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Compete Project Monthly Report

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COMPETE PROJECT MONTHLY REPORT

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ACRONYMS AND ABBREVIATIONS

AHA	Arab Hotels Association
B2B	Business to Business
CIBER	Competitiveness Impact of Business Environment Reform
COP	Chief of Party
DQA	Data Quality Assessment
EU	European Union
Geo-MIS	Geographical Management Information System
GLOBALGAP	Global Good Agricultural Practice
HLITOA	Holy Land Incoming Tour Operators Association
ICT	Information and Communications Technology
IOS	Internet Operating System
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoTA	Ministry of Tourism and Antiquities
MoU	Memorandum of Understanding
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
QR	Quarterly Report
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
Y2	Year 2 (Compete Project)

KEY ACCOMPLISHMENTS

- High-Tech Hub kickoff – More than 400 people attended Compete’s first tech forum in Ramallah, bringing together young entrepreneurs, successful startups, and tech enthusiasts to inspire, lead and innovate.
- World Food Tour, Moscow – Compete supported eleven Palestinian farmers, producers and exporters to attend one of the world’s largest food shows in order to develop business partnerships.
- Treated Waste Water Study Tour, Jordan – Compete organized a large contingent of farmers, businesses, and Compete team members to visit Jordan to study the country’s success in treated waste water for agricultural production.
- Hotel Classification visit and meetings, Jordan – Tourism stakeholders, experts and officials conducted a series of strategic meetings in Jordan, organized and attended by Compete to build linkages and learn from the recent Jordanian Hotel Classification experience.
- Marmomacc Trade Show, Verona – Compete supported two Palestinian Stone & Marble operators to attend the leading trade show for stone design and technology; this trip also presented opportunities for meetings and site visits to various sludge production facilities.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Summary of Activities

Wastewater reuse in agriculture (Jordan study tour, September 1-6): Treated wastewater is a critical resource that needs to be managed appropriately to realize its environmental, social and economic value in agricultural production. In anticipation of the March 2013 water treatment plant opening in Nablus West, Compete partnered with the Palestinian MoA and the Jordanian MoA, to organize a study tour to Jordan where they have been implementing this practice for the past 20 years.

The objective of the tour was to bring awareness to local farmers on the environmental importance and economic benefits of using treated wastewater for irrigation. The group included representatives from the MOA, Palestinian Water Authority, Nablus West water treatment plant, PSI, PCARD, in addition to 15 Palestinian farmers from Deir Sharaf and Sabastiya.

To facilitate knowledge sharing and encourage dialogue, experts from the Jordanian MOA, Ministry of the Environment, the Royal Scientific Society and others were invited to give detailed presentations on status, technologies, regulations, costs and outcomes of using the

“The tour helped me to learn more about the importance of treated wastewater and it’s my sincere hope that we use this water resource in our country. I believe that this little opportunity that was given to me is the beginning of a great, successful future.” Mohammad Manasra, Farmer from Deir Sharaf.

treated wastewater. Additional activities included visits to plant protection laboratories, water treatment plants and farms in the Jordan Valley, Aqaba and Wadi Mousa.

Overall, feedback from tour participants was positive; farmers felt they gained significant knowledge about treated wastewater, including witnessing the end-to-end process. The tour also highlighted the importance of creating a legal body to organize the farmer's community in Der Sharaf and Sabastiya in order to implement irrigation solutions like treated wastewater. MOA officials confirmed their commitment to share the results of the experience and encourage safe usage of treated wastewater throughout the Palestinian territories.



In addition to expert presenters and group discussions, the Jordan tour visited wastewater treatment facilities in Jordan Valley, Aqaba and Wadi Mousa

WorldFood Moscow (September 16-19): Working to promote Palestinian agribusiness, Compete supported eleven farmers, producers and exporters from the Palestinian food industry to attend the 22nd International Food and Drinks Exhibition in Russia. WorldFood Moscow has become a major meeting point for the food and drink industry, attracting more than 60,000 retailers, distributors and wholesalers. Compete supported the participation of 11 Palestinian representatives from fresh herbs, vegetables, processed and pickled vegetables, Dead Sea salt and dates.

