



## **Executive Summary**

### **The environment of integrity in the work of the Palestinian Fund for Employment and Social Protection**

August 2019

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The Palestinian Fund for Employment and Social Protection was established by Presidential Decree No. (9) Of 2003 as a national institution with legal personality and independent financial authority. The Fund is a reference to the operation in Palestine, according to a decision issued by the Council of Ministers in 2014.

The Institute aims for developing comprehensive national employment policies, strengthening the capacities of the private sector to expand and create new employment opportunities, developing skills of the workforce, improving conditions and conditions of work and social protection in the labor market.

**The objective of this report** is to follow the Institute's operating policies, to examine the integrity of its operations, its commitment to the principles of transparency in the conduct of its business and activities, and to examine the availability of internal and external control and accountability systems for its project management.

**The report draws on a number of conclusions**, the most important are: The Fund's lack of a good governance system due to the lack in the legal framework for the Fund, including the clear and explicit definition of the Fund's objectives, functions and powers, the nature of the relationship between the Supervisory Board Guarantees of integrity, transparency, control, and accountability in the use of the Fund's funds and projects. The lack of stability in the institutional structure of the Fund is highlighted by the constant change in its senior management, the lack of financial system approval and weak financial resources, which has prevented the establishment of a stable institution, the accumulation of policies, expertise and capacities of the Fund. And duly established access to other factors in the provision of such services. The report showed a lack of transparency, some conflicts of interest in the selection of some institutions implementing the projects of the Fund, and the inability of the Fund to impose an acceptable lending ceiling on its microcredit institutions, where the rate of interest imposed by these institutions to high levels cannot be The project objective is achieved, in addition to the weakness of the Fund's monitoring and follow-up of projects in these institutions. And the lack of approval of the financial regulations of the Fund as of the date of preparation of this report, by the Council of Ministers and the lack of the Fund's system or instructions and mechanisms to submit complaints by the public.

The lines of accountability between the Board and the Executive Board have not been clarified, and integrity values related to the prevention of conflict of interest and awareness of and reporting on corruption issues have not been clarified and much of the Fund's information and documentation is not publicly disclosed on its official page such as regulations, regulations, reports, budgets, strategic plans, Members.

The report concluded with a number of recommendations, the most important of which is the need to complete the legal structure and regulations necessary for the Fund to fill the existing gaps in the current legislation, especially the objectives and tasks, lines of

accountability and guarantees of supervision and audit of the Fund's funds and how to manage them, Building a computerized system that includes service standards to minimize personal effects in this area, allocating the necessary financial resources for carrying out its functions, enhancing the Fund's control over the projects it manages, and reviewing the interest ceiling to be fair and binding With the imposition of penalties in the event of non-compliance with the decisions of the Fund, and the need to strengthen the values of integrity in the work of the Fund through the adoption of a code of conduct for its employees and the Board of Management address issues of conflict of interest and awareness of corruption issues and reporting and accepting gifts, independently of the administrative system and distributed to members of the Council And the need to enhance the transparency of the work of the Fund by disseminating information and documents related to the work of the Fund from the regulations, regulations, budgets, reports, decisions and remuneration of the members of the Board of Directors. As well as the criteria for receiving the Fund's services and the mechanisms and procedures for receiving the service.