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WEST BANK/GAZA



FORSAH TECHNICAL AND VOCATIONAL EDUCATION AND
TRAINING (TVET) PROGRAM

RAPID SECTOR

PRIORITIZATION EXERCISE

REPORT OF FINDINGS MARCH 2023

This document was produced for review by USAID/West Bank and Gaza for the Forsah TVET Activity.

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ABBREVIATIONS

AAGR	Average Annual Growth Rate
AHA	Arab Hotel Association
BCCI	Bethlehem Chamber of Commerce and Industry
BWF	Business Women Forum
CAM	Competitiveness Appraisal Matrix
CCNA	Cisco Certified Networking Associate
COVID-19	Coronavirus disease 2019
DAI	DAI Global, LLC
F4J	Finance for Jobs
Forsah TVET	Forsah Technical and Vocational Education and Training Activity
FTTH	Fiber to the home
GESI	Gender Equity and Social Inclusion
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GRIT	Gender Responsive and Inclusive Technical and Vocational Education and Training Program
ICT	Information and Communication Technology
IREX	International Research & Exchanges Board
ISIC	United Nations International Standard Industrial Classification of All Economic Activities
KII	Key Informant Interview
NajahPal	An-Najah Company for Consultancy and Technical Studies
NTC	National Technical and Vocational Education and Training Commission
PA	Palestinian Authority
PCBS	Palestinian Central Bureau of Statistics
PS	Private Sector
PSE	Private Sector Engagement
PWIU	Palestinian Wood Industries Union
SMART	Small and Medium Enterprise Assistance for Recovery and Transition
TCT	Training Co-design Teams of TVET-PS-Youth
TVET	Technical and Vocational Education and Training
UNESCO	The United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization

UNOPS	United Nations Office for Project Services
UNWRA	The United Nations Relief and Works Agency for Palestine Refugees in the Near East
USAID	United States Agency for International Development
USD	United States Dollar
VSS	Vocational Secondary Schools
VT	Virginia Tech
VTC	Vocational Training Center
WB	West Bank
WBL	Work-Based Learning
WBG	West Bank and Gaza Strip

I. EXECUTIVE SUMMARY

The five-year United States Agency for International Development (USAID) Forsah TVET Activity (Forsah TVET) supports technical and vocational education and training (TVET) institutions to better prepare Palestinian graduates for the labor market, and to productively engage in local and regional economies. By enhancing TVET institutions' capacity to respond to the needs of the private sector, creating partnerships between TVET institutions, private sector firms, and youth in specific sectors, and increasing enrollment in TVET programs, Forsah TVET will help supply skilled TVET graduates and create an enabling environment for sustainable supply-demand linkages and meaningful youth participation. Forsah TVET is implemented by IREX in partnership with DAI, Virginia Tech, the Business Women's Forum (BWF), Bethlehem Chamber of Commerce and Industry (BCCI), and An-Najah Company for Consultancy and Technical Studies (NajahPal).

In recent years, economic conditions in the West Bank and Gaza Strip (WBG) have been negatively impacted by the COVID-19 pandemic, the Russian war in Ukraine, the ongoing blockade in Gaza, and, most recently, an increasing prevalence of violence in the West Bank. These international and domestic conditions have led to increased prices, lack of access to inputs and export markets, and rising unemployment and poverty.

The very high unemployment caused by the COVID-19 pandemic, and responses to it, was partially mitigated by increasing employment of Palestinians outside of the WBG. Such opportunities have been primarily in Israel and Settlements and less so through international contracts, such as in the Information, Communications and Technology (ICT) sector. With wages in the Israeli market an average of two times higher than in the West Bank and four times higher than in the Gaza Strip, the availability of work permits largely dictates unemployment levels, or even labor shortages, within sectors in WBG.¹ Even so, unemployment rates remain particularly high in the Gaza Strip (46.6%), among women (28.9% in the West Bank and 35% in Gaza) and in Bethlehem (25.2%) where tourism rates have not fully recovered even as the pandemic has abated.²

The TVET sector has a critical role to play in reducing unemployment in WBG. Multiple studies by the Palestine Economic Policy Research Institute (MAS), Palestine Central Bureau of Statistics (PCBS), and academic researchers have shown that TVET graduates have higher rates of employment than their peers in other educational programs, including as employers and business owners.³ This is in spite of the fact that many TVET programs have long suffered from outdated curricula and pedagogies, low appeal among youth, a lack of institutionalized relationships with the private sector, and related skills mismatch between trainings and private sector demand. Palestinian Authority (PA) efforts to harmonize the TVET sector through the creation of The National Technical and Vocational Education and Training Commission (NTC) will provide a more supportive environment through harmonization of governing institutions and policies.

The Forsah TVET program aims to address the ongoing weaknesses in the TVET sector, in part through a dedicated Private Sector Engagement (PSE) strategy, that begins with the Rapid Sector Prioritization Exercise to guide strategic sector selection.

The Rapid Sector Prioritization Exercise begins with the use of DAIs evidence-based Competitiveness Appraisal Matrix (CAM), to develop an economic rationale for sector selection. DAI used the CAM to

¹ MAS. (2022). Economic Monitor Issue 68 Part 1/2021. MAS.ps; The Palestine Economic Policy Research Institute. <https://mas.ps/en/publications/6329.html>

² PCBS. (2021). Labour Force Participation Rate. Pcbps.gov.ps; Palestinian Central Bureau of Statistics. https://www.pcbps.gov.ps/Portals/_Rainbow/Documents/Labour_Force_Participation%20Rate_2015-2020.html

³ Hilal, R. (2019). TVET and Decent Work in Palestine: Lessons Learned for Fragile States. International Journal of Training Research, 17(sup1), 159–169. <https://doi.org/10.1080/14480220.2019.1641293>

review data from the Palestinian Central Bureau of Statistics (PCBS) for 71 Economic Activities covered in the two-digit ISIC Rev. 4 categorization, as well as agriculture, for criteria that measure sector size, employment, value added by employee, investment, growth across these areas, and expected opportunities for women. Prioritization of sectors based on their performance on the CAM resulted in 20 sectors showing positive performance in these priority areas.

Next, the process examines the future outlook of these sectors based on four criteria that are not captured in PCBS data but are relevant to the future outlook for TVET and Forsah TVET outcomes:

1. The role of sectors in addressing climate change;
2. Technology and innovation driven demand;
3. Expected employment opportunities outside of the West Bank and Gaza⁴; and
4. Established buyer contracts with estimated labor needs.

This filter allows the team to better assess the ability of sectors to address development objectives and serve current needs in WBG. The future outlook analysis supported the revision of selected sectors to a short list of 16.

EXHIBIT 1: FINAL SHORT LIST OF SECTORS FOR FORSAH TVET

No.	Sectors	PS Priorities	TVET Priorities
1	ICT and Telecommunications	•	•
2	Manufacture of food products and beverages	•	•
3	Hospitality and tourism	•	•
4	Circular economy processes	•	•
5	Renewable energy	•	•
6	Agriculture technologies	•	•
7	Repair and installation of computers, machinery, and equipment	•	•
8	Manufacture of furniture and wood products	•	
9	Manufacture of basic and fabricated metal products	•	
10	Manufacture of textiles and apparel	•	
11	Manufacture of paper and paper products	•	
12	Manufacture of machinery and equipment, including electrical	•	
13	Electric and hybrid vehicle repair		•
14	Construction of buildings and specialized construction activities		•
15	Publishing, advertising, and graphic design		•
16	Creative, arts and entertainment activities		•

Finally, a ground truthing process—engaging with private sector and TVET stakeholders to validate and elaborate on the findings—supported the categorization of TVET trainings as “established”, “emerging”, or “new”. This is important so that Forsah TVET can support established trainings that will immediately lead to existing jobs, while simultaneously making investments in infrastructure and curricula in emerging

⁴ While Forsah TVET aims to support the Palestinian people and Palestinian labor market, the unique integration of employment opportunities for Palestinians in the Israeli market should not be ignored in economic activity analysis as this impacts the supply and demand for skilled technicians in the Palestinian labor market.

or new trainings to serve the needs of the future workforce—meeting private sector needs that will arise in the next few years. This list included in Exhibit I incorporates those with the highest performance on CAM, clear contributions to needs expected in the future, and those sectors identified as leading priorities in the West Bank and Gaza Strip.

While the majority of the 16 short listed sectors are named in the same way as in the earlier list of 20, the final short list also includes five sectors that were refined to more specific definitions reflecting activities within the sectors that have the best future outlook and greatest need for enhanced TVET training. Discussion of these changes is included in the text of the report.

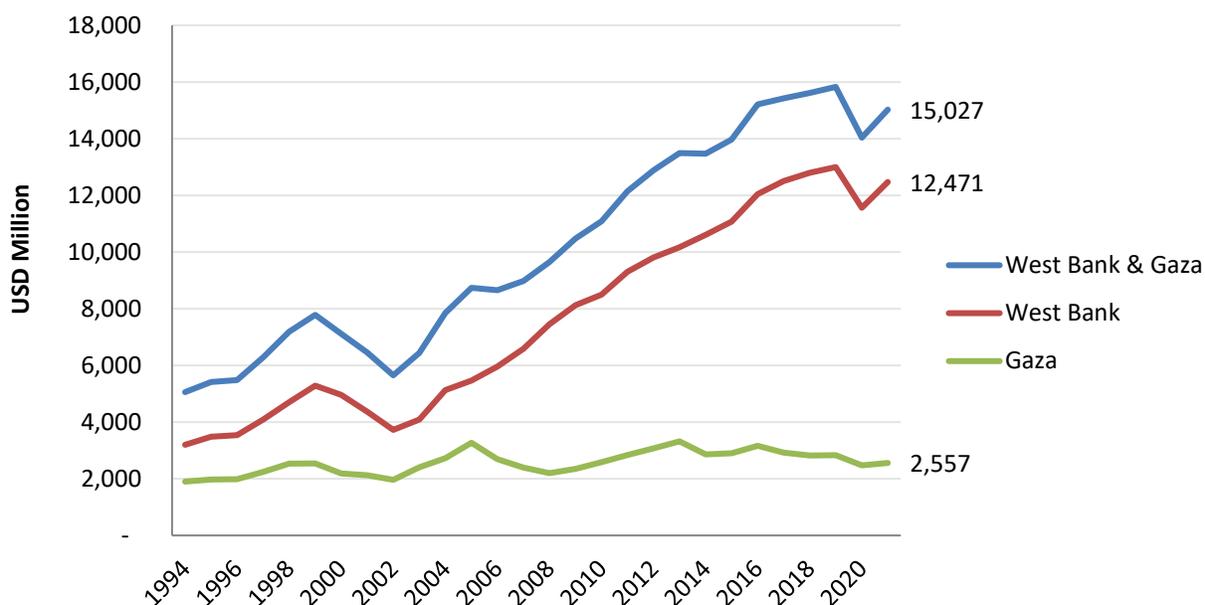
Following the confirmation of the eligible sectors by USAID, Forsah TVET will finalize and circulate a partnership application for interested non-governmental TVET institutions offering levels 1, 2, and/or 4 TVET—Semi-skilled, Skilled, and Technician—in the West Bank, Gaza Strip and East Jerusalem. Six TVETs will be selected for Phase I. In the application process, each TVET will select up to two of the 16 priority sectors as the sectors that they propose to work in under Forsah TVET. IREX will assesses current training offerings and private sector partnerships in the proposed sectors as part of the selection criteria for TVETs that will be supported in Phase I of Forsah TVET. The selected TVET institutions will engage in regional Shared Value meetings, where selected TVETs, youth and private sector (PS) firms will determine specific training program needs, followed by forming TVET-PS-Youth training co-design teams (TCTs) to develop curriculum with technical assistance and grant support from Forsah TVET. The prioritized sectors in this list represent broad areas of economic activity. Forsah TVET will use Shared Value meetings to narrow from sector to occupation and then from occupation to training program.

II. ECONOMIC AND LABOR MARKET CONDITIONS IN WEST BANK AND GAZA

ECONOMIC CONDITIONS

The West Bank and Gaza (WBG) are experiencing the negative impacts of recent and on-going economic shocks, including the COVID-19 pandemic and the Russian war in Ukraine. Initially following COVID-19, the West Bank saw a sharp drop in Gross Domestic Product (GDP). The impact on GDP in the Gaza Strip was less dramatic due to an already low level resulting from pre-existing closures and constraints and regular outbreaks of violence resulting from the blockade (see Exhibit I).

EXHIBIT 2: GDP GROWTH RATE IN WBG, BY REGION AT CONSTANT PRICES (2015 BASE YEAR), 1994-2021



Source: The SMART Project, based on PCBS data.

Following the -11.3 percent GDP growth in 2020, WBG saw some recovery in 2021, with 7 percent GDP growth. However, recovery has slowed since then with 3.7 percent GDP growth in 2022 and an anticipated 2.1 percent growth in 2023, under a baseline estimate (Exhibit 2). The ongoing Russian war on Ukraine has led to continued disruptions in global supply chains, and rising costs of energy and staple foods. The prices of vegetable oils, cereals, and meat remain higher than their annual averages in any previous year on record. Thus, both the West Bank and Gaza have since seen rising prices, constraints to access of inputs and supplies, reduced access to export markets, and rising unemployment and poverty.

EXHIBIT 3: ECONOMIC FORECASTS BASED ON ASSUMED SCENARIOS IN WBG, 2023

Main Indicators	2021	2022	Baseline 2023	Optimistic 2023	Pessimistic 2023
Gross Domestic Product (USD Million)	15,021.7	15,575.9	15,905.5	16,558.4	15,258.7
GDP per capita (USD)	3,051.5	3,089.1	3,081.4	3,207.9	2,956.1
Unemployment Rate (%)	27.6	25.7	25.5	23.8	27.8
Percentage Change in Gross Domestic Product	7.0	3.7	2.1	6.3	-2.0
Percentage Change in Gross Exports	17.3	7.3	0.5	2.4	-1.5
Percentage Change in Gross Imports	14.8	16.9	1.3	1.8	1.9
% Contribution of sectoral value added of GDP					
Agricultural Activity	6.6	6.2	6.2	6.7	5.8
Industrial Activity	10.6	10.8	10.8	10.9	10.5
Construction Activity	4.7	4.6	4.7	5.2	4.2
Services and Other Branches Activities	62.1	61.6	61.7	61.2	61.9

Source: PCBS, 2022b.

