



THE COMPETE PROJECT

Progress Report

Reporting Period: April 1st to May 10th
Submitted by DAI to USAID, West Bank Gaza
May 2012



Agribusiness sector

Agribusiness – Weekly Progress



- **Fresh herb and date production** is becoming a major business export with strategic future implications.
- Agribusiness team continues to gain exposure to new stakeholders, field experiments and workshops in the areas of new farming technologies.
- Ongoing activities:
 - Focus on support to growers with good supply chain, marketing agreements, upcoming season planting plans, etc.
 - Review opportunities to upgrade production to meet standards and address global gaps
 - Introduce association of “Fresh Herb Growers from Palestine” to facilitate greater dialogue in the industry

Sbaih Dates Co.

April 2, Marj Ghazal, Jordan Valley



- Ra'ef Daraghmeh, entrepreneur for 6 years; formerly worked for a similar Israeli date packing factor.
- Contracted farmers in Jericho and now exports exclusively to Ziad brothers Co., based in Chicago, approx. more than 180 tons. Remaining production of about 80 tons goes to the local market.
- *Area of cooperation:* Compete Agribusiness is evaluating business as potential partner/producer.

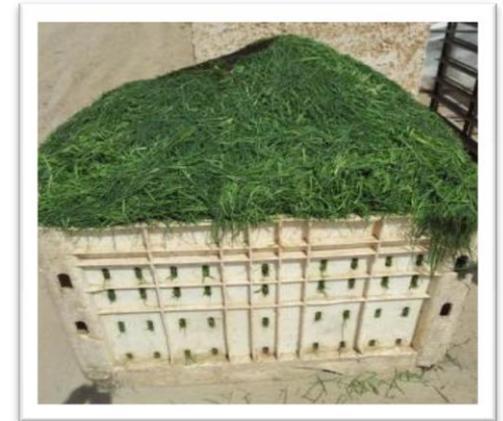


Agripal Company

April 2, Jefltek, Jordan Valley



- Options to leverage waste range from 10%-40% of crops possibly used to feed animals or process them for export markets.
- Upgrade fresh herb farms to comply with USDA - APHIS regulations by implementing all IPM techniques.
- *Key findings:* Potential for new solutions to “Magnetic Water Treatment Plant” to alleviate the salinity of soil and water.



Fasyel Grape Farm

April 2, Jordan Valley



- New experimental farm; 30 dunums (7.5 acres) of variety SBS Seedless Grapes.
- Expect to harvest 25 tons, largely for the local market with samples sent to Grape Packers in the UK.
- *Key findings:* Future expansion plans would include 120dunums (30 acres) in the next few years.



A Field of Natural Olive Fruit Fly Control

April 5, Qalqilya



- Experiment conducted over a 4 year period in Sanerya Village, looking at the efficiency and cost effectiveness of colored and pheromone traps in reducing the damage of olive fruit flies.
- *Key findings:* experiment results indicate they can control olive fruit flies by using colored traps and waste water; leads to increased productivities and very good olive oil quality.



Field Visit to Olive Oil Farm Demo

April 5, Qalqilya



- Research, experiences and field observations have shown that supplemental irrigation of rain-fed olive groves and adding organic fertilizers have achieved very positive results on productivity; 280% increase in oil production over traditional practices “from 6 to 16 kilogram per tree.”
- Mass production will enable olive oil producers to compete in global markets; this substantial increase is more than enough to cover all incremental costs of implementing new production techniques.
- Farmers present showed their willingness to gradually replicate this experience on a larger scale and requested more awareness programs.
- *Areas of cooperation:* Recommend awareness workshops and training courses to lead farmers to share experiences.



Experimental field of MERC Waste Water Project

April 5, Qalqilya



- At MERC Fields, olive trees of Improved Nabali, receive treated waste water.
- *Key findings:* Over 5 years, findings suggest that productivity (fruit growth) of olive trees increased by 60% after being irrigated by treated sewage water. However, trees saw an increase of 10% in fruit flies, which will reduce the over-all quality of olive oil.



Germplasm Propagation Experiment

April 5, Al-Zawyah Village/Qaqilya



- In this field, 400 olive plantlets have grown after 20 months of nursery propagation. These plantlets are the genetic material source of 400 old Nabali trees located in different locations throughout the West Bank.
- Key findings: The mother trees have been genetically and morphologically characterized to identify distinctive genetic and phenotypic features which might be related to the geographical and environmental parameters of each location. This way they can trace back the olive oil to the geographical location and genetic characteristics.



