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WEST BANK/GAZA

Compete Project Monthly Report

January 1, 2013 – January 31, 2013

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COMPETE PROJECT MONTHLY REPORT

January 1, 2013 – January 31, 2013

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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

- Following a USAID Compete training on grafting techniques, *Al Juneidy Nursery* delivered 10,000 grafted seedlings of watermelon (equivalent of \$10,000 USD) to the Jordan Valley in January.
- Fresh Herbs producers began the registration process of their not-for-profit company with the aim of creating a vibrant and well-organized fresh herbs sector that will adopt a best practices protocol.
- After successful exam results 74 supervisors from 29 Palestinian hotels attained their “Certified Hospitality Supervisor” (CHS) status from the American Hotel & Lodging Education Institute following training by USAID Compete.
- 35 General Managers, CEOs and middle management employees of Palestinian software companies are enhancing their business and marketing skills in a mini-MBA program at Tel Aviv University.
- PITA (Palestinian Information and Technology Association) and USAID Compete representatives visited the U.S. as part of the PITA Diaspora Linkage activity for a series of meetings aimed at recruiting experts to mentor Palestinian ICT companies and help expand their regional and international operations.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Summary of Activities

Driving export growth: Along with *Ala'ar* and *Ata Abu Rub Nurseries*, *Al Juneidy Nursery* received grafting training on selected rootstock varieties by USAID Compete project consultant Dr. Richard Hassell in November 2012. This January *Al Juneidy* marked a significant achievement with the production of over 13,000 grafted seedlings of watermelon, 10,000 of which were delivered to a buyer in the Jordan Valley (equivalent of \$10,000 USD). *Al Juneidy* has plans to deliver another 25,000 watermelon seedlings (equivalent of \$25,000 USD) to the Jordan Valley in February.

Registration of not-for-profit Fresh Herbs Company: Following the election of five fresh herb producers as board members of the not-for-profit Fresh Herbs Company, legal advisor Tareq Touqan proceeded with the registration process of this newly unified body. Fresh herb producers signed all needed legal documents at the Ministry of National Economy to formally register “*The Palestinian Fresh Herbs Producers Co.*” With the final stages of registration taking place, the 23 growers and producers will be able to collaborate and focus their efforts on adopting a best practices protocol to meet international market standards and requirements.

Contract farming, new irrigation system: Continued efforts with contract farming activity led to a new success this month as two growers in the Jenin and Tubas area signed contracts to supply potatoes to *Al Salam Group*, a local processing company, and to *Al Ashqar Co.*, a Jordanian importer. Additionally, to secure contract farming and improve productivity, USAID Compete procured 25,500 meters of lateral pipes, sprinklers, Polyvinyl Chloride (PVC) valves and a sprayer to these businesses on a cost-sharing basis to assist them to expand their cultivated area and advance their irrigation system.

USAID visit to the Jordan Valley: On January 19, a contingent headed by Mara Rudman, USAID Assistant Administrator for the Middle East, conducted a field visit to two key enterprises supported by USAID Compete in the Jordan Valley. *Nakheel Palestine for Agricultural Investment* and *West Bank Salt Works Co.* both benefitted from previous USAID projects, including sorting and grading their packaging lines, supporting the implementation of international quality standards such as Global GAP and ISO 22000, as well as supporting them to attend major international trade shows. Discussions included further USAID interventions on increasing production capacity as well as enhancing quality, exports and sales of the Medjool date sector and table salt producer in the Jordan Valley to increase international market share.

Increasing income from olives: Through a USAID Compete grant, the Palestinian Center for Agricultural Research and Development (PCARD) organized several workshops across the West Bank to share the results of the Olive Oil rollout, an activity designed to expand olive oil production through supplementary irrigation and improved harvesting and maintenance techniques. The workshops serve as a forum to share the positive results of the rollout and transfer that know-how about supplementary irrigation on to members of the Palestinian Agricultural sector. During the workshop USAID Compete provided farmers with needed fertilizers and traps in addition to educating them about the best ways of preparing and

planting the land. The workshops attracted 220 farmers, representatives of the MoA and local agricultural associations, including 36 female farmers and 10 youths.



Olive Oil rollout workshops and training across the West Bank in January 2013

Leading Palestinian date producer reaches international markets: This month a contract was signed between a major Russian importer and *Nakheel Palestine* company building on business linkages made at the Moscow *WorldFood* Trade Show held in September 2012. Maysa Manasra, Sales Manager, represented *Nakheel Palestine* at *WorldFood* and was able to secure this contract with USAID Compete support; it entails a two-year contract of exclusive supply of Medjool dates, including the immediate sale of three containers of 250 gr/500 gr/1 kg and 5 kg packing to cater to both retail and wholesale consumer markets.