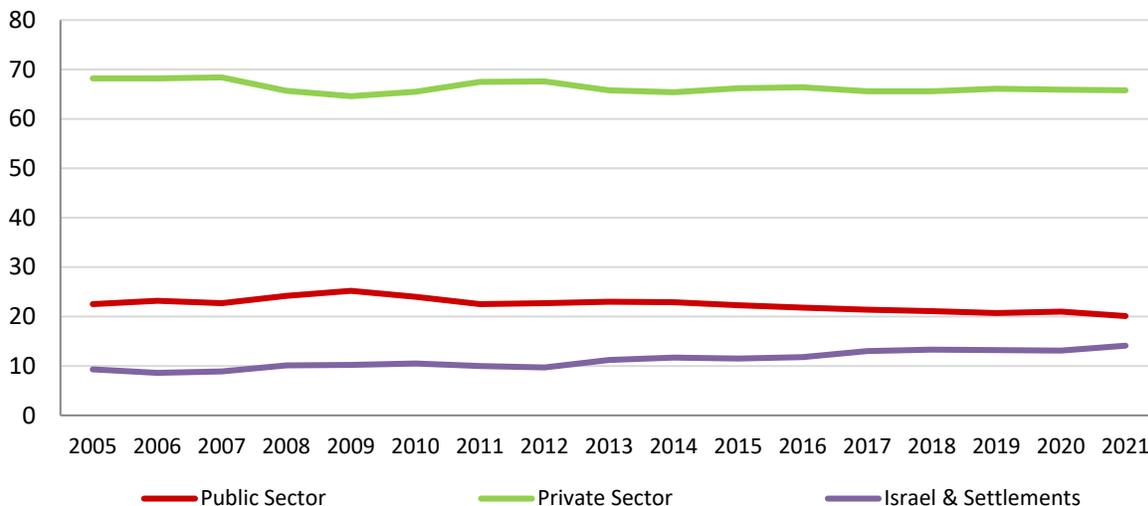
Domestically, West Bank and Gaza face Israeli-imposed restrictions on trade, mobility, and access to land—particularly in Area C. This is exacerbated by a recent increase in Israeli incursions and related

violence. 2023 is on track to see the highest rate of violence in the West Bank in recent memory; double the rate of violence in 2022, which was already double that of 2021.⁵ Recent raids on the Jenin refugee camp and in Nablus, and missile strikes on Gaza, have led to general strikes and the suspension of security cooperation between the Palestinian Authority and the Israeli government.⁶ Continued worsening of the security situation directly impedes the ability of the private sector to conduct business.

LABOR MARKET CONDITIONS

The average annual growth rate (AAGR) of unemployment among labor force participants was two percent for both men and women in WBG from 2016-2020. Unemployment rose to 27.6 percent in 2021 before returning to slightly below 2020 levels, at 25.7 percent, in 2022.⁷ Since 2005, 65 to 70 percent of employment has been in the private sector, with 20-25 percent in the public sector and an additional 10-15 percent of workers employed in Israel and Settlements. It is worth noting that as employment rates stagnated in the private sector since 2019—with the impact of COVID-19—employment in Israel and Settlements continued to grow. This reflects the release of new work permits in various sectors with a focus on lower-skilled positions in agriculture and construction, as well as higher-skilled positions in Information and Communications Technologies (ICT). As wages average four times higher in Israel and Settlements than in the West Bank and Gaza (WBG), this represents an important pull factor that reduces the supply of both skilled and unskilled workers in WBG.

EXHIBIT 4: DISTRIBUTION OF EMPLOYED PERSONS BY SECTOR



Source: The SMART Project based on PCBS data.

Exhibit 3 reflects the 2021 employment and unemployment rates for women and men in the West Bank and Gaza Strip, respectively. In the West Bank, 88 percent of men in the labor force are employed,

⁵ Guyer, J. (2023, January 27). Why Violence in Israel and Palestine Has Spiked in the Last 48 Hours. Vox.com.

<https://www.vox.com/world/2023/1/27/23574943/48-hours-violence-israel-palestine-jerusalem-jenin-blinken-visit-explained>

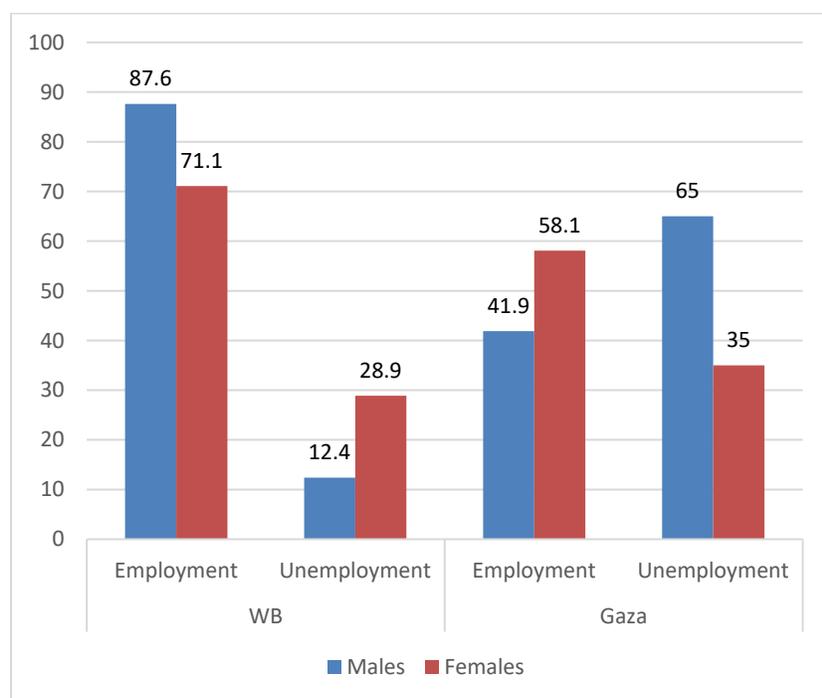
⁶ The Guardian. (2023, January 27). Concerns Over Escalating Violence After Israeli Forces Kill Nine Palestinians During West Bank Raid. TheGuardian.com. <https://www.theguardian.com/world/2023/jan/27/concerns-over-escalating-violence-after-israeli-forces-kill-nine-palestinians-during-west-bank-raid>; Asia News. (2023, February 23). Palestinians Call General Strike Following Israeli Raid in Nablus. Asianews.it. <https://www.asianews.it/news-en/Palestinians-call-general-strike-following-Israeli-raid-in-Nablus-57823.html>

⁷ PCBS. (2022, December 28). Dr. Awad demonstrates the performance of the Palestinian economy during 2022 and the economic forecasts for the year 2023. Pcb.gov.ps; Palestinian Central Bureau of Statistics.

[https://www.pcb.gov.ps/site/512/default.aspx?lang=en&ItemID=4392#:~:text=Gross%20Domestic%20Product%20\(GDP\)%3A%20It%20is%20anticipated%20to%20increase](https://www.pcb.gov.ps/site/512/default.aspx?lang=en&ItemID=4392#:~:text=Gross%20Domestic%20Product%20(GDP)%3A%20It%20is%20anticipated%20to%20increase)

compared with 71 percent of women. In the Gaza Strip, 42 percent of men in the labor force are employed, compared with 58 percent of women. These numbers reflect the traditionally high rate of female unemployment and the on-going unemployment crisis in the Gaza Strip as a result of the blockade.

EXHIBIT 5: LABOR FORCE STATUS BY SEX AND REGION, 2021



Source: The SMART Project based on PCBS data.

Trends in unemployment differ significantly across governorates, according to 2020 data. The highest AAGR in unemployment was seen in Jericho and Al Aghwar (15%) in the West Bank, followed by Gaza (12%) and Dier Al Balah (11%) in the Gaza Strip. The greatest reduction in unemployment over time was seen in Jerusalem (-17%), followed by Ramallah and Al-Bireh (-9%). Meanwhile, the highest rates of unemployment in 2020 were seen in Bethlehem (25.2%) in the West Bank, as a result of COVID-19 restrictions on tourism, and across the Gaza Strip (46.6%) due to the ongoing blockade. Jerusalem and Ramallah and Al-Bireh had the lowest rates of unemployment in 2020 with 6.5 percent and 9.8 percent respectively.

EXHIBIT 6: UNEMPLOYMENT RATE AMONG LABOR FORCE PARTICIPANTS AGED 15 YEARS AND ABOVE, 2016-2020

Location	2016	2017	2018	2019	2020	AAGR 2016-2020 (%)
West Bank	17.5	18.4	17.3	14.6	15.7	-2%
Jenin	19.1	18.8	20.9	21.3	20.1	1%
Tubas & Northern Valleys	17.5	21.2	18.9	11.1	12.4	-5%
Tulkarm	16.7	16.1	18	12.7	13.8	-3%
Nablus	15.4	19.2	15.9	14.8	16.8	4%
Qalqiliya	12.9	10.3	7.4	7.4	12.5	5%
Salfit	15	15.7	18.5	16.4	20.1	8%

Ramallah & Al-Bireh	15.5	15.4	14.9	9.5	9.8	-9%
Jericho & Al Aghwar	9.8	14.2	18.3	12.3	14.6	15%
Jerusalem	14.6	10.6	10.5	6.8	6.5	-17%
Bethlehem	19	18.9	19.4	22.9	25.2	8%
Hebron	20.7	22.5	19.9	16.5	18.6	-2%
Gaza Strip	35.4	38.8	43.1	45.1	46.6	7%
North Gaza	38.9	35	39.2	42.3	38.4	0%
Gaza	29.6	36.8	41.1	40.9	46.3	12%
Dier Al-Balah	35.6	43.7	47.5	51.7	52.7	11%
Khan Yunis	39.4	41.4	45.4	49.2	46.1	4%
Rafah	38.8	41	46.4	47.8	51.6	7%

Source: PCBS, 2021

Exhibit 4 illustrates employment levels by aggregated sector from 2016-2019 (the most recent year available from PCBS). All sectors saw slightly negative growth rates or no change in AAGR during that time with the exception of industrial activities, which are the subject of this report, and internal trade activities. Sectors at a more disaggregated level of detail (2-digit ISIC codes) were used to create the CAM.

EXHIBIT 7: EMPLOYMENT BY SECTOR, 2016-2019

ISIC	Sector	Number of Employed Persons				
		2016	2017	2018	2019	AARG
A	Agriculture; forestry and fishing	63,729	55,141	52,101	53,497	-0.1
08	Other mining and quarrying	1,638	1,699	1,846	2,847	0.2
10	Manufacture of food products	16,923	17,583	18,297	22,988	0.1
11	Manufacture of beverages	974	1,128	1,852	2,173	0.3
12	Manufacture of tobacco products	258	114	136	128	-0.1
13	Manufacture of textiles	1,928	1,302	1,563	1,946	0.0
14	Manufacture of wearing apparel	11,192	10,162	22,173	9,907	0.2
15	Manufacture of leather and related products	2,909	2,070	1,703	2,406	-0.0
16	Manufacture of wood and products of wood and cork, except furniture; Manufacture of articles of straw and plaiting materials	2,564	2,756	2,824	3,610	0.1
17	Manufacture of paper and paper products	1,323	1,270	1,293	1,407	0.0
18	Printing and reproduction of recorded media	2,160	2,248	2,204	2,435	0.0
19	Manufacture of coke and refined petroleum products	1,159	34	38	41	-0.3
20	Manufacture of chemicals and chemical products		1,262	1,504	2,535	0.4
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	1,723	1,785	1,673	1,455	-0.1
22	Manufacture of rubber and plastics products	3,778	2,952	3,104	3,551	-0.0
23	Manufacture of other non-metallic mineral products	16,439	15,557	17,888	19,681	0.1
24	Manufacture of basic metals	164	438	342	266	0.4
25	Manufacture of fabricated metal products, except machinery and equipment	12,314	11,699	11,299	14,655	0.1
26	Manufacture of computer, electronic and optical products	445	150	129	94	-0.4

27	Manufacture of electrical equipment	432	324	414	527	0.1
28	Manufacture of machinery and equipment n.e.c.	367	579	768	1,415	0.6
29	Manufacture of motor vehicles, trailers and semi-trailers	611	28	38	29	-0.3
30	Manufacture of other transport equipment	13	24	21	22	0.3
31	Manufacture of furniture	13,134	15,013	15,555	20,624	0.2
32	Other manufacturing	1,046	844	862	1,057	0.0
33	Repair and installation of machinery and equipment	1,660	1,061	1,476	2,237	0.2
35	Electricity, gas, steam and air conditioning supply	2,211	2,529	2,680	2,293	0.0
36	Water collection, treatment and supply	1,382	908	931	1,101	-0.0
38	Waste collection, treatment and disposal activities; materials recovery	29	268	222	313	2.8
39	Remediation activities and other waste management services				21	
41	Construction of buildings	7,414	7,488	7,021	7,668	0.0
42	Civil engineering	2,286	1,279	1,337	1,069	-0.2
43	Specialized construction activities	1,616	1,854	1,770	1,494	-0.0
45	Wholesale and retail trade and repair of motor vehicles and motorcycles	28,418	26,635	26,332	30,614	0.0
46	Wholesale trade, except of motor vehicles and motorcycles	17,907	19,015	20,934	25,955	0.1
47	Retail trade, except of motor vehicles and motorcycles	138,763	129,984	143,916	162,483	0.1
49	Land transport and transport via pipelines	5,864	5,003	5,399	5,922	0.0
52	Warehousing and support activities for transportation	1,306	1,350	1,511	1,753	0.1
53	Postal and courier activities	444	509	515	720	0.2
55	Accommodation	2,724	3,027	3,014	2,939	0.0
56	Food and beverage service activities	22,469	20,836	20,912	26,486	0.1
58	Publishing activities	275	277	655	686	0.5
59	Motion picture, video and television program production, sound recording and music publishing activities	694	302	348	386	-0.1
60	Programming and broadcasting activities	941	1,125	1,052	1,220	0.1
61	Telecommunications	5,263	4,780	4,808	4,792	-0.0
62	Computer programming, consultancy and related activities	920	1,443	1,677	1,435	0.2
63	Information service activities	740	481	275	262	-0.3
68	Real estate activities	1,190	1,204	1,302	1,623	0.1
69	Legal and accounting activities	6,153	5,356	5,338	6,020	-0.0
70	Activities of head offices; management consultancy activities	367	468	352	405	0.1
71	Architectural and engineering activities; technical testing and analysis	3,302	3,923	3,648	3,968	0.1
72	Scientific research and development	230	492	823	502	0.5
73	Advertising and market research	1,819	1,531	1,253	1,286	-0.1
74	Other professional, scientific and technical activities	2,418	1,952	2,126	2,646	0.0
75	Veterinary activities	274	137	125	114	-0.2
77	Rental and leasing activities	2,348	2,232	2,685	3,029	0.1

78	Employment activities		85	71	77	-0.0
79	Travel agency, tour operator, reservation service and related activities	987	1,063	1,083	1,504	0.2
80	Security and investigation activities	401	541	852	678	0.2
81	Services to buildings and landscape activities	683	1,316	846	482	0.0
82	Office administrative, office support and other business support activities	1,761	2,245	2,647	2,810	0.2
85	Education	31,588	34,746	35,842	37,759	0.1
86	Human health activities	20,985	16,890	19,205	20,272	-0.0
87	Residential care activities	1,130	1,111	926	843	-0.1
88	Social work activities without accommodation	4,052	6,106	4,830	4,461	0.1
90	Creative, arts and entertainment activities	355	773	626	478	0.3
91	Libraries, archives, museums and other cultural activities	159	189	117	133	-0.0
93	Sports activities and amusement and recreation activities	7,046	8,786	9,733	11,568	0.2
94	Activities of membership organizations	18,555	12,450	15,188	13,756	-0.1
95	Repair of computers and personal and household goods	5,385	3,995	5,092	5,801	0.1
96	Other personal service activities	17,159	14,348	13,024	17,191	0.0
	Total	465,167	443,114	482,045	549,740	0.1

Source: PCBS (2017-2019), data directly from PCBS

Sector specialization, and related employment, also varies across governorates. Agricultural production is centralized in Tubas and the Northern Jordan Valley, Jericho and the Southern Jordan Valley, and the Gaza Strip. Light manufacturing is central in Hebron, supported by the Palestine Polytechnic University. ICT and technology sectors are key in Nablus, supported by An-Najah University, and textiles and woodworking are important in Gaza. International tourism is the leading industry in Bethlehem and important in Jerusalem and Ramallah—which are both also centers of services and trade.

