



USAID | **WEST BANK/GAZA**
FROM THE AMERICAN PEOPLE

Compete Project Monthly Report

November 1, 2012 - November 30, 2012

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COMPETE PROJECT MONTHLY REPORT

November 1, 2012 - November 30, 2012

DAI

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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
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
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
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

KEY ACCOMPLISHMENTS

- This month, USAID Compete made significant progress in efforts to drive export growth in the Palestinian Agriculture sector. Through international linkages built at the *WorldFood* Moscow trade show several Palestinian firms have received orders from Russian buyers for shipments of local produce.
- Several milestones for the Palestinian Hotel Classification system were reached this month including a USAID Compete-facilitated assessors training, the approval the Palestinian Hotel Classification Standards and Process and the subsequent creation of a Hotel Classification system manual.
- A USAID Compete contingent attended the *Dubai Big 5* Trade show this November to introduce Palestinian Stone & Marble products into new markets.
- At another successful Hi-Tech Hub in Ramallah, regional and international speakers provided advice on building startups and branding; *MENA apps* announced the groundbreaking *Arabpreneur* program at the event.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Summary of Activities

Dates exhibition: During the 4th Palestinian Dates Exhibition in Jericho, Dr. Salam Fayad presented a recognition plaque to USAID's Compete Project for efforts to support the Palm Dates sector in Jericho Governorate. The project has several activities underway and planned for the Dates sector, including the installation of pheromone traps throughout the Jordan Valley to monitor the red palm weevil level of infestation, organizing trade events to promote exports and upgrading facilities to obtain international standards certifications.



Deputy Chief of Party Ihab Jabari (far left) receives a plaque of recognition from Palestinian Prime Minister Salam Fayad for USAID Compete's work in the Palestinian Date sector.

Driving export growth - Efforts to promote Palestinian Agribusiness are coming to fruition through trade show exposure. The month, two direct shipments of fresh mint were exported to Moscow and a request for a yearly import permit for over 300 tons of fresh herbs was submitted to the Russian Custom Authorities by a Russian importer. Based on the success of the *Fancy Food* and *WorldFood* trade shows in 2012, planning is already underway for participation at trade shows in Berlin and Dubai in 2013.

Packaging Improvement Workshop: In cooperation with the Palestinian Food Industry Union (PFIU), USAID Compete concluded the first phase of the packaging improvement activity by organizing an awareness workshop about packing and labeling standards. During the workshop 59 participants from the food sector discussed the importance of packaging for export and business sustainability. The second phase of the project will support the participation of selected stakeholders from food processing companies, the packing sector, PFIU and a graphic designer on a training tour to *LibanPack* the PFIU counterpart in Lebanon.

Building capacity in aquaculture: Last month the project facilitated a comprehensive assessment of aquaculture farming in the West Bank. Aquaculture specialist Dr. John Hargreaves visited a fish hatchery, feed mill and fish markets to raise awareness on the topic of Aquaculture and to support future productivity in this practice. On November 20, the project conducted two field visits accompanied by USAID. The first was to a fish farm in Tubas as a follow up to the aquaculture assessment. It was evident that in order for the project to be feasible, economies of scale must be achieved.

Continued success with contract farming: On the second field visit on November 20, *Al Salam Group* joined USAID at Buqiaha plains to see Mowafaq Daraghmeh's farm, the main supplier of red potatoes under forward contracting for *Al Salam Group*. Potential interventions discussed include extending the main water pipeline by 2-3 kilometers, which would scale the farm area with an additional 2000 to 3000 dunums (1 dunum = 1,000 sq m) and provide (depending on crop) an average of an extra 40,000 labor working days to the region.