Trade Show preparations: USAID Compete's agribusiness team is finalizing preparations for the *Fruit Logistica* Berlin and *Gulfood* Dubai 2013 trade shows this spring. USAID Compete will help link Palestinian enterprises to international value chains and grow exports through their participation in *Fruit Logistica* and *Gulfood*; exhibitors will be able to directly pitch their products to potential clients and future investors.

Milestones

- First production and delivery of grafted watermelon seedling from *Al Juneidy Nursery* to the Jordan Valley;
- Selection of an elected board member for the Fresh Herbs not-for-profit Company, including five Fresh Herbs stakeholders on this board;
- Solidifying contract farming with delivery of over 25,500 meters of lateral pipes, sprinklers, PVC valves and a sprayer to two potato farmers;
- Training 220 farmers and agronomists as well as 25 olive extension staff from the MoA on supplementary irrigation, tree maintenance, harvesting and post-harvesting practices;
- Successful trade show participation at *WorldFood* Moscow resulted in a signed contract with a major Russian importer;
- Continued *Fruit Logistica* and *Gulfood* Trade Show pre-event preparations.

Lessons Learned

Follow up and sponsorship on trade show participation including pre-event and post-event meetings with prospective buyers is essential and has resulted in closed deals and signed contracts.

Workshops have proven to be effective in disseminating results of successful interventions and transferring know-how to farmers in applying new technologies and practices.

TOURISM

Summary of Activities



Attendees at the In-Service Training workshop in Ramallah and Jerusalem

Building capacity in the hospitality sector. After the successful implementation of Train-the-Trainers, the first phase of the In-service Hospitality Training Program, this month USAID Compete kicked off the Supervisor Training Program for 87 supervisors. The local trainers who became internationally certified in the first phase of the program delivered the program's second phase; shifting the ownership to local certified trainers ensures the long-term sustainability of the program. The overarching goal of the activity is to improve the quality of services offered by the Palestinian tourism industry, by both hotels and restaurants and in different geographical locations across the Palestinian Territories. The Supervisor Training Program took place in Bethlehem, Jerusalem, Jericho and Ramallah allowing supervisors from hotels in these major cities to benefit from 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". The training targeted supervisors in three main hotel departments: food and beverage, housekeeping and reception. Upon the completion of the training, participants were able to take the Certified Hospitality Supervisor (CHS) certification test either online or by a proctored exam. The training was comprised of nine modules including Leadership; Handling Problems and Conflict; Motivation and Team building; Staffing and Scheduling; Improving Employee Performance; Effective Communication and Time Management.

Site renovation: This activity requires a particularly close relationship with the Ministry of Tourism and Antiquities, Department of Archaeology and Cultural Heritage (MOTA/DACH)

who are legally and operatively the owners and managers of many important sites in the West Bank including Hisham's Palace in Jericho. On January 22, USAID Compete's team conducted a field visit to the Jericho site with members of the Task Force, MOTA/DACH, an excavation team of two museum experts and archeological field director Professor Don Whitcomb from the University of Chicago. The purpose of the visit was to discuss USAID Compete proposed interventions for Hisham's Palace, including site interpretation and museum rehabilitation, as well as the excavations and archaeological research related to the anticipated USAID interventions at the museum.

Bethlehem signage project. As part of the project's efforts to promote Bethlehem and to support the city's efforts to grow its tourism market, USAID Compete continued the implementation of the signage program. This month, several meetings on the implementation plan and the budget for directional signs project took place between USAID Compete and the key stakeholders: Bethlehem Chamber of Commerce and Industry, MoTA and the Bethlehem, Beit Jala, and Beit Sahour Municipalities. The current implementation status is:

- Signs in Beit Jala were installed (total of 40);
- The initial 10 signs leading up to Manger Square were installed;
- Signs for Ubediya and Al Khader sites were already produced; the installation will take place during February;
- Signs for Battir and Artas are still to be approved;
- Signs for Bethlehem and Beit Sahour are still to be approved

Milestones

- The Supervisor Training Program was conducted in four main cities in the West Bank and 87 hotel supervisors from food and beverage, housekeeping and reception were trained and passed the exam to become CHS;
- As part of the signage activity more than 50 signs were installed this month.