While traditionally focused on EU and U.S markets, Palestinian producers are beginning to explore new retail and wholesale opportunities in Russia. Attending the WorldFood Show gave industry representatives a chance to promote Palestinian food products and develop new linkages in the Russian market. Compete arranged a number of meetings with the Palestinian Ambassador to Russia and select Arab logistics companies in order to gain an in-depth understanding of Russia's regulations and market requirements.

Throughout the tradeshow, the group was introduced to a range of new products such as the baby radish and dried fresh herbs, inspiring more thought about expanding Palestinian food production. The Palestinian contingent felt they were able to widen their international network and to develop business contacts with different partners; they also gained a better understanding of local regulations and logistical procedures that would enable them to enter the Russian market.

Compete is encouraged by several potential deals already underway between Palestinian producers and Russian buyers since the trade show: *Dead Sea Salt Works* is exploring a contract with a Russian distributor; in addition, various fresh herb distributors have also been approached by Russian retailers.



Members of the Palestinian contingent at World Food Moscow

Olive & Olive Oil Rollout: Efforts continue to support supplementary irrigation for olive trees in 60 sites across the Palestinian Territories. This month, Compete, accompanied by PCARD, conducted a monitoring mission of 4 rollout sites: BeitForeik, Talluza, Asira Shamaleyeh, and Sabastiya. The purpose of the visit was to observe and monitor the process of supplementary irrigation in locations where they already have irrigated two out of three rounds with one cubic meter per tree per application. The first round of irrigation was on August 15th; the second set was completed on September 1st. Early observations are promising as initial results show an average increase of 35% in fruit weight of the irrigated plots in comparison to the control plots. Compete's Agribusiness team will continue to monitor progress of this important rollout.

Milestones

- Successful implementation of a study tour to Jordan, with participation from 22 representatives from the industry and the MoA
- Increased technical, economic and environmental knowledge about treated waste water gained by famers during the study tour
- PSI is now committed to upgrade and develop the Palestinian Treated Wastewater regulation
- Successful trade show participation at World Food Moscow: 9 potential deals and 4 exporters ready to exhibit at next year's show

Lessons Learned

The study tour to Jordan and the World Food Trade show provided some key lessons that will enhance preparedness and strengthen impact of similar activities in the future:

- Participants on the tour were representing the industry and the Ministry, necessitating a diverse agenda of presentations and visits that covered interests for both sides. As a result, there were some topics and discussions that did not meet all the participant's interests. A key lesson for next time is to have two separate tours, one for the farmers and the other for officials.
- To guarantee a better understanding of the situation and to observe results, if possible, the study should be conducted during the production season.
- Although the communication team accompanied the group, for such a large activity, a professional filmmaker would be better equipped to document the tour; footage might be used for a planned awareness campaign about treated waste water.
- In a large city like Moscow, logistics can be challenging; efforts should be made to reduce transportation time, limit the group size and simplify logistic whenever possible.
- Next year, Compete will look to create a booth to ensure there is a Palestinian "meeting place" at the next World Food tradeshow.

TOURISM

Summary of Activities

Hotel Classification (HC): Following the establishment of a HC Joint Committee in August, practical steps took place this month to institutionalize the HC system in the Palestinian territories. In September, Palestinian Ministry of Tourism and Antiquities (MoTA) worked on incorporating HC in the new tourism draft law, and intends to send the updated draft to the Compete project for their review and comments before it goes through the formalization process. A HC unit was also established within the Directorate General of Professions in MoTA.

The Committee moved forward with the implementation of the HC action plan, starting with the adoption of HC criteria, and the development of hotel quality standards. The assessors training program will also be launched in the coming weeks and progress has been made in developing and approving assessors profile, and announcing the certified hotel classification assessors course. Assessors and trainers recruitment will take place in October, training is due to start in November and the first assessment is due to start by Q1 2013.