III. RATIONALE FOR FORSAH TVET

The TVET sector offers enormous potential to mitigate unemployment in WBG. The Forsah TVET program was designed to address gaps in the selected TVET institutions that limit their ability to sustainably respond to and predict workforce demand and the effects of climate change. The program is geared at improving the quality, relevance, and accessibility of the TVETs, countering unemployment across sectors, geographies, and genders, addressing outdated curriculum and pedagogies, low appeal among youth, a lack of institutionalized relationships with the private sector, and related skills mismatch between trainings and private sector demand.⁸

The TVET system in WBG remains small and fragmented. In 2018 there were 71,000 students (2.3% of all enrolled students) across 300 TVET institutions; 243 vocational training centers (VTCs) (21% of enrollment); 39 vocational secondary schools (VSSs) (7% of enrollment), including vocational units in academic schools; and 30 technical colleges (TCs) (32%).⁹ The Ministry of Labor is responsible for vocational training for skilled workers at VTCs; the Ministry of Education oversees education for vocational workers at VSSs; and the Ministry of Higher Education is responsible for education for

⁸ UNESCO-UNEVOC International Centre for Technical and Vocational Education and Training. (2012). Palestine World TVET Database. In unevoc.unesco.org/wtdb/worldtvetedatabase_pse_en.pdf

⁹ Hashweh, M. (2022, September). The TVET Challenge in Palestine. This Week in Palestine. <https://thisweekinpalestine.com/the-tvet-challenge-in-palestine/>

technicians at TCs. The Ministry of Social Development also runs vocational rehabilitation centers for underprivileged and disabled youth, while The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and nongovernmental organizations run additional VTCs.¹⁰

Yet the TVET sector in WBG has been highlighted by many reports for the high employment rates of graduates compared to their peers. TVET graduates have 89% participation in the labor force compared to 32.7% percent of Palestinian youth, and 77% of TVET graduates are employed, compared to only 59% of Palestinian youth writ large. In Gaza, interviews suggest that unemployment is 75% among university graduates. Studies by the Palestine Economic Policy Research Institute (MAS), Palestine Central Bureau of Statistics (PCBS), and academic researchers show that TVET graduates are more likely than other graduates to work in the private sector and twice as likely as other graduates to become employers or self-employed.¹¹

Forsah TVET will apply an inclusive market-driven approach to strengthen the TVET system and build the supply of skilled TVET graduates. Forsah TVET will leverage opportunities and address the challenges outlined above for private and non-profit TVETs (training centers, technical colleges) concentrating on Semi-skilled (level 1), Skilled (level 2), and Technician (level 4) trainings. TVET levels are linked with the occupational classification as per the nationally recognized Arab Standard Occupational Classification (AOC), as follows: 1. semi-skilled labor force; 2. skilled labor force; 3. vocational labor force; 4. technical labor; and 5. Specialists.¹²

In 2021 The National Technical and Vocational Education and Training Commission (NTC) was established to serve as an overarching governmental institution to unify the sector.¹³ This national effort operating alongside Forsah TVET presents an important opportunity for overall upgrading of the TVET system, in part through increased private sector engagement (PSE).

IV. PRIVATE SECTOR ENGAGEMENT (PSE) IN FORSAH TVET

The implementation of sustainable, flexible private sector engagement (PSE) mechanisms, such as sharing of sector data, Key Informant Interviews (KIIs), structured workshops, training co-design, and private sector working groups, is central to TVET Forsah, and the ongoing development of the TVET sector. Forsah TVET's PSE programming will support TVETs to become more responsive to private sector demand for trained workers during the life of the program and beyond.

Forsah TVET will advance PSE through two groups of activities:

Partnerships created between TVET institutions, PS firms, and youth in specific sectors

- Rapid Sector Prioritization to guide strategic sector selection
- Shared Value meetings to narrow from sector to occupation; and from occupation to training program
- Formation of TVET-PS-Youth training co-design teams (TCTs); TCTs collaborate to review and improve training programs
- Data Exchanges to enable evidence-based workforce development activities
- Long-term private sector partnerships facilitated with TVET institutions

¹⁰ *Ibid.*

¹¹ Hilal, R. (2019). TVET and Decent Work in Palestine: Lessons Learned for Fragile States. *International Journal of Training Research*, 17(sup1), 159–169. <https://doi.org/10.1080/14480220.2019.1641293>

¹² PCBS. (2022a). Press Release on the Results of the Labour Force Survey, during 2021. [pcbs.gov.ps; Palestinian Central Bureau of Statistics. https://pcbs.gov.ps/post.aspx?lang=en&ItemID=4177](https://pcbs.gov.ps/post.aspx?lang=en&ItemID=4177)

¹³International Trade Centre. (2018, November 6). Passion for graphic design pays off for Gaza-based youth. [Intracen.org. https://intracen.org/news-and-events/news/passion-for-graphic-design-pays-off-for-gaza-based-youth](https://intracen.org/news-and-events/news/passion-for-graphic-design-pays-off-for-gaza-based-youth)

Improved TVET capacity to respond to the needs of the private sector

- Renovate/Expand TVET Facilities to create vibrant, accessible, and safe physical learning environments
- Sustainable Mentorship Initiative for female TVET students build links to meet private sector needs
- TVET-PS Partnerships are fostered to institutionalize enhanced work-based learning

The first activity within partnership creation is the Rapid Sector Prioritization described in this document. Sector selection was conducted by developing an economic rationale, assessing the future outlook, and ground truthing findings.

Economic Rationale: The Competitiveness Appraisal Matrix described in this section provides an economic rationale for sector selection through data analysis and KIIs with the private sector and TVET leaders. Demand for TVET graduates exists across all sectors: services, manufacturing, construction, tourism, and ICT.¹⁴ Analysis of data at the 2-digit ISIC Rev. 4 classification supports the project to see where sectors are growing in terms of Output (a measure of sector size), Employment (a measure of employment needs), Value Added by Employee (a measure of the quality of employment), and investment (a measure of expectations of future growth). This is accompanied by an assessment of potential for women's employment.

Future Outlook: The publicly available data that drives the CAM is several years old (2019 in most cases), and thus reflects conditions prior to the most recent global and domestic shocks. Furthermore, this data does not reflect emerging trends in the market that have an important bearing on TVET programs, such as climate change; employment in the Israeli market; and sector-specific technological advances such as the growth of electric and hybrid vehicles, the expansion of fiber optic networks, and the emphasis on renewable energy sources. The process therefore includes literature review and private sector dialogues to inform and adjust quantitative findings based on the experience and expectations of employers.

Ground-Truthing: Forsah TVET continued to validate the above results through meetings with the private sector to estimate future employment needs, and with TVET institutions to triangulate findings. Based on the consensus or differing priorities of the private sector and TVET institutions this process resulted in the final reordering of recommended sectors as shown in Exhibit 14. A description of each of the sectors based on the findings from the economic rationale, future outlook, and ground-truthing filters, with details provided for West Bank and the Gaza Strip is included in Annex II.

IV.1 ECONOMIC RATIONALE

The economic rationale for sector selection was developed using DAI's Competitiveness Appraisal Matrix (CAM), a tool that provides a clear and transparent method to score and rank sectors. The CAM is created in four primary stages: 1) Identify the long list of economic activities based on two-digit ISIC divisions; 2) Define the selection criteria and indicators and collect data; 3) Conduct literature review and Key Informant Interviews (KIIs); and 4) Conduct data analysis and weighting to benchmark sectors. This results in an initial short list. DAI will coordinate closely with the Bethlehem Chamber of Commerce and Industry (BCCI)—a partner on Forsah TVET—to ensure that the data collected supports the rapid job needs assessment to be conducted under 0.c TVET Application and Selection.

For Forsah TVET, the CAM pillars are: 1) Recent Performance, 2) Average Annual Growth Rate (AAGR), and 3) Development Impact (gender/female employment). The following section describes each stage of CAM preparation.

¹⁴ Hilal, R. (2019). TVET and Decent Work in Palestine: Lessons Learned for Fragile States. *International Journal of Training Research*, 17(sup1), 159–169. <https://doi.org/10.1080/14480220.2019.1641293>

1. Identify a Long List of Economic Activities

The PCBS collects data for 96 divisions using the International Standard Industry Classification for Economic Activities (ISIC Rev. 4) at the two-digit level (see Annex I). Agriculture activities are handled separately by PCBS, with data available at the one-digit level that includes agriculture, hunting, and fishing.

It should be noted that the United Nations Statistical Division conducted a revision of the ISIC Rev. 4 in 2021 to reflect current economic activities, including a greater emphasis on activities related to climate change mitigation and conservation.¹⁵

2. Define Selection Criteria and Indicators; and Collect Data

Based on the objectives of Forsah TVET and the data available from PCBS the following indicators and sub-indicators were identified, as presented in Exhibit 8.

EXHIBIT 8: CAM INDICATORS AND WEIGHTS

Pillar 1	Weight	Pillar 2	Weight	Pillar 3	Weight
Recent Performance (USD 1,000) (2019)	25%	Average Annual Growth Rate (4-year AAGR)	65%	Development Indicators	10%
Output <ul style="list-style-type: none"> Output, West Bank Output, Gaza Strip 	5%	Output <ul style="list-style-type: none"> Output, West Bank Output, Gaza Strip 	10%	Female Employment	10%
Employment, WBG <ul style="list-style-type: none"> Employment, West Bank Employment, Gaza Strip 	10%	Employment, WBG <ul style="list-style-type: none"> Employment, West Bank Employment, Gaza Strip 	25%		
Value Added by Employee	5%	Value Added by Employee	15%		
Investment (GFCF) (2018)	5%	Investment (GFCF) (3 Year AAGR)	15%		

- Output reflects the sum of the values of final goods and services produced;
- Employment reflects the number of employees in the ISIC division;
- Value added per employee is a measure of labor productivity; and
- Investment is measured by Gross Fixed Capital Formation (GFCF) and provides a measure of expected demand in the ISIC division.

In each case, recent performance reflects the data in the most recent year, while the most recent four or five years available is used for the annual growth rate (AAGR). Data is disaggregated by West Bank and Gaza Strip and used to create specific CAMs for each region. Disaggregation is not available for East Jerusalem, Israel and Israeli settlements, nor for specific Governorates.

Prior to 2019 (reflecting 2018 data) PCBS published annual Economic Survey Studies, which include the economic activity information needed to measure recent performance and AAGR. These studies were discontinued in 2019 due to lack of resources, but data was obtained directly from PCBS for 2019, which thus represents the most recent year available.

¹⁵ UNSD. (2022, January 14). Revised new structure of ISIC: Note on the main changes to ISIC Rev. 4. Unstats.un.org; United Nations Statistical Division. https://unstats.un.org/unsd/classifications/ISIC/Main_changes_in_ISIC_14_Jan_2022.pdf

The development indicator of female employment was identified based on the Forsah TVET priority to promote female employment. As female employment is not available by two-digit ISIC code, key informant interviews with the Business Women’s Forum (BWF), the TVET League, SMART, and other private sector actors were used to provide a score between 1 (poor) and 7 (best) for each sector based on known and expected opportunities for women. The TVET League is currently running a program to support increased engagement of women in TVET (The Gender Responsive and Inclusive Technical and Vocational Education and Training (GRIT) project). As part of that program, the TVET League previously conducted gender-focused analysis and sector selection.

3. Literature Review and KIIs

Following the initial data collection, a literature review was used to create a first filter. Some ISIC divisions were grouped to more accurately reflect these sectors in the market. Those groupings with a positive Average Annual Growth Rate (AAGR) for employment over the most recent four or five years available were then selected. Agriculture and ICT and Telecommunications were also kept on the list, although the employment AAGR was slightly negative for these ISIC divisions. They are important to the economy based on the output and role in rural employment and food security (Agriculture), and the very high investment rate and critical role in basic economic infrastructure (ICT and Telecommunications).

