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WEST BANK/GAZA

Compete Project Monthly Report

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COMPETE PROJECT MONTHLY REPORT

February 1, 2013 – February 28, 2013

DAI

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TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS	4
KEY ACCOMPLISHMENTS.....	5
SUMMARY OF PROGRESS BY SECTOR	6
AGRIBUSINESS	6
TOURISM.....	7
ICT	8
STONE AND MARBLE	10
CROSS-CUTTING INDICATORS	11
GENDER & YOUTH	11
USAID COMPETE CALENDAR MARCH 2013	13

ACRONYMS AND ABBREVIATIONS

AHA	Arab Hotels Association
B2B	Business to Business
CEO	Chief Executive Officer
COP	Chief of Party
CHS	Certified Hospitality Supervisor
DACH	Department of Archeology and Cultural Heritage
DQA	Data Quality Assessment
EU	European Union
FY1	Fiscal Year 1 (USAID Compete)
Geo-MIS	Geographical Management Information System
GLOBALGAP	Global Good Agricultural Practice
HCCI	Hebron Chamber of Commerce and Industry
HLITOA	Holy Land Incoming Tour Operators Association
ICT	Information and Communications Technology
IOS	Internet Operating System
MBA	Masters of Business Administration
M&E	Monitoring and Evaluation
MEPS	Middle East Payment Services
MIT	Massachusetts Institute of Technology
MoA	Ministry of Agriculture
MoTA	Ministry of Tourism and Antiquities
MoU	Memorandum of
NSFT	National Association for the Specialty Food Trade
PCARD	Palestinian Center for Agricultural Research & Development
PDF	Portable Document Format
PITA	Palestine Information Technology Association
PMEP	Performance Monitoring and Evaluation Plan
PPIS	Plant Protection Inspection Service
PPSQ	Plant Protection Safety and Quality
PSI	Palestine Standards Institute
PVC	Polyvinyl Chloride
RFQ	Request for Quotations
SME's	Small and Medium Enterprises
SOW	Scope of Work
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency For International Development
USDA	U.S. Department for Agriculture
USMAC	US Market Access

KEY ACCOMPLISHMENTS

- The “Palestinian Fresh” Pavilion debuted at the *Fruit Logistica* trade show in Berlin, Germany this month. USAID Compete supported six Palestinian exhibitors and another two walkers to attend the event and make new business linkages with buyers from the U.S. and Europe. USAID Compete assisted the same Palestinian producers to exhibit their products at *Gulfood* in Dubai this February.
- The groundbreaking Kellogg-Recanati Mini-MBA program at Tel Aviv University continued in February, offering skill-enhancing courses to 30 Palestinian CEOs and managers; the program will end with a diverse panel discussion in March.
- *Verona Marketing Group* represented eight smaller stone producers and carvers at the “Vitoria Stone Fair” in Serra, Brazil in February. During the first two days of the trade show *Verona Group* was able to secure sales of three containers of stone (\$28,500 USD).
- In February, 230 participants across the Palestinian hospitality industry received TRAC (Train Retain Assess Certify) training as part of the In-Service training program for tourism development.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Summary of Activities

Fruit Logistica, Berlin: USAID Compete supported the “Palestinian Fresh” Pavilion at *Fruit Logistica*, providing six exhibitor companies with the opportunity to showcase their fresh herbs, vegetables, and medjool dates to visitors from 120 countries. The six exhibiting companies and two individual “walkers” held meetings with key buyers from Europe and the U.S and were also able to connect with buyers from Nordic countries such as Finland and Norway. During the trade show the project team and exhibitors were exposed to new packing technology that offers longer shelf life to herbs and dates that could, if adopted, help Palestinian producers reach further markets.



Palestinian Pavilion at the Fruit Logistica Trade Show, Berlin, February 2013

The Palestinian Pavilion received several visitors during the trade show, including the President of the Saudi Chamber of Commerce who expressed his interest in organizing a trade mission of Palestinian exporters to the Kingdom of Saudi Arabia to promote their products. The Palestinian Minister of Agriculture Walid Assaf also visited the pavilion and lent his support to promoting Palestinian products and promised to address the growers’ concerns.



Palestinian Gourmet exhibit at the Gulfood trade show, Dubai, February 2013

Gulfood 2013, Dubai: USAID Compete supported six leading Palestinian exporters of fresh and processed food at the *Gulfood* trade show in Dubai in February. One of the largest international food fairs, the four-day show attracted 4,200 exhibitors and 80,000 visitors making it a key channel to connect with prospective buyers.