USAID Compete team and local farmers visit Buqiaha farm in Tubas

Final Fresh Herb Organization Workshop: This November the agribusiness team conducted the final workshop for the Fresh Herb Organization in order to finalize the not-for-profit company's internal system. The workshop was attended by legal adviser Dr. Tareq Touqan as the keynote speaker and the 23 fresh herb producers. Five company board members were unanimously elected. The company's capital was also identified as 10,000 JDs (14,000 USD)

and the distribution of shares per holder was agreed. They also agreed on the location of the office to be in Al Auja (Jordan Valley). Over the next weeks, the project will work to finalize the registration of the not-for-profit company in the Ministry of National Economy. The progress in finalizing the actual Fresh Herbs Organization entity means that the organization comes one step closer to reaping the benefits of this kind of association; namely, collective resources to aid producers processing and marketing their products, growing quality herbs to meet international standards and regulations, packaging and labeling for specific markets bringing price stability and bargaining power for material inputs.

WOP (World of Perishables) Dubai (November 19-21): Through a USAID Compete grant, *Agripal B&S* for Agriculture Investment had a booth at WOP Dubai to promote the export of fresh herbs, cherry tomatoes, dates and other fresh produce. Evidence of its global pull, this year WOP managed to attract 102 companies from 13 countries with over 5000 visitors. Dubai is the center for re-export for key markets such as Saudi Arabia, Kuwait, Qatar, Oman Bahrain, and Afghanistan with exports valued at \$1.46 Billion USD. Tareq Abu Khaizaran Managing Director of *Agripal*, expressed his gratitude to USAID Compete for the support that resulted in contracts signed for summer crops and new varieties of lettuces to be produced in the West Bank for this important market.

Milestones

- Installation of 200 pheromone traps to monitor the Red Palm Weevil infestation level in the Jordan Valley;
- Identified constraints and new technology required to implement aquaculture and hydroponics in the West Bank;
- First export of fresh herbs to Russia under Palestinian labeling and export documents;
- First carrot contract farming and sowing for *Al Salam Group* (Spring production).

Lessons Learned

Promoting changes in governance and institution, human capital and economic structure throughout the value chain is now helping to achieve social progress and increased market competitiveness for Palestinian producers. Workshops have proven to be an effective means of bringing key stakeholders together to create a unified and therefore stronger voice to advocate for the industry, setting them on the path to achieve future economic gain and independence.

TOURISM

Summary of Activities

Hotel Classification – This month marked significant progress in the Hotel Classification system activity with many foundational elements in the final stages. The Assessors Program was conducted Nov 18-20th. The training program covered all technical skills required by HC assessors to conduct a complete and thorough assessment of hotels based on the National Palestinian Hotel Classification Standards. Upon completion of this program, candidates will be awarded a certificate of attendance for the technical training. Upon completion of the soft

skills training and testing in January, candidates will graduate and be awarded a certificate of completion and will be deemed Approved Assessors for Hotel Establishments.

The HC Joint Committee convened on November 21 and achieved the following:

- Soft Skills training to take place after January 14, based on availability of trainers.
- HC Implementation guidelines were agreed with workshop being developed for implementation in Jerusalem, Bethlehem, Ramallah, Jericho and Jenin/Nablus.
- HC Sustainability Plan is in draft format.
- HC manual content was approved by the committee and is being translated into Arabic.

Site Renovation – USAID Compete continues to work closely with local stakeholders and tourism specialists on improvements to priority tourism sites in the West Bank. As a component of ongoing interventions on sites/within close proximity of sites, a draft plan was developed aimed at strengthening historic urban places to improve local conditions. The draft includes:

- Assessing selected urban / village areas to identify their distinct typologies by their characteristics (3-4 locations);
- For typologies, assessing determinants or conditions relevant to realizing positive physical and economic change as a result of increased visitor flow;
- Summarizing the role of donors in urban rehabilitation and recommend means of increasing the efficacy of the resultant conservation initiatives;
- Identifying indicators applicable to monitoring change arising from increased visitation to the specific urban contexts.

A Concept Paper for the medium intervention phase has been developed to describe the current status, and outline an approach (i.e. based on length of stay, amenities, etc.) for enhancing the selected sites and reinforcing their presentation as destinations. This includes project considerations from coordination to implementation to assist in decisions concerning the scope and duration of medium interventions undertaken in the future.

With several projects being launched simultaneously, project management plans have been detailed to enable clear identification of roles and milestones. Importantly, roles with external partners in MOTA are well defined and with competent supervisory relationships. These six plans will be subject to weekly review and adjustments as initiatives progress.

