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Compete Project Annual Workplan

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COMPETE PROJECT ANNUAL WORKPLAN

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ACRONYMS AND ABBREVIATIONS

ABS	Alternatives Business Solutions
AHA	Arab Hotels Association
APHIS	Animal and Plant Health Inspection Services
BCCI	Bethlehem Chamber of Commerce
BESCO	Business Excellence Services Company Ltd.
BRC	British Retail Consortium
B&S	Bassem and Said Company for Agricultural Investment
BSOs	Business Support Organizations
BSPs	Business Service Providers
B2B	Business to Business
CCHP	Center for Cultural Heritage Preservation
CIBER	Competitiveness Impact of Business Environment Reform
CMS	Customer Management Systems
COP	Chief of Party
CRM	Customer Relationship Management
DACH	Department of Antiquities and Cultural Heritage
DAI	Development Alternatives Incorporation
EDIP	Enterprise Development and Investment Promotion
ETI	Ethical Trading Initiative
EU	European Union
FAM	Familiarization
FFS	Fancy Food Show
FY2	Fiscal Year Two of USAID's Compete Project
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GLOBALGAP	Global Good Agricultural Practice
GIS/LBS	Geographic Information Systems Location Based Service
GIZ	German Agency for International Cooperation
GTA	General Trade Agreement
HACCP	Hazard Analysis and Critical Control Point
HCCI	Hebron Chamber of Commerce and Industry
HLITOA	Holy Land Incoming Tour Operators Association
HS	Harmonized System
ICI	Investment Climate Improvement

ICT	Information and Communications Technology
IPM	Integrated Pest Management
ISO	International Organization for Standardization
IT	Information Technology
ITB	Internationale Tourismus Börse
KFW	German Development Program Project
KRA	Key Result Areas
M&E	Monitoring and Evaluation
M.A.K	Mohammad Ali Khaldun for Training and Certification Services
MBA	Masters of Business Administration
MoA	Ministry of Agriculture
MoH	Ministry of Health
MoL	Ministry of Labor
MoT	Ministry of Trade
MoTA	Ministry of Tourism and Antiquities
MoU	Memorandum of Understanding
PAPA	Palestinian Agribusiness Partnership Activity
PCARD	Palestinian Center for Agricultural Research & Development
PCBS	Palestinian Center Bureau of Statistics
PFIU	Palestinian Food Industries Union
PICTI	Palestinian Information and Communication Technology Incubator
PIERS	Port Import Export Reporting Services
PIR	Project Intermediate Results
PITA	Palestine Information Technology Association
PMEP	Performance Monitoring and Evaluation Plan
PPIS	Plant Protection Inspection Service
PPU	Palestine Polytechnic University
PR	Public Relations
PSI	Palestine Standards Institute
PWA	Palestinian Water Authority
PWS	Palestine Wildlife Society
R&D	Research and Development
RF	Results Framework
RFPs	Request for Proposal
RFQs	Request for Quotations

SA	Social Accountability
SME's	Small and Medium Enterprises
SOW	Scope of Work
STTA	Short Term Technical Assistance
TBD	To Be Determined
TOR	Terms of Reference
TVET	Technical Vocational Education and Training
TWW	Treated Wastewater
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency For International Development
USDA	U.S. Department for Agriculture
USM	Union of Stone and Marble
V&V	Volumes and Values
VC	Venture Capital
VS	Veterinary Services
WNWTP	West Nablus Wastewater Treatment Plant
WTM	World Travel Market

I. INTRODUCTION TO COMPETE PROJECT

INTRODUCTION

The Palestinian private sector faces a major window of opportunity. Significant reductions in Israeli security and trade barriers, a more stable political and security situation, and a clear commitment by the Palestinian Authority to undertake critical trade reforms have created an improved business environment where the private sector can assume its place as the primary driver for growth. Empowered business leaders have a newfound ability to influence the future of individual enterprises, industries, and the overall economy; and the conditions they need to contribute to and participate in a significant economic expansion.

While the preconditions have now emerged to rapidly accelerate economic expansion in critical sectors of the economy, a wider circle of the economy must be mobilized for inclusive economic growth to be realized. Lacking appropriate technology, information, and access to lucrative international markets, many Palestinian firms currently focus on selling to a small domestic market and on providing raw materials or products with limited value added to Israeli buyers. While the Palestinian private sector faces a tremendous opportunity for rapid growth, enterprises must become active participants in the development of their industries for Palestinians to achieve global competitiveness leading to sustainable, broad-based economic growth. The U.S. Agency for International Development (USAID) has recognized that by investing in key industries, the Palestinian private sector will have great potential to meet expanding demand in both domestic and export markets. The Compete Project will play a catalytic role in making this happen.

CONTRACT BACKGROUND

Previous USAID projects built infrastructure, institutions, associations, and business services—in essence the platform for competitive growth. Enterprises—particularly small and medium enterprises (SMEs)—need to link into and benefit from this platform to deepen and broaden their participation in national, regional, and global value chains; and accelerate the development of a prosperous Palestinian economy.

The Compete Project is designed to build on the strengths of these previous USAID enterprise development projects. A three-year project, Compete will provide a combination of market information, innovative solutions to unique constraints on Palestinian businesses, technical assistance, and training to Palestinian enterprises and business associations. The primary objective is to address sectorial gaps that will enable Palestinian enterprises to identify and exploit significant economic opportunities, primarily in the international market. Compete will target Palestinian firms with good potential for growth that can expand the country's export revenues and increase employment.

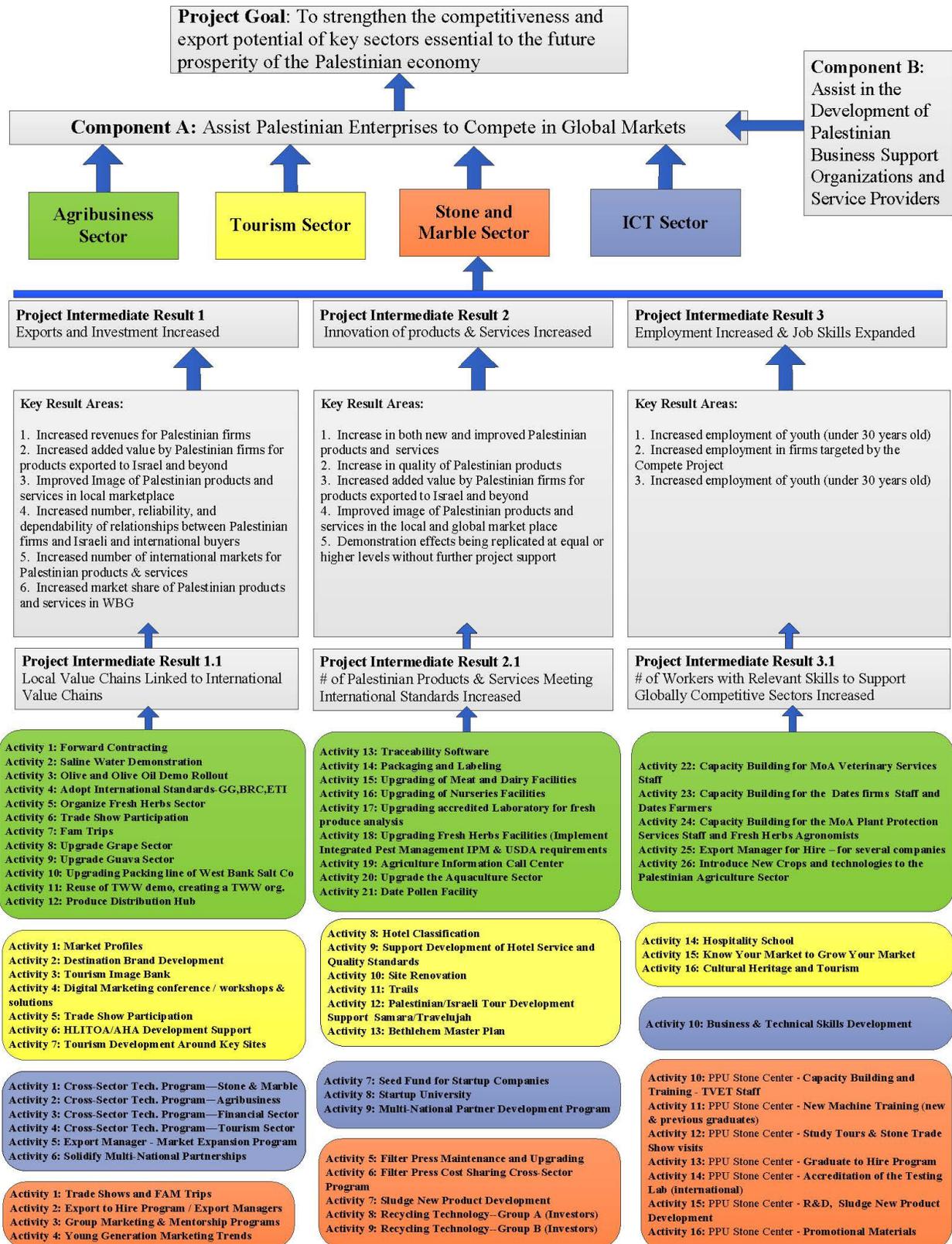
PROGRAM DESCRIPTION

To strengthen the competitiveness and export potential of key sectors in the Palestinian economy, the Compete Project will work sector-wide to upgrade the individual and collective performance of enterprises in targeted sectors. Working beyond anchor firms, Compete will maximize local value addition and help to calibrate needed changes throughout key value chains to accelerate growth. Compete will systematically provide to its stakeholders the key tools for performance—business linkages, networks, and information systems; coach sector

participants on how to use them; and ensure their broad-based, commercially sustainable availability. We will strengthen vertical linkages and inter-firm cooperation by forging connections between microenterprises and SMEs and larger firms, which have direct and more efficient access to markets and a better understanding of market requirements. This sector-wide approach will leverage USAID's current and previous investments and expand the radius of benefits and growth to accelerate the development of a prosperous Palestinian economy.

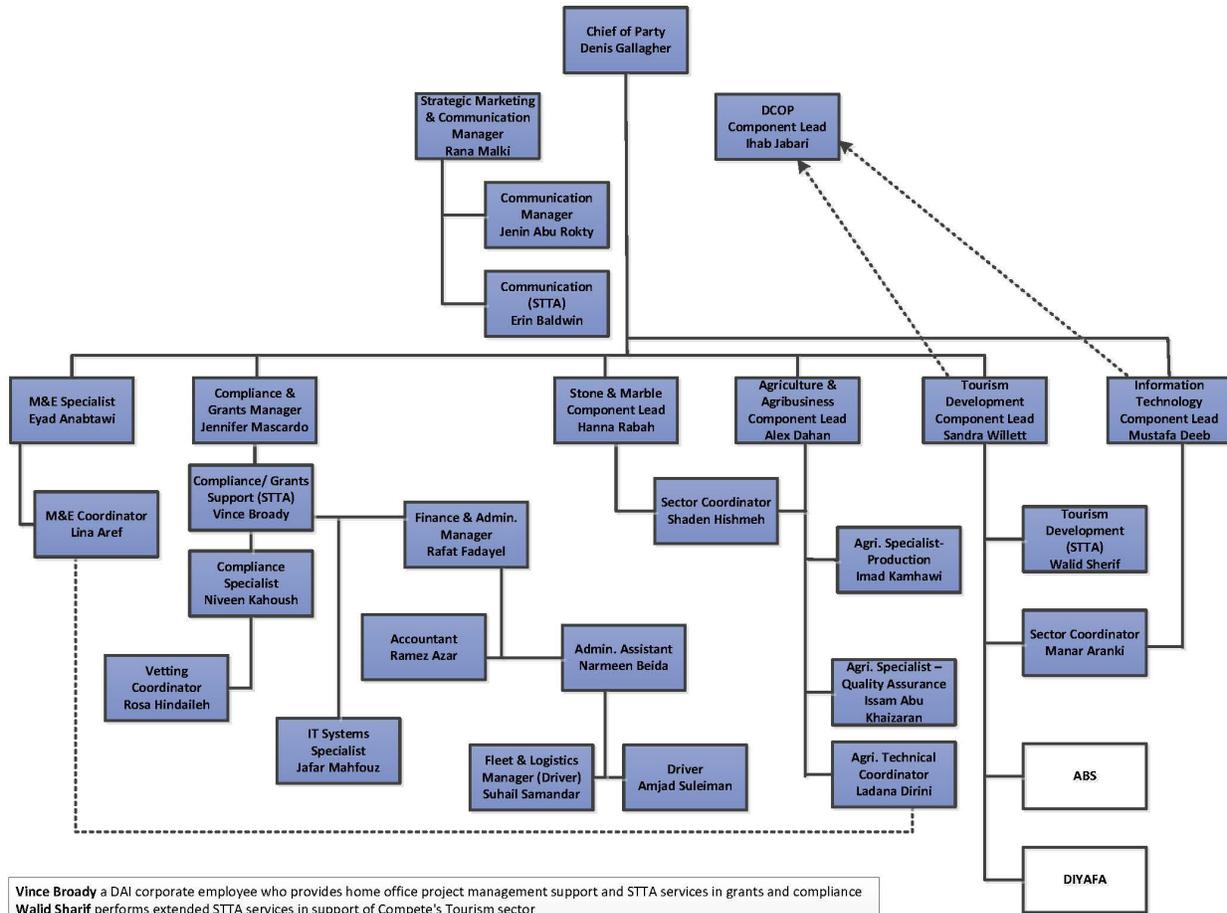
PROJECT OBJECTIVES AND RESULTS FRAMEWORK

A results framework is a planning, communications, and management tool. It conveys the development hypothesis implicit in project goal and objectives as well as the cause-effect relationships between key result areas (KRA), project intermediate results (PIR), and project objectives. Therefore, the RF provides a foundation for work planning and performance monitoring. To ensure a sound foundation, Compete work planning began with a critical review of the RF by Compete technical staff. During the review, technical issues were considered, potential activities and solutions discussed and key results debated. This resulted in a consensus Compete Results Framework that is presented in Annex A.