Syngenta Workshop, April 12, Jenin



- Compete Agribusiness attended workshop conducted in Jenin.
- Participation of over 50 farmers from Jenin to promote a variety new of peppers, tomatoes and cucumber, focusing on the local growers technical experience on water demand, electrical conductivity and root system, soil pH and fertilizer absorption and uses, what ppm is and how to use it.

Horizon Food Ltd (Mr. Mikhail)

April 12, London, UK



- Although the EU imports of dates represent only 10% of the world's import in volume, they account for around 30% in value. This reflects that EU import prices for dates are comparatively much higher than the world's average prices.
- Samples of Medjool dates from Nakheel date packing facility in Jericho, who previously received grants from USAID, were presented to one of the leading UK importers to develop supply relationships with these key suppliers such as Wholefoods UK and retailers such as Tesco & Sainsburys who annually purchase over 500 Tons of Medjool dates (conventional & organic)
- *Areas of cooperation:* Other Date producers in the Jordan Valley will also be consulted to take part in future initiatives for more market linkage.



Mr. Mikhail, Horizon Food Ltd.

Olive and Almond Workshop

April 15, Tulkarem



- Workshop was conducted by the experts of olive and almonds, MoA, Agriculture faculty of Al-Najah National University, PCARD, Bayar Crop Sciences “Lidor Chemicals Ltd” and Al-Junidi Nursery.
- Two lines of research on olive trees:
 - Supplementary irrigation demo funded by USAID /EDIP project
 - Wastewater treatment conducted by the Agriculture faculty at Al -Najah National University located in Nablus
- *Key findings:* Results showed the improved quality of olive oil; also provided latest solutions of plant protection for olive and almond trees diseases.

Arab Development Society Fish Project

April 16, Jericho



- This project was funded by a Denmark donor; it consists of 8 small incubator bunds (pools) in order to produce fish fingerlings with starting capacity of 200 thousands fingerlings and reaching up to 1 million fingerlings/season.
- They have 4 pools to grow the fingerlings after the incubation period, which will be sold to fish farmers (a Brazilian Project) at cost price.
- This Brazilian Project constructed 32 concrete pools in most West Bank governorates from Jericho up to Jenin with a production capacity for each pool of 1.3ton
- *Areas of cooperation:* Compete agribusiness team will follow-up on current initiatives (Fish producing) and will work with target farmers to do large scale demonstrations.



Visit to Meat and Dairy Companies

April 22, Hebron



- The Compete Agribusiness toured three of the largest dairy factories in the West Bank; Al-Jebrini Dairy, Al Juneidi and Hamoda.
- Initiated through a previous USAID funded project, an assessment was conducted in 2011 evaluating the gaps in quality standards for these 3 companies to be ISO 22000 (Food Safety) certified.
- With an internal market majority supplied and dominated by three Israeli state of the art production units, Palestinian factories are supplying the domestic and export market (East Jerusalem).

Cont'd Visit to Meat and Dairy Companies



- Until they can change consumers perception of equal quality and product safety ISO 22000, the Compete Project will assist them in obtaining this crucial certification.
- *Areas of cooperation:* In the next 3 years, Compete Project will create training modules with a cost sharing program tailored to each individual needs, to upgrade equipment and minor infrastructure changes to help accelerate the process.



Al-Junadi Dairy Co.



Al-Jabrini Co.



Hamoda Co.

Jerusalem Co. for Agriculture production and Development Company

May 1, Jordan Valley



- Packing house for vegetables with one refrigerator
- 600 dunums (150 acres) of dates in Al Ouija and Jeftlek
- 200 dunums (50 acres) of eggplants and open fields' vegetables.
- Expected to reach 1,200 dunums (300 acres) of dates during the next few years.
- *Areas of cooperation with Compete:*
 - Solution for saline water irrigation.
 - Technical training.
 - Technical assistance in adapting quality systems “GLOBAL GAP / Organic ”



"Challenges, Horizons and accomplishments in Palestine" workshop

May 9, Abu Deis



- Agribusiness Team was invited to attend workshop lectured by Dr. Hisham Awartani and his colleagues on the future of some of the key sectors of the Palestinian economy (Agriculture and Tourism) and current challenges.
- Human resources and regional gender disparities, improving the legal and regulatory framework for businesses, impediments and development of East Jerusalem, Agriculture competitiveness and product diversification, development mechanics for Eco-Tourism in the Jordan Valley were among some of the topics highlighted and debated.

