

# **The Compete Project**

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## **Weekly Progress Report (18 – 29) March, 2012**

**Submitted by DAI Palestine  
To: USAID Mission in the West Bank and Gaza  
Submit Date: April 5<sup>th</sup> 2012**

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## Highlight of the Week

- Preparing the “Work Plan Framework Proposal” for presentation to the USAID PEO team for approval.
- A focus on a strong and effective launch by sector teams with clear guidelines from the project’s COP.
- Communicating and working closely with a wide range of potential stakeholders through intensive efforts aiming to:
  - Initiate and improve efforts for cooperation and getting them involved in initial project activities
  - Assist targeted firms presenting their needs for reaching international markets
  - Address gaps in each sector that will enable Palestinian enterprises identify and exploit significant economic opportunities concentrating on international markets
  - Map out work frames by priorities and regions to create and maximize value for the project goals and future partners
  - Develop strategies and adopting comprehensive approaches for each sector that will contribute in transforming Palestinian enterprises into global competitors

## Progress by Sector

### AGRIBUSINESS SECTOR

#### ΔField Visits to Jericho and Jordan Valley

The Compete Agribusiness team comprising the marketing, production and quality assurance specialists visited the principal agriculture production sites and stakeholders in the governorate of Jericho and Jordan Valley. These assessment visits were to begin preparation of the work plan and key organizational issues for Compete stakeholder to exhibit at the Fancy Food Show that will take place mid-June in Washington. A selected number of growers and processors of dates, herbs, and vegetables as well as the single Dead Sea table salt processor will show-case their products at this important international trade fair.

The primary challenges faced by stakeholders in the agriculture sector are logistic constraints, limited water resources and “remoteness” from market trends and food safety requirements making it difficult to compete in international markets.

To overcome such challenges, The Compete Project will support progressive commercial farmers and processors who are investing to improve infrastructures to meet international best

practices and Global-gap standards in-order to distinguish themselves from their competitors and



diversify their services to more lucrative markets.

PAL GARDENS

NAKHEEL PALESTINE

THIMAR PALESTINE



DEAD SEA SALT CO.



B&S AGRIPAL CO.

### ΔField Visits to Tubas and Jenin

The Agribusiness team visited key stakeholders in the region including fresh herb growers, potato growers, olive oil press lines that supply both the local market and international markets such as the US and Europe. Through assessing the needs of the agriculture industry and gathering information from stakeholders, the team was able to better understand their short and long term needs to fill the gap in these enterprises competitive position.

Five agricultural enterprises visited included:-

#### **Zadona Agri- Industrial Co. (Fresh Herbs project)**

- Fresh herbs producer and exporter with 70% of its production marketed to the US and 30% to the EU.
- Ambitious plans of expansion with a vision in next 3 years of 500 dunums (125 acres) of planted herbs.



- Critical issue is the zero tolerance by FDA inspectors of insects' presence when products are exported to the US market.
- Export to direct customers is a near term milestone.



### *Hekmat Bsharat Fresh herbs farms*

- Looking for direct exporting companies to allow concentration in expanding production.
- To improve the product's quality, insect nets are required.



### *Potato Demo (Mohammad Daraghmeh and Ahmad Diab)*

- With 500 dunums (125 acres) of open fields planted with potatoes, onions, garlic and cucumber, this project was established in the summer of in Jenin governorate.

The first trial of the "Desire" potato variety which is a red skin and used only in the processing industry (frozen fries). This is a trial lot over 20 dunums (5 acres) and which should produce around 120 tons for the Salam processing factory in Hebron. The first harvest should take place by end of June 2012 and if successful, Salam factory would require between 600 to 700 tons annually. Insufficient water supply is a constraint in the region. Currently, there is a lack of water reservoirs.



### *Canaan Fair Trade Co.*

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- A great success story, an astonishing location, high standard operation established by the recently returned Palestinian-Americans. They are also investing in the local community with eco tourism and education.
- Their cutting edge processing facilities is unique in the region with quality products currently exported to major high-end stores in the US and Europe and Australia.
- To increase productivity and improve their olive oil quality, they have expanded the irrigation program along-side local farmers (Fair trade association) for no charge.
- The agribusiness team discussed areas of intervention in which the Compete Project could contribute to:
  - 1) Combating diseases on olive oil trees
  - 2) Water Management
  - 3) Soil fertility
  - 4) Harvesting practices
  - 5) Processing facilities
  - 6) Export opportunities



### *Al-Jonidi Nursery*

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- A major supplier of agriculture in the region mainly in greenhouses. They also specialize in nursery growing and grafting.
- Planning to improve their nurseries by adapting a new technology-grafting system, and the GLOBALGAP system to improve their seedlings' quality and to create new markets.
- For this purpose, The Compete Project will assist Al- Jonidi Nursery in conducting GAP analysis which will allow high yields and soil infestations.



### *Holly Tree Cooperatives in Tubas*

- This is a Japanese funded project for olive oil production and derivative products such as soaps.
- This project will end this month; therefore it is critical to find new ways to promote and export their produce. This project is currently employing around 30 women in the region.

## TOURISM SECTOR

Review of industry documents, plans, strategies and reports including but not limited to the National Development Plan, the Bethlehem Master plan, Destination Palestine 2011 Overview, Palestinian Industry and Economic Forum Tourism Industry Review, MoTA Summary Compilation of Palestine's National Tourism Development Strategy and MoTA and Palestine Central Bureau of Statistics .

Furthermore, there are current efforts to update our information concerning existing vocational training programs for the tourism sector, mainly through contacts at GIZ through their TVET program.