ORGANIZATIONAL STRUCTURE

The Compete organizational structure is shown on the following page. The Compete team is organized into four sectors—Agriculture and Agribusiness, Tourism Development, Information and Communications Technology, and Stone and Marble. Each sector has a Component Leader. The Chief of Party oversees all four sector teams, works directly with a Monitoring and Evaluation Specialist to implement the Performance Monitoring and Evaluation Plan (PMEP), and supervises the Compliance and Grants Manager, the Marketing Research Specialist, and the Communications Specialist.



Vince Broady a DAI corporate employee who provides home office project management support and STTA services in grants and compliance
 Walid Sharif performs extended STTA services in support of Compete's Tourism sector
 Erin Baldwin performs extended STTA services in support of Compete's strategic communications, social media, and reporting requirements.

II. WORKPLAN

WORKPLANNING PROCESS

In developing our work plan, we recognized the need to build on previous and existing efforts to strengthen the Palestinian economy. Our goal is to minimize duplication of effort and maximize return on investment for USAID. Therefore, we have planned a number of activities designed to scale up or build upon successful interventions of previous USAID efforts—specifically the Enterprise Development and Investment Promotion (EDIP) project. Furthermore, we will continue to closely collaborate with ongoing USAID initiatives such as the Investment Climate Improvement (ICI) Project to identify potential areas of collaboration.

This work plan was developed based on a series of counterpart meetings and meetings with USAID. As stakeholder input is critical for the success of this project, the Compete Project will continue close collaboration with key stakeholders during the implementation of work plan activities and in planning for future initiatives. This stakeholder input was critical during the Competitiveness Impacts of Business Environment Reforms (CIBER) assessments (described below) which drove the development of activities for this work plan.

CIBER ASSESSMENTS

Increasingly, programs for enterprise development and growth facilitation are adopting a value chain framework, tracing elements of competitiveness for all institutions and actors involved in the production of a particular good or service, from raw materials to final consumption. Practitioners recognize that the impacts of the legal, regulatory, administrative and judicial framework on competitiveness vary across value chains. Competitiveness in this context means simply the ability to produce a quality product or service at an acceptable price, and to get it to markets at home or abroad. In some form or another, any meaningful value chain analysis therefore always includes some appraisal of the impacts of the business environment on competitive performance. Efforts to advocate changes in that environment form part of any competitiveness strategy targeting a particular value chain.

By focusing on key constraints, the value chain perspective enables analysts and stakeholders to predict whether reforms in the business environment to lift or alleviate these constraints translate into benefits in terms of competitiveness and economic growth. The value chain perspective complements top-down approaches to regulatory reform where it is always difficult to predict economic consequences. To strengthen this approach to business environment reform, USAID sponsored the development of an approach to deepen the analysis of business environment constraints and link it to an organized advocacy campaign that targets priority constraints for reforms.

This initiative gave birth to the CIBER process. CIBER combines intensive stakeholder-driven advocacy with rigorous economic analysis to advance key reforms in the business environment for a particular value chain. The approach relies on value chain stakeholders to identify what elements of the business environment the most harm, and what should be done to tackle these constraints. The scope of CIBER is broader, since it also can examine not just laws and regulations, but also administrative practices. Rigorous economic analysis of the

ways in which unnecessary regulations or excessive administrative requirements undermine competitiveness enables stakeholders to focus on priority constraints, and to invest in initiatives with potential for the greatest return. In the application of CIBER in the field, the question has been raised whether this approach could be generalized to the analysis of any binding constraint on the competitiveness of value chains. The basic structure is “constraint-neutral,” that is, it could be applied to constraints other than business environment factors, primarily regulatory and administrative. However, CIBER is not limited to analysis. Rather, it should be seen as a process stressing the development of a comprehensive strategy for addressing these constraints, and engineer changes that directly improve the competitive performance of the value chain in either domestic or export markets (or both). By starting out with identification of issues and solutions by private sector stakeholders, CIBER can look to them as champions of reform.

The Compete Project conducted CIBER assessments for three of the targeted sectors and/or subsectors of the Compete Project. Assessments took place in June-August, 2012 and were conducted by a team of professionals trained and experienced in DAI’s CIBER assessment methodology. The outcome of these assessments drove the design a series of sector related activities for Year 2 of project implementation.

COMPETE COMPONENTS

COMPONENT A: Assistance to Palestinian Enterprises to Compete in Global Markets

The Compete Project is working to transform the agribusiness, tourism, information and communication technology, and stone and marble sectors to compete in the global market. In doing so, the project is forging solid connections between small and medium enterprises and larger producers and exporters that have direct and more efficient access to markets. Working beyond anchor firms, Compete is implementing an industry-wide approach that leverages USAID’s past investments and helps smaller businesses link into, actively participate in, and benefit from sector-wide economic growth and development activities. The project is building managerial, marketing, and production skills to help these firms meet quantity and quality standards and become active participants in the global market place. By increasing the flow of information, products, and technology throughout key sectors, the Compete Project is empowering Palestinian enterprises to perceive and take hold of the opportunities around them—transforming sectors into competitive industries that can compete on the global stage. Below we provide our strategy for achieving results in each targeted sector, and the activities planned through the end of September 2013.

Component B: Assistance in the Development of Palestinian Business Support Organizations (BSOs) –Cross Cutting activities

The Palestinian business environment has a strong presence of business, industry and professional associations that not only work as lobbyists to the government to protect the interest of their members, but also as platforms on which to organize market access initiatives for their members. The Compete project is working with dynamic and representative BSOs to enhance their current direct market opening activities in the four priority sectors Agribusiness, Tourism, ICT, and Marble and Stone.

Compete has identified local BSOs with whom to work with based on their ability to build linkages to encourage investments and identify and penetrate export markets. Business associations that can address specific constraints to global competitiveness and provide commercially viable methods to deliver those services will be encouraged to submit grant proposals for developing and strengthening member services that advance sector strategies as agreed with Compete technical teams.

Compete also supports the diffusion of ICT through relevant business associations to support the competitiveness of the project's target as well as other economic sectors; and to support the greater efficiency of government services to enhance competitiveness. These range from major e-government and modernization programs for administration of taxes and construction permits and import/export transactions to the private provision of ICT enabling services, such as payment and booking gateways in the tourism and hospitality industries.

Associations

Compete identified several strong associations such as the Palestinian IT Association of Companies "PITA", Palestinian Food Industries Union "PFIU", Hebron Chamber of Commerce and Industry "HCCI", the Bethlehem Chamber of Commerce and Industry (BCCI) and PalTrade.

Each designed activity aims to remove or ameliorate a specific hindrance to the development of the Compete target sectors that the association or trade organization represents. The overall approach is to strengthen the organizations' ability to communicate with their members and to provide market information by twinning relationships with overseas counterpart associations and CRM solutions from local IT firms. Below we discuss our approach to working with associations in each Compete sector.

Agribusiness Associations

Compete is helping The Palestinian Food Industries Union Association "PFIU" to design a labeling and tracking system for food industries, addressing a major gap in preventing exports from entering specific markets. This initiative will be delivered through a local service provider that will help develop and deliver marketable services to Palestinian food processors and manufacturers.

Through the development and use of IT solutions that will provide expedited and tailored services for its members, Compete is working to build internal capacity at the Hebron Chamber of Commerce and Industry "HCCI"—a major economic player in the southern West Bank. This is a clear example how IT diffusion is working through Compete.

The Palestinian Trade Center (PalTrade) is a specialized public / private trade organization that provides tailored services in: preparing companies for participation in trade shows and B2B meetings, as well as addressing the lack of marketing capacities especially in the agricultural sector. PalTrade has been engaged by Compete to help prepare for two agribusiness exhibitions: Fruit Logistica in Germany and Gulfood in Dubai, UAE. PalTrade will provide participating companies and PFIU insights into the market, industry, and technology trends. The anticipated successful outcome of this engagement could trigger further match-making support for PalTrade to its BSO counterparts in the Palestinian private sector.

Compete is helping to create a new association for the Fresh Herbs producers using a model that leverages public-private partnerships to facilitate local development and investment. This new syndicate will help address the fresh herbs producers' needs in regard to a regulatory framework for enhanced competition, access, and services.

Tourism Associations

In tourism, Compete will work with active associations representing different elements of the industry; including the Arab Hotel Association, the Holy Land Incoming Tour Operators Association, and the Arab Tour Guides Union to introduce e-solutions and digital marketing plans. Ultimately, Compete will encourage public-private dialogue to support national initiatives such as the Palestinian Hotel Classification System, the Palestinian Hospitality School service, and possibly the establishment of a National Tourism Board. Through targeted grants to the above associations and trade representatives, these associations will raise their capacity to provide valued services, providing them with sustainable income and create greater synergies in their respective economic sectors.

ICT Associations

Compete will work with PITA to develop linkages between local and international markets with the goal of encouraging investment and high-end mentorships for new startups and young Palestinian entrepreneurs. This is a promising opportunity for PITA to forge partnerships with educational institutions and companies to deliver specialized certifications and skills training needed for sector/member growth and success in meeting market requirements. J-1 exchange students – in all majors – would be introduced through this project to help expedite the learning of needed experiences and skills.

In reaching out to other segments of the ICT sector, Compete has designed a specialized series of events - “High Tech Connect in Ramallah”- that will combine all of the organizations that work with entrepreneurs who wish to create new products and solutions utilizing information technology. This series of events will unite Palestinian organizations such as PITA, PICTI, Peeks, and Leaders under one umbrella, with the goal of delivering services to young entrepreneurs. The ultimate outcome will be to create a dynamic business innovation environment and a virtual community that acts as a service provider to enable entrepreneurs to innovate new technologies and products.

Business Service Providers

Compete's technical teams have identified a number of major constraints inhibiting the growth of business services providers (BSPs) in the Palestinian Territories. Palestinian firms are reluctant to pay for professional services such as consulting, training or ICT services unless they are clearly linked to very tangible results such as new sales deals, new distribution agreements, or a measureable reduction in costs. Considering this, Compete has developed a strategy to build viable cross-cutting services to encourage the evolvement of specialized services companies that focuses on specific niches in the market and provide tailored services including market linkage events (trade fairs, B2B), workforce development, quality standards, marketing and brand development.

ICT and Agribusiness Service Providers

In the ICT and Agribusiness sectors, Compete will encourage service providers—possibly as an outgrowth of dynamic and representative BSPs—to establish specialized marketing and distribution companies to sell Palestinian products in targeted markets. These companies or

commercial marketing associations would build distribution channels and mount group marketing campaigns tailored to specific regional and international markets. To further support such initiatives, Compete will design an “Export Manager for Hire” program to enhance the competitiveness of Palestinian companies in regional and international markets. This program would enable Palestinian companies to tap into a pool of experts located in targeted markets to obtain sales contracts or build distribution channels.