Fancy Food Show Preparations Update

June 17-19, Washington



- The Tourism and Agribusiness teams selected Chef Joseph from *Rossini* restaurant in Jerusalem to represent Palestine at the 2012 Fancy Food Show.
- A booklet containing various other recipes/products will be distributed throughout the trade show to promote flavors of Palestine.
- US contractor selected to design and set up the Palestinian Pavilion.
- Other companies **vetted**: Al Hathnawi , West Bank Salt Works, Nakheel Palestine, & Canaan Fair Trade.





Tourism Sector

Tourism – Weekly Progress



- Further industry feedback confirms the need to:
 - Provide a **more engaging** visitor experience.
 - Increase the value of Tourism.
 - Attract more lucrative visitors and **extend length of stay**.
 - **Increase capacity** in marketing, service and quality standards.
 - Focus on **workforce development** to provide a larger and more qualified set of skilled labor.

Arab Tourist Guides Union

March 22, Bethlehem



- *Priority needs identified include:*
 - Refresher courses for tour guides.
 - Farm-trips / study tours to Jordan.
 - Diversifying language of existing guides through supporting 3-6 month language study programs in foreign country.
 - Orientation and specialization training on new niche products.
 - General capacity building within the union.

Bethlehem University

March 21, Bethlehem



- Briefing on overall degree programs available:
 - guiding program, IATA, hotel management, pilot project with the Hilton School of Hospitality, and Abraham Path Initiative.

- *Priority needs identified include:*
 - A review of the guiding program.
 - Establishing a working hotel hospitality school; having a hotel that is fully managed and run by students from within the hospitality industry.

Diyar Consortium

March 29, Bethlehem



- Diyar Consortium focuses on community building in the Palestinian community, in addition to holistic programs that support the civic, cultural, psychosocial, physical, educational, and spiritual wellbeing of the community.
- Guide training and licensing issue were discussed in-depth.
- *Priority needs include:*
 - Develop and diversify the specialization of tour guides.
 - Expand on the purely theoretical.
 - Better cooperation and management of the program and process by the Ministry of Tourism through creating an active working group of stakeholders involved in the program.
 - Identify various gaps within the program, and prioritize the current, medium and long term needs.

GIZ/TVET Program

April 10, Ramallah



- GIZ/TVET Program had an Apprenticeship Scheme in Palestine in 2004/2005 in two field: Car-mechanics and tourism apprenticeship.
- That scheme supported young people (grade 10+) who are independent, creative and willing to work to get the proper training.
- The Ministry of Education accredited this program with the applied Tawjihi diploma. Their plan is to implement in the coming school year; however, they currently lack the funding to do so.
- Look into potential of compete cooperation with the ministry of Education.

Bethlehem Chamber of Commerce & Industry

April 4, Bethlehem



- BCCI strives to develop women’s participation in the workforce and in the chamber in particular.
- Lack of coordination and cooperation among the many key players: ministries, municipalities, religious authorities, private sector
- Missed opportunities and gaps (e.g., failure to capitalize on Bethlehem over 65 twinning agreements with cities around the world.)
- *Priority needs include:*
 - Training and raising service quality level across the board and the industry value chain.
 - Proper standards and classification of hotels and tourism establishments.
 - Increase hotel night prices.

Jericho Cable Car Project & Resort Village

April 4, Jericho



- Focus on incorporating Jericho as a key destination in Palestine & the Holy Land.
- Priority needs/future interventions catering to domestic market:
 - Lack of locally trained personnel from Jericho; most qualified people are from Bethlehem, Ramallah and Jerusalem.
 - Considering a sound and light show/other night activity to encourage overnight visitors and more dispersed visitor spending.
 - Jericho Gate project being developed by PADICO over 3000 dunums (750acres) at the southern entrance of Jericho.

Jericho Resort Village

April 4, Jericho



- Key areas of cooperation:
 - Training and raising service quality
 - Increase tourism awareness among the local host community
 - City beautification work; especially along key visitor corridors.
 - Activating the Local Action Groups (LAG) which was set up under the JICA developing project.
 - Assess potential threat: Bethlehem hotels offer almost 50% lower prices.