Updates for the five main sites follow:

- **Taybeh** – Exploring the opportunities with local women’s and youth groups and integrating their activities with the potential for tourism development, relevant to the town center as well as walks encircling the town’s perimeter.
- **Burqin Church Complex and Town** – The Technical Team has evaluated the engineering proposals, and with the selection made, a contract is in preparation. This is the first pilot for the design and execution of works for sites, and fine-tuning of the compliance requisites has been a collective process. An inventory of local community groups has been undertaken and initial contact made in order to understand their scope of activities (continuous and occasional), organizational structure, facilities, etc. In concert with the content of the Concept Paper, this is one of the incremental steps being taken to assess tourism development options for the town.

- **Hisham's Palace Historic Site** - The final version of the RFP is now complete, a draft budget developed and the subproject is soon to be publicly advertised. It is anticipated that the responses to the RFP will assist in short listing design companies for related, potential future projects, such as visitor information centers and museums. This project requires a particularly close cooperative relationship with the Ministry of Tourism and Antiquities, Department of Archaeology and Cultural Heritage, which are legally and operatively, the site owners and managers. All interpretative content and design requires their input and approval. The project approach is designed to ensure a high level of interaction during all phases of design and development.
- **Sabastiya Town and Archaeological Site:** Feasible short-term interventions are under internal discussion, highlighting the interpretive needs of the town and site. The MOTA initiative to build a Visitor Centre at Sabastiya is almost complete, however there is a dearth of interpretative information (i.e.: a *theaterette* without a film), and with this in mind, the Technical Team are assessing optimum short term investments to improve the visitor experience at Sabastiya in the coming months.
- **Bethany:** There are significant ventures in progress in this historic precinct, including the future use of two buildings which have been previously rehabilitated with USAID support. The Site Renovation team is encouraging MOTA to move forward with formal agreements to enable the implementation of a Bethany Museum. It is understood that this is in its final stage of negotiation concerning day-to-day management. The other, centrally located building will be investigated further as a potential Visitor Centre. List of local action groups and stakeholders has been compiled, with preliminary/introductory contact made. Some have good potential to be engaged in future plans and/or to have their facilities form a part of the historic precinct visitor walking route (for example, the Women's Cooperative handicraft shop and café, an initiative of the IECD.) The provision of signage is considered a useful short-term intervention, and the Technical Team is developing this as an intervention proposal for municipal cooperation.

Directional Signage Activity (formerly "Signage activity"): The Directional Sign project has been re-advertised in order to attract capable contractors. A meeting of the Technical Evaluation Committee is scheduled for mid-December and is expected to enable awarding of this contract. Work on improving directional signage for visitors to tourism sites in the West Bank continues. Following the completion of four field visits to Artas, Battir, Al Khader and Ubedieh, the BCCI and USAID Compete held a meeting with MoTA staff to present the finding and initial plans for these areas. All remaining field visits were completed in November and a comprehensive power point illustration for each of the signs was developed as a guideline for the service providers and to expedite the approvals from respective municipalities / village councils. BCCI is getting final approvals for the signs within each municipality; the first phase, which focuses on directional vs. informative signs, will kick off in mid-December.

Milestones

- The Assessors Program was conducted Nov 18-20
- A draft plan was developed for site renovation aimed at strengthening historic urban places to improve local conditions.

Lessons Learned

ICT

Summary of Activities

Digital Tourism: Development of the Facebook Leader Board application is underway. A fusion of ICT and Tourism expertise, this tool acts as an aggregator by pulling together all conversations, comments and photos about a particular destination, providing real value for consumers researching a particular destination. This will become a key source of tourism information and conversion for HLITOA (Holy Land Incoming Tour Operators Association) and AHA (Arab Hotel.) The team has been focused on data collection for key tourist sites such as Jericho, Hebron, Bethlehem, Jerusalem and Nablus this month. The leader board app brings these tourist sites to life online, allowing tourists to access the sites through their smart phones.