Lessons Learned

The in-service training activity was executed through a phased approach: first, by training the supervisors in the tourism sector and then by having the supervisors train their own employees. This has proved to be an effective way to deliver training to a high volume of people with minimal resources. Another key lesson learned is that it is important to set the stages of cooperation with the related stakeholders to be able to implement projects such as the signage project effectively.

ICT

Summary of Activities

USAID Compete Mini-MBA Program: 35 General Managers, CEOs and middle management employees of Palestinian software companies from Ramallah, Jerusalem and Nablus began a Mini-MBA program at the Kellogg-Recanati School of Management in Tel Aviv University this month (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. Classes started on January 13 and will run until March 17. Thus far the topics covered included: The New Science of Leadership; Leading Teams Effectively; and Competitive Strategy and Entrepreneurship in Software Companies. Tel Aviv University President Professor Joseph Klafter joined the Palestinian executives during an early session and said that he hoped to see more programs like this taking place in the future. The Mini-MBA program also captured Israeli and European media attention, as it is the first time in the history of Tel Aviv University to have a program specially tailored for Palestinian Executives. Among the Israeli media outlets covering the program were Channel 1, Channel 2 Prime Time News and Israeli-Arabic radio.¹

I would like to thank USAID and Kellogg-Recanati and Lahave for making this happen. One of the tenets of Tel Aviv University is going international and global, we help groups of executives who come from China and India and there is no reason not to do this for our friends from neighbors to come here for exchange of ideas exchange of knowledge.

**Professor Joseph Klafter,
President of Tel Aviv University**



Various Images from the USAID Compete Mini-MBA program, Kellogg-Recanati School of Management, Tel Aviv University, January 2013

¹ Sample of Israeli Media Coverage can be found here: <http://www.mako.co.il/news-channel2/Economy-Newscast/Article-85515eb2bc5bc31004.htm>

PITA Diaspora Linkage Program: This month the first PITA mission to the U.S. took place under the Diaspora Linkage activity. Facilitated through a USAID Compete cost-sharing grant, four PITA participants and the ICT manager of USAID Compete visited several U.S. cities between January 15 and 27 to meet with members of the Palestinian-American ICT community as well as industry leaders and public officials. The purpose of the visit was to recruit tech business experts, entrepreneurs and academics into a Palestinian-American ICT network that will mentor Palestinian ICT companies and local entrepreneurs to help improve Palestinian business operations and expand their operations regionally and internationally. Several notable meetings that took place included:

- Meetings in the Silicon Valley with Google, PlugandplayTechCenter.com (a global accelerator network); USMAC (United States Market Access: a non-profit that helps international companies expand into the U.S. market through consulting and B2B matching); HP and Oracle (USAID Compete partners who are facilitating market linkages through their international connections.)
- During their meeting with TECHWADI (a non-profit connecting the Silicon Valley and the Arab world) the PITA group gave a presentation to over 300 Arab and American professionals.
- The team met with MIT professors in Boston and discussed best practices for academia-private sector engagement.
- In Washington the group attended two events: the first was organized by the Aspen Institute and brought together 25 Palestinian and American investors and professionals to discuss the “Global IT network”; the second event was held by the World Bank where the group met with the Bank’s Middle East Economic Development Program managers.
- The PITA group met with the State of Maryland’s Department of Business and Economic Development to explore the possibility of hosting an office for PITA as a focal point to develop business relationships between Palestinian and American companies.

Payment gateway: This month USAID Compete engaged with Middle East Payment Services (MEPS) on how to best introduce Payment Gateway services to the Palestinian market over the coming months. Payment Gateway is an e-commerce application service provider that authorizes payments for e-businesses by facilitating the secure transfer of information between a payment portal (i.e. website) and the processor/bank. The system is anticipated to have a major impact on all Palestinian economic sectors, particularly tourism, where it will enable a significant increase in international tourism traffic through direct online booking. Diversifying payment methods will enable Palestinian markets to connect with more companies and customers, and perhaps most importantly, it will also help entrepreneurs implement ideas that were previously not feasible due to lack of proper electronic payments.

Milestones

- First PITA mission to the U.S. to build ties with the Palestinian Diaspora;
- Groundbreaking mini-MBA program kicked off at Tel Aviv University;
- MEPS (Middle East Payment Services) took the decision to bring Payment Gateway to the Palestinian Territories following their discussion with USAID Compete; actual launch will take place between March and April 2013.