Tourism Service Providers

In the tourism sector, Compete will help specialized service companies to build a new strategy for the tourism sector. In partnership within Compete, the Diyafa Company is helping to develop service standards for the hotel and hospitality sector. Diyafa is helping to design new training and certification services using a unique approach to developing a trained workforce and raising service standards. The Diyafa example is now being replicated by Compete sub-contractor ABS. ABS is leading the implementation of Image Bank as well as the Bethlehem route signage initiative. The success of Diyafa and ABS can be easily replicated and the need for higher quality services required by the tourism sector and related industries has the potential to create more companies in response to the demand.

Stone and Marble Service Providers

In the stone and marble sector, Compete will work with two service providers that focus on selling stone and marble products in regional and international markets. These companies will represent 2nd tier manufacturers of marble and stone companies and will focus their services on marketing and branding in the form of “group marketing” with initial support from Compete. These unique service providers will obtain direct market knowledge, giving participating 2nd tier firms confidence that they will get quality marketing and sales services required for growth. Ultimately, these group marketing BSPs will become self-sustaining; able to independently organize and lead future Palestinian stone and marble export development initiatives.

In partnership with the Union of Stone and Marble (USM) and the Hebron Chamber of Commerce and Industry (HCCI), the Compete project has identified the treatment of residual sludge in the marble and stone cutting process as a major constraint in the development of the sector. The project will continue to work with the USM and the HCCI in liaison with the Hebron Polytechnic University to focus on providing economic business solutions to what in the past was seen solely as an environmental constraint.

TECHNICAL ACTIVITIES BY SECTOR

CROSS-CUTTING ACTIVITIES

ICT Diffusion in Sectors

Compete will introduce new technology and solutions to the targeted economic sectors: stone and marble, tourism and agribusiness. This activity expands the local ICT market by providing new solutions to serve these economic sectors and by increasing the number of startup companies and innovative products that can be sold locally and internationally. The Compete project will heavily engage with major stakeholders in these sectors to create the needed synergies to expand the usage of IT services such as e-commerce which serves the interests of all economic sectors. The major Highlights of these cross-sector activities

include, capacity building of ICT companies in targeted sectors, creating demand that did not exist before for the ICT companies, cross-sectoral operational enhancement achieved with ICT solutions, additional employment in the ICT sector, and increased exports in all targeted sectors.

The following activities are tailored to serve each targeted sector creating demonstration effects that will take hold economy-wide—in particularly, the Payment Gateway project that will expand e-commerce for all three sub sectors.

Export Manager for Hire Program

This activity will assist Palestinian enterprises—especially small and medium-sized (SMEs)—to gain/increase access to international export markets. The program addresses one of the primary constraints to Palestinian competitiveness—the lack of knowledge in marketing and limited linkages in international markets.

The Export Manager for Hire program will help ready to export companies to hire an overseas agent/export manager who is strategically located within targeted export markets. The export manager/overseas agent will work to find a niche for and sell Palestinian products and services, and enable Palestinian companies establish direct linkages with targeted markets. Ultimately, the Palestinian company will gain necessary experience in exporting services/products to international markets and may retain the services of the export manager or overseas agent when Compete support has ended.

Overall engagement of the Compete project will last for 18 months. Eligible Palestinian companies that pass the export readiness assessment will receive 60% of eligible costs associated with hiring an experienced Export Manager for the first six months of the contract. The following six months, Compete will cover 40% of eligible costs. The last six months of the contract, Compete will cover 20% with a maximum total amount of \$ 60,000 per company.

This year, Compete will select 5-10 companies from each targeted sector to benefit from the program. Qualified companies will have the following general qualifications:

- Business plan that targets the specific market
- Clear description of the products or services to be sold
- Preferably have sold the product/service in the targeted market
- Willing to co-share the costs of the export manager/overseas agent

Compete will help selected companies identify an export manager/ overseas agent based on preset qualifications that include:

- Familiarity of the Palestinian company's products and services or ready to assess it professionally to find a niche to penetrate
- Expert in selling similar services or products in the targeted market
- Has an established network to sell the product or services

The export manager/overseas agent main tasks:

- Provide assessment and advice to the Palestinian company regarding how to market their products and services to a specific niche in the market. The assessment is not a strategy paper; rather, an action plan on how to market the products and services
- Meet clients, help with proposals, negotiate contracts, and provide detailed reporting and information on how to close contracts and sell the product or service. This might include the necessary translation of the contract, service descriptions and pre-order documentation.

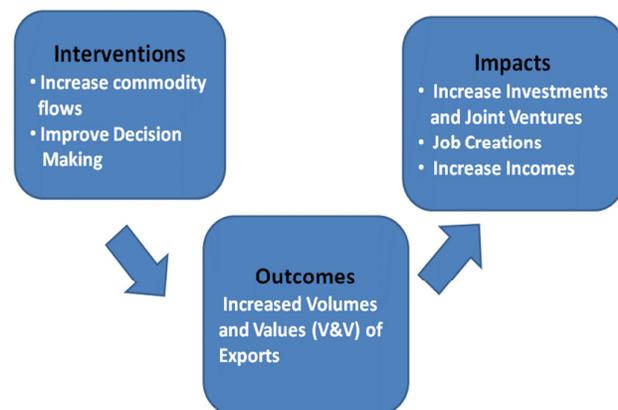
Ultimately, this project will help Palestinian SMEs understand their export capacity; thereby, improve their ability to access international and regional markets. Furthermore; this activity will encourage Palestinian companies to develop focused export market development strategies.

AGRIBUSINESS SECTOR

Agriculture remains a dominant and growing sector of the Palestinian economy. It represents a major component of the economy's GDP (5.9%, Source PCBS 2011) and employs a large percentage of the population. Furthermore, the agricultural sector is a major earner of foreign exchange and supplies the basic needs of the majority of the local population. In times of difficulty, the agricultural sector has acted as a buffer that absorbs large scores of unemployed people who lost their jobs in Israel or other local sectors of the economy.

The Compete Project conducted deep analyses (CIBER Assessments) of the existing constraints refraining and handicapping key sectors of the fresh agriculture and processed food industries. During these assessments, we identified the most serious constraints to increasing sales in local and international markets. These assessments have informed our Year 2 work plan. They will continue to inform Compete's implementation plans for the remaining project years and help us to develop targeted interventions designed to remove the most serious impediments to expanding sales.

To transform the Palestinian agribusiness sector into a globally competitive industry, the Compete Project will work sector-wide with stakeholders, local authorities, and key actors to help them access and maximize the use of resources and technologies to increase and sustain competitiveness. Compete and its stakeholder partners will work intensively to embed modern technologies—such as new grafting and seedling techniques to increase production and limit infestation in fresh herbs and fresh vegetables; innovative technologies to improve irrigation and increase the quality and volume of productivity in arid areas such as the Jordan Valley; production practices based on internationally recognized standards to gain



recognition as a reliable and safe source within global markets; and increased product diversification and added value to expand domestic and international market penetration.

Compete will replicate the Cannan model in the olive oil subsector to other agribusiness subsectors such as fresh herbs, dates, fresh produce and frozen vegetable. Cannan currently works with more than 1500 olive oil farmers and Cannan manages the marketing, quality control, technology transfer etc. for all his farmers. Compete will partner with key aggregators in each of the subsectors, through the activities below, to develop, organize and maximize use of the resources.

The Compete project will link local and international buyers to the commercial agribusiness industry in the Palestinian Territory and assist enterprises to win and retain consumer loyalty by providing quality food products. Below we describe the activities planned for the agribusiness sector through September 30, 2013.

Project Intermediate Result 1: Export Sales and Investment Increased

Activity 1: Forward Contracting (Component A)

Summary of Key Achievements thru September 2012:

- Two contracts signed for 800 tons of red potatoes 2012/2013 season, value \$200,000 USD
- Pre-negotiations - inputs and production service by Al Salam with growers
- Pre-negotiations initiated for new crops to be produced such as sweet corn (100 T), and carrots (100 T)

Stakeholders: Date Exporters (e.g. El Nakheel Co.); Horticulture producers; Fresh Herb Association; Ag Investment Companies (e.g. B&S Co.).

Project Partners: Palestinian Federation of Industries Union (PFIU); Frozen Products Processor (Majmoat Al-Salam Elesthmarieh Ltd.); UNIDO; Date Association; Fresh Herbs Association; Fresh Producers; Retailers.

Activity Description: The objective of this activity is to link Palestinian value chains to international and domestic markets with long-term contracts. Compete will provide marketing assistance for this and three other activities – Activity 6 (trade events), Activity 7 (FAM events) and Activity 12 (produce distribution center) detailed below - to identify new markets and trade prospects for Palestinian exporters and assist stakeholders source, close and maintain forward contracts with new customers. Forward contracts provide a stable marketing and sales base; they represent strong supplier-customer relationships and provide the foundation for stable operations and future growth. Compete's marketing experts will provide a combination of market research and market-linking support. Secondary market research – e.g. analysis of trade data using UN six-digit level HS codes, Global Trade Atlas and PIERS database identification of major importers – will identify targets of opportunity. Project experts will then leverage their understanding of markets and networks in target markets to directly connect Compete partners with prospective buyers. This activity supports and extends the marketing efforts of Palestinian producer, processor and exporting companies to cement relationships with key buyers in multiple markets. Note that a separate Year One activity

addressing price fluctuations has been merged in this reporting period into this activity since the myriad of tasks undertaken to secure a contract are the most effective approach to stabilizing a firm's revenues. Compete will facilitate/support trainings and workshops for exporting stakeholders to build strategic understanding and the capacity required to put forward contracts in place.

Year 2 Project Contribution:

Expected Benefit: This activity will link local value chains to International and Domestic markets with long-term contracts established between farmers, processors, exporters and buyers. It will contribute to increasing exports and sales; diversifying Palestinian markets; and building the marketing capacity of exporters to negotiation contracts and close new business deals.

Year 2 Milestones:

- Deliver forward contracting training to stakeholders in all six Compete sub-sectors, e.g. to select exporters and through the Date Producer group; Herbs Producer group.
- Marketing activities will identify potential herb importers in three new U.S. markets (beyond New York); identify six potential date contractors in at least two global markets
- Arrange for 2 key buyers to visit the industry
- Secure four forward contracts for Compete stakeholders during this planning period

Activity 2: Saline Water Demonstration (Component A)

Summary of Key Achievements thru September 2012:

- Five sites identified for Saline Water Demos
- Four units of the Aqua4D water treatment system ordered
- One additional site pending vetting
- Units being manufactured in Switzerland and delivered to four sites in the Jordan Valley
- Swiss technical team assisted local team in installation and training in early September

Stakeholders: Ministry of Agriculture (MoA); Farmer cooperatives

Project Partners: Swiss technical team (AYAVA Co.); Banks; Equipment recipients (farmers TBD).

Activity Description: Water shortages and the increased salinity of available water is an immediate threat to sustained investment and growth in agriculture. The criticality of water – both quantity and quality – is intuitive; salinity is a water issue of particular concern. Compete will significantly scale its efforts this reporting period to further test, demonstrate and facilitate adaption of a Swiss technology (magnetically treated water) that enables the use of saline water for irrigation. Based on 5 pilots tests conducted over the Jordan Valley, the technology will be scaled to fresh produce, fresh herbs, and seedless grape and date producers throughout the valley. Farmer trainings will continue with cogenerate increases in

productivity resulting in increased incomes and job creation. A significant multiplier effect is anticipated this planning period – definitive results from initial trials will be available in December - as more farmers deploy this technology and productivity increases drive widespread dissemination of results.

Year 2 Project Contribution:

Expected Benefit: Introduction of this new technology - if successful - will have major long-term benefits to the agriculture industry. Compete anticipates significant, measurable yield increases will be observed and documented during this planning period, moving Jordan valley producers toward a tipping point where this technology becomes standard practice. This activity will contribute to building the capacity to increase exports improved Palestinian products produced and the area adapting new technologies.

Year 2 Milestones:

- Up to 15 Aqua4D units installed on 15 farms
- Baseline yield surveys completed (pre-installation); post installation yields and economic impact documented
- Success campaign designed to facilitate adaption and multiplier effect of this new technology

Activity 3: Olive and Olive Oil Demo Roll-out (Component A)

Summary of Key Achievements thru September 2012:

- Implementer identified.
- Grant signed.
- 60 demos established and ongoing.

Stakeholders: Olive cooperatives; Ministry of Agriculture (MoA); Olive oil exporters (e.g. Canaan Fair Trade Investment Co.)