To further promote the cross-sector benefits of Digital Tourism an “E-Tourism” workshop took place in Ramallah November 26-27. The workshop provided a detailed explanation of opportunities for promotion and conversion and also highlighted specific ICT solutions that would benefit the tourism industry. The introduction of booking and reservations systems, web templates and digital payment solutions is anticipated to have a positive market-wide impact.

PITA Announcement for Tourism: Understanding that industry partners are critical to success, the ICT team met with members of PITA to convey an EOI (Expression of Interest) in selecting 3-4 ICT partners to work with USAID Compete on digital tourism activities. This is the first official cross-sector initiative between tourism and ICT in the Palestinian Territories.

The second Hi-Tech Hub (Nov 29): USAID Compete kicked off the 2nd Hi-Tech hub event with speakers from Jordan and the U.S. who provided advice on entrepreneurship and branding. The centerpiece of the event was the “Arabreneur” announcement by Palestinian entrepreneur Dr. Abdul Malek Jaber. *MENA Apps* initiated the Arabreneur project as part of its efforts to create an eco-system to facilitate and support entrepreneurship and startups in the MENA (Middle East North Africa) region. Through Arabreneur, *MENA Apps* is leading efforts to establish a pan Arab Network of accelerators, angel investors and mentors; in addition, they have established pan-Arab seed funding to provide entrepreneurs with the needed support to establish startups that are supported by *Arabreneur* and its local, regional and international networks. Overall, the event was another opportunity for students to connect with established and nascent entrepreneurs and share ideas about starting a tech business.



Hi-Tech Hub winners at the event in Ramallah

Amman Gaming Summit: The ICT team attended the Amman Gaming Summit on Nov 23rd and 24th in Amman, Jordan. The team organized meetings with Gaming industry leaders such as *Sony* and the Game Task force (under The Jordanian IT Association) officials to learn more from their experience and attempt to replicate the industry in the West Bank. Follow up meetings are planned in December. USAID Compete’s Gaming Lab activity entails setting up a lab with equipment and necessary software licenses needed for game developers to test and qualify their games before launch. Currently developers struggle to find the investment needed to develop games (i.e. equipment, licenses, etc.); opening a gaming lab to the public removes this considerable market barrier.

Payment Gateway: USAID Compete is taking steps to support the implementation of payment gateway services in the Palestinian market. A preliminary meeting took place with representatives of MEPS (Middle East Payment Solutions) in November to discuss scope and path to implementation. Payment gateway is necessary for accepting online payment using credit cards such as VISA and MasterCard; service is presently unavailable in the Palestinian market and would accordingly have a market-wide impact, making more tech ideas that require an online solution possible. For USAID Compete activities, this will help the tourism sector gain more international tourism traffic, spurring innovation in the startups segment.

Milestones

- Grant signing with ASAL in support of their Microsoft R&D Program;
- Grant signing with PITA for the diaspora program.

Lessons Learned

Researching and understanding lessons from established programs continues to be an essential part of designing a new activity. When the ICT team attended the Gaming Summit in Amman, it was clear that understanding the processes of the gaming making, costs involved, what partnerships are needed, are all important factors involved in designing a quality gaming program in the West Bank, in addition to layering in unique variables in the local sector.

STONE AND MARBLE

Summary of Activities

Dubai Big 5 Tradeshow (November 5-8) : USAID Compete supported the participation of two Palestinian group marketing companies to showcase Palestinian stone and marble products at the Dubai Big 5 Trade Show, the MENA region's largest construction and natural stone trade show. *Next Step for Trade and Investment*, a newly established marketing company represented second tier stone and marble producers and *Verona Marketing Group* represented 8 stone producers. During the first 2 days of the tradeshow the participants were able to secure orders in excess of \$400,000 USD (19 containers) with an additional twenty sales leads for immediate follow up. Palestinian participants also widened their networks by attracting new buyers from Spain, Dubai and Bosnia as well as cementing ties in their current export value chains.



Next Step Booth at the Dubai Big 5 Tradeshow

Filter Press Maintenance and New Filter Press Cost Sharing - Programs: The Stone & Marble team is working with the Grants and Procurement team on final steps for both activities, which includes scopes of work, budgets, company comparisons and justifications. The project continues to work closely with the Union of Stone and Marble to plan for vetting companies that require filter press maintenance as well as the workshop to launch the new filter press program (December 8.)