Based on this first filter, 20 sectors and sector groupings were identified (Exhibit 9):

EXHIBIT 9: FINAL SECTOR GROUPS FOR THE CAM

No.	ISIC	Sectors
1	A	Agriculture; forestry and fishing (2021)
2	8	Other mining and quarrying
3	10,11	Manufacture of food products and beverages
4	13,14	Manufacture of textiles and apparel
5	17	Manufacture of paper and paper products
6	24, 25	Manufacture of basic and fabricated metal products, except machinery and equipment
7	27, 28	Manufacture of machinery and equipment, including electrical
8	16, 31	Manufacture of furniture and wood products
9	33, 95	Repair and installation of computers, machinery, equipment and other
10	35	Electricity, gas, steam and air conditioning supply
11	38	Waste collection, treatment and disposal activities; materials recovery
12	41, 43	Construction of buildings and specialized construction activities
13	45	Wholesale and retail trade and repair of motor vehicles, motorcycles
14	55, 56,79	Accommodation, food and beverage service, tourism
15	58, 73, 74	Publishing, advertising, and graphic design
16	61, 62,63	ICT and Telecommunications
17	82	Office administrative and support activities
18	86	Human health activities
19	90	Creative, arts and entertainment activities
20	96	Other personal service activities

This list of 20 sectors was reviewed with the Forsah TVET project team, SMART project team, the BWF, The TVET League, and other sector experts.

4. Data Analysis and Weighting to Benchmark Sectors

Data was collected for each indicator by sector. Each sector was then assigned a score of 1 (poor) to 7 (best), following the convention used by the World Economic Forum in scoring criteria for the global competitiveness rankings.¹⁶ The scores were then weighted to reflect the relative importance of the indicator. In the Forsah TVET CAM's the emphasis is on the average annual growth rate for employment (25%), Value Added by Employee (15%), and Investment (15%) for a cumulative weight of 65% for the AAGR pillar.

Based on this analysis, sectors were ranked as shown in Exhibit 10, for the West Bank, and Exhibit 11 for the Gaza Strip, where rankings differ based on the differing economies in the regions. The top row lists the criteria and associated weights used. The scores in each column were developed based on sector performance relative to all other sectors in the matrix. Scores are weighted and added for each pillar (Recent Performance, AAGR, Development Objectives). Finally, the pillar scores are averaged to achieve a final score for the sector out of 100. These scores, which range from 26.6 percent to 62.2 percent, reflect the combined performance of each sector on each indicator.

EXHIBIT 10: WEST BANK COMPETITIVENESS APPRAISAL MATRIX

Rank	Weights	Recent Performance				Average Annual Growth Rate					Development Objectives		Total Score (out of 100)	
		Output, West Bank (2019)	Employment, West Bank (2019)	Value added by employee, West Bank (2019)	Investment, West Bank (2018)	Output, West Bank	Employment, West Bank	Value added by employee, West Bank	Investment, West Bank	Female Employment				
		25%	5%	10%	5%	5%	10%	25%	15%	15%	10%	10%	100%	
	Sectors													
1	Waste collection, treatment and disposal activities; materials recovery	0.3	1.1	1.0	2.5	1.0	3.7	7.0	7.0	7.0	1.0	0.3	2.5	60.4
2	Accommodation, food and beverage service, tourism	1.2	3.9	7.0	3.0	3.2	1.7	1.0	1.4	1.0	7.0	0.6	6.2	49.6
3	Publishing, advertising, and graphic design	0.4	1.3	1.8	2.6	1.0	2.1	2.0	5.1	3.3	1.0	0.7	7	46.4
4	ICT and Telecommunications	0.9	4.6	2.5	7.0	1.6	1.4	1.1	1.0	2.7	4.1	0.7	7	42.7
5	Manufacture of food products and beverages	1.1	7.0	2.7	1.8	7.0	1.1	1.1	1.8	2.0	1.3	0.6	6.1	38.9
6	Manufacture of furniture and wood products	1.2	5.7	6.6	2.1	2.9	1.0	1.2	1.6	2.1	1.0	0.4	4.4	37.4
7	Human health activities	0.9	3.2	4.5	1.7	3.8	0.8	1.2	1.0	1.6	1.0	0.7	7	33.5
8	Manufacture of basic and fabricated metal products, except machinery	0.8	3.6	4.2	2.9	1.5	1.2	1.1	1.7	2.4	1.9	0.3	3.3	33.3
9	Electricity, gas, steam and air conditioning supply	0.6	2.1	1.3	2.3	5.7	1.4	1.1	1.4	3.8	2.2	0.3	3.3	33.2
10	Agriculture; forestry and fishing (2021)	0.6	2.0	3.1	2.4	2.3	1.1	-0.1	2.0	2.2	1.7	0.5	5.5	32.5
11	Creative, arts and entertainment activities	0.3	1.0	1.1	1.4	1.1	1.2	1.0	2.6	1.8	1.2	0.7	7	31.2
12	Wholesale and retail trade and repair of motor vehicles, motorcycles	1.1	4.1	7.0	1.7	1.8	0.8	1.0	1.1	1.6	1.0	0.3	2.5	29.9
13	Construction of buildings and specialized construction activities	0.8	3.3	2.7	2.6	3.8	0.9	1.1	1.3	2.2	1.1	0.4	4	29.8
14	Manufacture of textiles and apparel	0.6	1.9	3.8	1.8	1.6	0.9	1.0	1.6	1.5	1.1	0.5	5.5	29.8
15	Other personal service activities	0.6	1.9	4.1	1.1	1.1	0.7	1.0	1.0	1.6	1.0	0.7	7	29.4
16	Repair and installation of computers, machinery, equipment and other	0.4	1.4	2.2	1.9	1.0	1.0	1.2	2.0	1.7	1.0	0.5	4.7	27.6
17	Office administrative and support activities	0.4	1.5	1.7	1.9	1.0	0.8	1.0	1.3	1.6	1.0	0.7	7	27.2
18	Manufacture of machinery and equipment, including electrical	0.4	1.2	1.4	2.1	1.0	1.2	1.3	2.6	1.6	1.0	0.3	3.3	26.5
19	Other mining and quarrying	0.5	1.6	1.7	2.4	1.6	1.1	1.0	1.4	1.5	2.7	0.3	2.5	25.4
20	Manufacture of paper and paper products	0.4	1.4	1.3	1.9	1.1	0.7	1.0	1.1	1.3	1.0	0.6	6.2	24.1

¹⁶ DAI. (n.d.). Sector Competitiveness Analysis Tools: Reference Guide. The World Bank. Retrieved January 24, 2023, from https://d3n8a8pro7vnmx.cloudfront.net/fhi360/pages/288/attachments/original/1416868093/World_Bank_Sector_Competitiveness_Report_%28SCAT%29.pdf?1416868093

EXHIBIT II: GAZA STRIP COMPETITIVENESS APPRAISAL MATRIX

	Recent Performance					Average Annual Growth Rate					Development Objectives		Total Score (out of 100)
	Output, Gaza Strip (2019)	Employment, Gaza Strip (2019)	Value added by employee, Gaza Strip (2019)	Investment, Gaza Strip (2018)		Output, Gaza Strip	Employment, Gaza Strip	Value added by employee, Gaza Strip	Investment, Gaza Strip		Female Employment		
0 Weights	25%	5%	10%	5%	5%	65%	10%	25%	15%	15%	10%	10%	100%
Sectors													
1 Publishing, advertising, and graphic design	1.1	1.5	7.0	2.5	3.2	2.9	4.3	4.5	2.2	7.0	0.7	7	67.1
2 Manufacture of food products and beverages	0.7	6.0	1.0	1.8	4.1	2.9	3.1	7.0	1.1	4.3	0.6	6.1	59.6
3 Accommodation, food and beverage service, tourism	1.5	4.5	7.0	4.6	7.0	1.9	3.2	2.7	2.2	3.8	0.6	6.2	57.4
4 Manufacture of basic and fabricated metal products, except machinery	0.4	2.2	1.0	1.6	2.2	3.2	7.0	5.8	2.7	4.1	0.3	3.3	55.7
5 Manufacture of paper and paper products	0.5	1.0	2.1	1.3	2.5	2.5	3.1	2.4	7.0	3.5	0.6	6.2	50.8
6 Creative, arts and entertainment activities	0.8	1.0	5.7	1.1	2.5	1.9	3.7	1.0	4.7	3.5	0.7	7	47.9
7 Electricity, gas, steam and air conditioning supply	1.2	7.0	3.1	7.0	3.6	1.6	2.0	2.1	1.8	3.8	0.3	3.3	44.1
8 Agriculture; forestry and fishing (2021)	0.7	3.0	2.9	2.0	3.0	1.8	2.2	3.0	2.0	3.8	0.5	5.5	43.9
9 Human health activities	0.7	4.2	1.2	1.5	5.0	1.7	2.9	2.3	1.6	3.7	0.7	7	43.1
10 Other personal service activities	0.7	1.1	4.8	1.1	1.9	1.6	2.2	2.3	1.4	3.7	0.7	7	42.1
11 Manufacture of machinery and equipment, including electrical	0.6	1.2	3.1	2.0	2.5	2.0	1.4	4.6	1.0	3.5	0.3	3.3	41.3
12 Office administrative and support activities	0.4	1.0	1.6	1.2	2.7	1.8	2.1	2.5	2.4	3.9	0.7	7	41.2
13 ICT and Telecommunications	0.5	1.4	1.6	2.8	2.7	1.7	2.2	2.0	1.2	5.2	0.7	7	41.2
14 Repair and installation of computers, machinery, equipment and other	0.7	1.5	3.9	1.3	2.8	1.6	1.7	3.0	1.0	3.7	0.5	4.7	39.5
15 Manufacture of textiles and apparel	0.8	1.8	4.5	1.7	2.8	1.4	1.9	2.0	1.2	3.6	0.5	5.5	38.9
16 Wholesale and retail trade and repair of motor vehicles, motorcycle	0.7	3.9	2.8	1.4	2.4	1.6	2.1	2.8	1.3	3.6	0.3	2.5	36.6
17 Manufacture of furniture and wood products	0.4	2.6	1.2	1.6	1.0	1.6	1.7	2.6	1.7	3.3	0.4	4.4	34.1
18 Waste collection, treatment and disposal activities; materials recovery	0.4	1.0	1.7	1.3	2.6	1.5	2.1	2.5	1.0	3.6	0.3	2.5	31.3
19 Other mining and quarrying	0.3	1.0	1.0	1.2	2.5	1.5	2.3	2.3	1.1	3.6	0.3	2.5	29.9
20 Construction of buildings and specialized construction activities	0.5	2.0	1.7	1.5	2.5	0.9	1.0	1.8	1.3	1.0	0.4	4	25.2

IV.II FUTURE OUTLOOK

Four important market and development factors were raised in KIs that are not reflected in the published data: 1. The role of sectors in addressing climate change; 2. Technology and innovation driven demand; 3. Expected employment opportunities outside of WBG (in Israel and Settlements and international outsourcing); and 4. Established buyer contracts with estimated labor needs.

I. Role of Sectors in Addressing Climate Change

Three important sectors with a direct impact on mitigating climate change are Waste collection, treatment, and disposal, which includes circular economy activities; Electricity, gas, steam and air conditioning supply, which includes renewable energy sources; and Retail Trade and Repair of Motor Vehicles, Motorcycles, which includes electric and hybrid vehicles. While waste collection as a whole represents a leading job growth sector in the West Bank, the SMART Circular Economy Study reflects that circular economy activities are today a very small proportion of the market.¹⁷ As such, while the climate-change mitigation activities within these sectors do not represent large markets today they will become increasingly relevant for job creation and TVET education in the near future as the market shifts to reduction of fossil fuel consumption for energy and transportation.

¹⁷ Palfreman, J. (2022, November 27). Small and Medium Enterprise Assistance for Recovery and Transition (SMART) Project: Circular Economy Study. USAID.

2. Technology and Innovation Driven Demand

In addition to the two sectors described above, several other sectors are impacted by technological advances. The ICT and Telecommunications sector is in many ways a backbone of the future economy. Expansion of the basic infrastructure, through fiber optic networks, is a prerequisite for production and communications in all sectors. ICT and ICT-enabled innovations are increasingly central across activities in agriculture, manufacturing, and services and offer opportunities for women, youth, and other marginalized groups through consulting and work from home arrangements—in part for international clients. Corresponding skill sets are also needed in Repair and installation of computers, machinery, and equipment. Finally, technological advances in agriculture, or Agri-tech, are changing the nature of skill sets required in the Agriculture, Forestry and Fishing sector.

3. Employment Outside of West Bank and Gaza Strip

Employment of Palestinians in Israel and Settlements reduces the labor supply available in the WBG in many sectors. As shown in Exhibit 12 below, in 2021 the percent of Palestinians employed in Israel and Settlements was 1.5 percent in Transportation, Storage and Communications, 4.7 percent in Services and Other sectors, 11.3 percent in Trade, Restaurants and Hotels, 12.9 percent in Quarries and Manufacturing, and 63.2 percent of workers in Building and Construction.¹⁸ These numbers correspond with an increasing shortage of highly skilled workers in ICT, trained workers in the tourism sector, and low-skilled workers in the construction sector in WBG.

Furthermore, labor market shortages in the West Bank and Gaza are seen in the Manufacture of furniture and wood, Manufacture of basic metals, Manufacture of paper and packaging, and Manufacture of textiles and apparel, as workers across many sectors seek higher wages in Israel. Daily wages there average more than twice what a worker can earn in the West Bank and more than four times what workers earn in the Gaza Strip.¹⁹

EXHIBIT 12: LABOR IN WBG BY REGION AND ECONOMIC ACTIVITY IN 2021 (%)

Economic Activity	West Bank	Gaza Strip	Outside WBG
Agriculture, Hunting, and Forestry	6.9	6.0	6.5
Quarries and Manufacturing	15	6.3	12.9
Building and Construction	14.7	3.8	63.2
Trade, Restaurants, and Hotels	24.9	20.5	11.3
Transportation, Storage, and Communication	5.6	8.7	1.5
Services and Other	33.2	54.7	4.7
Total	100	100	100

Source: MAS (2022).

4. Established Buyer Contracts

Due to the blockade of Gaza, Gazan producers and exporters do business through direct relationships with Israeli buyers, often arranged or facilitated by international agencies. These arrangements enable specific estimates of future employment needs, as seen in the Manufacture of furniture and wood and Manufacture of textiles and apparel sectors.

In the Manufacture of furniture and wood sector, the Palestinian Wood Industries Union (PWIU) expects an additional need for 8,000 workers due to upcoming sales contracts. The Palestinian Federation of

¹⁸ MAS. (2022). Economic Monitor Issue 68 Part 1/2021. MAS.ps; The Palestine Economic Policy Research Institute. <https://mas.ps/en/publications/6329.html>

¹⁹ *Ibid.*

Garment, Textile and Leather Industries is on track to increase the number of workers in this sector to 14,000 by 2028 based on increased sales expected to Israel and the West Bank.

