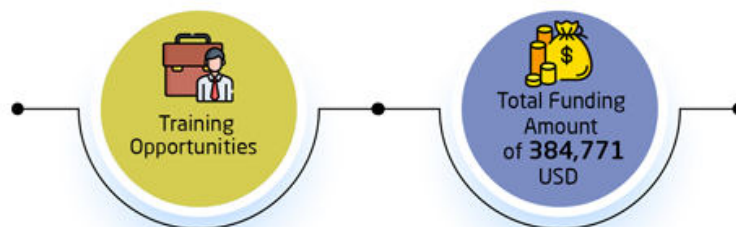
About the project :

The goals of the project were to provide temporary job opportunities for 200 beneficiaries and to contribute to limiting the spread of the COVID-19 epidemic by taking precautionary measures to preserve public health, such as providing basic services for cleaning, sterilization and disinfection of public facilities in cooperation with local authorities, and launching awareness programs and safe disposal of waste materials in health detention centers in accordance with the standards of the World Health Organization.

 **Donor:** GIZ in partnership with the United Nations Development Program - Program of Assistance to the Palestinian People (UNDP/PAPP)

 **Partner:** Ministry of Labor

 **Target geographic area :** Gaza Strip Governorates



Achievements in 2021:

- Choosing seven operators, in addition to several hosts, based on the interventions.
- Employing 202 beneficiaries with the operating agencies, five beneficiaries were appointed as project supervisors.



Part of the project's activities

vi. Supporting the MSMEs Affected by COVID-19 Project

About the project :

The project goal was to enable small and micro enterprises directly affected by the COVID-19 pandemic to access the financial liquidity to cover their emergency operating expenses and support working capital to continue their activities and maintain their work. In 2021, the project focused on agricultural sector, especially in the Jordan Valley, by supporting small farmers and owners of establishments, through financing 62 projects with low interest rates.


 **Donor:** Arab Fund for Economic and Social Development

 **Target geographic area:** Governorates of the West Bank and Gaza Strip



Achievements in 2021:

- Preparing the project's operational and operational plan and approving it by the donor.
- Preparing and approving methodologies for managing the financial portfolio technically by the Fund and monitoring and evaluation mechanisms.
- Preparing to contract with partner financing institutions to manage the financial portfolio with low interest rates, according to the procurement procedures.
- A tender was launched to select a micro-credit institution/bank to manage the financial portfolio, and Bank of Palestine was chosen to manage the portfolio .
- The financing agreement signed with Bank of Palestine in January 2022.



Chapter III
Challenges, Lessons
Learned and
Recommendations
and Success Stories

This chapter aims to disseminate PEF's successful experiences and best practices, to highlight the challenges that the Fund faced during the year, and to share the most important lessons learned while highlighting the most prominent stories of the year

20-Challenges

- The continuation of the COVID-19 pandemic and the precautionary measures to limit the spread of the pandemic constitute a major challenge in maintaining the operational capacity of companies and institutions in all sectors and constitute an obstacle to establishment and growth of MSMEs.
- The Israeli escalation on the Gaza Strip, the consequences of increased siege, and worsening the economic and social conditions of the residents of the Strip.
- Continuing the occupation policy, settlement expansion and the limited ability of Palestinians to work in Area C.
- The limited skill level of the local community, especially young people, in the direction of income generating projects and self-employment. The negative reputation of grant taking (inability to pay off the loans), fear and lack of knowledge about financial mechanisms and types of financing available.
- The conservative traditions imposing on women to stay home, thus impeding women's participation in the labor market.
- Weak infrastructure of national vocational and technical centers responsible for reskilling, which widens the gap between readiness level of the unemployed and the market needs of the private sector companies.
- Weak and dispersed funding, the multiplicity of agencies implementing the interventions, and the absence of a binding law to coordinate efforts and unify national references.
- The financial crises facing the government and the national treasury limit the volume and accessibility of support and assistance within national programs and plans. The lack of guarantees for loans and financing, the absence of social protection for borrowers to establish or develop their projects, and the insistence of micro-credit institutions to tighten requirements and types of credit decisions, which is a major challenge to the efforts made to encourage a culture of self-employment and the establishment of productive projects.
- The high rate of interest by lending institutions on loans that are provided to graduates and entrepreneurs.
- Weakness and dispersion of the environment for the development of businesses and MSMEs in Palestine, affect the continuity and sustainability of entrepreneurial and MSMEs in the difficult circumstances of the Palestinian economy.

