



International  
Labour  
Organization

## BUILDING SOCIAL PROTECTION FLOORS WITH THE ILO TOGETHER, TO CHANGE MILLIONS OF LIVES IN the Occupied Palestinian Territory

### EXTENDING SOCIAL PROTECTION COVERAGE

Home to 4.7 million Palestinians, the Occupied Palestinian Territory (OPT) is in the process of rolling out its first comprehensive social security system to cover all private sector workers and their households.

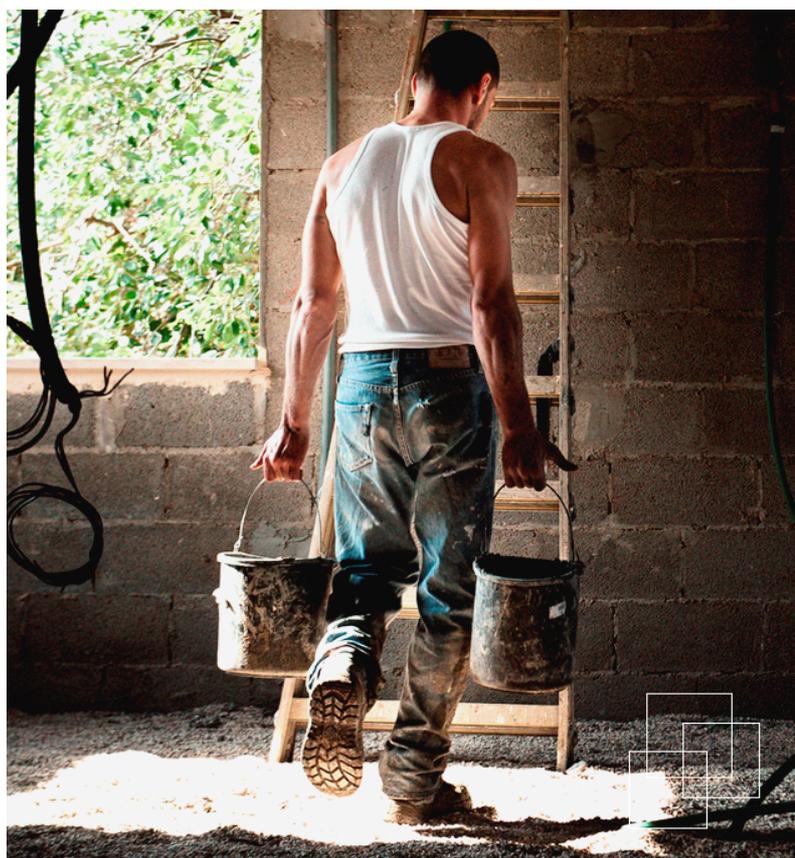
Until recently, only public sector workers and households in OPT benefited from social protection benefits, while most private sector workers were effectively not covered for maternity, workplace injury or old age. According to official figures, private sector workers make up 66 per cent of the workforce, relative to 22 per cent in the public sector and 12 per cent in Israel and West Bank settlements.

With support from the ILO, the framework of the current social security system was developed in 2013 by the tripartite National Social Security Committee in consultation with workers and employers, government officials and other stakeholders. To ensure its efficacy in combating poverty as well as social exclusion, the system was modelled on an ILO actuarial evaluation which assessed the system's parameters and sustainability. In addition, the system built on the Civil Servant Pension Scheme (Law of Public Retirement No. 7 of 2005), Labour Law No. 7 of 2000, the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) and international good practices.

### A NATIONAL TRIPARTITE COMMITTEE

Established by the Palestinian Prime Minister in 2012 with ILO support, the National Tripartite Social Security Committee is mandated to:

- develop a social security strategy with clear priorities;
- conduct actuarial studies for the establishment of a new social security scheme;
- draft new social security legislation, and
- build a tripartite institution for the establishment of a new social security administration.



### A NATIONAL MINISTERIAL COMMITTEE FOR SOCIAL SECURITY

Between October 2015 and March 2016, the Council of Ministers and the President of the OPT introduced amendments to a new draft Social Security Law, adopted in March 2016. However, these amendments were not fully supported by Palestinian civil society or aligned with the ILO recommendations. Subsequently, a Ministerial Committee was established to study the effects of the amendments, hold wider consultations and propose alternative provisions that are built through national consensus and with technical support from ILO.

On 26 September 2016, the Council of Ministers endorsed the amendments to the Social Security Law which were in line with ILO recommendations, International Labour Standards and best practices.

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"A comprehensive social security scheme is a genuine national achievement, no less important than the breakthrough at the UN General Assembly when Palestine became a non-member observer state of the United Nations."

- *Buthaina Salem, Legal Advisor to the Palestinian Minister of Labour*

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The amendments were signed into law by the Palestinian President on 29 September 2016. The OPT now has an appropriate legal framework for its first private sector social security system. The ILO worked closely with the Palestinian tripartite stakeholders to establish an independent social security institution governed by a tripartite board of directors elected in December 2016, which will implement and administer the new social security system. The Palestinian Social Security Corporation (PSSC) was officially inaugurated in April 2018. Once fully operational, it is expected to provide coverage to 82,646 private sector workers in 2019, with the aim of reaching 336,440 private sector workers in the OPT by 2030.