During *Gulfood* the agribusiness team conducted field market research in Dubai focusing on the wholesale market, looking at major importers and supermarkets like *Carrefour* and *Spinners*. The investigation mapped out the regional distribution network, end user consumer needs and new trends that could be fulfilled by Palestinian exporters during off-peak seasons.

Long-term trade show impact: In February USAID Compete supported Palestinian exhibitors and walkers at *Fruit Logistica* and *Gulfood*. Further evidence for trade show effectiveness came from Palestinian Fresh Herbs producer Mousa Daragmeh (representing Janet Adan Company) who exported his first shipment of 500kg of fresh herbs to Russia this month. The company had participated at the *WorldFood* Moscow trade show in September, along with *Nakheel Palestine Company* who recently signed a contract for 27 tons of Medjool dates (valued at \$162,000 USD) to be imported this season to the Russian importer's company *Laidier Foods*. This week the first 9 tons were shipped to *Laidier Foods*.

Olive oil demos gain traction in media: On February 19 USAID PR contractor *Al Nasher Public Relations* organized a press tour to draw media attention to USAID activities in the West Bank. The tour included a visit to one of the project's olive oil demo plots in the village of Asira; the rollout is designed to expand olive oil production through supplementary irrigation and improved harvesting and maintenance techniques and is already showing positive results. Major Palestinian news agencies – Wafa News, Maan Mix TV and Watan TV – participated in the tour and distributed positive reports including:

- Wafa News article: <http://www.wafa.ps/arabic/index.php?action=detail&id=148558>
- Watan News produced a video on the USAID Compete Olive Oil rollout, including an example of how it has been replicated by other West Bank farmers: <http://www.youtube.com/watch?v=2lQsTpuGHl4&feature=youtu.be>

Milestones

- Successful participation at Fruit Logistica, Berlin
- Successful participation at Gulfood Trade Show, Dubai

Lessons Learned

Environmental assessments form an important part of the due diligence process. Particularly in the Agribusiness sector, all activities should be studied and analyzed thoroughly prior to their implementation and include an environmental assessment consult.

Regarding trade show participation, additional costs spent on booth design, quality, and location has proven to have significant benefits in the promotion of Palestinian participants and their products. Advertising Palestinian products and arranging a press conference *prior* to trade shows has also proven to be an important opportunity for promotion. Finally, the Palestinian Representative Office in the host country of the trade show has an important role to play in inviting and arranging meetings with potential customers before the show.

TOURISM

Summary of Activities

In-Service hospitality training continues: The In-Service Hospitality Training Program is now in its third and final phase. The local trainers who became internationally certified in the first

phase of the program (“train-the-trainer”) delivered the supervisor training. On February 6, TRAC (Train Retain Assess Certify) training kicked off for 230 front desk, housekeeping and food & beverage hotel employees in Jerusalem, Bethlehem and Jericho (total number of trained employees will be approximately 650 by the end of the program.) The training was designed in cooperation with the American Hotel & Lodging Education Institute, the Arab Hotel Association and the Hospitality Management Consultants Group “Diyafa.” TRAC reaches the frontline staff and introduces new concepts into the workforce that support improved service and quality standards across the sector in line with the new Palestinian Hotel Classification System.

Site renovation: Taybeh, Burquin, Hisham’s Palace, Bethany and Sabastiya were selected as priority sites for phase one of the site renovation activity. This activity requires close cooperation with the Ministry of Tourism and Antiquities, Department of Archaeology and Cultural Heritage (MOTA/DACH), who are active stakeholders and decision makers in the site renovation. February progress on Burquin and Hisham’s Palace sites includes:

- Plans and design for the Burquin Church Sewage system are under review by MOTA/DACH representatives, MIDMACK Engineering and Consulting Company and USAID Compete Conservation and Environment consultants.
- This month the project team conducted a third field visit to Hisham’s Palace with the archeological field director of the University of Chicago (UofC), a MOTA partner. UofC presented important excavation and archaeological research relating to the anticipated USAID Compete intervention at the museum.

Market Profiles: The market profile activity involves demand-side research that aids in strategic decision making for the industry. This includes research into market segments, trends, booking cycles, perceptions of the West Bank and routes to market. Expanding market access and business development in strategic tourism markets is a critical next step for the Palestinian tourism industry.