Palestine Wildlife Society

April 6, Compete office



- Established in 1999, PWLS focuses on developing clear and strategic objectives regarding environmental educational concepts and conservation of nature and biodiversity.
- PWLS has a huge range of activities at the strategic country level in the areas of: environmental education, media, eco-tourism, animal welfare and food security.
- Focus on eco-tourism and local engagement and benefits.
- Examine potential cooperation

Rossini Restaurant/Joseph Asfour

April 12, Jerusalem



- A cross sectorial meeting was conducted with Chef Joseph Asfour to ascertain his interest and availability to participate in the Fancy Food Show in June 2012 and to explore opportunities for both the tourism and agriculture sectors.
- Joseph is one of five chefs on the “Panel of Chefs” who aim to increase the profile and service quality of the restaurant industry across Palestine and is the Managing Partner, with Hatem Taha, of Joseph Asfour Gourmet Services.
- *Areas of cooperation:* It is envisaged that the team of Joseph Asfour and Hatem Taha could be a key partner for a number of potential projects individually and across the sectors of tourism and agriculture.

Working group meeting

April 11, Bethlehem



- A working group meetings were held in the Ministry of Tourism and Antiquities with the Minister Dr. Kholoud Daibes and representatives of the associations (HLITOA, AHA, NEPTO, and ATGU) to discuss priorities and needs for the tourism sector.
- In tandem, the ‘working group’ will nominate an area of priority need and support a CIBER assessment, which will be implemented in the coming weeks and aims at ensuring the most effective plan of medium and long term support by the project.
- Priority needs/areas of cooperation:
 - Increase the value of tourism to the national and local economies.
 - Increasing market access.
 - Improved tourism service and quality standards.
 - It was agreed that the working group would meet regularly to develop a framework to prioritize key projects and support implementation of agreed projects in the short and longer term.

USAID Tourism Briefing



- A meeting was undertaken with USAID (John Crihfield, Scott Kleinberg and Ghassan Al Jamal) to present the implementation plan for the work plan to September 2012.
- Full support for the work plan and means of implementation was received.

Sami Abu Dayeh, President of Holy Land Incoming Tour Operators Association

April 19, Jerusalem



- Meeting with Sami Abu Dayeh, President of HLITOA, to discuss the needs and requirements of the sector and HLITOA.
- Motivation among the new board of HLITOA to develop the capacity and role of the association within the private sector in specific and the sector at large.
- Compete Project will support an assessment of the digital capacity of the tourism and ICT sectors to compete in the global digital tourism environment.
- *Areas of cooperation:* As per discussion and requests by MoTA, the Industry Working Group and USAID, the Compete Project will manage the digital seminars to be conducted by Damian Cook.
- Sami, on behalf of HLITOA further requested the support of the Compete Project to support the development of an effective HLITOA website. The development of the site will be managed by the Association Development Component with support of the Tourism Component.

Site renovation & Digital Capacity Building



Site Renovation

- Lori Anglin has been contacted to undertake the site renovation value chain analysis.
- A study of the actual site, intervention requirements and potential to offer a financial return to Palestine and the local community will be developed in conjunction with a CIBER assessment in order to prioritize site renovation projects that offer the best return on investment.

Digital Capacity Building

- As per agreement with industry working group and USAID, Damian Cook was contacted to undertake an assessment of the digital capacity of the tourism and ICT sectors to compete in the digital tourism environment, concurrently undertake initial introductory seminars and to facilitate an international digital conference and workshops to be implemented in September 2012.
- A SOW has been developed and negotiations are underway.



ICT Sector

ICT – Weekly Progress



- Continued focus on two major development projects with Palestinian companies: **Infinite Tiers** and **Progneer**.
- Ongoing activities:
 - Focus on skill development in e-commerce platforms, Cloud Computing based solutions, user-needs based solutions and delivering high standard R&D products.
 - Build human capacity in developing innovative mobile applications and obtaining new R&D projects especially outsourced to India and China.

Infinite Tiers



- Project aims to create an experienced team in designing Apple applications using iOS platform which will help the company gain a small share of the Apple Mobile market (est. 380 million tablets.)
- Infinite Tiers Apple iOS Development Center of Excellence will hire 10 software engineering graduates as full time employees in the initial phases.
- Plans to grow the team gradually in 3 years to 100 employees who specialize in Apple applications based technology.
- The goal is to create a research center with wide capacity to provide highly specialized training related to market demands.

Progineer



- Based on R&D activities with PDF Solutions, a US based company. In this case, Progineer is competing with Indian companies currently doing the project with PDF Solutions.
- Project will enable Progineer to build needed human resources to expand the current work with PDF solutions and obtain larger contracts, enlarging the number of skilled resources and exports. This strategy is enabling Palestinian IT sector to avoid head-to-head competition and compete based on innovative, creative new products and solutions.