EXHIBIT 13: ADDITIONAL FACTOR ANALYSIS BY SECTOR

No.	Sectors	Climate Change	Technology Advances	Outside WBG	Facilitated Buyers (Gaza)
1	Waste collection; treatment and disposal; materials recovery	•	•	•	
2	ICT and Telecommunications		•	•	
3	Accommodation, food and beverage service, tourism		•	•	
4	Manufacture of food products and beverages				
5	Agriculture; forestry and fishing (Agriculture technologies)		•	•	
6	Manufacture of basic and fabricated metal products, except machinery and equipment			•	
7	Manufacture of furniture and wood products			•	•
8	Publishing, advertising, and graphic design			•	
9	Manufacture of machinery and equipment, including electrical		•		
10	Renewable Energy	•	•		
11	Creative, arts and entertainment activities				
12	Construction of buildings and specialized construction activities			•	
13	Manufacture of textiles and apparel				•
14	Wholesale and retail trade and repair of motor vehicles, motorcycles (Electric and hybrid vehicle repair)	•	•		
15	Repair and installation of computers, machinery, and equipment		•		
16	Manufacture of paper and paper products				•

Four sectors were eliminated at this stage (see Exhibit 13). Office administrative and support activities, Other personal service activities, and Other mining and quarrying were eliminated because they did not demonstrate growth in the CAM and were not significant in the other four contextual factors. The Human health activities sector was eliminated because interventions in this sector will require engagement with the Ministry of Health, which is not in the mandate of USAID programming. During the Future Outlook analysis, two sectors were narrowed from the broader sector definitions used in the CAM analysis to more specific components of the sector that demonstrated need. Specifically, Agriculture; forestry and fishing was narrowed to Agriculture technologies; and Electricity, gas, steam, and air conditioning supply was narrowed to Renewable Energy.

IV.III GROUND TRUTHING AND FINDINGS

Forsah TVET continued to validate the above results through meetings with the private sector to estimate future employment needs, and with TVET institutions to triangulate findings. Based on the consensus or differing priorities of the private sector and TVET institutions this process resulted in the final reordering of recommended sectors as shown in Exhibit 14. A description of each of the sectors based on the findings from the economic rationale, future outlook, and ground-truthing filters, with details provided for West Bank and the Gaza Strip is included in Annex II.

As a result of the ground truthing exercise, three additional sectors are further narrowed to better reflect the areas within the sector that have the greatest relative need. Specifically, Waste collection, treatment and disposal activities is narrowed to Circular Economy Processes; Wholesale and retail trade and repair of motor vehicles, motorcycles was narrowed to Electric and hybrid vehicle repair, and Accommodation, food and beverage service, tourism is narrowed to Hospitality and tourism.

EXHIBIT 14: FINAL SECTOR RECOMMENDATIONS FOR THE WEST BANK AND GAZA

No.	Sectors	PS Priorities	TVET Priorities
1	ICT and Telecommunications	•	•
2	Manufacture of food products and beverages	•	•
3	Hospitality and tourism	•	•
4	Circular economy processes	•	•
5	Renewable energy	•	•
6	Agriculture technologies	•	•
7	Repair and installation of computers, machinery, and equipment	•	•
8	Manufacture of furniture and wood products	•	
9	Manufacture of basic and fabricated metal products	•	
10	Manufacture of textiles and apparel	•	
11	Manufacture of paper and paper products	•	
12	Manufacture of machinery and equipment, including electrical	•	
13	Electric and hybrid vehicle repair		•
14	Construction of buildings and specialized construction activities		•
15	Publishing, advertising, and graphic design		•
16	Creative, arts and entertainment activities		•

V. NEXT STEPS

The Rapid Sector Prioritization Exercise is the first step in a collaborative process to ensure the relevance of TVET programming in West Bank and Gaza. This serves to bolster demand-driven programming through incentives and sustainable mechanisms for private sector engagement and long-term partnerships. Once the eligible sectors are confirmed, Forsah TVET will finalize and circulate a partnership application for interested non-governmental TVET institutions offering levels 1, 2, and/or 4 TVET in the three target geographies (West Bank, Gaza Strip and East Jerusalem). TVETs will indicate the sectors of interest and relevance to them at this stage; six TVETs will be selected for Phase I.

Course selection and curriculum co-design will engage the private sector from the outset. Through Shared Values meeting, conducted regionally, the selected TVET institutions will partner with private sector representatives and experts to identify priority occupations within the sectors relevant to the market needs in their regions and communities. Selected TVET institutions will subsequently re-convene for a second day of regional Shared Value meetings, where selected TVETs, youth and PS firms will exchange priorities, build common ground and agree on a targeted training program(s). The meetings will initiate

the formation of TVET-PS-Youth training co-design teams (TCTs) who will subsequently work to determine specific training program needs and develop curriculum.

Following institutional vetting of selected TVET institutions, Forsah TVET will connect selected TVETs to Virginia Tech (VT) and its extensive network of U.S. technical colleges, who will support Training Co-development Teams (TCTs) to review and improve existing curricula and/or develop new training programs. Forsah TVET will develop a curriculum co-design framework, aligned with the established Complex Tasks Approach to curriculum development (the standardized curriculum development process) adopted by relevant ministries and The National TVET Commission (NTC). TVETs will then be supported to convene industry panels to develop occupational competency profiles which reflect private sector needs and promote Forsah TVET priorities relating to digitization, greening, entrepreneurship and life skills, and Gender Equity and Social Inclusion (GESI). Once the occupational profiles and intended learning outcomes are validated, TCTs will be supported to develop learner-centered and experiential curriculum, which incorporates Work-Based Learning (WBL) and principles of Universal Design for Learning.

Selected TVETs will be introduced to the JobsNow! grant application process and the types of tailored technical assistance that will be offered by Forsah TVET to support the training co-design process and broader institutional performance improvements. Once vetting is completed for each TVET, IREX will proceed with JobsNow! grants for TVETs so that technical assistance, capacity strengthening, curriculum co-development and training can commence; JobsNow! grants will be used for specific training program needs and could include materials used by students during training, WBL/apprenticeship stipends, and/or specialized training equipment.

Eligible sectors will be reviewed based on new information and/or market dynamics for year two sector selection.

ANNEXES

ANNEX I: PCBS ISIC REV. 4 CODES²⁰

ISIC	Economic Activities/Division	Definitions
A	Agriculture; forestry and fishing	The growing of all crops, raising of livestock, mixed farming, support activities, post-harvest handling, seed processing; hunting and trapping; and fishing and aquaculture.
8	Other mining and quarrying	Quarrying of stone, sand and clay.
10	Manufacture of food products	The processing and preserving of meat, fish, fruit vegetables; manufacture of dairy, grain, and other food products, including confectionary and noodles; the manufacturing of prepared meals; and the manufacture of prepared animal feed.
11	Manufacture of beverages	Distilling of spirits and manufacture of wine and beer, as well as soft drinks, mineral water, and bottled water.
12	Manufacture of tobacco products	Manufacture of tobacco products and products of tobacco substitutes: cigarettes, cigarette tobacco, cigars, pipe tobacco, chewing tobacco, snuff; Manufacture of "homogenized" or "reconstituted" tobacco; Stemming and redrying of tobacco
13	Manufacture of textiles	Spinning, weaving and finishing of textiles and textile fibers; manufacturing of knitted and crocheted fabrics; manufacture of textile articles except apparel; manufacturing of carpets and rugs; and manufacturing of cordage, rope, twine, and netting.
14	Manufacture of wearing apparel	Manufacture of wearing apparel; manufacture of articles of fur; and manufacture of knitted and crocheted apparel.
15	Manufacture of leather and related products	Dressing and dyeing of fur and the transformation of hides into leather by tanning or curing and fabricating the leather into products for final consumption. It also includes the manufacture of similar products from other materials (imitation leathers or leather substitutes), such as rubber footwear, textile luggage etc. The products made from leather substitutes are included here, since they are made in ways similar to those in which leather products are made (e.g., luggage) and are often produced in the same unit.
16	Manufacture of wood and products of wood and cork, except furniture; Manufacture of articles of straw and plaiting materials	Sawmilling and planing of wood; manufacture of products of wood, cork, straw and plaiting materials; manufacture of veneer sheets and wood-based panels; manufacture of builders' carpentry and joinery; and manufacture of wooden containers.
17	Manufacture of paper and paper products	Manufacture of pulp, paper and converted paper products. There are essentially three activities: The manufacture of pulp involves separating the cellulose fibers from other impurities in wood or used paper. The manufacture of paper involves matting these fibers into a sheet. Converted paper products are made from paper and other materials by various cutting and shaping techniques, including coating and laminating activities.
18	Printing and reproduction of recorded media	Printing of products, such as newspapers, books, periodicals, business forms, greeting cards, and other materials, and associated support activities, such as bookbinding, plate-making services, and data imaging. The support activities included here are an integral part of the printing industry, and a product (a printing plate, a bound book, or a computer disk or file) that is an integral part of the printing industry is almost always provided by these operations.
19	Manufacture of coke and refined petroleum products	The transformation of crude petroleum and coal into usable products. The dominant process is petroleum refining, which involves the separation of crude petroleum into component products through such techniques as cracking and distillation. This division includes the manufacture of gases such as ethane, propane and butane as products of petroleum refineries. This division also includes the manufacture for own account of characteristic products (e.g., coke, butane, propane, petrol, kerosene, fuel oil etc.) as well as processing services (e.g., custom refining).

²⁰ SICCODE.com. (2019, May 1). ISIC Code Lookup, Directory, Definitions, Conversion Tools. Siccode.com. <https://siccode.com/isic-code-lookup-directory>

20	Manufacture of chemicals and chemical products	The transformation of organic and inorganic raw materials by a chemical process and the formation of products. It distinguishes the production of basic chemicals that constitute the first industry group from the production of intermediate and end products produced by further processing of basic chemicals that make up the remaining industry classes.
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	Manufacture of basic pharmaceutical products and pharmaceutical preparations. This includes also the manufacture of medicinal chemical and botanical products.
22	Manufacture of rubber and plastics products	Manufacture of rubber and plastics products.
23	Manufacture of other non-metallic mineral products	Manufacturing activities related to a single substance of mineral origin. This division includes the manufacture of glass and glass products (e.g., flat glass, hollow glass, fibers, technical glassware etc.), ceramic products, tiles and baked clay products, and cement and plaster, from raw materials to finished articles. The manufacture of shaped and finished stone and other mineral products is also included in this division.
24	Manufacture of basic metals	Manufacture of basic iron and steel includes manufacture of basic precious and other non-ferrous metals; and casting of metals, including iron and steel.
25	Manufacture of fabricated metal products, except machinery and equipment	Manufacture of structural metal products, tanks, reservoirs and steam generators; manufacture of structural metal products; manufacture of tanks, reservoirs and containers of metal; manufacture of steam generators, except central heating hot water boilers; manufacture of weapons and ammunition; manufacture of other fabricated metal products; metalworking service activities; forging, pressing, stamping and roll-forming of metal; powder metallurgy; treatment and coating of metals; machining; manufacture of cutlery, hand tools and general hardware; manufacture of other fabricated metal products.
26	Manufacture of computer, electronic and optical products	Manufacture of computers, computer peripherals, communications equipment, and similar electronic products, as well as the manufacture of components for such products. Production processes of this division are characterized by the design and use of integrated circuits and the application of highly specialized miniaturization technologies. The division also contains the manufacture of consumer electronics, measuring, testing, navigating, and control equipment, irradiation, electromedical and electrotherapeutic equipment, optical instruments and equipment, and the manufacture of magnetic and optical media.
27	Manufacture of electrical equipment	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus; manufacture of batteries and accumulators; manufacture of wiring and wiring devices; manufacture of fiber optic cables; manufacture of other electronic and electric wires and cables; manufacture of wiring devices; manufacture of electric lighting equipment; manufacture of domestic appliances; manufacture of other electrical equipment.
28	Manufacture of machinery and equipment n.e.c.	Manufacture of machinery and equipment., includes manufacture of a wide variety of items including: <ul style="list-style-type: none"> • general-purpose machinery • engines and turbines, except aircraft, vehicle and cycle engines • fluid power equipment • other pumps, compressors, taps and valves • bearings, gears, gearing and driving elements • ovens, furnaces and furnace burners • lifting and handling equipment • office machinery and equipment (except computers and peripheral equipment) • power-driven hand tools • other general-purpose machinery • special-purpose machinery • agricultural and forestry machinery • metal-forming machinery and machine tools • machinery for metallurgy • machinery for mining, quarrying and construction • machinery for food, beverage and tobacco processing • machinery for textile, apparel and leather production • other special-purpose machinery

29	Manufacture of motor vehicles, trailers and semi-trailers	Manufacture of motor vehicles for transporting passengers or freight. The manufacture of various parts and accessories, as well as the manufacture of trailers and semi-trailers, is included here.
30	Manufacture of other transport equipment	Manufacture of transportation equipment such as ship building and boat manufacturing, the manufacture of railroad rolling stock and locomotives, air and spacecraft and the manufacture of parts thereof. This division also includes service activities incidental to agriculture, as well as hunting, trapping and related activities.
31	Manufacture of furniture	Manufacture of furniture of any kind, any material (except stone, concrete or ceramic) for any place and purpose.
32	Other manufacturing	Manufacture of a variety of goods not covered in other parts of the classification. Since this is a residual division, production processes, input materials and use of the produced goods can vary widely and usual criteria for grouping classes into divisions have not been applied here.
33	Repair and installation of machinery and equipment	Repair and installation of fabricated metal products, machinery and equipment includes repair of electronic and optical equipment; repair of electrical equipment; repair of transport equipment, except motor vehicles; repair of other equipment; and Installation of industrial machinery and equipment.
35	Electricity, gas, steam and air conditioning supply	The activity of providing electric power, natural gas, steam, hot water and the like through a permanent infrastructure (network) of lines, mains and pipes. The dimension of the network is not decisive; also included are the distribution of electricity, gas, steam, hot water and the like in industrial parks or residential buildings
36	Water collection, treatment and supply	The collection, treatment and distribution of water for domestic and industrial needs. Collection of water from various sources, as well as distribution by various means is included.
38	Waste collection, treatment and disposal activities; materials recovery	The collection, treatment, and disposal of waste materials. This also includes local hauling of waste materials and the operation of materials recovery facilities (i.e., those that sort recoverable materials from a waste stream).
39	Remediation activities and other waste management services	The provision of remediation services, i.e., the cleanup of contaminated buildings and sites, soil, surface or ground water.
41	Construction of buildings	Construction of buildings includes construction of all types of residential and non-residential buildings; assembly and erection of prefabricated constructions on the site; and remodeling or renovating existing residential structures.
42	Civil engineering	This division includes general construction for civil engineering objects. It includes new work, repair, additions and alterations, the erection of prefabricated structures on the site and also construction of temporary nature. Included is the construction of heavy constructions such as motorways, streets, bridges, tunnels, railways, airfields, harbors and other water projects, irrigation systems, sewerage systems, industrial facilities, pipelines and electric lines, outdoor sports facilities, etc.
43	Specialized construction activities	Specialized construction activities include demolition and site preparation; electrical, plumbing, heat and air-conditioning and other construction installation activities; building completion and finishing; and other specialized construction activities.
45	Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale and retail trade and repair of motor vehicles and motorcycles includes sale of motor vehicles; maintenance and repair of motor vehicles; sale of motor vehicle parts and accessories; sale, maintenance and repair of motorcycles and related parts and accessories.
46	Wholesale trade, except of motor vehicles and motorcycles	Wholesale trade on own account or on a fee or contract basis (commission trade) related to domestic wholesale trade as well as international wholesale trade (import/export).
47	Retail trade, except of motor vehicles and motorcycles	Resale (sale without transformation) of new and used goods mainly to the general public for personal or household consumption or utilization, by shops, department stores, stalls, mail-order houses, hawkers and peddlers, consumer cooperatives etc.
49	Land transport and transport via pipelines	Transport of passengers and freight via road and rail, as well as freight transport via pipelines.