USAID Compete is working on a new grant to HLITOA covering the expenses of industry participation in two trade shows (South East Asia and Latin America), including pre-show market access research to be carried out by HLIOTA staff. Developing market profiles for these countries will support a more strategic approach to identifying potential markets.

Milestones

- TRAC training underway for 230 Tourism employees

Lessons Learned

Cooperation with the University of Chicago is essential to upgrade the participation and the input of MoTA/DACH as well as the performance of the awarded design company, MIDMACK Engineering and Company. Bringing in multiple perspectives and expertise from institutions like the University of Chicago helps Compete get the most impact out of project activities.

ICT

Summary of Activities

USAID Compete Mini-MBA Program: The Kellogg-Recanati Mini-MBA continued this month for General Manager's, CEOs and middle management employees of Palestinian software companies from Ramallah, Jerusalem and Nablus (implemented by Lahave.) The program syllabus has been specially tailored to leverage their business skills toward understanding marketing and planning strategies to expand services in the local market and penetrate international markets. Planning is underway for a panel discussion on the final day of the course on March 14; the discussion topic will be Globalizing Trends and impact on the Palestinian ICT Sector and will bring together successful techpreneurs Dr. Abdul Malik Jaber, CEO Mena Apps, Yoram Yacoovi, General Manager, Microsoft Israel R&D and Zika Abzuk, Cisco System, CSR.

Hi-Tech Hub winner in Turkey: Palestinian startup *Ma3lomeh*, a winner of USAID Compete's Hi-Tech Hub was invited to participate at the "Start-Up Turkey" (www.startupturkey.com) event on February 15 by Palestinian techpreneur Abdul Malik Jaber. Jaber announced his new "Arabpreneur" initiative at November's Hi-Tech hub and was impressed with *Ma3lomeh*. At Start-Up Turkey participants had the opportunity to pitch their ideas in front of 100 investors and more than 600 attendees. The day prior to the event entrepreneurs were able to introduce their startups to mentors in the group so that they had time to modify and fine-tune their pitches based on the one-on-one informal feedback.



Palestinian startup Ma3lomeh at Start-Up Turkey, February 2013

USAID Compete awarded all of the winners of the 2nd Hi-Tech Hub a three-day mentorship opportunity that will be delivered by Lean Startup Machine (www.leanstartupmachine.com) in April 2013; the event was founded by U.S. entrepreneur Eric Ries.

Milestones

- USAID Compete Kellogg-Recanati Mini-MBA program continues at Tel Aviv University

Lessons Learned

A key lesson learned during the enrollment period for the mini-MBA program is that a thorough selection process is essential to ensure participants selected have relevant work experience. Sharing their successes and the challenges is valuable to other students who are on a similar start-up learning curve; equally, it gives the professors the opportunity to apply management models on actual market/workplace problems that maximize overall benefit for the class.

Start-ups are typically classified as "operations under extreme uncertainty." During the Mini-MBA the ICT team discovered that some of the participants had claimed to have a startup

when they were in fact at the very early stages. From this point on the project has adopted the following criteria to define a startup for a selection process: a startup must be a *registered* company that is less than 2 years old and has less than 10 employees.

STONE AND MARBLE

Summary of Activities

Vitoria Stone Fair, Brazil: USAID Compete supported Verona Marketing Group Company to attend the Vitoria Stone Fair in Brazil. The 35th International Marble and Granite Fair brings together Brazilian and international visitors from over 65 countries for this four-day fair. Verona Marketing Group displayed a diverse line of products and colors from different West Bank quarries to attract potential buyers at the fair.

During the first two days of the trade show, *Verona Group* was able to secure sales of three containers of stone (~\$28,500 USD). Two notable business leads also have potential to turn into orders totaling 24,000 m² of stone or approximately \$500,000 USD. The Brazilian Arab Chamber of Commerce (BACC) conducted an interview with *Verona Group* and the USAID Compete team connected with the BACC on future engagements to link Palestinian companies with companies and associations in Brazil targeting both the agribusiness and stone sectors.



Verona Group and USAID Compete team at Vitoria Trade Fair, Brazil, February 2013

The Stone & Marble team is now focused on preparations for the *Coverings Trade Show* (Atlanta, Georgia) April 29 to May 2 and is coordinating with trade show organizers regarding booth space, sponsorship opportunities, promotional materials and submitting the list of participants to be included in the official covering directory continues.