Stone & Marble Sector

Stone & Marble – Weekly Progress



- Proposed CIBER (Competitiveness Impacts of Business Environment Reform) impact assessment will provide recommendations for pressing **environmental issues** and sector interventions.
- Working on a methodology to qualify and select export-ready SME's; subsequently start vetting process.
- Focus on selecting the CIBER team and completing their scope of work. The sectors local CIBER team will be comprised of:
 - Eng. Jawad salam Herbawi, Industry Expert
 - Dr. Belal Fallah, Economist
 - Dr. Nader Al-Khateeb, Geological Engineer, wastewater treatment and environmental management



Marketing & Research

Marketing & Research – weekly progress



- Mapping framework developed, upon which a map of the agriculture sector was elaborated and later shared with the COP and the Agribusiness team for their feedback and verification.
- Continue to develop the ICT sector map and will consult with the ICT Component Lead throughout its development.
- A meeting was conducted with GIZ/TVET program to understand their current and past efforts in the tourism sector.

cont'd Marketing & Research



- PD # 15 (Policy Determination # 15) – USAID Policy to avoid supporting agricultural commodities for exports in third countries when they directly compete with US similar commodities exports and compete with US exporters. For the justification, desk research was carried out to collect data on US agricultural exports, in particular the subsectors that are targeted by the compete project to justify the PD# 15.
- ADS 225 (Automated Directives System 225 - Program principles for Trade and Investment Activities and the Impact on US Jobs and workers Rights) justification for ICT sector has been based on consultation with ICT sector lead who provides significant input and information pertaining to that sector.
- Palestinian exports historical data: Work has been underway to collect historical data on Palestinian exports which included a visit to PCBS and follow up correspondence. For comparison purposes, contacts were made with PIPA and the Union of Stone & Marble as secondary sources of information.

CIBER Assessments Progress

(Agribusiness, Stone & Marble, and Tourism)



- DAI has developed a comprehensive approach to supporting value chain stakeholders to identify and advocate for key reforms in the business environment that have a measurable impact on their competitiveness.
- The Competitiveness Impacts of Business Environment Reform (CIBER) process, guides stakeholders in prioritizing business environment reforms and in formulating and implementing a strategy designed to promote those reforms.
- The Compete Project, with support from international and local consultants, will undertake four CIBER assessments:
 - 2 for agribusiness
 - 1 for tourism
 - 1 for stone and marble.
- The CIBER assessments are scheduled to launch the first week of June with expected completion the first week of August.



EVENTS

USAID Visit to Al-Salam Factory

April 18, Hebron



- Established in 1999 as a private family owned venture, Al-Salam Cooling Company has become the leading suppliers of frozen (IQF) vegetables and ingredients primary to the local market.
- Compete representatives engaged with Al-Salam factory owners to help map out areas of intervention and transformation for the ongoing success of the company.
- Compete Agribusiness team will work closely with farmers by growing pilot plots for wider varieties of products to fulfill Al-Salam factory's requirements and counterpart import of some raw material necessary to their production line.

USAID representatives including; Mike Harvey, Mission Director, Mara Rudman, Assistant Administrator for the Middle East, David Harden, USAID Advisor, QUARTET and Ghassan Al-Jamal, Deputy COTR, conducted a tour at Al-Salam factory in Hebron on April 18th to visit their facilities and better understand their concerns and areas for development.



Cont'd...USAID Visit to Al Salam Factory



- Local demand requires annually around 1200 tons of potatoes and 700 tons of carrots but the majority of current produce is supplied by Israeli farmers. The Compete Project will look into assisting Al-Salam Group upgrading their facilities to meet the ISO2200 standards and open then, new export markets.
- The Compete project will link farmers to Al-Salam factory which will then allow Palestinian farmers to grow vegetable under contract guaranteeing firm sales and better control of market price fluctuations.



Official Opening of West Bank Salt Works “WBSW”

April 2012, Dead Sea



- Official opening of an additional salt processing line at WBSW on the Dead Sea
- Attendees included John Crihfield, PEO Director and other USAID representatives alongside PNA representatives
- The firm specializes in the extraction, manufacturing and marketing of industrial and table salt products through the West Bank.



Cont'd...Official Opening of West Bank Salt Works "WBSW"



- With previous support from USAID during the "EDIP / PIP" projects, this firm received \$200,000 under a cost sharing program to install a new production line along with participation in the *Fancy Food Show* held in July 2011.
- The Compete Project will assist this firm to exhibit its products at the 58th Fancy Food Show in Washington, DC, in order to attract new buyers and build relationships with major companies.

