
UN-CEB Inter-Agency Cluster on Trade and Productive Capacity

DELIVERING AID FOR TRADE

IN THE OCCUPIED PALESTINIAN TERRITORY

Briefing Note

The Cluster's proposed Joint Programme

Geneva, 20 September 2010

1. Objectives and expected outcomes

Since 2007, the UN Chief Executives Board (CEB) Cluster on Trade and Productive Capacity has designed and implemented interagency assistance programmes in more than 20 countries that are adopting a "Delivering as One approach". Further to consultations with many stakeholders in Jerusalem and in Geneva, and in light of the synergies and increased efficiency provided by interagency coordination, a joint programme aiming at enhancing trade and productive capacity of the occupied Palestinian territory (oPt) is being designed. It will be submitted to the consideration of the Palestinian Authority, donors and other stakeholders in Jerusalem before the end of 2010.

The aim is to allow for greater focus on supporting the long term development of the Palestinian economy's trade and productive capacities, and consolidating the required institutional capacities of the Palestinian economic Ministries and entities. Within the existing coordination framework of the UN Country Team (UNCT) in Jerusalem, the Cluster will pool the efforts of UNCTAD, United Nations Industrial Organisation (UNIDO), Food and Agriculture Organization (FAO), International Trade Centre (ITC), International Labour Organization (ILO), and the United Nations Development Programme (UNDP). From an operational point of view, this initiative ultimately aims at a cohesive multi-year Joint Programme that enables the involved UN agencies to *deliver-as-one*.

The Joint Programme will draw on the extensive knowledge that the participating agencies have acquired on the Palestinian economy to serve the purposes of arresting the on-going regression, facilitating sustained recovery and growth, generating greater impact through collective contribution, strengthening existing partnerships, lowering transaction costs for national partners and donors, and providing a framework for Palestinian access to international systems and resources in the area of trade.

Building on the existing UNCT coordination mechanism, the proposed joint programme will strike a balance between meeting the immediate and essential relief needs and the necessity of laying the grounds for long-term economic development and institutional capacity building. Within this framework, activities will be delivered through a combination of direct technical assistance, institutional support and policy advisory services to relevant Palestinian governmental and market support institutions. Potential areas that will form the focus of the Joint Programme include:

1. Industrial and productive capacities for investments, competitiveness and exports.
2. Palestinian institutional capacity for higher agricultural output and productivity.
3. Strengthening Palestinian Authority (PA) capacity and market support institutions in the areas of international trade, and public finance.
4. Institutional mechanisms for improving trade facilitation conditions.

2. Operations of the UN-CEB Cluster agencies in the oPt

All the above-mentioned six UN agencies have established operation record in the oPt. In the last 10 years they have successfully implemented at least 10 operations/technical cooperation projects. They have also established trustworthy working relationships with Palestinian governmental and non-governmental agencies. As a result, based on close consultations with Palestinian counterparts, all six agencies have at least 13 pipeline or potential operations/technical cooperation projects with direct bearing on Palestinian trade and productive capacity development.

While these operations do not overlap and could make some contribution to the above-listed four outcomes, there is ample room for better coordination and complementary operations which would maximise the value-added of the Cluster members' initiatives. It is envisaged that the outcome and overall development impact of these operations could be reinforced, if implemented in a coordinated fashion along the lines of the UN-CEB Cluster, in light of the lessons learned in other countries. Below is a brief description of the cluster members' programmes of work in the oPt.

The United Nations Industrial Organisation (UNIDO)

Within the context of its integrated programme of work in the oPt, UNIDO has launched the second phase of its programme of technical assistance activities, focusing on enterprise upgrading, quality infrastructure, trade capacity building and industrial policies, in partnership with the PA Ministry of National Economy and

relevant stakeholders from the private sector. UNIDO is also implementing a project for strengthening the food safety infrastructure and the Sanitary and Phytosanitary (SPS) framework with positive outcomes.

Food and Agriculture Organization (FAO)

Since 2002, FAO has been supporting the preparedness and response to food and agricultural threats and livelihood emergencies in the oPt through emergency relief, rehabilitation and revitalization of productive capacity. Technical assistance activities, worth \$US 15 million and benefiting 900 households, or 84,108 persons, cover such strategic areas as water resources management, rehabilitating agricultural infrastructure, improving agricultural practices and quality standards, and supporting the PA Ministry of Agriculture institutional development at the planning and implementation levels.

United Nations Development programme (UNDP)

The UNDP/ Programme of Assistance to the Palestinian People (PAPP) has been in the oPt for 30 years, with a long history of supporting private sector development. Its activities involve large interventions for enhancing agricultural and rural productivity, allowing to improve market share and competitiveness, establishment and development of micro and small enterprises for vulnerable entrepreneurs, establishment of financial services and lending systems to support SMEs, skills development and employment creation for young professionals in private sector institutions, and value chain development for domestic products linked to the sustainable management of natural resources, mainly land and water.

International Trade Centre (ITC)

ITC is in the process of stepping up its activities in close consultation with national and international stakeholders, with the aim of supporting the international competitiveness of key export sectors in the oPt. New potential projects/initiatives focus on supporting: export development, promotion of export in services, the articulation of a national export strategy.

International Labour Organization (ILO)

ILO's technical cooperation programme in the oPt is implemented in partnership with its constituents as well as other key national organisations and members of the international community. The programme's areas of work are aligned with the priorities of the Ministry of Labour's "Strategy for the Development of the Labour Sector in Palestine", developed with technical support from the ILO. Intervention involve strengthening labour market governance and rights, enabling employability through skills upgrading and local economic development, strengthening entrepreneurship for private sector growth through the development of cooperatives and micro, small, and medium-sized enterprises, social dialogue and social protection, gender mainstreaming, and women's economic empowerment.

United Nations Conference on Trade and Development (UNCTAD)

Since 2000, UNCTAD has re-oriented its technical assistance programme in the oPt to allow for creating dynamic synergies between immediate needs generated by the economic crisis, and long-term development objectives. Activities focus on developing the economy's productive capacity and the strengthening of the institutions of the future Palestinian State, in the areas development strategies and trade policies; enterprise development, investment retention and promotion, and competition policy; public finance modernization, capacity building and reform; and, trade facilitation and logistics .

3. Implementation arrangements

The Joint Programme would be managed and implemented following standard UN joint programming procedures. As such, a practical mechanism would be put in place to ensure effective coordination of UN agency interventions and achievements of collective results. This would entail, inter alia:

- (i) Supporting the daily activities of the participating organizations to facilitate their interface as well as the appropriate sequences;
- (ii) under the overall leadership of the UN Resident Coordinator, participating in, and interacting with, the UNCT and the interagency working groups that exist at the field level; and
- (iii) providing specific support to the non-resident agencies that deliver assistance on economic and trade-related matters in view of ensuring the effective integration of their expertise and operations in the UN assistance to the oPt.