52	Warehousing and support activities for transportation	Warehousing and support activities for transportation, such as operating of transport infrastructure (e.g., airports, harbors, tunnels, bridges, etc.), the activities of transport agencies and cargo handling.
53	Postal and courier activities	Postal and courier activities, such as pickup, transport and delivery of letters and parcels under various arrangements. Local delivery and messenger services are also included.
55	Accommodation	The provision of short-stay accommodation for visitors and other travelers. Also included is the provision of longer-term accommodation for students, workers and similar individuals. Some units may provide only accommodation while others provide a combination of accommodation, meals and/or recreational facilities.
56	Food and beverage service activities	Restaurants and mobile food service activities, event catering and other food service activities, and beverage serving activities.
58	Publishing activities	Publishing activities includes publishing of books, periodicals, directories and mailing lists, newspapers, and software.
59	Motion picture, video and television program production, sound recording and music publishing activities	Production of theatrical and non-theatrical motion pictures whether on film, videotape or disc for direct projection in theatres or for broadcasting on television; supporting activities such as film editing, cutting, dubbing etc.; distribution of motion pictures and other film productions to other industries; as well as motion picture or other film productions projection. Also included is the buying and selling of distribution rights for motion pictures or other film productions. This division also includes the sound recording activities, i.e., production of original sound master recordings, releasing, promoting and distributing them, publishing of music as well as sound recording service activities in a studio or elsewhere.
60	Programming and broadcasting activities	The activities of creating content or acquiring the right to distribute content and subsequently broadcasting that content, such as radio, television and data programs of entertainment, news, talk, and the like. Also included is data broadcasting, typically integrated with radio or TV broadcasting. The broadcasting can be performed using different technologies, over-the-air, via satellite, via a cable network or via Internet. This division also includes the production of programs that are typically narrowcast in nature (limited format, such as news, sports, education or youth-oriented programming) on a subscription or fee basis, to a third party, for subsequent broadcasting to the public.
61	Telecommunications	Wired; wireless; satellite; and other telecommunications activities.
62	Computer programming, consultancy and related activities	Programming, computer consultancy and computer facilities management, and other information technology and computer service activities.
63	Information service activities	Data processing, hosting and related activities; web portals; news agency activities; and other information service activities.
68	Real estate activities	Acting as lessors, agents and/or brokers in one or more of the following: selling or buying real estate, renting real estate, providing other real estate services such as appraising real estate or acting as real estate escrow agents. Activities in this section may be carried out on own or leased property and may be done on a fee or contract basis. This section includes real estate property managers.
69	Legal and accounting activities	Legal representation of one party's interest against another party, whether or not before courts or other judicial bodies by, or under supervision of, persons who are members of the bar, such as advice and representation in civil cases, advice and representation in criminal actions, advice and representation in connection with labor disputes. It also includes preparation of legal documents such as articles of incorporation, partnership agreements or similar documents in connection with company formation, patents and copyrights, preparation of deeds, wills, trusts, etc. as well as other activities of notaries public, civil law notaries, bailiffs, arbitrators, examiners and referees. It also includes accounting and bookkeeping services such as auditing of accounting records, preparing financial statements and bookkeeping.
70	Activities of head offices; management consultancy activities	Provision of advice and assistance to businesses and other organizations on management issues, such as strategic and organizational planning; financial planning and budgeting; marketing objectives and policies; human resource policies, practices, and planning; production scheduling; and control planning. It also includes the overseeing and managing of other units of the same company or enterprise, i.e., the activities of head offices.
71	Architectural and engineering	The provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services.

	activities; technical testing and analysis	It also includes the performance of physical, chemical, and other analytical testing services.
72	Scientific research and development	The activities of three types of research and development: 1) basic research: experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without particular application or use in view, 2) applied research: original investigation undertaken in order to acquire new knowledge, directed primarily towards a specific practical aim or objective and 3) experimental development: systematic work, drawing on existing knowledge gained from research and/or practical experience, directed to producing new materials, products and devices, to installing new processes, systems and services, and to improving substantially those already produced or installed.
73	Advertising and market research	Advertising and market research includes market research and public opinion polling.
74	Other professional, scientific and technical activities	Other professional, scientific and technical activities includes specialized design activities; photographic activities; and other professional, scientific and technical activities.
75	Veterinary activities	The provision of animal health care and control activities for farm animals or pet animals. These activities are carried out by qualified veterinarians in veterinary hospitals as well as when visiting farms, kennels or homes, in own consulting and surgery rooms or elsewhere. It also includes animal ambulance activities.
77	Rental and leasing activities	Office administrative and support activities; combined office administrative service activities; photocopying, document preparation and other specialized office support activities; activities of call centers; organization of conventions and trade shows; business support service activities; activities of collection agencies and credit bureaus; packaging activities; and other business support service activities.
78	Employment activities	Activities of listing employment vacancies and referring or placing applicants for employment, where the individuals referred or placed are not employees of the employment agencies, supplying workers to clients' businesses for limited periods of time to supplement the working force of the client, and the activities of providing human resources and human resource management services for others on a contract or fee basis. This division also includes executive search and placement activities and activities of theatrical casting agencies.
79	Travel agency, tour operator, reservation service and related activities	The activity of selling travel, tour, transportation and accommodation services to the general public and commercial clients and the activity of arranging and assembling tours that are sold through travel agencies or directly by agents such as tour operators, as well as other travel-related services including reservation services. The activities of tourist guides and tourism promotion activities are also included.
80	Security and investigation activities	Security-related services such as: investigation and detective services; guard and patrol services; picking up and delivering money, receipts, or other valuable items with personnel and equipment to protect such properties while in transit; operation of electronic security alarm systems, such as burglar and fire alarms, where the activity focuses on remote monitoring these systems, but often involves also sale, installation and repair services. If the latter components are provided separate, they are excluded from this division and classified in retail sale, construction etc.
81	Services to buildings and landscape activities	The provision of a number of general support services, such as the provision of a combination of support services within a client's facilities, the interior and exterior cleaning of buildings of all types, cleaning of industrial machinery, cleaning of trains, buses, planes, etc., cleaning of the inside of road and sea tankers, disinfecting and exterminating activities for buildings, ships, trains, etc., bottle cleaning, street sweeping, snow and ice removal, provision of landscape care and maintenance services and provision of these services along with the design of landscape plans and/or the construction (i.e. installation) of walkways, retaining walls, decks, fences, ponds, and similar structures.
82	Office administrative, office support and other business support activities	The provision of a range of day-to-day office administrative services, as well as ongoing routine business support functions for others, on a contract or fee basis. This division also includes all support service activities typically provided to businesses not elsewhere classified.
85	Education	Education at any level or for any profession, oral or written as well as by radio and television or other means of communication. It includes education by the different institutions in the regular school system at its different levels as well as adult education, literacy programs etc.

		Also included are military schools and academies, prison schools etc. at their respective levels. The section includes public as well as private education.
86	Human health activities	Activities of short- or long-term hospitals, general or specialty medical, surgical, psychiatric and substance abuse hospitals, sanatoria, preventoria, medical nursing homes, asylums, mental hospital institutions, rehabilitation centers, leprosaria and other human health institutions which have accommodation facilities and which engage in providing diagnostic and medical treatment to inpatients with any of a wide variety of medical conditions. It also includes medical consultation and treatment in the field of general and specialized medicine by general practitioners and medical specialists and surgeons. It includes dental practice activities of a general or specialized nature and orthodontic activities. Additionally, this division includes activities for human health not performed by hospitals or by practicing medical doctors but by paramedical practitioners legally recognized to treat patients
87	Residential care activities	The provision of residential care combined with either nursing, supervisory or other types of care as required by the residents. Facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services.
88	Social work activities without accommodation	The provision of a variety of social assistance services directly to clients. The activities in this division do not include accommodation services, except on a temporary basis.
90	Creative, arts and entertainment activities	The operation of facilities and provision of services to meet the cultural and entertainment interests of their customers. This includes the production and promotion of, and participation in, live performances, events or exhibits intended for public viewing; the provision of artistic, creative or technical skills for the production of artistic products and live performances.
91	Libraries, archives, museums and other cultural activities	Activities of libraries and archives; the operation of museums of all kinds, botanical and zoological gardens; the operation of historical sites and nature reserves activities. It also includes the preservation and exhibition of objects, sites and natural wonders of historical, cultural or educational interest (e.g., world heritage sites, etc.).
93	Sports activities and amusement and recreation activities	The provision of recreational, amusement and sports activities (except museums activities, preservation of historical sites, botanical and zoological gardens and nature reserves activities; and gambling and betting activities).
94	Activities of membership organizations	Activities of organizations representing interests of special groups or promoting ideas to the general public. These organizations usually have a constituency of members, but their activities may involve and benefit non-members as well.
95	Repair of computers and personal and household goods	Repair of computers, communication equipment and peripheral equipment; repair of personal and household goods; repair of consumer electronics; repair of household appliances and home and garden equipment; repair of footwear and leather goods; repair of furniture and home furnishings; and repair of other personal and household goods.
96	Other personal service activities	Washing and (dry-) cleaning of textile and fur products; hairdressing and other beauty treatment; funeral and related activities; and other personal service activities.

ANNEX II: SECTOR DESCRIPTIONS²¹

I. ICT and Telecommunications

Telecommunications (ISIC 61)	Computer programming, consultancy and related activities (ISIC 62)	Information service activities (ISIC 63)
Providing telecommunications and related service activities, i.e., transmitting voice, data, text, sound and video.	Providing expertise in the field of information technologies: writing, modifying, testing and supporting software	Data processing, hosting and related activities
	Planning and designing computer systems that integrate computer hardware, software and communication technologies	Web portals;

²¹ United Nations. (2008). International Standard Industrial Classification of All Economic Activities Rev. 4. Unstats.un.org. https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf; SICCODE. (n.d.). SIC/NAICS Codes, Company Search, Business List. Siccode.com. Retrieved January 25, 2023, from <https://siccode.com/>

	On-site management and operation of clients' computer systems and/or data processing facilities	News agency activities
	Other professional and technical computer-related activities	Other information service activities

The ICT and Telecommunications had the highest rates of growth in investment across all sectors from 2016-2019. The majority of this investment took place in the West Bank, but growth was positive in Gaza as well. In 2021 Israel began to release permits for Palestinian technology workers, beginning with 200 that year and expanding to 500 by 2024. Technology workers in Israel can expect to make as much as three times what they would be paid in WBG, driving an expected labor shortage in this sector.²²

TVET institutions in both the West Bank and Gaza stressed the importance of ICT and Telecommunications. This sector provides opportunities for women and youth, and across local and international markets in areas such as freelancing, outsourcing and e-marketing. International companies are increasingly seeking to hire workers in the WBG, with huge demand for machine learning, Artificial intelligence, and hardware fields, as well as e-marketing and cybersecurity. Furthermore, as the market evolves there is demand for digitization across nearly all other economic activities in agriculture, services and manufacturing.

While there have been previous investments in TVET programs in the ICT and Telecommunications sector, TVET institutions reflect that they have not been able to deliver the required quality of training, particularly at TVET level 4. As such, the minimum qualifications for most jobs are lacking. If and when Israel opens more opportunities for Gazan workers, the demand will only grow.

In the West Bank the opportunity exists to strengthen existing Cisco academies (such as the level 4 Vocational Training Program at the Hisham Hijawi College of Technology). In terms of Telecommunications, leading telecom provider Paltel, needs to fill 1,000 fiberoptic installation and maintenance jobs across WBG in the next three years to achieve the shift to fiber to the home (FTTH). This sector also has significant potential for improved integration with all other sectors based in the increasing use of ICT in production. Additional research is needed into the demand for educational programs in artificial intelligence, virtual reality, and augmented reality, among other specialties.

2. Manufacture of food products and beverages

Manufacturing of food products (ISIC 10)	Manufacturing of beverage products (ISIC 11)
Processing and preserving of meat, fish, fruit, and vegetables (and beverages)	Manufacture of nonalcoholic beverages and mineral water
Manufacture of dairy (and beverages), grain, and other food products, including confectionary and noodles	Manufacture of alcoholic beverages mainly through fermentation, beer and wine
Manufacture of prepared meals	Manufacture of distilled alcoholic beverages
Manufacture of prepared animal feed	

These two divisions combined saw output of US\$ 1.2 billion in 2019, making it the largest sector among those ranked. It is a key sector for employment with 11,853 workers in WBG—9,826 in the West Bank and 2,026 in Gaza in 2019. Furthermore, the AAGR in employment and investment was among the highest of all sub-sectors from 2019-2019 at 44 percent and 341 percent respectively.