Attended introductory stakeholder meetings with the objective of facilitating a greater understanding of the Palestinian tourism industry, to ascertain key objectives, areas of need and assess the sector's focus and

#### **Stakeholder meetings include;**

- Muath Sabha, Assistant Professor and CEO/CTO Neiraba Animation Studios
- Burqin Orthodox Church.
- HE Dr. Khoulood Daibes, Minister of Tourism and Antiquities
- Sami Abu Dayeh, Holy Land Incoming Tour Operators Association Net Tours & Hotels
- Nada Atrash, CCHP Bethlehem
- Issa Dahdal, AHA Board Member Diyafa Hospitality Consultants
- Nabil Mufdi, Professor and Director of Hospitality Department Bethlehem University
- Elias Arja, President Arab Hotel Association and Owner of Bethlehem Hotel
- Najeeb Ghosheh, GM Jacir Palace (Intercontinental Hotel) & AHA Representative

capacity to increase the value of tourism to Palestine in order to feed into the most effective strategic short term and long term work plan.

After an initial team meeting with the Ministry, an industry working group meeting has been scheduled by the Minister that will take place during the first week of April, to discuss priorities for the upcoming short and medium terms.

## ICT SECTOR

Activity focused on the preparations to develop a strategic framework for the IT sector related activities with the overall objective of creating a stronger economy utilizing innovative IT tools. Initially, the Compete Project will support

- Entrepreneurship activities that will lead to the creation of sustainable startups with the abilities to commercialize innovative products;
- Skills innovation programs aimed at helping talented Palestinian fresh graduates with IT degrees to receive specialized training, mentoring and continuous guidance to enhance their skills according to international standards and local market needs.

Expansion of intercompany collaboration where international companies with significant regional presence (largely Israel) mentor and outsource to progressive Palestinian IT companies.

Currently the ICT Sector Lead is discussing with stakeholders the best approach to adopt in implementing this vision.

## STONE AND MARBLE SECTOR

The Stone and Marble team worked on preparing a sector presentation, relying on interviews with contacts from Pal-Trade, discussions, brainstorming, literature review, and examining sector statistics. In the upcoming weeks, work will be dedicated to start the process of building the stakeholder database and setting up a number of meetings.

## Other Topics

### MARKETING & RESEARCH:

The main focus of the Marketing and Research work over the past week has been conducting preliminary research to map the four sectors, which would outline the major players, and include a list of public sector entities and institutions, private sector associations and representative bodies, private sector renowned personalities and key figures.

This mapping exercise will also attempt to shed light on the current dynamics between the different players and entities within the two sectors, public and private, as well as main challenges facing sector growth. The mapping exercise relied on desk research, literature review, and information provided by existing networks and contacts.

For the coming week, there will be discussions with the component leads as to their immediate research needs and the type of information that is needed on the short and longer run.

## MEETING WITH USAID REPRESENTATIVES

USAID representatives including; John Crihfield, PEO Director, Scott Kleinberg, COTR, Ghassan Al-Jamal, Deputy COTR, Robert Parker, Private Enterprise Officer, met with The Compete team on March 28th at the project's office in Ramallah to discuss and agree the project strategy, activities and in-progress work plan concentrating on export development, investment, innovation, value addition and job creation.



Denis Gallagher, Chief of Party (COP), stated the mission of the project:  
“Strategic Transformation of Key Sectors to COMPETE in the Global Market”

The COP introduced a business economic assessment methodology – CIBER (competitiveness impacts of business environment reforms) developed by DAI that will be used to identify priority issues, consensus for PPP actions, and the economic benefits for these reforms to sector-level competitiveness.

### Agribusiness Sector

The strategy used to transform the Palestinian agriculture sector to attain global market competition will be accomplished through building sustainable business, social enterprise development and partnering with foreign investors. This will be achieved through priority interventions mutually supportive to impact this substantial part of the Palestinian GDP and work force. A technical work plan for year one including the estimated length of the project is currently being developed for completion by end April.

Valuable points were discussed throughout the presentation to bring fresh ideas to the agriculture sector in Palestine such as access to technical assistance, training, new marketing tools, better seedling to increase yields, product diversification and processing to open new lucrative markets.

### **Tourism Sector**

With the aim of supporting the greatest transformational impact, tourism strategy has to be focused on the development of a broad three and five year overarching strategic structure for the short and medium term work plan. The draft plan presented to the USAID team focuses on increasing the value of tourism, facilitating increased market access and new routes to the market, diversifying tourism products and experiences and improving tourism service and quality standards. Particular areas of support include export ready products and services enhanced to reach new markets, growth in investment, new routes and techniques to market and increase better pay and profit. A better skilled workforce will be needed to fulfill future demands.

### **Stone and Marble Sector**

The stone and marble strategy will be focused on developing a one, three and five year strategic structure for the sector's work plan. The activities presented to the USAID team focused on embracing what has been done with stakeholders in this sector, looking into pilot programs, trade show support, as well as looking into methods to diversify products and working alongside specialized marketing firms. Areas of support include export ready SMEs interested in new product development, technology and capacity building to reach new markets.

### **ICT Sector**

The ICT sector development strategy will be based on three interrelated elements: 1) human resources, 2) capital innovation development and 3) multinational companies' partnerships.

The main objective is to create scaled number of talented resources with suitable experience to work according to international standards. One of the main findings of the previous interventions in the ICT sector is the lack of enough skilled resources to enable sector growth.

The first year activities of the project will focus on strengthening relationships with IT multinational companies especially those with branches in Israel. Also, this year, two enterprise level training programs will be initiated as well as an innovation linkage program designed support the transformation the sector into a responsive eco-system that can help build an entrepreneurship based community in the West Bank and Gaza.