21-Lessons Learned

- Palestinian youth, especially women, have hidden talents and aspirations, and often need support, encouragement, and opportunities to enter the labor market. Institutions facilitating entry to labor market should provide skills training, practical training as well as hands-on support to help bridge the gap between educational outcomes and market needs to contribute to creating sustainable job opportunities for young people.
- Strong collaboration and role division between PEF (as a national reference for employment), social partners, and the main players in the Palestinian labor market (especially grassroots institutions, chambers of commerce, local employment offices and councils in the governorates, representatives of workers and youth) help in providing clear and accessible employment services for young people, especially vulnerable groups.
- Despite the general tendency of youth and the prevailing societal culture towards paid work, self-employment, and small and micro enterprises (SMEs) provide a strategic model for creating sustainable and decent job opportunities.
- Providing various sources of financing, coordinated technical assistance, and support mechanisms with a national reference body (such as PEF) to support the establishment and development of small and micro enterprises, resulted in thousands of successful self-employment projects.
- Temporary job creation projects (such as Cash for Work) which also build up the capacities of hosting institutions, especially those promising to provide sustainable employment opportunities, are important as they serve the public. While implementing such projects, it is important to ensure transparent selection mechanism. This type of projects contributes to development of professional competencies and practical skills for job seekers and bridges the gap between education outputs and the need of the labour market, which increase the beneficiaries' opportunity to obtain a sustainable job.
- The existence of PEF as a national umbrella and a point of reference for employment and its readiness to deal with shocks and emergencies facing the Palestinian labor market contributed to a rapid and effective response to the COVID-19 pandemic.
- Dissemination and transfer of successful international initiatives related to labor market on the national level in Palestine is a desired practice.

- It proved successful for PEF to design interventions based on the organized determination of the promising economic sectors, the needed skills and competencies in the labor market as defined by the private sector umbrella associations, and in accordance with National Development Plans (such as the cluster plan that takes into account the demographic and economic diversity of all the governorates of the country). The interventions were designed and implemented in a participatory manner with direct management and supervision by PEF. This mechanism presented successful models for implementing training and employment programs for youth.
- Providing various types of emergency support programs, financing, and injections of financial liquidity to businesses (especially MSME's affected by COVID-19 pandemic and the siege) in a prompt manner, averted a collapse of enterprises and layoffs of the Palestinian workers. Adopting safe means of communication and offering services electronically (i.e.training online) by Palestinian Employment Fund, allowed it to continue its operations effectively throughout the pandemic .
- Providing assistance to businesses to employ youth and job seekers locally, thus enabling national production and strengthening of national economy was beneficial. PEF prepared successful models despite of the constraints, especially for the people of Jerusalem, the Jordan Valley, and Area C.
- The models recently undertaken by the Palestinian government in following up and coordinating the funding available from donors and directing it through national institutions provided a model for the optimal utilization of resources despite the lack of funding compared to the needs.
- Providing tools and interventions which take into consideration the needs of marginalized groups increase their jobs they secure and enhance their entry into the local labor market.
- The effectiveness of on-the-job training, career guidance and counseling for job seekers after connecting them with promising employers and enhancing their competitive skills to obtain sustainable job opportunities.