"We believe that investments in 20 new hotels currently under construction in Jordan are the result of the transparency of Hotel Classification system." Reda Hashem, Board member of Jordan Hotel Association, a Hotel owner, a senior assessor of HC system, and a member of the Jordanian HC task force.

HC Joint Committee visit to Jordan (September 24-27): Through the support of the Compete project, the HC Joint Committee visited Jordan to learn from the Jordanian Hotel Classification experience and to assess possible implications of HC implementation. The committee held meetings with the Jordanian MoTA, the Jordan Hotel Association and USAID's Jordan Tourism Development project. Several meetings were conducted over the course of the visit to facilitate knowledge transfer on a sustainable and institutionalized HC system that guarantees the development of quality and service standards for hotel establishments.

Several noteworthy meetings occurred over the course the trip. Minister Nayef Al Fayez conveyed H.M King Abdullah's instructions to provide all help possible to the Palestinian MoTA to develop the tourism sector. A meeting with MoTA Secretary General Issam Gammoh also took place, during which Mr. Gammoh addressed how he implemented a HC system in Jordan, raised hotels standards, and encouraged investment. He also shared the Jordan Tourism Strategy with the Palestinian delegates. In addition, Yasser Majali, general manager of Jordan Hotel Association (JHA) and Reda Hashem, Senior Assessor of the HC task force, gave a presentation on institutionalizing HC within JHA. During the presentation, they shared hurdles and solutions of HC implementation for both new and existing hotels.

Serving as an important case study, the Palestinian HC joint committee also reviewed the entire hotel classification system for two hotels, an existing two star family run, non-city hotel, and a new four star city hotel.



Palestinian contingent in meeting with Jordanian Minister of Tourism and Antiquities, in Jordan

Hospitality School, in-service training: Based on a Gap Analysis of the sector, a plan was developed to address the needed in-service training using the American Hotel and Lodging Association (AHLA) curriculum. The plan includes a customized training module, training of trainers, a training schedule, and the signing of a MoU with AHLA to concurrently roll out the training in key geographical areas in the Palestinian territories.

The plan also aims to train management and supervisors who later can train their frontline staff. Upon completion of the course, trainees will receive a certificate from AHA. Training is due to commence in late 2012.

Site Renovation: Based on consensus reached by the site renovation task force, renovation of the five selected sites (Bethany, Birqin Church, Hisham's Palace, Sabastiya and Taybeh town) will take place through concurrent short, medium, and long-term interventions. During the month of September, RFPs for the following activities have been drafted:

- Engineering services of site waste/ sewage system at the Birqin Church Complex
- Regional directional signage system for the five priority sties
- Universal access design for the Birqin Church Complex
- Interpretive signage for the five priority sites

In parallel, further elaboration continues for the more complex projects in connection with these sites, several of which necessitate further consultation with stakeholders and due diligence to confirm site conditions and contextual issues. Community mapping services evolves as the team's networks grow and strengthen.

Several walking trails were identified in the greater list of sites, as agreed by the National Tourism Working Group. Given the attraction offered by these trails, the potential for diversification of existing tourism products, and the excellent opportunities for strengthening local economies, Compete will continue collaborative efforts to develop the identified trails.

Bethlehem Signage Project: Following last year's completion of the first phase, a meeting of the working group was held during the month of September. The Compete project briefed the group on its support of the Bethlehem Tourism Signage Project (under the Master Plan) due to be completed by the end of 2012. Compete signed a grant with the Bethlehem Chamber of Commerce and Industry on September 26th to be the implementing body of the Signage Project. The implementation will be carried out in close cooperation with the Ministry of Tourism and Antiquities and other relevant stakeholders.

Milestones

- Establishing a HC unit in MoTA, appointing head of unit
- Institutionalizing HC system in MoTA, AHA and HILTOA (Draft law providing legal framework); relevant parties adopted HC standards and processes
- Full engagement of Joint Committee in the HC process
- Adoption of AHLA curriculum
- A detailed fully designed training program, including a customized module based on AHLA curriculum

Lessons Learned

The Jordan visit was a success largely as a result of the planning and strong partnerships with industry organizations and MoTA. Greatest lesson learned was to continue to benefit from the launch of the Jordanian HC system, building on their experience and leveraging the strong public-private partnerships in the Palestinian tourism sector.