²² Boxerman, A. (2021, November 7). In first, government approves small quota of tech work permits for Palestinians. Timesofisrael.com. <https://www.timesofisrael.com/in-first-government-approves-small-quota-of-tech-work-permits-for-palestinians/>

These sub-sectors made up 35 percent of WBG’s exports in 2021, with the bulk of exports coming from Manufacture of food products. Both sub-sectors saw significant growth in exports in recent years. Manufacturing of food products had an export AAGR of 11 percent from 2018-2021 and Manufacturing of beverages saw an export AAGR of 242 percent during that time, despite a drop in 2021 as a result of the COVID-19 pandemic.²³

All TVET and private sector actors stressed the importance of this sector for intervention due to its high employment, continued growth, and stability of local demand in both the West Bank and Gaza in times of crisis. Shifts to increased use of technology, and a particular need for food safety standards, testing, and management were highlighted as training needs. In addition to industrial food and beverage production for exports and retail sales, there are important linkages with related sectors, including tourism and hospitality and cultural preservation. At all stages there is demand for skilled quality assurance and testing personnel.

3. Hospitality and tourism

Accommodation (ISIC 55)	Food And Beverage Service Activities (ISIC 56)	Tourism (ISIC 79)
Provision of short-stay accommodation for visitors	Restaurants and mobile food service activities	Travel agency and tour operator activities
Camping Grounds, Recreational Vehicle Parks and Trailer Parks	Event catering and other food service activities	Other reservation service and related activities
Other	Beverage serving activities	

These three ISIC divisions combined represent the largest sub-sector in terms of employment in 2019, with nearly 31,000 workers—20,813 in the West Bank and 10,114 in the Gaza Strip, with positive AAGRs in both geographies. This is the second most important sector for employment in Gaza on the after-motor vehicle sale and repair. Furthermore, in 2019 this sector had nearly twice the level of investment of the next highest sector in Gaza, human health services, with US\$ 2.27 million and an AAGR of 88.97 percent for WBG as a whole.

COVID-19, and the ongoing war in Ukraine, temporarily halted international tourism to WBG and recovery has been slow. Recovery and revitalization efforts have been supported by USAID SMART since 2021, with a focus on the accommodation sub-sector. According to a recent statement by the Minister of Tourism, tourism companies have returned to work at 95 percent of their capacity, with 700,000 foreign tourists and 1.2 million visitors from the Palestinian cities and towns inside Israel in 2022.²⁴

The TVET League reflected a huge shortage in training for hotel and restaurant services in Bethlehem. They specified that this is less about the need for adjusted curriculum than the need for increased offerings to meet demand. This is exacerbated by the high level of Palestinian employment in Israel and settlements (11.3% of total workers in 2019), which leaves a gap in the labor market domestically.²⁵ Particular areas noted for training include modules on health and safety and specialized diets (including Keto).

4. Circular economy processes

Waste Collection, Treatment and Disposal Activities; Materials Recovery (ISIC 38)

²³ Author’s calculations using the Global Trade Atlas

²⁴ Wafa. (2022, December 22). Tourism to Palestine getting back to pre-pandemic normal with 700,000 visitors in 2022, says tourism minister. English.wafa.ps; Wafa: Palestine News and Info Agency. <https://english.wafa.ps/Pages/Details/132478>

²⁵ MAS. (2022). Economic Monitor Issue 68 Part 1/2021. MAS.ps; The Palestine Economic Policy Research Institute. <https://mas.ps/en/publications/6329.html>

Collection, treatment, and disposal of waste materials. It also includes local hauling of waste materials and the operation of materials recovery facilities (i.e., those that sort recoverable materials from a waste stream).

Waste collection and materials recovery is not yet a large sector for employment, but it is distinguished by exceptionally high rates of employment growth in the West Bank (4.11% AAGR), nearly two times that of the next highest sector, and very high rates of growth in value added by employee (4.44% AAGR). Within this sector, materials recovery will create opportunities in agriculture, paper and packaging, construction, and manufacture of machinery, and creative arts, among others. Additional opportunities are created through Research & Development (R&D) and creation of new machines needed to transform waste into new products.

While the data point to the potential in the West Bank, KIIs with TVETs in both the West Bank and Gaza drew attention to the emerging importance of the circular economy in both regions, for both women and men. The circular economy supports a host of priorities, including reducing costs, energy, and waste; environmental protection; increasing domestic resilience by producing needed products locally; and accessing high growth international markets. The SMART Circular Economy Study conducted in 2022 highlighted opportunities for fuel from the waste of olive oil production, whey protein nutritional supplements from the dairy sector, and others.²⁶

5. Renewable energy

Electricity, gas, steam and air conditioning supply (ISIC 35)

The activity of providing electric power, natural gas, steam, hot water and the like, including renewables, through a permanent infrastructure (network) of lines, mains and pipes.

The distribution of electricity, gas, steam, hot water and the like in industrial parks or residential buildings.

The operation of electric and gas utilities, which generate, control and distribute electric power or gas.

Provision of steam and air-conditioning supply.

The electricity, gas, steam, and air conditioning supply sector saw employment of more than 1,000 workers each in both the West Bank and Gaza Strip from 2016-2019. Furthermore, it was second only to Manufacture of food and beverages for investment in 2018, with US\$ 10,596,000 over all— US\$ 10,072,000 in the West Bank and US\$ 523,000 in Gaza—and a growth rate of investment of 1,655 percent from 2016-2018. It also demonstrated one of the highest growth rates in labor productivity from 2016-2019, at 91 percent. In 2022 it represented 7.38 percent of total industry.²⁷

The renewable energy activities within this sector are prioritized for TVET support from both private sector and TVET institutions. Renewables will be fundamental to WBG's economic infrastructure and is critical to establishing energy independence for WBG and investments have been on the rise, including through the USAID Palestine Renewable Energy Project (PREP), and World Bank/IFC supported private sector investments, including those supported by the Finance 4 Jobs (F4J) program, among others.

There have been some investments in trainings for the renewable energy sector, but the scope and scale of technical training demand will be better articulated through close engagement with the private sector during the Forsah TVET activity.

²⁶ Palfreman, J. (2022, November 27). Small and Medium Enterprise Assistance for Recovery and Transition (SMART) Project: Circular Economy Study. USAID.

²⁷ PNN. (2022, August). Sharp increase in the industrial production index in Palestine during June – PCBS – Arab News Network. Arabnewsnetwork.ps; Palestine News Network (PNN). <https://www.arabnewsnetwork.ps/sharp-increase-in-the-industrial-production-index-in-palestine-during-june-pCBS/>

6. Agriculture technologies

Agriculture, Forestry And Fishing (ISIC A)

This section includes the exploitation of vegetal and animal natural resources, comprising the activities of growing of crops, raising and breeding of animals, harvesting of timber and other plants, animals or animal products from a farm or their natural habitats.

Agriculture has long been a staple sector in the WBG, with fishing a major source of employment in Gaza. It was the largest single sector for employment in WBG in 2021 with 53,497 workers. It is instrumental to the food security of WBG and the leading export sector, with US\$ 25.5 million in 2021.

USAID investments in this sector, such as under The Compete Project, have supported technological upgrades across numerous crops, driven by partnerships between R&D in educational institutions and producers.²⁸

Private sector and TVET stakeholders consulted for this report highlighted the need for increased trainings in the development, use, monitoring, and repair of new agricultural technologies, with direct cross-cutting applications to trainings in other sectors such as Manufacture of machines, and Repair and installation of equipment.

7. Repair and installation of computers, machines and equipment

Repair And Installation Of Machinery And Equipment (ISIC 33)

Specialized repair of goods produced in the manufacturing sector with the aim to restore machinery, equipment and other products to working order.

The provision of general or routine maintenance (i.e., servicing) on such products to ensure they work efficiently and to prevent breakdown and unnecessary repairs is included.

Specialized installation of machinery.

An important source of employment, with 4,314 workers in the West Bank and 3,723 workers in Gaza in 2019, Repair and installation of computers, machines and equipment also saw positive rates of employment growth and investment in both regions during the timeframe measured. Furthermore, this is an essential sector for TVET training to keep pace with the technological advances being made in all sectors highlighted in this report.

8. Manufacture of wood products and furniture (ISIC 16, 31)

Manufacture of wood products (ISIC 16)	Manufacture of furniture (ISIC 31)
Sawmilling and planing of wood	Manufacture of furniture of any kind, any material (except stone, concrete or ceramic) for any place and purpose
Manufacture of products of wood, cork, straw and plaiting materials	
Manufacture of veneer sheets and wood-based panels	
Manufacture of builders' carpentry and joinery	
Manufacture of wooden containers	

These two divisions combined had the second largest output of all sectors ranked, with US\$ 848 million in 2019. They are key sub-sectors for employment with 24,234 workers in WBG—19,2488 in the West Bank and 4,986 in Gaza—in 2019 and an AAGR of 29%. Investment growth overall was positive during this time. According to the KII with the TVET League, there is large demand for specializations including

²⁸ DAI. "Compete Project Final Report." USAID.gov, United States Agency for International Development, Jan. 2019, pdf.usaid.gov/pdf_docs/PA00TK4W.pdf. Accessed 22 Mar. 2023.

carpentry and woodwork (including in the construction sector) with emerging opportunities for women. This sector also saw a small increase in resource efficiency over the period measured.

Manufacture of wood and furniture has traditionally been a leading export sector in Gaza—with 80 percent of output destined for exports. Both sub-sectors saw large growth in exports, with nine percent increase in exports of wood and wood products from 2018-2021 and a 21 percent increase in furniture exports.²⁹

According to the Palestinian Wood Industries Union (PWIU) there were 14,000 workers in these sub-sectors prior to the COVID-19 pandemic, but following the closure of many workshops, and the release of additional permits for Gazans to work in Israel, the sector has shrunk to about 3,200 workers today. Current efforts by The United Nations Educational, Scientific and Cultural Organization (UNESCO), The United Nations Office for Project Services (UNOPS) and the Office of the Quartet aim to facilitate the imports of necessary raw materials through Israel—on the condition that the final products will be exported. There is already a major labor shortage in this sector and if the import/export arrangement with Israel proceeds, the PWIU expects to need an additional 8,000 workers.

The Irada Center TVET was supported to provide training for 39 people in this sector by the Belgian ENABLE during 2020-2022, with 70 percent of graduates immediately employed and the remaining 30 percent self-employed. This program successfully integrated 14 women into the traditionally male-oriented sector. There are an additional six TVET centers in Gaza, of which half are private or NGO run. Other than the Irada Center, which has been well-funded, most other programs are in need of updated curriculum reflecting current market trends, materials and equipment.

9. Manufacture of basic metals and fabricated metal products, except machinery and equipment

Manufacture of basic iron and steel (ISIC 24)	Manufacture of fabricated metal products, except machinery and equipment (ISIC 25)
Manufacture of basic iron and steel	Manufacture of structural metal products
Manufacture of basic precious and other non-ferrous metals	Manufacture of tanks, reservoirs and containers of metal
Casting of metals, including the manufacture of semi-finished products and various castings by a casting process	Manufacture of steam generators, except central heating hot water boilers
	Manufacture of other fabricated metal products
	Metalworking service activities
	Forging, pressing, stamping and roll-forming of metal
	Powder metallurgy
	Treatment and coating of metals
	Machining
	Manufacture of cutlery, hand tools and general hardware
	Manufacture of other fabricated metal products.

These sub-sectors have long been important sectors in WBG, with fabricated metals accounting for more than 20 percent of light manufacturing earlier in the 2000s.³⁰ Manufacture of basic metals had low levels of total employment in 2019, 266 employees, but one of the highest rates of growth in employment from 2016-2019 across all sectors, with 36 percent AAGR in the West Bank and 70 percent AAGR in Gaza.

²⁹ Author's calculations using the Global Trade Atlas

³⁰ Office of the Quartet Representative. (2012). Initiative for the Palestinian Economy: Light Manufacturing. Quartetoffice.org. <http://www.quartetoffice.org/files/server/light-manufacturing.pdf>

Furthermore, it had a 4,400 percent growth in investment from 2016-2018 in the West Bank. It also saw a slight increase in resource efficiency during that time.

Manufacture of fabricated metal products is a much larger sub-sector in terms of output, with US\$ 460,069,000, and employment, with a total of 14,655 workers in 2019—11,012 in the West Bank and 3,643 in the Gaza Strip. Articles of basic metals are also important exports. Though exports decreased in 2019 and 2020, they began to recover in 2021, reaching US\$ 320,031.³¹

10. Manufacture of textiles and apparel

Manufacture of Textiles (ISIC 13)	Manufacture of Wearing Apparel (ISIC 14)
This division includes preparation and spinning of textile fibers as well as textile weaving, finishing of textiles and wearing apparel, manufacture of made-up textile articles, except apparel (e.g., household linen, blankets, rugs, cordage etc.).	This division includes all tailoring (ready-to-wear or made-to-measure), in all materials (e.g., leather, fabric, knitted and crocheted fabrics etc.), of all items of clothing (e.g., outerwear, underwear for men, women or children; work, city or casual clothing etc.) and accessories.

According to PCBS data, Manufacture of textiles and apparel employed 11,853 workers in WBG in 2019—9,826 in the West Bank and in 2,026 in Gaza. The AAGR of employment was positive in the West Bank (0.42%) and negative in Gaza (-0.04%) from 2016-2019, with a positive AAGR for investment in the West Bank (5.07%) and negative growth in Gaza (-0.27%) during that time.

More recent data from the Palestinian Federation of Garment, Textile and Leather Industries reflects that the sector is undergoing important shifts. These include the opening of borders and release of permits to allow imports and exports and workers to Israel. This has driven export increases from US\$ 2 million in 2015 to US\$ 20 million in 2022 as well as growing demand for workers in Gaza. In 2022 the sector had 215 factories employing about 10,000 workers, as the reduction in Chinese imports to Israel (resulting from COVID-19) drove increased demand for textiles and apparel from Gaza. Rising costs in the Turkish market, as Syrians in Turkey return to Syria, has also meant that West Bank buyers are increasingly turning to Gaza.

Various donor funded programs through ENABLE, the United Nations Industrial Development Organization (UNIDO), The USAID Compete Program, and GIZ have provided training in this sector, with UNIDO funding a design center to scale up training and organize the sector. Yet the demand remains large, particularly for young people, as the average worker in the sector is 40 years old. The Federation highlighted the need for technical workers (sewers); fashion designers; and pattern makers, including operators trained to use new automatic sizing equipment.