22-Recommendations

- Work to provide the necessary financial resources for the Fund, especially allocations from the Palestinian government.
- Activate the role of government agencies in supporting the Fund's role at the national level and obliging institutions working in the labor sector to implement the Fund's presidential and ministerial decisions.
- Encourage a culture of: self-employment, establishment and development of small and micro enterprises, enhancement of technical support and assistance, diversifying and doubling funding sources, the need to provide national guarantees for loans, and provision social protection for entrepreneurs and project owners.
- Intensify response and recovery interventions from the COVID-19 pandemic among economic establishments and their workers, and disseminating, promoting, and integrating successful interventions.
- Focus interventions in the most affected/needy areas, enhancing participation, accessibility, and communication with target groups, especially marginalized and most deserving groups.
- Strengthen and support vocational / technical education and training, keep pace with national education for the local and foreign labor market, and focus recruitment interventions through short and continuous courses in accordance with the modern competencies and skills required in the labor market.
- Support the transition to the formal economy by directing national interventions with partners and pushing them towards maximizing the benefits of the interventions on the Palestinian economy.
- Strengthen interventions in labor-intensive reconstruction and infrastructure projects.
- Strengthen interventions in the transition towards a green and environmentally friendly economy and the creation of sustainable job opportunities.
- Direct support towards the information technology (ICT) sector and the tourism sector, which are considered the most affected sector during the COVID-19 pandemic.
- Strengthen interventions in the field of linking demand and supply and motivating the private sector to create job opportunities, through on-the-job training and wage employment, which contributes to increasing access to the local labor market, upskilling, and linking job seekers with employers, especially employment in promising small and emerging projects.

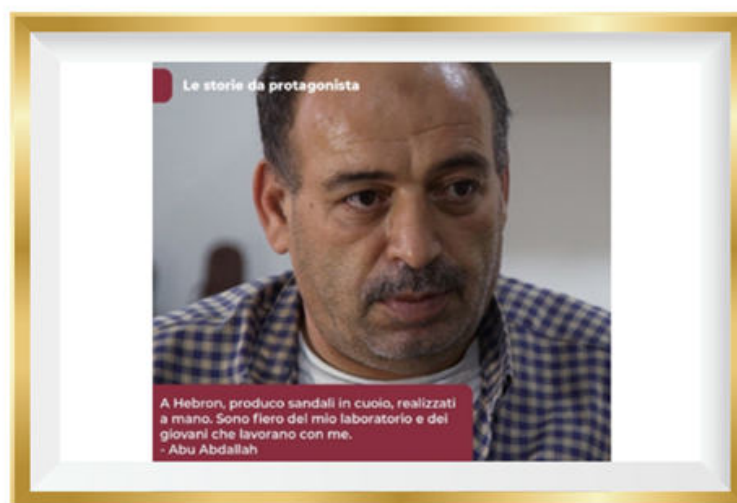
23-Success Stories



Sarah Al Salous

Graduated with Accounting Major in 2021 (TAMHIR project)

Sarah got her first job opportunity through the TAMHIR project (paid on-the-job training), where she worked as an accountant in a company in the city of Nablus. Sarah was able to prove her competence during the first months of training, and the company offered her a sustainable job opportunity after only three months of training.



Abu Abdullah, (52 years old)

Peace Steps Project, which aims to promote comprehensive and sustainable economic and social growth in Palestinian communities

"I have been working in the leather shoes industry in the city of Hebron for 34 years, Thanks to the project, my products are now being sold in international markets, and I feel happy because through my social project, I can support a center for people with disabilities."



Mohammed Taha (25 years old), University Graduate

"I graduated in 2019, with a major in health administration, but unfortunately I was not able to get a job. In 2021 I applied to join the TAMHIR project, where I got a paid on-the-job training in a civil society organization in Nablus. I benefited a lot from the training and was able to acquire new skills that may help me get a suitable job opportunity."



**Laila Alshenbari (39 years old)
Green Hopes Project**

"Thanks to the project, I became the first woman to own a grocery in the northern Gaza area and I am very happy that I can now support my husband in providing for our children "

Laila had the idea of a small project, which was to set up a shop selling ice cream, pastries, and home-baked goods. During the project, she received specialized training in business administration and how to set up a successful project. Then, she received a grant to open a small shop in the northern Gaza Strip.

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