Project Partners: PCARD (implementer); Recipients (farmers).

Activity Description: This planning period Compete will expand its support for the olive oil export subsector along two dimensions: extending marketing efforts; and supporting production and processing productivity improvements. Compete will engage marketing experts who will assist Canaan and other exporters to explore new markets, connect with key buyers and close new deals. The project will expand oil productivity demonstrations throughout West Bank governorates in up to 60 individual farm plot pilots ranging from 2-10 dunams. Working through producer groups, farmers will be trained and incentivized to apply production-enhancing practices – including fertigation and integrated pest management techniques - resulting in increased yields and returns that will fuel job creation across the subsector. Compete will coordinate its activities with the Ministry of Agriculture (MoA) and private sector stakeholders to support local widespread dissemination of results and sustainability beyond the reach and lifespan of the project.

Year 2 Project Contribution:

Expected Benefit: This activity builds on earlier USAID investments that successfully demonstrated how local value chains could increase yields and their competitiveness in international markets, thereby increasing growers' revenues. Impacts this planning period target three key areas: new export market penetration; stakeholder capacity building and oil productivity gains.

Year 2 Milestones:

- Palestinian olive oil exporters penetrate three new markets; connect with 10 prospective new customers; enter into three new forward contracts
- Support 60 demo plots; sponsor 20 workshops; train 500 farmers resulting in 50 farmers doubling oil production from 60lt to 120lts/dunam.
- Via producer groups, train 500 farmers on integrated pest management. Distribute 5000 insect traps; 50 stainless tanks; 50 motor saws; 3000 plastic boxes; 60 liters of humic acid; 6000 cm of water; 2000 barrels (200 liter capacity).
- Produce 1 training film (extrapolated from Demo activities)

Activity 4: Adopt International Standards (GG, BRC, ETI) (Component B)

Summary of Key Achievements thru September 2012:

- El Nakheel Co. (date exporter) began implementing GG, BRC, and ISO 22000.

Stakeholders: Fresh Producers Cooperatives; Fresh Herbs Cooperatives; Dates Cooperatives; Olives Cooperatives; PFIU; Ministry of Agriculture (MoA).

Project Partners: Service providers (e.g. M.A.K., BESCO); STTA (TBD); beneficiaries.

Activity Description: Compete will continue to assist Palestinian producers and processors adapt an appropriate mix of the following global standards: GLOBALGAP (Global Good Agriculture Practices), BRC (British Retail Consortium), HACCP (Hazard Analysis and Critical Control Point), ETI System (Ethical Trading Initiative), SA 8000 (Social Accountability), ISO22000 (Food Safety), and Organic Systems. Customized capacity building – with a focus on positioning producer and processor groups to deliver training and incentivize adaption – will be delivered to targeted companies representing a cross section of the food industry. Selection criteria will include export readiness and existing or prospective links with markets and customers that require global standards compliance.

Year 2 Project Contribution:

Expected Benefit: This activity will increase the competitiveness of Palestinian products and services in international markets. It will assist meeting food safety standards to maintain access to East Jerusalem markets as well as assure that Palestinian products meet national and international market quality and safety standards. These efforts will contribute in three impact areas: 1) additional companies will embrace the value of global standards; 2) companies

implementing standard operating procedures will experience and document the value of their efforts and see a return on their investments; and 3) producer groups and companies in all Compete subsectors will begin investing in global standards development.

Year 2 Milestones:

- Mahareeq and Thimar will join El Nakheel Co in implementing global operating standards
- 18 Palestinian companies (two each from nine sub-sectors) will be introduced to global operating standards, visit the three companies implementing standards and attend an initial global standards workshop
- Three producer groups – fresh herbs; dates; and olive oil - will initiate global standards training and add the capacity to train its members to its member services.

Activity 5: Organize Fresh Herbs Sector (Component B)

Summary of Key Achievements thru September 2012:

- Compete facilitated numerous meetings, workshops and conversations among 20 major industry stakeholders on the benefits of association building and collective, collaborative action
- Agreement was reached to form a producer group
- 7 of 20 stakeholders selected to build non-profit company framework - The Palestinian Fresh Herbs Producers Co.

Stakeholders: Fresh herb farmers; Fresh herb exporters; Ministry of Agriculture (MoA); Ministry of Labor (MoL); Ministry of Trade (MoT).

Project Partners: Fresh Herbs Association; Equity Law Group

Activity Description: With Compete facilitation, leading stakeholders of the herbs subsector have begun to see the value in collective action and have come together to form a not-for-profit company to collaborate where appropriate. Through a unified voice, the organization will leverage strong bargaining powers to address daily input costs and facilitate trade movement in and out of the country. The Compete Project will continue to support the formation of the organization and help it begin delivery of advocacy, business and communications services to its members. Effort will specifically focus on adapting best practice protocols needed to meet international market standards and requirements including: collective marketing; proper pesticide usage; residue limitations; and other sanitary (animals) and phytosanitary (plants) issues.

Year 2 Project Contribution:

Expected Benefit: Organizing the Fresh Herbs Subsector is vital to strengthen industry adherence to international - especially USDA - standards to maintain market-access and build export image and quality competitiveness to increase international market share. Collective action will greatly increase the reach of individual firms to connect with new markets and overcome operational and logistical constraints, which will translate into more exports from more capable members of the group. Integrated pest management approaches will result in

higher productivity and lower cost/dunam. As sales grow, dunams devoted to exports, incomes and employment will also grow.

Year 2 Milestones:

- Herbs producers not-for-profit company registered
- Delivery of marketing and integrated pest management services to herb producers
- Support production of high quality products compliant with USDA-APHIS requirements.
- Sustain and grow the main herb US market currently at 1000 tons \$10 million/year.

Activity 6: Trade Show Participation (also contributes to PIR 2 and PIR 3) (Component B)

Summary of Key Achievements thru September 2012:

- In June 2012, four Palestinian food processor companies travelled to Washington, DC, to participate in the Fancy Food Trade Show, North America's largest specialty food exhibition: Cannan Fair Trade; Al Nakheel; Al-Hithnawi and West Bank Sea Salt.
- The Compete project sponsored and showcased their finest products in the central Palestinian Pavilion, which resulted in 200 business leads; and a number of promising contract prospects for mixed containers of Palestinian products are being pursued.
- Several of the Palestinian companies were approached by the White House Guest Chef to endorse their products and several samples have been arranged for further testing.
- Compete facilitated 11 companies to visit the World Food Moscow show September 17-20, 2012: Lausanne Trading Consultants, Al Nakheel Co., PFIU, Thimar, West Bank Salt Work, Sadeq AbdelRahman Kamhiya Co., Top Field Company, and 4 farmers.

U.S. Fancy Food Participant Recommendations for 2013:

- Provide experts for participating Palestinian companies to help them analyze market potential and potential barriers to entry.
- Offer free shipping of a container of the product to the FFS market (e.g. Washington) prior to the show for serious buyers to be able to purchase smaller amounts; as most buyers are not interested in buying large quantities, this enables them to try a pallet, for instance, to test in their market.
- Include more Palestinian companies to participate at FFS (4 companies in 2012 vs. 7 in 2011).
- Support direct market needs with sales staff and tradeshow booths at winter and summer Fancy Food Shows and Natural Expos in March and September.
- Facilitate early show registration to ensure adequate location and lead time for B2B meetings with potential customers.

Stakeholders: Palestinian exporters, producer groups and producers in nine subsectors – fresh herbs; dates; olive oil; gourmet salt; traditional and pickled products; grapes; dairy and guava. Stakeholders are also partners in that their participation in trade events will be an extension of their own marketing activities and will require investments on their part; Logistics Co. (e.g. Lausanne Co.)

Project Partners: Palestinian Food Industries Union (PFIU); Palestinian Trade Center (PalTrade); Exhibitors.

Activity Description: Compete will support stakeholder participation in a number of trade events this planning period by engaging a marketing subcontractor to extend the efforts of subsector group and company marketing efforts. The project will provide pre-event and post-event marketing support; financial assistance to exhibitors for booth design, preparation and rental; as well as the transport of Palestinian products to targeted events. The Palestinian firms exhibiting will be responsible for all of their own travel, accommodations, meals, incidentals and visa fees. Depending on identified target markets and specific marketing plans, appropriate trade event participation - e.g. the US Fancy Food Show in New York in June 2013, Fruit Logistica in Berlin in February 2013, Gulfood in Dubai in February 2013 and Moscow Food Show in September 2013 - will be arranged. These plans will include aggressive pre-show, event, and post-show activities. Prospective customers – importers; wholesalers; distributor; retail buyers; other key players – will be identified and appointments scheduled before, during and after each event.

Year 2 Project Contribution:

Expected Benefit: Participation in selected international trade exhibitions is key to opening and expanding market access in very competitive international Ag/food markets. The primary objective for event participation is to penetrate new markets and close forward contracts for Palestinian companies. The project will facilitate new market leads; buyer relations; expand market penetration; and assist in create direct sales and forward contracts.

Year 2 Milestones:

- Develop specific marketing plans for each Compete target subsector
- Identify appropriate trade events that support those marketing plans
- Sponsor trade event participation for each subsector, including pre-event and post-event meetings with prospective buyers
- Close at least 12 forward contracts

Activity 7: FAM Trips (also contributes to PIR 3) (Component A)

Summary of Key Achievements thru September 2012:

- FAM activities during the project's first reporting period were limited to identifying potential FAM events.

Stakeholders: Palestinian exporters, producer groups and producers in nine subsectors – fresh herbs; dates; olive oil; gourmet salt; traditional and pickled products; grapes; dairy and guava. Stakeholders are also partners in that their participation in trade events will be an extension of their own marketing activities and will require investments on their part

Project Partners: Palestinian Food Industries Union (PFIU); logistic companies (e.g. Lausanne Trading), wholesalers, distributors and retailer buyers (TBD); STTA (TBD).

Activity Description: In close coordination with trade events, Compete will support stakeholder participation in a number of “market familiarization” events this planning period. Compete’s contracted marketing experts will extend the efforts of subsector group and individual marketing efforts to include a combination of research and market linking efforts. Secondary market research – e.g. analysis of trade data using UN six-digit level HS code see GTA as above and PIERS database identification of major importers – will identify targets of opportunity. Compete marketing experts will then leverage their understanding of markets and networks in those markets to directly connect Compete partners with prospective buyers. Along with trade events, FAM trips will focus on connecting with channel players – especially wholesalers and distributors – serving retailers in target markets and include visits by Palestinian producers and companies to meet with key channel and market players. Likewise, Compete will facilitate visits by existing and prospective buyers to the Palestinian Territories.

Year 2 Project Contribution:

Expected Benefit: FAM trips - including inward "buyer airlifts" - will facilitate critical link between international market makers and local agricultural value chains, thus increasing export opportunities and country image as a source for quality agriculture products. Compete will extend the reach of partner marketing efforts; connect our partners to new markets; these connections will result in increased export production areas and export volumes produced with commensurate increases in sales, incomes and employment.

Year 2 Milestones:

- Facilitate up to 2 inbound FAM Trips and up to 2 outbound trips.
- 50 new market linkages
- 10 new contracts

Activity 8: Upgrade Grape Sector

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Grape producers; Grape exporters; Grape packers; Ministry of Agriculture (MoA).

Project Partners: Service Providers (e.g. M.A.K., BESCO); Input suppliers; Beneficiaries (e.g. Seedless grape farmers: Mohammad Mahmoud Mohammad Zbaidat, Nael Mostafa Yousef Bani-Odeh)

Activity Description: Currently, there are approximately 200 dunams of seedless grapes produced in the West Bank, as most grapes currently grown contain seeds. The objective of this activity is to upgrade 15 Palestinian grape farms - which vary from 1 to 70 dunams - to produce high quality seedless grapes at competitive prices. The Compete Project will provide technical assistance as well as cost share upgrading inputs with grape farms to include net cover, new variety seedlings and global standards certification among others.

Year 2 Project Contribution:

Expected Benefit: Along with improved precocity and yields, seedless grape varieties are more competitive and so will increase international market share for Palestinian producers. This activity will introduce new production technologies; improve and diversify products; and grow sales into new markets that increase incomes.

Year 2 Milestones:

- Facilitate workshop for farmers and arrange visit to certified seedless grape farms
- Introduce seedless grape varieties on 15 grape farms
- Assist target farms with upgrading activities, including cost-sharing initial investments

Activity 9: Upgrade Guava Sector

Summary of Key Achievements thru September 2012:

This is a new activity, initiated in this planning period.