ICT

Summary of Activities

Hi-tech hub event: This month the ICT team focused on the successful kick off the first Hi-Tech hub event in Ramallah, working with a steering committee of local tech businesses and organizations. More than 400 young students, entrepreneurs, and tech enthusiasts attended the event, which provided a forum to connect, innovate and lead. Global entrepreneurs like Google's Sami Shalabi spoke at the event, encouraging young Palestinian startup hopefuls to "keep on trying and fail fast in order to succeed." In addition to speakers, the event's centerpiece was 10 startup ideas presented by young Palestinians. Compete collected feedback from participants through an online survey after the event: there was a 3:1 ratio of males to females, and the majority (67%) of attendees were between 18 and 25 years old. An

overwhelming 96% indicated that the event was useful and satisfying. Planning is now underway for the next Hi-Tech Hub event, tentatively scheduled for November 19th.

The event received widespread positive media coverage in local outlets including, PANET, WAFA, PNN and Wamda.



Young people sign up for the first Hi-Tech Hub in Ramallah

H+W Sales force Cloud Computing: Negotiations have been finalized with H+W MENA for a grant to build a Cloud Resource Center in Ramallah to work on US-based Salesforce (TM) products, to expand the reach of Sales force in the region as well as to develop customized solutions for customers in the MENA region. The creation of H+W MENA introduces Cloud Technology to the market and also builds strong multinational ties with the Middle East and the Gulf Corporation Council.

Oracle training initiative: As part of the project's Technical Skill Capacity Building efforts, Compete has contracted Oracle University in Israel to deliver a training course for 15 Palestinian engineers in Oracle Sieble Technology. Four Palestinian companies will benefit from technical skill development in the latest market trend technologies. Training will begin October 28th running until November 30th. In Year 2 of the Compete project, this activity will be linked to the Partner Development Program, when Compete enters an exciting partnership with Oracle Middle East and others to strengthen linkages between Palestinian and Jordanian firms.

Partner Development Program: The PDP program is part of the Year 2 work plan, however, because of the multiple partners involved, work is already underway. This month Compete reached agreement between Microsoft, Oracle, and Jordanian Partners on the program plan. The desired impact of the PDP program is to strengthen the current network of Microsoft and Oracle partners by designing and implementing the following sub-activities: technical capacity building in the industry, managerial and commercial capacity building through the Mini MBA Program, and the final phase, which is forming new business alliances between

Palestinian Firms and large Jordanian partners. On-the-job training, references, and project experience from Jordanian partners will eventually support more regional competitiveness for Palestinian companies.

Mini MBA Program: Work continues towards the development of a Mini MBA program with the Kellogg School of Management and Lahav (Tel Aviv University's Executive Education program.) The intended outcome of the program is to build Palestinian capacity of GMs, CEOs, and middle management employees who want to further develop their products and skills, and ultimately operate internationally. The expected launch date of the 10-day course is in December. This month, Compete team partnered with the university to finalize the course calendar and started recruiting candidates.

Milestones

- Successful planning and execution of the first High-Tech Hub event
- Purchase Order to Oracle University complete

Lessons Learned

The Hi-Tech Hub event provided key lessons learned this month. Attendance, event participation and feedback clearly demonstrated that there is a need for these types of tech forums for young, startup hopefuls. There were some lessons learned that will support stronger events in the future:

- Some speakers spoke primarily in English which proved challenging for some of the attendees. Key learning for next time is to ensure the speakers speak more Arabic than English OR provide translation on the big screens
- Voting at the event was deemed as unfair by some as attendees voted for friends vs. the best idea. One option for next time is to consider weighing the audience votes at 50% and have the other 50% selected by a panel of judges.



"Hi-Tech hub empowered us and gave us the opportunity to present our idea to wide [audience] and helped us see people's reaction to our project idea, which encouraged us to start conducting our Agency formally. We think this event was important for every aspiring entrepreneur" - Ayleen Karborani, a budding Palestinian entrepreneur who recently registered her company, Viral Ad, with the local Chamber of Commerce.