With the ongoing technical assistance of the ILO, the PSSC Board of Directors has established relevant committees, adopted an organizational structure and established operational headquarters in Ramallah. Following a number of study tours and peer-to-peer exchanges organized in 2017 as part of an ILO South-South and Triangular Cooperation (SSTC) initiative for the PSSC staff to social security institutions in Algeria, Jordan and Oman, the latter two will provide technical advice and assistance to the PSSC.

The ILO continues to support the Board of Directors in establishing a sound and transparent administration. The ILO has leveraged several partnerships to advance its work in this area and has already mobilized important donors' funds from the Government of Kuwait and Government of Qatar, in addition to its own internal resources. The ILO is leveraging additional resources from other development partners to close the gap required to implement the phases for establishing the administration of PSSC.

With ILO's support, the Board of Directors drafted the job descriptions of the Director General (DG) and the key managers of the PSSC. In August 2017, the Board of Directors appointed the DG of the PSSC.

The DG, in coordination with the Appointments and Interviews Committee formed by the Board of Directors and with assistance from the ILO, hired twelve key managers and five support staff of the new administration. The Board of Directors has also established four permanent committees: Governance Committee, Risk Committee, Auditing Committee and Investment Committee, as prescribed by the new social security law.

The ILO also provided direct financial support to PSSC through an Implementation Agreement of over US\$1.95 million for the immediate setting-up of the PSSC administration. This included the renting of the necessary spaces for the PSSC Headquarters, carrying out of the necessary civil and electromechanical works, purchasing furniture and equipment and payment of PSSC salaries.

The ILO also continues to support the tripartite constituents in developing and reviewing rules and regulations related to the PSSC. It will support the implementation of a public awareness campaign, which will be launched in September 2018 to promote the new scheme and will ensure adequate buy-in from private sector employers and workers.

The ILO will also work in the coming period on improving the knowledge base, analytical capacity and sex-disaggregated statistics for the delivery of social protection. It will also support the Public Pension Authority by carrying out an actuarial review.

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"Ensuring a decent living through pensions and other benefits not only serves the interests of the workers and their families but also those of employers."

- *Jamal Jawarbeh, Secretary General of the Palestinian Federation of Chambers of Commerce, Industry and Agriculture (PFCCIA)*

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## FROM RIGHT TO REALITY WITH YOUR SUPPORT

Social security is a universal human right. It also plays a pivotal role in alleviating poverty, fostering decent work and facilitating economic and social development.

Social protection is one of the key areas of the adopted Palestinian National Policy Agenda for the years 2017-2022 and the ILO's Palestinian Decent Work Programme 2017-2020, which prioritises the extension of social protection to all those in need in the OPT. Social protection is amongst one of the four identified priorities of the United Nations Development Agreement Framework 2018-2022 for the OPT, which aims to strengthen national capacities to ensure access to safe, inclusive, equitable and quality services for the most vulnerable. Building social security systems is aligned with the 2030 Agenda for Sustainable Development and is particularly relevant for Goals 1-5.

At a Glance: The new National Social Security Scheme

**Coverage** 82,646 workers in 2019-20, increasing to 336,440 workers by 2025

**Contributions** Workers and employers

**Benefits**

- ◇ Old-age, disability and death pensions
- ◇ Funeral grants
- ◇ Employment injury benefits and medical care
- ◇ Maternity cash benefits
- ◇ Minimum pension of at least 75 per cent of the minimum wage or the national poverty line

The ILO has unparalleled experience in supporting countries to provide social protection to all, not least in the OPT. With your support, we can extend social security coverage to more than 80,000 workers by 2019-2020 and more than 330,000 by 2025, thus making the right to social security a reality for the majority of Palestinian workers and their families.

With your support, we can:

- Introduce and promote the OPT's new social security scheme through raising public awareness, capacity building for the preparatory teams and the Institution's Core Team, establish international and bilateral cooperation and creating an online presence.

US\$ 1,320,000

- Develop the new social security administration including the design of organizational structures, business process mapping, information technology and human resource infrastructure.

US\$ 1,483,000

- Pilot the new social security institution's activities, with two benefit schemes for certain categories of workers in selected geographical areas.

US\$ 2,374,000

- Launch the new social security institution, including formal inauguration and extension of the social security scheme as well as its administrative functions across the OPT for all categories of workers and prescribed benefits.

US\$ 201,000

"This scheme lays the foundations for a society premised on social justice and decent living standards for Palestinian workers."

- *Shaher Saad, Secretary General of the Palestinian General Federation of Trade Unions (PGFTU)*

## LISTENING TO YOUR AMBITIONS

As a donor, you receive regular reports on the progress made and have access to ongoing project activities and performance indicators.

To further discuss your objectives and the ways in which you can support Palestinian stakeholders and improve the lives of workers and their families, you can contact:



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