Stakeholders: Guava producers; Guava exporters; Guava packers; Ministry of Agriculture (MoA).

Project Partners: Service providers (e.g. M.A.K., BESCO); Input suppliers; Beneficiaries (e.g. Qalqilya Cooperatives, farmers)

Activity Description: To open new markets for the guava subsector, this activity will assist guava farmers upgrade their production to provide high quality guavas at reasonable prices. The Compete Project will cost share inputs to the guava producers' farms including fruit fly traps, packing lines, and cool stores among others.

Year 2 Project Contribution:

Expected Benefit: For the guava subsector, introduce new production technologies; improve and diversify products; grow sales into new markets that increase incomes.

Year 2 Milestones:

- Facilitate workshop for farmers and arrange visit to competitive guava farms
- Introduce upgraded varieties and production techniques on up to 10 guava farms
- Assist target farms with upgrading activities, including cost-sharing initial investments

Activity 10: Upgrading Packing Line of West Bank Salt Company

Summary of Key Achievements thru September 2012:

- West Bank Salt Co. participated in Fancy Food Trade Show in Washington D.C where they showcased products in the central Palestinian Pavilion.

Stakeholders: Palestinian Food Industry Union (PFIU); Palestinian Standard Institution (PSI).

Project Partners: Service providers (e.g. M.A.K., BESCO); West Bank Salt Co.; Graphic Design Co.

Activity Description: This activity builds upon on-going USAID support for this sole Palestinian producer of dead sea gourmet salt to meet international quality/food packaging standards and access new international markets. The project will assist the West Bank Salt Company upgrade its packaging capabilities to improve market reach and penetration. Compete will help introduce new packaging designs and technologies and provide training and capacity building for company employees to adapt and produce new packaging solutions.

Year 2 Project Contribution:

Expected Benefit: Increase competitiveness, compliance and market access for the Palestinian food processing sector – specifically gourmet salt - by building capacities in export packaging, labeling and compliance with market requirements

Year 2 Milestones:

- New packaging system launched
- 50 workers and employees trained on packaging system
- 3 products introduced (salt additives)

Activity 11: Reuse of Treated Waste Water (TWW) Demo, including Creating a TWW Organization

Summary of Key Achievements thru September 2012:

- Attended Nablus Water Treatment Plant workshop - July 4th
- Sponsored and conducted a Study Tour to Jordan from September 1 – 4, 2012. With Palestinian MoA and Jordanian MoA partners, the visit covered various Jordanian sites and included workshops for 22 participants: 19 farmers from Dier Sharaf and Sabastiya; representatives from the Palestinian MoA; and members of the Compete agribusiness team.
- Preparation are underway for an Israel Study Tour

Stakeholders: Ministry of Agriculture (MoA); PSI; Palestinian Water Authority (PWA); Nablus Municipality; German Development Program Project (KFW); Farmers linked to use TWW.

Project Partners: Nablus Municipality; Demo Beneficiaries; Fresh produce (36 individuals); Olives (1 individual); Fresh Herbs and Dates (1 individual)

Activity Description: Water shortages and the increased salinity of available water is an immediate threat to sustained investment and growth in agriculture. This planning period Compete will expand its support for wastewater usage as one of several activities to mitigate the limited supply of water agribusiness. With the construction of the West Nablus Wastewater Treatment Plant (WNWTP), Compete will facilitate and support the establishment of a pilot of 20 to 30 dunams – located adjacent to and owned by the plant - to demonstrate the use of treated wastewater for irrigation. The plant is expected to be completed by March 2013 and start discharging water in June with 8,000-10,000 cubic meters/day initial capacity. Compete will also organize a follow-up to the Jordanian study tour to Israel with the MoA, Palestinian Water Authority (PWA) and farmers to look at existing initiatives using treated waste water in appropriate ways, fully cognizant of food safety and sustainability issues. This and potentially other study tours will focus on the exchange of technical knowledge and the study of models to be replicated in the West Bank. The findings of these trips will be diffused to the farmers and the public through various media channels, workshops and a short film demonstrating the use of treated wastewater.

Year 2 Project Contribution:

Expected Benefit: Compete facilitation of treated wastewater usage will have major long-term benefits to the Palestinian agriculture industry. Linking farmers to sources of treated water, such as the plant in Nablus, will leverage new technology to access this essential agricultural input. Impacts include expanded hectares under cultivation and improved agricultural productivity; and new sources of income and job opportunities that will improve the livelihoods of Palestinian farmers and their families.

Year 2 Milestones:

- Study tour to Israel
- Demo established

Activity 12: Produce Distribution Hub

Summary of Key Achievements thru September 2012:

This is a new activity, initiated in this planning period.

Stakeholders: Date and Fresh Herbs sectors.

Project Partners: Fresh Herb Exporters (e.g. Thimar); Date Exporters (e.g. Al Nakheel Co.); Logistic Co. (e.g. Lausanne); STTA (TBD)

Activity Description: As one of four major marketing activities this planning period, Compete will engage the appropriate marketing experts to assist the project Ag Team and our stakeholders research the feasibility of a dedicated distribution hub for use by Palestinian

agriculture and food exporters. This market research and feasibility study are the first steps toward establishing a distribution hub for fresh produce – specifically dates - in target markets that will directly link local value chains to growing international markets.

Year 2 Project Contribution:

Expected Benefit: This activity is the first step toward establishing a stable marketing and sales base in target markets for Palestinian products. A distribution facility will provide a local market presence to store, aggregate and distribute products – e.g. fresh produce: dates; fresh herbs; others – to control quality and better serve international customers. These efforts will extend the reach of partner marketing efforts; connect our partners to new markets; and result in increased export production areas and export volumes produced with commensurate increases in sales, incomes and employment.

Year 2 Milestones:

- Hub market identified
- Distribution company established

Project Intermediate Result 2: Innovation of Products & Services Increased

Activity 13: Traceability Software (also contributes to PIR 1 and PIR 3) (Component B)

Summary of Key Achievements thru September 2012:

- M.A.K. International Co. is finalizing their proposal

Stakeholders: Date Cooperative; Fresh Produce Cooperative; Fresh Herb Cooperative; Ministry of Agriculture (MoA).

Project Partners: Service Providers (e.g. M.A.K. International Co.); Fresh produce and packers; Fresh herb producers and packers; Date farmers and packers.

Activity Description: The Compete Project will support the design and implementation of an operational traceability system for the fresh export produce sector following international best practices. The system will include a grower registration system that allows registered products to be traced back to the farm of origin or pack house and to track forward to direct customers. Farmers will be trained to apply this system resulting in increased transparency and trust among stakeholders along the value chain. The software will be created by a local IT company and hosted by M.A.K. International Co. This activity, in coordination with the Compete ICT sector, will coordinate and cooperate with the Ministry of Agriculture (MoA) to ensure sustainability and compliance with approved policy and procedures. Dissemination of the software will be facilitated through partnerships with the fresh herbs, fresh vegetables, and date producer and processing groups.

Year 2 Project Contribution:

Expected Benefit: This activity is vital for Palestinian products and services to meet international standards and specifications to support increases in exports of both new and improved Palestinian products and services that are dependent on reliable food safety

traceability system. The capability to deploy this new technology will contribute to growing exports, incomes and employment.

Year 2 Milestones:

- Sampling of software available on the market
- 500 farmers and employees trained on the Quality systems.
- Attendance at 5 workshops

Activity 14: Packaging and Labeling (also contributes to PIR 1) (Component B)

Summary of Key Achievements thru September 2012:

- Compete met with PFIU (Palestinian Food Industry Union); contract signed (16 products nominated, 24 people trained).

Stakeholders: Palestinian Food Industry Union (PFIU) and its members; Liban Pack Packaging Center.

Project Partners: Palestinian Food Industry Union (PFIU); Service providers (e.g. M.A.K., BESCO); Center system provider (TBD).

Activity Description: This activity will support the creation of a qualified team and system within the Palestinian Food Industry Union (PFIU) to assist food processing companies upgrade and improve their packaging and labeling capabilities for better market access. Currently, few firms comply with the Palestinian food packaging and labeling norms of the (PSI) Palestinian Standardization Institution which may not in any case be sufficient for exports markets. The project is collaboration with the Liban Pack Packaging Center, an established, world-class packaging business service provider for guidance and packaging consulting.

Year 2 Project Contribution:

Expected Benefit: This activity will increase the competitiveness, compliance and market access of the Palestinian food processing sector by building association-led capacities in export packaging, labeling and market requirements, leading to growing exports, incomes and employment.

Year 2 Milestones:

- Proposal on Packaging and Labeling system launched
- RFQ's for Packaging and labeling system released
- Center established
- Training of PFIU center employees

Activity 15: Upgrading of Meat and Dairy Facilities (also contributes to PIR 1 and PIR 3) (Component A)

Summary of Key Achievements thru September 2012:

- Identified lab equipment
- RFQs have been launched for upgrading of meat and dairy facilities

Stakeholders: Ministry of Trade (MoT); Ministry of Health (MoH); Ministry of Agriculture (MoA); PFIU; PSI; Israel MoA

Project Partners: Supplier of equipment (TBD); Meat and Dairy (8 companies); Service provider (TBD).

Activity Description: This activity builds upon long term USAID support to maintain access to East Jerusalem markets by Palestinian firms for products exported to Israel and beyond under international food safety standards. A Gap assessment for seven meat and dairy facilities was completed by Compete's predecessor USAID project EDIP. The assessment identified the efforts, infrastructure rehabilitations and costs necessary for processes and facilities to comply with ISO22000/HACCP. The objective of this activity is to institute total quality processes and upgrade facilities to maintain current East Jerusalem markets and open new export links including gaining full access to Israeli markets. The Compete Project will share the cost of capacity building efforts with the participating producers once a follow-on, updated cost-sensitive feasibility assessment is completed. The project will help with packaging lines by providing necessary equipment and providing management training in ISO to improve production of quality products.

Year 2 Project Contribution:

Expected Benefit: The initial impact of this activity is to preserve current market share. Palestinian milk producers must improve their milk quality to remain competitive in existing markets, especially in East Jerusalem. The same training and facility upgrades to improve the productivity and the quality of milk and milk products to remain competitive will also position Palestinian dairies to compete in Israeli markets which will lead to growing exports, employment and incomes.

Year 2 Milestones:

- Cost sharing upgrading needs identified
- SOW for the service provider completed
- Equipment purchased
- Management training

Activity 16: Upgrading of Nurseries Facilities (also contributes to PIR 1, and PIR 3) (Component A)

Summary of Key Achievements thru September 2012:

- GLOBALGAP analysis for 3 nurseries (Al-Juneidy Nursery).

- STTA consultant identified for grafting.

Stakeholders: Fresh herbs producers; Fresh producers; Ministry of Agriculture (MoA).

Project Partners: Service providers (TBD); Input supplier (TBD); Nurseries (TBD)

Activity Description: This activity is vital for Palestinian products & services to meet international standards and specifications. Growing exports of both new and improved Palestinian products and services are dependent on reliable access to the best varieties suited for local climatic conditions at price and quantity affordable by small growers. Currently, most fresh herbs and grafted seedlings are sourced from Israeli nurseries. This activity will facilitate and support the upgrading and development of certified GLOBALGAP Palestinian nurseries to provide high quality grafted and fresh herbs seedlings at reasonable prices appropriate for the Palestinian agricultural sector.

Year 2 Project Contribution:

Expected Benefit: Palestinian nurseries using GLOBALGAP systems will compete with Israeli nurseries to supply quality, cost competitive seedlings of the most appropriate varieties for Palestinian agriculture.

Year 2 Milestones:

- 5 workers and Agronomists trained
- Modern planting machine delivered
- GLOBALGAP system implemented

Activity 17: Upgrading accredited Laboratory for fresh produce analysis (also contributes to PIR 1 and PIR 3) (Component A)

Summary of Key Achievements thru September 2012:

- Signed GAP analysis contract with consultant
- Identified laboratory gaps

Stakeholders: Fresh producers; Fresh exporters; Ministry of Agriculture (MoA); PSI

Project Partners: Service providers (TBD); STTA; Palestinian Laboratory (Scientific Center for Food & Drug Analysis); Supplier (TBD).