Meeting between USAID, Black & Veatch and Compete: An initial coordination meeting took place in Hebron on November 28 between USAID implementing partners Compete Project (DAI) and Black & Veatch to better facilitate future engagements with the stakeholders in the Hebron industrial zone. Acting quickly when the industry was threatened with closure due to environmental damage, Black & Veatch are implementing a USAID emergency intervention plan in Hebron industrial zone to haul stone waste in the form of liquid and dry sludge to dedicated dumping sites (thus preventing the downstream of waste into the Be'er Sheva plant.) Focused on long-term competitiveness through value-chain interventions, the Compete project is working on business opportunities realized from dry sludge being captured for new product development. The idea behind the monthly meetings is to share general updates, exchange pertinent information around inflection points and jointly plan where possible.

Milestones

- Trade show participation at the Dubai Big 5

Lessons Learned

The recent trade show in Dubai reinforced lessons learned from previous trade shows: it is critical to construct high quality booths and establish networks and connections prior to the show. The unique and well prepared presentation of stone in Italy and Dubai resulted in new business and orders placed.

The Group Marketing concept continues to gain traction. Initial feedback suggests it is the ideal method to represent as many 2nd tier companies as possible under a consortium arrangement where the leader is directly involved in representing identified companies in international trade shows. USAID Compete will continue to promote and build this concept within the Palestinian Stone & Marble sector.

"I have participated at international trade shows in the past under certain budget constraints and with very basic presentation but due to the Compete Project and interventions with the group marketing concept, the type of booth design and display that the project supported us with, my presentation of Palestinian stone was exceptional and unique, helped attract a lot of buyers and the impacts are continuous. I never dreamt of this type of success, and I promise to do my best to represent more stone producers and provide business to as many stone cutting companies as possible. I am now working double shifts, giving continuous business to 4 stone cutters, increase employment by more than 20% and was able to secure \$3.5 M in exports. This type of impact across the stone sector will definitely contribute to the Palestinian economy at scale and export high quality stone and marble globally" – Verona Group Representative

CALENDAR OF EVENTS

USAID COMPETE – DECEMBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2 ICT: Oracle Training start	3 Burqin Sewage System: Signing project contract with the awarded company	4 ICT: E- Tourism Workshop in Bethlehem ICT: Facebook app data fill USAID Field Trip to Tubas	5 ICT: E-Tourism workshop Jerusalem AG: PalTrade meeting - Follow up agenda for 2013 trade show to take place at Fruit logistca Berlin and Gulfood Dubai in Feb	6	7	8 Filter Press New Machine (working lunch presentation)
9	10 Libanpack Training Tour – PFIU/Compete staff Lebanon E-Tourism Workshop (Bethlehem)	11 Train the Trainer program for In-service Training (25 trained and committed to deliver training throughout Jan/Feb/Mar) Hotel Classification Technical Assessors Graduation Hotel Classification launch In service training launch	12 Train the Trainer program for In- service Training (25 trained and committed to deliver training throughout Jan/Feb/Mar) Hotel Classification Technical Assessors Graduation Hotel Classification launch In service training launch	13 Train the Trainer program for In- service Training (25 trained and committed to deliver training throughout Jan/Feb/Mar)	14 Train the Trainer program for In- service Training (25 trained and committed to deliver training throughout Jan/Feb/March) Libanpack Final day training/PFIU/Co mpete staff	15 Train the Trainer program for In- service Training (25 trained and committed to deliver training throughout Jan/Feb/Mar)
16 Filter Press - vetting collection and meetings E-Tourism Workshop (Jerusalem)	17 Filter Press - vetting collection and meetings E-Tourism Workshop (Jerusalem)	18 Filter Press - vetting collection and meetings Fresh Herb Organization – Not for Profit Company registration (TBC)	19	20	21	22
23	24	25 CHRISTMAS (OFFICE CLOSED)	26	27	28	29
30	31					