STONE AND MARBLE

Summary of Activities

Filter Press: This month marked a major milestone for Compete’s Stone & Marble sector, as on September 18th the evaluation of all filter presses across the Palestinian stone sector was complete. Next steps will be determining the cost to repair and upgrade 67 filter presses in order to get them back into operation. In some cases, an upgrade will potentially result in a higher capacity to produce dry sludge, a critical component of the value chain and a first stage for industry transformation.

This month, meetings were conducted with 10 stone producers who expressed interest in new filter presses, and further vetting and meetings will continue. Compete has also placed a ‘Request for Information’ in the Palestinian media for specialized distributors of stone equipment and filter presses who could potentially work with Compete to replace the filter presses.

Verona Trade Show, International meeting point (September 26-29): This month Compete Project coordinated the participation of two major operators at the Marmomacc International Trade Fair for Stone and Marble Design and Technology, which took place in Verona, Italy. Compete’s support enabled two Palestinian operators, Al Waleed (stone and marble cutting) and Verona Marble and Investment (stone production and group marketing), to attract stone buyers, establish market linkages and gain knowledge about recycling technologies. The contingent had the opportunity to conduct a number of field visits prior to the fair opening day, including visits to major filter press manufacturers, a sludge processing factory and marketing companies. Sludge technology and new product development remains a key priority, as Compete is learning about solutions for dealing with high volumes of dry sludge. In meetings with export managers from Europe, the U.S., and other countries, environmental regulations/solutions, quality assurance, and marketing strategies were also discussed with various Italian industry experts.



Left to Right: Ihab Jabari, Akaram Bader (Owner of Verona Marble & Investment), Denis Gallagher, Rawabi Representative, and Hanna Rabba at Marmomacc

Dubai Trade Show (November 4-8): Preparation and planning is now underway for the Big 5 tradeshow in Dubai. Compete will provide support to two marketing companies for the event: *Next Step for Trade and Investment*, a newly established marketing company that will represent second tier stone and marble producers, and *Verona Marketing Group*, who will represent up to 8 stone producers. In Y2 of the Compete Project, building and strengthening group marketing in the Stone & Marble sector will be a key activity for Compete.

Milestones

- Evaluation of all filter presses in Palestinian Stone & Marble sector complete
- Successful trade show and information gathering mission to Verona

Lessons Learned

Several lessons learned this month came from the Marmomacc trade show, providing some important new avenues of research for the team:

- The team will explore opportunities to hire export managers internationally who would act as intermediaries to sell stone products in their local markets. They would have the local knowledge to determine what products will thrive in their markets.
- One Palestinian booth attracted more people than the other, largely because it was professionally designed, and thus better presented the image of a high-quality product. Learning here is to suggest booths are professionally designed, or at least consistent in quality.
- Pre-trade show research and preparations on behalf of the companies is critical. Going forward, Compete will encourage Palestinian companies attending the event to reach out to contacts before the show in order to arrange meetings with their contacts and invite them to the show.

UPCOMING EVENTS AND IMPORTANT MEETINGS

OCTOBER 2012

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
				Official Opening of Infinite Tiers Apple iOS Development Center Signing Grant H+W - TBC		
7	8	9	10	11	12	13
	Grant signings: Microsoft R&D Center - TBC PITA Diaspora Linkage Program - TBC	Hotel Classification, Joint Committee 3rd meeting in Bethlehem Interviews of Assessors to be trained	2nd meeting of the Bethlehem Tourism Development Master Plan Working Group - TBC			
14	15	16	17	18	19	20
	Aquaculture Production and Technical Training. (Jericho) -TBC		Kick off meeting for the signage product with MOTA and respective municipalities - TBC			
21	22	23	24	25	26	27
				(EID)	(EID)	(EID)
28	29	30	31			
(EID)	(EID)	Oracle Training -TBC				
November: 19 th - Hi-Tech Hub II Event						