Activity Description: All Palestinian plant protection product residue testing and most microbial testing are currently conducted by Israeli laboratories. This is a costly and time-consuming service, especially for small and medium size producers. It is also risky due to possible delays in obtaining tests results. The objective of this activity is to upgrade and accredit Palestinian private sector laboratories to conduct tests in accordance with international standards (ISO 17025) that comply with customer's needs, specific markets requirements, and enable firms to take immediate corrective action when required.

Currently there are 3 laboratories in the West Bank for pesticide residues test. The Compete project has selected the lab with the best short term potential to obtain ISO 17025 certification. The project will provide technical support and cost share equipment upgrades that will allow them to achieve full certification.

Year 2 Project Contribution:

Expected Benefit: This activity will contribute to an increase in exports of both new and improved Palestinian products and services dependent on reliable food safety traceability system that is linked directly to packaging and labeling best practices as well as reduce the cost of testing and the risk of delayed test results.

Year 2 Milestones:

- Visit to Accredited Israeli Laboratory
- RFQ's for lab ISO 17025 accreditation released
- RFQ's for lab machinery equipment
- Equipment purchased

Activity 18: Upgrading fresh herb facilities (Implement Integrated Pest Management (IPM) and USDA requirements)

Summary of Key Achievements thru September 2012:

- Signed Contract with specialized consultants for IMP/GAP analysis for Upgrading Fresh Herbs Facilities
- GAP Assessment completed for 20 growers
- Conducted Association Building workshop for the Fresh Herbs Industry

Stakeholders: Ministry of Agriculture (MoA); Fresh herbs exporters in cooperation with herb's not-for-profit company.

Project Partners: Service providers (TBD); Input suppliers; STTA; Beneficiaries

Activity Description: The Palestinian Fresh Herbs initiative was initially launched in 2005 by the PAPA Project. The objective was to grow fresh exportable products that do not compete with local production. As a direct result of the initiative, herb production increased to 100 dunams in 2008. Currently, there are more than 550 dunams of green houses and 100 dunams of open fields under cultivation for export. However, there are no controls to implement the basic requirements of Integrated Pest Management (IPM), GLOBALGAP system, and USDA requirements. This presents a strategic risk that could undermine this important emerging sector. As a follow up to the previous USAID project (EDIP), Compete will continue upgrading fresh herb facilities to comply with the Integrated Pest Management (IPM) systems and USDA requirements. Compete will cost share IPM inputs with herb farms including net covers, irrigation networks, traps, triple doors, upgrading packing houses signs, etc. and provide training to herb farmers.

Year 2 Project Contribution:

Expected Benefit: This activity will protect existing fresh herb market share and increase subsector competitiveness by instituting best practice IPM approaches.

Year 2 Milestones:

- 150 workers and employees trained on IPM
- RFQ's for IPM inputs released
- Equipment purchased

Activity 19: Agriculture Information Call Center (also contribute to PIR 1) (Component B)

Summary of Key Achievements thru September 2012:

- Pre-negotiations – agreement with Ministry of Agriculture (MoA) to host and upgrade the existing system.

Stakeholders: Fresh producers; Importers and exporters; Sponsors.

Project Partners: Mobile Network; Ministry of Agriculture (MoA); Wholesalers; Media companies; STTA.

Activity Description: Palestinian smallholder farmers are at a distinct competitive disadvantage due to the lack of access to reliable price information from Palestinian and regional wholesale and spot markets. A number of new mobile applications are available to provide inexpensive mobile phone-based services. The MoA has already committed to collecting market and weather information and a database of over 10,000 potential users already exists. The Compete Project will research mobile technologies for market information used regionally to understand how to replicate the service in the Palestinian Territory through Local Service Providers (Mobile Network Companies & ICT). Once a service is made available, Compete will promote this concept to at least 500 farmers.

Year 2 Project Contribution:

Expected Benefit: Access to local and international market information will allow farmers to negotiate better prices and to time their crops accordingly.

Year 2 Milestones:

- Market needs survey (10 farmers per governorate)
- Technical application available on the market (ICT)
- Contact with 2 media support (Radio station and Mobile Network Company)
- Follow up and gather information from system in place elsewhere and implemented with success.

Activity 20: Upgrade the Aquaculture Sector

Summary of Key Achievements thru September 2012:

- Assessment of the aquaculture sector in process.
- Visited Al-Sabi Nursery in Qalqilya to look into the use of aquapoinic system as a viable mean of irrigation. Al Sabi Nursery recently installed this system and has been using it to irrigate one tenth of its young seedlings.
- Consultant identified.

Stakeholders: Ministry of Agriculture (MoA); Aquaculture Farmers Union; Brazil and Denmark Donor

Project Partners: Fish farmers; Input suppliers; STTA

Activity Description: The aquaculture sector in the West Bank is in a nascent stage, but offers great potential to substitute imports of some varieties of fish such as Tilapia. The beginning of the revitalization of this sector in the region of Jericho and other governorates has proven to be a positive step forward for both private aquaculture entrepreneurs and for the citizens of the West Bank. 25% of the aquaculture water needs to be replaced on daily bases. In order to reuse the disposed water which is rich in minerals and organic fertilizers, filtration systems, need to be installed to insure that the drip irrigation systems do not get clogged. . The Compete project will cost share the filtration systems and other inputs identified from the Aquaculture Assessment (Year1 activity 15) to upgrade the facilities.

Year 2 Project Contribution:

Expected Benefit: A revitalized pond-fish sector will meet domestic demand, contribute to integrated water management improvements and potentially grow to serve export markets.

Year 2 Milestones:

- Full Assessment Survey of the Industry
- Workshop 20/25 Fish Farmers and Ministries
- Visit to a Model Aquaculture Farm in Israel
- Inputs identified
- Inputs supplied

Activity 21: Date Pollen Facility

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Date farmers; Ministry of Agriculture (MoA).

Project Partners: Input suppliers; STTA; Date Cooperatives; Pollen producers (e.g. N. Issawi).

Activity Description: The 10,000 dunams of dates under cultivation in the West Bank are only 20% mature, meaning there will be an 80% increase in date production over the next 5 years.

There is also an imbalance of male to female date trees which means date pollen must be dusted in order to achieve productivity potentials. Currently 90% of date pollen is brought from Israel so the objective of this activity is to start and/or upgrade date pollen facilities in the West Bank. The Compete Project will cost share inputs required for the simple technology required to capture and distribute date pollen.

Year 2 Project Contribution:

Expected Benefit: Simple, low-capital investments will provide a local source of date pollen and lower the West Bank's dependence on Israeli pollen.

Year 2 Milestones:

- Cost sharing upgrading needs identified
- Workshop for farmers
- Purchase equipment

Project Intermediate Result 3: Employment Increased & Job Skills Expanded

Activity 22: Capacity Building for MoA Veterinary Services Staff (Component A)

Summary of Key Achievements thru September 2012:

- Identified training program with MoA Veterinary Services.

Stakeholders: Ministry of Agriculture (MoA); Meat and Dairy companies; Slaughter houses.

Project Partners: MoA Veterinary Services; Service providers; STTA

Activity Description: Disease can spread quickly in a feedlot and sick animals must be quarantined from the rest. This requires veterinarians working directly at the feedlots and checking the animal daily. When blood and other type of samples are taken, there must be fast, reliable analyses by properly equipped and trained laboratory technicians. Compete will provide technical assistance to the Ministry of Agriculture (MoA) Veterinary Services (VS) staff to enhance the knowledge and skills of veterinary services (VS) staff. Assistance will focus on building capacity in testing and analyzing inputs and final products. Compete will train 20 technicians in several governorates on laboratory operations and business methods.

Year 2 Project Contribution:

Expected Benefit: A more capable veterinary service will prevent or contain communicable diseases from starting or spreading.

Year 2 Milestones:

- 20 MoA VS staff trained
- 1 Visits to a model Slaughter House

Activity 23: Capacity Building for Date Firm Staff and Date Farmers (Component B)

Summary of Key Achievements thru September 2012:

- Grant signed for Red Palm Weevil Traps with the Palestinian Farmers Dates Palm Cooperative for the purchase of 200 pheromone traps (covering 10,000 dunums), training maintenance and monitoring to assess the RPW issue in the Jordan Valley.

Stakeholders: Ministry of Agriculture (MoA); Date producers; Date exporters

Project Partners: Date Cooperative; Service provider; STTA; Input supplier

Activity Description: The geographical location of the Palestinian Territories provides a unique climate that enables farmers to produce high value Medjool dates at a competitive cost. To date, Palestinian producers and exporters have been less successful in capitalizing on high value markets (EU, GCC, USA and Russia) than in satisfying local and regional demand; especially for the Ramadan holiday season. The Compete Project will support date farmers and agricultural agronomists through intensive training courses. The courses will include both theoretical and field training along the cultivation cycle from land preparation to post harvest activities. These courses will assist Palestinian farmers to increase production of export quality produce to high value export markets, resulting in increased incomes and job creation. Compete will identify Arab/Israeli experts to train 20 date farmers and agronomists and collaborate with date producer groups to determine their training needs. Compete will include young graduated/professors in the trainings to sustain and diffuse the information. When necessary, Compete will share the cost of inputs and equipment with date farmers.

Year 2 Project Contribution:

Expected Benefit: Improved date production

Year 2 Milestones:

- 5 commercial and 15 small farmers trained
- Organic Farming Course completed
- 2 Visits to model farms
- Purchase inputs/equipment
- New date production techniques adapted by participants

Activity 24: Capacity Building for MoA Plant Protection Services Staff and Fresh Herbs Agronomists (Component B)

Summary of Key Achievements thru September 2012:

- Draft of MoU is finalized and ready for MoA signature.

Stakeholders: Fresh Herbs Cooperative; Ministry of Agriculture (MoA).

Project Partners: MoA Plant Protection Services; STTA; Service Providers; Agronomists

Activity Description: According to USDA inspectors during their last internal audit for all Palestinian Fresh Herbs Farms exported to the US market, a clear recommendation was made for the need to improve the plant protection services qualification and to sustain the qualifications of Plant Protection Inspection Service (PPIS) inspectors. The objective of this activity is to support the provision of technical assistance to enhance the knowledge and skills of Plant Protection Services staff and fresh herb agronomists at the Ministry of Agriculture. Training topics will focus on several inspection processes such as: pest inspection tools, identifying species of insects and recommending best pest control intervention. Compete will also provide inspection tool kits to four PPIS departments inspectors.

Year 2 Project Contribution:

Expected Benefit: Improved plant protection services and continued USDA certification of Palestinian fresh herb exports.

Year 2 Milestones:

- 20 MoA Plant Protection staff trained
- 1 visit to a model Packing House
- 1 visit to a model herbs Farm
- 4 inspection tool kits provided

Activity 25: “Export Manager for Hire” for several companies (Component A and B)

Summary of Key Achievements thru September 2012:

- STTA– 2 consultants for quality and new products development.

Stakeholders: Olives and olive oil producers (e.g. Canaan Fair Trade Co.); Olive oil exporters, Fresh Herbs producers, Dates and Fresh Produce companies

Project Partners: STTA; Canaan Fair Trade Co, Thimar Company, Agripal Company and Al Nakheel Company

Activity Description:

Compete will provide technical assistance to the following companies from Agriculture sector:-

- 1- Olive and Olive Oil sub-sector , Canaan Fair Trade Company
- 2- Fresh Herbs sub-sector, Thimar Company
- 3- Fresh Produce sub-sector, Agripal Company
- 4- Dates sub-sector , Al Nakheel Company

Each of these companies has a clear competitive advantage and access to export markets. Compete will assist these companies to penetrate/ solidify their current position in the market

and expand into new ones. For example, Cannan Fair Trade Company is a key aggregator in the olive and olive oil sector—marketing their products in the US West Coast Region markets. Compete will cost share the hiring of an export manger over two years. The export manager will carry out a diverse range of sales activities for Canaan in a highly independent manner throughout the Western region of the US. Activities will focus on promoting and selling Canaan products to existing and new wholesale customers, including retailers, national accounts, and distributors.

Year 2 Project Contribution:

Expected Benefit: Increase exports of Cannan and its farmers

Year 2 Milestones:

- Hire the export manager
- Quarterly reports.

Activity 26: Introduce New Crops and Technologies to the Palestinian Agriculture Sector (Component B)

Summary of Key Achievements thru September 2012:

- MOU with Al Salam Group
- Contract signed for 800 tons of potatoes with Al-Salam Group, value \$200,000 USD

Stakeholders: Fresh producers; Ministry of Agriculture (MoA).