Lessons Learned

Finding the right contacts is necessary to maximize the impact of the Palestinian Diaspora U.S. trade mission in facilitating the recruitment of needed expertise that could mentor Palestinian ICT firms as well as finding potential investors who will expand the operations of Palestinian companies and start-ups.

STONE AND MARBLE

Summary of Activities

Filter press maintenance: The final evaluation of all filter presses across the West Bank showed that 75 sites require maintenance or upgrading. This month, the project's Stone and Marble team took steps to commence actual work on the ground, beginning with 23 sites in the Hebron industrial zone. Required procurement information for Filter Press Maintenance was submitted to USAID including Request to Consent, Negotiation Memorandum, Sole Source Justification and budget. In addition, the team prepared a Request for Prices (RFP), a draft Scope of Work (SOW) and 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 a selection criteria for chosen respondents.

Sludge new product development: As part of the project's efforts to support the sustainability and transformation of the Stone and Marble sector there has been a great focus on the sludge issue or more specifically the ability to transform slurry to sludge that has further economic value. In January, the team finalized the Scope of Work, Evaluation Criteria, Selection Criteria and Request for proposal for the sludge new product pre-feasibility study. The procurement process to solicit local companies with appropriate experience to prepare the pre-feasibility study is also underway.

Monthly Sludge Coordination Meeting with USAID: In January a meeting took place between the USAID Compete and Black & Veatch projects. The intent of the meeting was to share updates on the sludge progress in the Hebron industrial zone, ensure ongoing coordination and to discuss ways to work together to better support the development of the Palestinian stone sector.

Milestones

- Undergoing RFP procedure to solicit companies with experience in fixing and rehabilitating filter press machines;
- Undergoing RFP procedure to solicit companies with experience to conduct the sludge new product pre-feasibility study

Lessons Learned

The RFP procedure is an important competitive process as it provides companies with the opportunity to reflect and be creative in their submissions. Developing "winning" criteria to measure the submissions is also an important exercise to ensure the stone and marble team has an in-depth understanding of key attributes necessary to successfully execute the filter press maintenance program.

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.² The following section highlights project activities this month with a youth and gender impact.

GENDER & YOUTH

This month agribusiness held a series of trainings and workshops in different locations in the West Bank that included male and female attendees:

- Workshops took place to share the results of the Olive Oil rollout and raise awareness around the potential increase in production and income from olives through supplementary irrigation methods. During the month of January, 220 participants attended the workshops, including 36 females and 10 youths.

The tourism sector during the month of January held a series of trainings as part of the In-Service Training Program in four different cities:

- Phase two of the In-service Training Program was dedicated to training and certifying Hospitality Supervisors from three main hotel departments, food and beverage, reception and housekeeping. Of the 87 participants, 13 were female supervisors.

In January the project launched a unique educational program tailored to Palestinian ICT executives in cooperation with the Kellogg-Recanati School of Management at Tel Aviv University:

- Approximately 32 Palestinian executives are enrolled and pursuing their mini MBA certificate, including three female executives and 12 youths.

² Defined by USAID as aged 14 to 29

USAID COMPETE CALENDAR FEBRUARY 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5 Olive oil demo workshop to present demo results	6 Fruit Logistica Trade Show TRAC Training	7 Fruit Logistica Trade Show TRAC Training	8 Fruit Logistica Trade Show TRAC Training	9 TRAC Training
10	11	12 RFP – Filter Press Maintenance (Deadline to Submit)	13	14	15 TRAC Training	16 TRAC Training
17 TRAC Training	18 TRAC Training	19 TRAC Training	20 TRAC Training	21 RFP – Sludge New Product Pre-Feasibility (Deadline to Submit) Saline Demo Workshop TRAC Training	22 TRAC Training	23 TRAC Training
24 Vitoria Trade Show (Brazil) TRAC Training	25 Gulfood Trade Show Vitoria Trade Show (Brazil) TRAC Training	26 Gulfood Trade Show Vitoria Trade Show (Brazil)	27 Gulfood Trade Show Vitoria Trade Show (Brazil)	28 Gulfood Trade Show Vitoria Trade Show (Brazil)		

UPCOMING ACTIVITIES

AGRICULTURE

- Saline Demo Workshops
- Packaging and labeling training
- Follow-up meetings on Fruit Logistica and Gulfood trade shows

TOURISM

- TRAC Training continues in March

ICT

- Announcement of Payment Gateway
- Awareness sessions for Payment Gateway
- Mini-MBA close out

STONE & MARBLE

- Filter press maintenance launch for Hebron Industrial Zone (TBD)
- Awarding sludge new product pre-feasibility (TBD)