11. Manufacture of paper and paper products

Manufacture Of Paper And Paper Products (ISIC 17)
This division includes the manufacture of pulp, paper and converted paper products. The manufacture of these products is grouped together because they constitute a series of vertically connected processes. Converted paper products are made from paper and other materials by various cutting and shaping techniques, including coating and laminating activities. The paper articles may be printed (e.g., wallpaper, gift wrap etc.), as long as the printing of information is not the main purpose.

³¹ Author's calculations using the Global Trade Atlas

The 2016-2019 PCBS data demonstrated that Manufacture of paper and paper products is a stable sector in WBG, employing about 1,8300 people in the West Bank and 104 people in Gaza in 2019. Employment grew very slightly during this time, with no increase in value added by employee or investment.

However, one interview with the private sector suggested that this is an increasingly important sector, further supported by a recent investment in a private training institution for paper and packaging in the West Bank. Key aspects to consider include the role of packaging in maintaining quality standards in various sectors—including Agriculture and Manufacture of food and beverages—enabling producers to adhere to standards and certifications in both domestic and international markets. It was also noted that there are strong opportunities for women in this sector.

12. Manufacture of machinery and equipment, including electrical

Manufacture Of Electrical Equipment (ISIC 27)	Manufacture Of Machinery And Equipment Not Elsewhere Classified (ISIC 28)
This division includes the manufacture of products that generate, distribute and use electrical power.	Manufacture of machinery and equipment that act independently on materials either mechanically or thermally or perform operations on materials (such as handling, spraying, weighing or packing), including their mechanical components that produce and apply force, and any specially manufactured primary parts.
Also included is the manufacture of electrical lighting, signaling equipment and electric household appliances.	This includes the manufacture of fixed and mobile or hand-held devices, regardless of whether they are designed for industrial, building and civil engineering, agricultural or home use. The manufacture of special equipment for passenger or freight transport within demarcated premises also belongs within this division.
	This division distinguishes between the manufacture of special-purpose machinery, i.e., machinery for exclusive use in an ISIC industry or a small cluster of ISIC industries, and general-purpose machinery, i.e., machinery that is being used in a wide range of ISIC industries.

Manufacture of machinery and equipment, including electrical, provided nearly 2,000 jobs in WBG in 2019, 1,500 in the West Bank and 500 in Gaza. Employment growth was positive, with .68 percent AAGR from 2016-2019. Manufacture of electrical equipment in particular saw high growth in investment from 2016-2018.

This is a sector with potential for the future, and direct implications on the machinery development required to support emerging circular economy processes across sectors.

13. Electric and hybrid vehicle repair

Wholesale And Retail Trade And Repair Of Motor Vehicles And Motorcycles (ISIC 45)
All activities (except manufacture and renting) related to motor vehicles and motorcycles, including lorries and trucks, such as the wholesale and retail sale of new and second-hand vehicles, the repair and maintenance of vehicles and the wholesale and retail sale of parts and accessories for motor vehicles and motorcycles.
Also included are activities of commission agents involved in wholesale or retail sale of vehicles. This division also includes activities such as washing, polishing of vehicles etc.

The most recent data available for Wholesale and retail Trade and Repair of Motor Vehicles show that it is an important source of employment, with 20,349 workers in the West Bank and 10,269 in Gaza—the largest source of employment after retail trade—in 2019.

However, the landscape for automotive repair is expected to change dramatically in the near future. The growth of electric and hybrid vehicles in the market will take off in the next five years, according to KILs, requiring a massive transformation in the skill sets for automotive mechanics.

There were some discrepancies among those interviewed. Some expect that training may be provided directly by automotive distributors, while others see that such trainings will be limited to employees in automotive dealers and will thus negatively impact the local labor market. Local repair shops will suffer if they are unable to find a sufficient number of workers able to service electric and hybrid vehicles. This will have enormous impacts on the labor market in Gaza, considering the current importance of this field.

14. Construction of buildings and specialized construction activities

Construction Of Buildings (ISIC 41)	Specialized Construction Activities (ISIC 43)
General construction of buildings of all kinds. It includes new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site and also construction of temporary nature.	Specialized construction activities (special trades), i.e., the construction of parts of buildings and civil engineering works without responsibility for the entire project. Also included are building finishing and building completion activities.
Included is the construction of entire dwellings, office buildings, stores and other public and utility buildings, farm buildings, etc.	Included are activities such as plumbing, installation of heating and air-conditioning systems, antennas, alarm systems and other electrical work, sprinkler systems, elevators and escalators, etc. Also included are insulation work (water, heat, sound), sheet metal work, commercial refrigerating work, the installation of illumination and signaling systems for roads, railways, airports, harbors, etc. and repair.
	Building completion activities encompass activities that contribute to the completion or finishing of a construction such as glazing, plastering, painting, floor and wall tiling or covering with other materials like parquet, carpets, wallpaper, etc., floor sanding, finish carpentry, acoustical work, cleaning of the exterior, etc., and repair.

The construction sector had approximately 9,000 workers in 2019, 6,000 in the West Bank and 3,000 in Gaza. Prior to COVID-19 this sector saw declining investment with more than -17 percent AAGR. However, this is one of the sectors most heavily impacted by employment opportunities in Israel & Settlement, pointing to the potential for a labor shortages as unskilled workers and those with basic training leave the local market for higher wages.

Two additional areas for local opportunities, identified by TVET institutions, are the skill sets required for smart buildings and green buildings. In both cases, technological advances are far outpacing the ability of TVET institutions to train workers to meet local demand.

15. Publishing, advertising, and design (ISIC 58, 73)

Publishing activities (ISIC 58)	Advertising and market research (ISIC 73)	Other professional, scientific, and technical activities (ISIC 74)
Publishing of books, brochures, leaflets, dictionaries, encyclopedias, atlases, maps and charts	Advertising	Specialized design activities
Publishing of newspapers, journals and periodicals	Market research and public opinion polling	Photographic activities

Directory and mailing list and other publishing		Other professional, scientific and technical activities ³²
Software publishing		
Acquisition of copyrights to content (information products)		
Reproduction and distribution of content in various forms (print, electronic, audio, on the internet, CD-ROM, etc.)		

This is a relatively small but growing category. Total employment numbers were approximately 5,000 in the West Bank and Gaza Strip in 2019 but saw among the highest average annual growth rates in employment across all sectors from 2016-2019. Furthermore, investment in the sector in the Gaza Strip far exceeded all other sectors during that time at 21.65 percent. Both the West Bank and Gaza also saw positive rates of growth in output and labor productivity and a slight increase in resource efficiency.

This category provides important opportunities for women and youth, with a particular benefit for individuals in the Gaza Strip. Many design and publishing activities can be done through home-based contract or consulting work, and there are significant opportunities with local and international organizations and in the broader international market. This sub-sector thus enables employment in the face of challenges such as the small local market and constraints on movement and access.

The TVET League and other KILs highlighted the need for training that links graphic design and publishing to the specific needs of other sub-sectors and specialties as well as strengthening courses in social media design and implementation, e-commerce and e-marketing. Furthermore, the need to remain current on design and publishing software suggests the need for continuous learning for those already in the field.³³

Creative arts and entertainment activities (ISIC 90)

Creative, arts and entertainment activities (ISIC 90)
Production of live theatrical presentations, concerts and opera or dance productions and other stage productions
Activities of groups, circuses or companies, orchestras or bands
Activities of individual artists such as authors, actors, directors, musicians, lecturers or speakers, stage-set designers and builders etc.
Operation of concert and theatre halls and other arts facilities
Activities of sculptors, painters, cartoonists, engravers, etchers etc.
Activities of individual writers, for all subjects including fictional writing, technical writing etc.
Activities of independent journalists
Restoring of works of art such as paintings etc.
Activities of producers or entrepreneurs of arts live events, with or without facilities

³² Translation and interpretation activities; Business brokerage activities, i.e. arranging for the purchase and sale of small and medium-sized businesses, including professional practices, but not including real estate brokerage; Patent brokerage activities (arranging for the purchase and sale of patents); Appraisal activities other than for real estate and insurance (for antiques, jewelry, etc.); Bill auditing and freight rate information; Activities of quantity surveyors; Weather forecasting activities; Security consulting; Agronomy consulting; Environmental consulting; Other technical consulting; Activities of consultants other than architecture, engineering and management consultants; Activities carried on by agents and agencies on behalf of individuals usually involving the obtaining of engagements in motion picture, theatrical production or other entertainment or sports attractions and the placement of books, plays, artworks, photographs etc., with publishers, producers etc.

³³ International Trade Centre. (2018, November 6). Passion for graphic design pays off for Gaza-based youth. Intracen.org. <https://intracen.org/news-and-events/news/passion-for-graphic-design-pays-off-for-gaza-based-youth>

This sub-sector includes handicrafts as well as some aspects of cultural heritage preservation and thus has a particular importance for women and youth and those in rural and marginalized areas.

According to the most recent PCBS data this is a relatively small sector in terms of number of existing workers, with about 500 formal employees in 2019, primarily located in the West Bank. However, it saw a very strong positive rate of growth in employment during that time as well as positive growth in output, labor productivity and investment.³⁴ Moreover, it is expected that employment in this field far exceeds the official statistics as many enterprises in this sector are informal and family-owned, or women-led.³⁵

This sector, along with tourism more broadly, was particularly affected by COVID-19, and limited skills and capacities among actors in this sector have hindered the shift to digital production that has been an important part of recovery and revitalization.³⁶ A lack of specialized vocational programs has also been highlighted in the literature.³⁷ In addition to specialized technical trainings, this sub-sector would benefit from a focus on entrepreneurship and self-employment in part through the inclusion of digital skills, including e-commerce and e-marketing specializations, and linkages with other sectors, including health, agriculture, education, tourism, and circular economy sectors, through an emphasis on product design.³⁸

Noted centers for creative production are in Bethlehem, Hebron and Nablus; the TVET League noted that 80 percent of jewelry production training is based in Hebron, working through the level 4 Continuing Education Program at Palestine Polytechnic University (PPU).

ANNEX III: SPECIALIZATIONS

The TVET League website lists members and specializations. However, according to the TVET League Director there are additional TVET specializations not included here. This material will be updated as relevant through the TVET analysis to be conducted by Forsah TVET.

EXHIBIT 15: TVET SPECIALIZATIONS³⁹

TVET Specializations	
Agriculture	Air-conditioning, plumbing, and central heating <ul style="list-style-type: none"> • Air-conditioning • Air-conditioning, plumbing, and central heating • Plumbing and central heating
Auto mechanics and electricity <ul style="list-style-type: none"> • Auto electricity • Auto mechanics • Vehicle autotronics, auto-mechatronics, or mechatronics 	Beautification and skincare
Carpentry, upholstery, decoration <ul style="list-style-type: none"> • Carpentry and decoration works • Upholstery and decoration 	Construction finishing and buildings maintenance <ul style="list-style-type: none"> • Buildings maintenance • Interior design

³⁴ PCBS. (2019). Economic Surveys Series 2017, 2018, 2019. Palestinian Central Bureau of Statistics. <https://www.pcbs.gov.ps/PCBS-Metadata-en-v4.3/index.php/catalog/Economic-Surveys>

³⁵ Odeh, H., & AbdulRahman, S. (2022). Value Chain Analysis of Music, Crafts and Product Design in Palestine. European Union. https://www.cultureinexternalrelations.eu/downloader/download-file?file=2022/12/Report_Value-Chain-Analysis-of-Music-Crafts-and-Product-Design-in-Palestine.pdf

³⁶ *Ibid.*

³⁷ *Ibid.*

³⁸ *Ibid.*

³⁹ TVET League. (n.d.). Specializations. Wwww.tvet.ps; Mihani Online. Retrieved January 25, 2023, from <https://www.tvet.ps/en>

Electricity <ul style="list-style-type: none"> • Electrical installations (one-phase, three-phase) • Electricity and electric utilization • Electricity, winding of transformers and engines and mechanical control/ industrial automation, and electrical installations • Home electricity • Renewable energy • Industrial electricity and programmable logic controller (PLC) 	Electronics and telecommunications <ul style="list-style-type: none"> • Alarms, surveillance, and smart buildings • Home appliances maintenance • Industrial electronics • Office supplies maintenance • Telecommunications and cell phone repair
Event management and public relations <ul style="list-style-type: none"> • Events Management • Public relations and media 	Graphic design and multimedia and filmmaking <ul style="list-style-type: none"> • Graphic design • Photography and documentary production
Handicrafts and arts <ul style="list-style-type: none"> • Handicrafts (pottery, ceramics, seashells, olivewood) • Jewelry making • Musical performance 	Hotel management and catering <ul style="list-style-type: none"> • Food preparation and serving • Hotel management
Information Technology <ul style="list-style-type: none"> • Computer and networks maintenance • Information systems and programming 	Metal molding <ul style="list-style-type: none"> • Aluminum • Blacksmithing, welding, and sheet iron molding • Car dent repair and paint • Computer numerical control (CNC)
Occupational Safety and Health <ul style="list-style-type: none"> • Occupational health and safety specialist 	Office jobs: Management and secretarial jobs <ul style="list-style-type: none"> • Management and secretarial jobs and administrative secretary • Specialized secretarial jobs (medical secretary, tourism secretary, legal secretary, professional secretary)
Sales, marketing, and electronic marketing <ul style="list-style-type: none"> • Electronic marketing 	Shoemaking and fabric manufacturing <ul style="list-style-type: none"> • Fabric making and fashion design – tailoring and design • Leather industry and shoemaking
Tourism <ul style="list-style-type: none"> • Tourist guiding 	

ANNEX IV: KEY INFORMANT INTERVIEWS AND GROUND TRUTHING

EXHIBIT 16: KEY INFORMANT INTERVIEWS

Organization
Bethlehem Chamber of Commerce and Industry (BCCI)
Business Women's Forum (BWF)
G-Gateway's for Outsourcing Information Technology
Gaza Training College (GTC)
Hisham Hijawi College
Insights
National TVET Commission (NTC)

Near East Councils of Churches (NECC)
Palestine Central Bureau of Statistics (PCBS)
Palestinian Federation of Garment, Textile and Leather Industries
Palestinian Federation of Industries
Palestine Polytechnic University
Palestine Polytechnic University
Palestinian Wood Industries Union
Small and Medium Enterprise Assistance for Recovery and Transition (SMART)
TVET League, The Lutheran World Federation
University College of Applied Sciences (UCAS)
YMCA TVET Center- Jericho

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