Project Partners: Agriculture inputs providers; Al-Salam Group; Hadad Factory; Producers

Activity Description: Most of frozen vegetables are sourced from Israel for the Palestinian market. The objective of this activity is to introduce new crops to be produced under contract by Palestinians farmers for the frozen processing facility managed by the Al-Salam Group based in Hebron. Al-Salam Group currently produces a range of products such as French fries, carrots, peas, beans, okra, corn, and mixed minestrone vegetables. They are looking to introduce new frozen products such as strawberry, herbs, onion, garlic paste and powder. Al-Salam Group are keen to buy Palestinians raw material for their processing plant and hope therefore to increase local market share and open new export opportunities in the Middles East.

Phase 2: Compete will carry out demonstration plots on new crops with potential farmers and will assist Al-Salam Group in the purchase of machinery needed to process these specialized new crops and meet market requirements. Assistance will be given to farmers in terms of equipment, inputs and know how.

Year 2 Project Contribution:

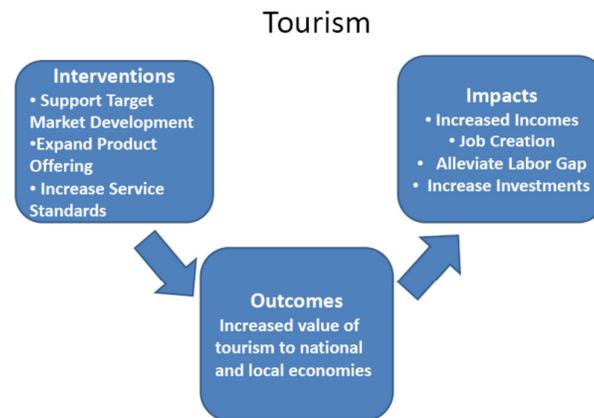
Expected Benefit: Import substitution of processing vegetables with commensurate growth in employment and incomes

Year 2 Milestones:

- 5 Forward contracts preformed with potential farmers.
- Identify, with potential farmers, 2 new products.
- Identify the results of the first potato demo

TOURISM SECTOR

The Palestinian National Development Plan 2011-2013 highlights the importance of “opening avenues” to international tourism as the key to a strong and competitive economy. Given the unique and cultural significance of sites within the Palestinian Territories, tourism is well positioned to be a major economic driver. Although contribution of tourism to the Palestinian economy has rebounded in recent years, the opportunity to increase the overall value of tourism in the national economy—especially in local communities—has not yet been fully realized. As one of the largest industries globally, deeper integration of Palestinian tourism goods and services into the global tourism industry has the potential to make a significant impact on overall job creation and increased investment. Leveraging work previously undertaken by USAID, the Compete project plans to implement a series of strategic interventions in three key areas that will develop a strong platform for growth of Palestinian tourism in the medium- and long-term.



Support target market development. To help unlock the potential of the Palestinian tourism sector, Compete will support targeted market development aimed at attracting the most profitable international tourism markets. Increased spending and revenue generation will not occur without expanded and more effective marketing and promotion. Compete will identify and support the development of the most lucrative target market segments for the Palestinian Territories. During project Year 2, the Compete project will develop market profiles to provide industry stakeholders with detailed information on four source country markets. This information will aid decision-making and help guide marketing efforts to better respond to the unique characteristics of each targeted international market. Compete will help the industry develop a strong brand with consistent messaging that accurately represents the Palestinian tourism experience. Finally, the project will help to develop digital marketing capacity, helping industry stakeholders to take advantage of rapidly growing on-line “digital” tourism platforms. These platforms will enable Palestinian tourism professionals to tap into and benefit from a growing number of tourists that rely on digital mediums to not only research and book travel online, but also to share content with their personal networks through social media.

Expand product offerings. While the West Bank is home to an extraordinary number of tourism assets, the sector must expand product offerings to respond to the growing demand for customized authentic experiences. No longer are holidays chosen by destination alone, but rather by the range of unique and engaging travel experiences available. Offering local communities the opportunity to engage with and benefit from tourists looking for a richer and

more authentic experience is a critical piece of Compete’s tourism strategy. The Compete project will facilitate the development of new tourism products based on authentic cultural and nature-based experiences in both urban neighborhoods and rural communities. The project will engage local partners to organize and promote these types of experiences in a manner that ensures community benefit and expands investment around key sites such as Sabastiya, Bethany, Hisham’s Palace, Taybeh and Birqin Church. Compete will support the development of trails such as Abraham’s Path to offer nature-based cultural experiences that have the potential to draw an entirely new market segment to the West Bank. These new alternative products will help the Palestinian tourism sector to attract a greater variety of tourists that are willing to spend time outside of Bethlehem and Jericho, helping to fuel a more vibrant and dynamic tourism industry.

Increase service standards. The Jericho Conference highlighted a need for international level “operational standards” for all service providers to ensure that visitor expectations are met. However, insufficient hospitality education and training and the lack of a hotel classification system in the West Bank are major barriers. Increasing service standards across the sector while developing a workforce with the relevant skills to implement those standards is a key part of Compete’s strategy to support tourism development. During Year 2, Compete will advance its efforts to establish a hotel classification system and launch plans for a hospitality school. These efforts will result in higher quality services, improved professional standards, increased salaries, and a recognized career path that will attract better qualified professionals into a growing industry.

Below we discuss planned activities for this fiscal year.

Project Intermediate Result 1: Export Sales and Investment Increased

Activity 1: Market Profiles (Component A)

Summary of Key Achievements thru September 2012:

- National Tourism Working Group, HLITOA, and AHA gained an understanding of the value of targeted market research to identify the markets with the highest potential for tourism growth.
- Deadlines were set for identification of target markets by HILTOA and AHA
- HILTOA and AHA agreed that they require assistance to develop a strategic plan on opening up of key markets that offer the best potential for conversion based on research

Stakeholders: Industry Working Group; HILTOA; AHA; MoTA; Guides Association, Palestinian Wilderness Association

Project Partners: Industry Working Group, HILTOA, AHA

Activity Description: To develop the foundation of demand side market research that aids in strategic decision-making and key market access of the most lucrative potential markets, a set of market profiles are required for key source country markets and key niche markets. Compete will develop in-depth information on four source markets—including market segments, trends, insights, planning and booking cycles, access and transport, media, images

and perceptions of the West Bank, routes to markets, prospects and development opportunities. Market profiles for four agreed upon strategic source markets will be developed. Market profiles will expand market access and business development in strategic tourism markets.

Year 2 Project Contribution:

Expected Benefit: Specific market intelligence to enable and support strategic market access will contribute to increased sales for Palestinian firms.

Year 2 Milestones

- Target Markets Identified (2)
- Consultant under scope to deliver market profiles
- Market profiles delivered
- Target Markets Identified (2)
- Consultant under scope to deliver market profiles
- Market profiles delivered

Activity 2: Destination Brand Development (Component A)

Summary of Key Achievements thru September 2012:

- Detailed, phased brand development schedule developed and agreed upon by Industry Working Group.
- Consultants engaged
- Activity postponed until full activity budget allocated for all phases or a reduce program is designed in collaboration with key stakeholders

Stakeholders: Industry Working Group, HLITOA, AHA, MoTA,

Project Partners: Industry Working Group, HLITOA, AHA

Activity Description: Effective tourism brand development, maintaining brand integrity and strictly utilizing its messages by the various tourism stakeholders is an essential part of strong country marketing and promotion. This helps build a country's image and, undertaken correctly, will ensure that image is consistent. In the Palestinian Territories where no tourism board has been established, it is even more imperative that the industry as a whole communicate the same messages with the aim of increasing awareness of the destination and its experiences; and shift perception to more accurately represent the true destination brand. Delivery of clear and consistent messages on tourism products and experiences that truly represent the Palestinian experience will result in a more compelling proposition to the target market and support an increase in sales of Palestinian firms and an increase in expenditure by tourists. Compete will develop a country brand strategy based on research, analysis and market needs. The strategy will focus on developing country brand messages customized to various markets/segments. The project will develop a set of branding guidelines for the

industry and will train tourism sector players on how to use them effectively (physical representation such as logos will not be part of this activity).

The objectives of this activity are threefold:

- To develop a country brand strategy based on research, analysis and market needs;
- To develop country brand messages customized to various markets/segments;
- To develop a set of branding guidelines for the Palestinian Territory and to train tourism sector players on how to use them effectively. (Physical representation such as logos are not part of this activity)

Year 2 Project Contribution:

Expected Benefit: This activity will support an increase in sales of Palestinian firms.

Year 2 Milestones:

- Phase I Brand Audit and Brand Framework delivered through Stakeholder Presentation
- Final concept report and presentation (Phase II)
- Strategy Report and Messaging Delivered (Phase III)
- Brand Implementation Presentation Undertaken

Activity 3: Tourism Image Bank (Component A)

Summary of Key Achievements thru September 2012:

- Image bank library requirements developed and agreed upon
- Hosting solution developed
- Photographers engaged to begin image collection

Stakeholders: Industry Working Group, MoTA, HLITOA, AHA

Project Partners: MoTA, HLITOA, AHA, ABS

Activity Description: The availability of quality images will support the Palestinian tourism sector to compete internationally both online and offline, contributing to an increase in sales of Palestinian firms. Compete will develop and launch a tourism image bank that can be accessed by the tourism sector free of charge. The project will develop a sustainability plan to ensure ongoing use and development of the image bank.

Year 2 Project Contribution:

Expected Benefit: Availability of quality images will support the sector to compete internationally both online and offline

Year 2 Milestones:

- Populate Image Bank
- Image bank launched
- Image Bank database review
- Image bank extension

Activity 4: Digital Marketing Conference/Workshops and Solutions (Component B)

Summary of Key Achievements thru September 2012:

- Digital Tourism assessment of tourism sector and ICT sector capacity undertaken
- 3 Digital Tourism Seminars conducted
- 25 ICT, 70 Tourism participants
- Web Clinics
- 39 tourism company websites and social media assessed with recommendations for increased efficacy, one-one guided solutions presented early October 2012
- Facebook leaderboard prototype developed

Stakeholders: HLITOA, AHA, MoTA, PITA

Project Partners: HILTOA, PITA, AHA

Activity Description: In order to leverage opportunities created by strong growth in online tourism, a robust platform is required to help build online marketing capacity across the Palestinian tourism sector. Compete will hold a conference in which qualified international professionals will present opportunities and tools being utilized worldwide to market tourism products in the digital environment. We will follow up the conference with several hands-on workshops across the West Bank for tourism professionals. This activity will enable tourism service providers to better reach their target markets by taking advantage of online mediums to promote their business, boost demand, and increase bookings and revenue. In addition to building capacity for the tourism sector this activity will play a major role in supporting the local ICT sector to deliver solutions for tourism locally and internationally. Compete will work with local ICT companies to support delivery of digital tourism solutions. While PITA and ICT companies will participate in the Digital Tourism conference, Compete will also facilitate strategic meetings between international businesses, PITA and individual ICT companies.

Year 2 Project Contribution:

Expected Benefit: This activity will directly contribute to increases in sales and average lengths of stay.

Year 2 Milestones:

- Deliver conference
- Deliver 2 workshops

Activity 5: Trade Show Participation (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: HLITOA, AHA, PITA

Project Partners: HLITOA, AHA, PITA

Activity Description: World Travel Market (WTM) and the Internationale Tourismus Börse (ITB) are the two biggest travel trade shows where the majority of major travel buyers and digital tourism solution providers attend and meet with travel sellers and destinations. Compete will support the participation of a selected number of Palestinian ICT companies for tourism to attend these critical events so that they can gain exposure to the types of opportunities open to serve the tourism sector within the West Bank and internationally, to attend seminars by key digital tourism service providers, and to attend pre-arranged one-on-one meetings with digital tourism service providers.

Year 2 Project Contribution:

Expected Benefit: Opportunity for the Palestinian ICT sector to tap into a rapidly growing global market projected to reach \$300 billion in online annual sales in 2012. This will directly impact increased exports, expanded sales, and job creation in the Palestinian digital tourism sector.

Year 2 Milestones:

- Source and agree participants WTM
- Attend and participate at WTM
- Source and agree participants ITB
- Attend and participate at ITB

Activity 6: HLITOA/AHA Development Support (Component B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: HLITAO; AHA; Association members; Tourism professionals

Project Partners: HLITAO and AHA

Activity Description: Compete will provide support to HLITOA and AHA—the two major Palestinian tourism trade associations. Support will focus on increasing member services, expanding product offerings, and directly engaging with international travel buyers. Specific activities will include:

1. Development of HLITOA and AHA websites, e-content, reservation systems, Facebook application, and social media solutions for each association and in phase 2 for their members;
2. Participation in road shows to include supporting market access research and training, capacity building in undertaking the most effective roadshows, and targeted online project tools;
3. Support development and promotion of daily tours;
4. Tourism site management and the introduction of entrance fees.