Filter press maintenance: The final evaluation of all filter presses across the West Bank showed that 75 sites require maintenance or upgrading. In January the project placed an advertisement in the local newspapers for an open bidding competition to solicit companies with experience in fixing and rehabilitating filter press machines; the team also prepared selection criteria for chosen respondents. The one respondent to the RFP was Lamar Import and Marketing Co who will undertake phase one of the activity. Additional progress on the filter press program includes:

- RFP for Filter Press maintenance outside of the Hebron industrial zone, vetting companies, preparing the contract for maintenance;
- RFP for sludge new product development pre-feasibility submitted;
- On February 7, environmental expert Mr. Nazih Bandak and the stone and marble team conducted site visits to four factories in the Hebron to address some of the environmental compliance concerns related to filter press activities.

Milestones

- Successful participation at Vitoria Trade Fair
- RFP submitted for the sludge new product pre-feasibility study

Lessons Learned

Attending the Vitoria trade show reaffirmed the importance and potential of the Brazilian market; specifically, the lack of available limestone in South America makes it a prime market for Palestinian exporters. There will certainly be competition for Brazilian business, however, as countries that produce similar limestone products such as Turkey were also present at Vitoria.

Conversations with associations such as the World National Stone Associations reaffirmed the importance of solving the slurry issue in the Palestinian Territories. Other countries like Brazil are facing similar problems with slurry and are working on enforcing regulations in order to use filter press equipment as a means to produce dry sludge that can be easily managed.

CROSS-CUTTING INDICATORS

USAID Compete works across the Agribusiness, Tourism, ICT and Stone & Marble sectors to find opportunities to encourage gender equality and support youth innovation.¹ The following section highlights project activities this month with a youth and gender impact.

GENDER & YOUTH

This month agribusiness held trainings and workshops in different locations in the West Bank, in addition to supporting Palestinian producers at two global trade shows:

- At the *Fruit Logistica* and *Gulfood* Trade Shows there were 15 males (including one youth) and one female in attendance. The breakdown is the same for the 16 participants who attended *Gulfood* in February.
- USAID Compete continues to hold workshops to share the results of the Olive Oil rollout; during the month of February 168 participants attended the workshops, including 35 females and 10 youths.
- Food traceability trainings were provided to encourage the adoption of international standards; this training was entirely male (37 people), including 33 youths.

TRAC training kicked off in February as part of Tourism's In-Service Training Program:

¹ Youth are defined by USAID as aged 14 to 29.

- A total of 230 employees from three main hotel departments – food and beverage, reception and housekeeping – received TRAC training, including 49 women and 113 youths.

The unique Mini-MBA tailored to Palestinian ICT executives in cooperation with the Kellogg-Recanati School of Management continued this month at Tel Aviv University:

- 30 Palestinian executives are enrolled and pursuing their mini MBA certificate, including three female executives and 11 youths. Note that the number of participants changed from 35 in January to 30 in February as five people left the program.

USAID COMPETE CALENDAR MARCH 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 Vitoria Trade Show	2
3 Battier Trail Visit	4 TRAC In Service Training – Room Attendance-	5 TRAC In Service Training – Room Attendance & Front Desk	6 TRAC In Service Training – Room Attendance & Front Desk-	7 Taybeh Trail Visit TRAC In Service Training – Room Attendance & Front Desk	8 TRAC In Service Training – Front Desk & Food and Beverage	9 TRAC In Service Training – Front Desk & Room attendance
10 TRAC In Service Training – Front Desk & Room Attendance and Food & Beverage	11 TRAC In Service Training – Food & Beverage	12 TRAC In Service Training – Food & Beverage	13 TRAC In Service Training – Food & Beverage and Room Attendance Site rehabilitation task force meeting	14 <ul style="list-style-type: none"> • TRAC In Service Training – Food & Beverage and Room Attendance • Mini-MBA Closeout Mini-MBA Panel Discussion “Globalization and the Palestinian ICT Sector” 	15 TRAC In Service Training – Food & Beverage and Room Attendance	16 TRAC In Service Training – Food & Beverage and Room Attendance
17 Mar Saba Trail Visit TRAC In Service Training – Room Attendance	18 TRAC In Service Training – Room Attendance	19 TRAC In Service Training – Room Attendance	20 TRAC In Service Training – Room Attendance and Front Desk	21 Wadi Al Qilt Trail Visit TRAC In Service Training – Front Desk	22 TRAC In Service Training – Front Desk	23
24	25 Soft Skills Training	26 Soft Skills Training	27 Soft Skills Training	28	29	30