Year 2 Project Contribution:

Expected Benefit: HLITOA/AHA providing better services to their members and business partners. Destination supported to increase the value of tourism, leading to higher sales and more investment in the tourism sector.

Year 2 Milestones:

- Consultant supported to work directly with HLITOA/AHA to develop and implement programs
- Regulations Expert sourced to support tourism site management activity
- Digital tourism solutions launched

Activity 7: Tourism Development around Key Sites (Component B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: DACH, HLITOA, AHA, MoTA

Project Partners: DACH

Activity Description: Compete will support tourism development around key sites outside of Jericho and Bethlehem, expanding tourism product offerings and experiences. While activities will include the expansion of tourism products, the need for specialized guide training has been highlighted as a priority to supporting local community tourism initiatives and the development of walking trails such as Abraham's Path, Sufi Trails and the Nativity Trail. Compete will support the training of specialized guides to enhance expanded tourism offerings.

Year 2 Project Contribution:

Expected Benefit: Expanded tourism offerings developed in a manner that ensures community benefit and expands investment around key sites will lead to improved visitor experiences, increased tourism arrivals, and the development of tourism outside of the key hubs of Jericho and Bethlehem.

Year 2 Milestones:

- Grant signed to deliver specialized guide training
- 15 qualified Specialized Tour Guides
- 2 tourism experiences supported

Project Intermediate Result 2: Innovation of Products & Services Increased

Activity 8: Hotel Classification (Component A)

Summary of Key Achievements thru September 2012:

- Official Palestinian Hotel Classification Committee established with representation from both public and private sector representatives
- Implementation Plan agreed upon
- Official TOR for Hotel Classification Committee approved
- Full quality standards agreed upon
- MoTA Hotel Classification Unit Head appointed and team in recruitment
- Institutional capacity building in hotel classification for MoTA and AHA undertaken and in process

Stakeholders: AHA, HLITOA, MoTA

Project Partners: AHA, MoTA, HLITOA

Activity Description: A hotel classification system has been highlighted as a critical tool to create clarity regarding the quality and standards of facilities, products and services that are offered to visitors, guests and tourists. Guests and the travel industry locally and internationally, need to know what level of service to expect from a hotel, while hoteliers and hotel entrepreneurs need to know what is expected of them in key areas, how to improve standards and where to direct their investments and operations accordingly. Compete will enhance tourism product offerings; aid investment; and contribute to improved services, length of stay and overall visitor expenditures by launching and implementing a hotel classification system accepted by the private sector. A two stage Hotel Classification system was agreed upon by the Industry Working Group. Working group members include representatives from private sector, AHA, HLITOA, and the Ministry of Tourism and Antiquities (MOTA). The first stage is the establishment of a MoTA managed mandatory system that will utilize Jordan's classification system process and operations while customizing the criteria to meet the Palestinian's needs. The second stage will include the training of assessors to facilitate hotels to reach classification, a pilot project to test the classification system, development of a classification manual and materials, implementation of the classification system, and the launch of the classification system.

Year 2 Project Contribution:

Expected Benefit: This activity will directly support an increase of Palestinian tourism products and services that offer the highest potential to offer the best return on investment and contribute to an increase in tourism numbers, length of stay and average expenditure per visitor.

Year 2 Milestones:

- Undertake Pilot project
- Finalize quality standards criteria
- Undertake assessors training
- Launch classification system
- Hotels classified

Activity 9: Support Development of Hotel Service and Quality Standards (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: AHA, Hotel Classification Taskforce

Project Partners: Hotel Classification Taskforce, AHA

Activity Description: Compete will directly support and encourage individual hotels undergoing classification to raise standards, increase quality, and improve service to meet classification requirements—including minimum staff per room standards. The project will provide approximately 100 grants of \$2,500 to participating hotels to assist them in raising standards and hiring the appropriate number of staff. Purpose of grants will be to address gaps preventing hotels from reaching the highest possible classification level, to assist hotels in reaching classification, and to encourage hotels to undergo the classification process.

Year 2 Project Contribution:

Expected Benefit: Increased service quality standards leading to increased sales and exports.

Year 2 Milestones:

- Announce grants program through local partner
- Grant proposals assessed and processed
- Support program implemented

Activity 10: Site Renovation (Component A) (Linked to Activity 7)

Summary of Key Achievements thru September 2012:

- Taskforce Group Established
- Priority interventions identified for 5 sites

- RFPs and SOW developed for quick impact interventions on 5 sites

Stakeholders: Department of Antiquities and Cultural Heritage (DACH); MoTA, Palestinian tourism industry

Project Partners: DACH, UNDP, Governorates and Municipalities, PWS

Activity Description: Palestinian tourism success depends substantially on the quality and presentation of the tourism products it can competitively bring to the international market. Compete will support the renovation of five priority tourism sites plus three additional sites. A key focus will be a strong emphasis on sustainability through business and economic benefits to stakeholders including local communities and site conservation through enhanced management. Sites will be chosen based on their potential to offer the best return on investment and contribute to increased tourism numbers, length of stay, and average expenditure per visitor.

Year 2 Project Contribution:

Expected Benefit: This activity will directly contribute to increased tourism sales, length of stay, and average expenditures per visitor.

Year 2 Milestones:

- Quick impact interventions for Birqin Church complete
- Quick impact interventions for Bethany complete
- Quick impact interventions for Taybeh complete
- Quick impact interventions for Sabastiya complete
- Quick impact interventions for Hisham's Palace complete

Activity 11: Trails (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: AHA, MoTA, Abraham's Path, Guides Association

Project Partners: Abraham's Path

Activity Description: Compete will develop and launch two trails and begin phase one development of a third trail to contribute to expanded tourism offerings in the West Bank and to support the Palestinian tourism sector in attracting the soft adventure tourism market, one of the most lucrative and growing tourism markets in the world. Activities will include trail marking, local community engagement, and training; and will be designed so that local communities benefit directly from tourism. This activity will increase visitor engagement and market access support to attract this fast growing market segment, expand tourism, and attract more lucrative travelers outside of the tourism hubs of Jericho and Bethlehem.

Year 2 Project Contribution:

Expected Benefit: This activity will support the development of a strategic growth market, increase the benefit of tourism to local communities, expand product offerings, and expand tourism beyond the hubs of Bethlehem and Jericho—directly contributing to an increased tourism numbers, income, and job creation.

Year 2 Milestones:

- Identify trails
- Identify interventions
- Sign grant
- Complete activities

Activity 12: Palestinian/Israeli Tour Development Support Samara/Travelujah (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Palestinian tourism sector, HLITOA

Project Partners: Samara/Traveluja; HLITOA

Activity Description: Compete will support Palestinian/Israeli tour development for Samara/Travelujah and other potential multi-destination tourism partners through the development of a multi-destination initiative strategy, support in market access development and facilitation; and support in strategic tradeshows and road shows where strategically relevant. This activity will expand tourism product offerings; extend tourism outside of key hubs, and encourage Israeli/Palestinian joint business development.

Year 2 Project Contribution:

Expected Benefit: Increased visitor numbers, increased multi-destination business.

Year 2 Milestones:

- Market access plan finalized and implemented
- Tradeshow participation supported
- Multi-destination initiative strategy developed

Activity 13: Bethlehem Master Plan (Component A)

Summary of Key Achievements thru September 2012:

- Initial plan agreed upon to implement 100-120 signs in phases in collaboration with the Bethlehem Chamber of Commerce and Industry (BCCI).
- Implementation plan for signage project developed

- Grant signed with BCCI

Stakeholders: Bethlehem Industry Working Group, CCHP

Project Partners: BCCI, ABS

Activity Description: As an internationally recognized destination of universal value, Bethlehem has the potential to attract a larger tourism market, increase length of stay and increase the value of tourism to the local economy and to local communities. In recognition of this opportunity a Bethlehem Master Plan was developed by an industry working group with the objective of working with stakeholders across the value chain on enhancing the visitor's experience to ensure more time and more money are spent across the governorate. As a result of the Master Plan a number of projects were highlighted for urgent implementation. To support Bethlehem Master Plan Implementation, Compete will support two projects highlighted in the Master Plan. The first activity to support the Bethlehem Signage initiative will be finalized in December 2012. The second activity will be agreed upon with the Bethlehem Industry Working Group in Q3 2012.

Year 2 Project Contribution:

Expected Benefit: Implementation of the Bethlehem Master Plan will directly contribute to increased expenditures and longer lengths of stay for tourists in Bethlehem.

Year 2 Milestones:

- Agree activity
- Implement
- Launch

Project Intermediate Result 3: Employment Increased & Job Skills Expanded

Activity 14: Hospitality School (Component B)

Summary of Key Achievements thru September 2012:

- Industry, Education, Visitor and Demand Assessment
- GAP Analysis
- Training modules for in-service staff prioritized and sourced
- Draft Hospitality School Implementation Plan under review
- In Service Training to commence November 2012

Stakeholders: Palestinian tourism industry; AHA, HLITOA, MoTA

Project Partners: AHA, GIZ, Ministry of Higher Education, Ministry of Labor, MoTA

Activity Description: To fill the labor gap and contribute to an increased number of Palestinians employed in the tourism sector, Compete will implement plans for a Hospitality School that will increase the volume and availability of service level staff within the labor

force. Plans for the school incorporate key findings of assessment undertaken including geographic demand and aims to increase industry standards and increase the attractiveness of the hospitality sector to Palestinians. Compete will launch its first year training program in 2013. In-service training, aimed at lifting the quality and service standards across existing hotels, in ten key work areas, will commence in November 2012 for front of house and back of house hospitality staff currently working in hotels. The training will be provided in key geographic locations.

Year 2 Project Contribution:

Expected Benefit: This activity will directly contribute to increasing employment over the life of the project.

Year 2 Milestones:

- Train the trainer program finalized
- In service training program implemented
- Hospitality School Plan launched

Activity 15: Know Your Market to Grow Your Market (Component A)

Summary of Key Achievements thru September 2012:

- National Tourism Working Group, HLITOA, and AHA gained an understanding of the value of targeted market research to identify the markets with the highest potential for tourism growth.
- Deadlines were set for identification of target markets by HILTOA and AHA
- HILTOA and AHA agreed that they require assistance to develop a strategic plan on opening up of key markets that offer the best potential for conversion based on research

Stakeholders: Industry Working Group, HLITOA, AHA

Project Partners: Industry Working Group, HLITOA, AHA

Activity Description: Building upon market profiles developed by Compete during Year 2, the “Know Your Market to Grow Your Market Seminar” will aim to increase the capacity and skills of Palestinian tourism professionals to develop and expand markets with the highest potential for the Palestinian Territory. Each seminar will be delivered by a group of international market experts representing many facets of tourism. Sessions will focus on providing first-hand information that will assist in penetrating target markets and market segments with the highest potential. Seminars will present enhanced programs that appeal specifically to these markets and market segments in order to increase sales and tourism arrivals. Compete will conduct training in market development for three key markets. Training activities will focus on increasing the capacity and skills of tourism professionals to reach markets with the highest potential for the West Bank. Topics will include:

- Market trends and insights

- Market segment opportunities
- Developing market specific programs and engaging trade
- Know Your Market Cyberspace – engaging and closing business online
- Expert advice on responding to current situations to encourage traffic from source markets

Year 2 Project Contribution:

Expected Benefit: Specific market intelligence will directly contribute to increased sales for Palestinian firms.

Year 2 Milestones:

- Target markets agreed
- Speakers/trainers sourced
- Training delivered

Activity 16: Cultural Heritage and Tourism (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: DACH, Abraham’s Path, Palestinian Wilderness Society, HLITOA, MoTA

Project Partners: Palestinian Wilderness Society, Abraham’s Path

Activity Description: The availability of engaging cultural experiences is vital for the development of tourism. Compete will support Palestinian businesses and associations to develop cultural heritage products and experiences for tourism through grants and technical assistance. These activities will enable individuals, small businesses and associations to benefit from tourism while extending an authentic and engaging tourism product offering.

Year 2 Project Contribution:

Expected Benefit: This activity will result in expanded tourism offerings leading to increased sales and investment in the Palestinian tourism sector.

Year 2 Milestones:

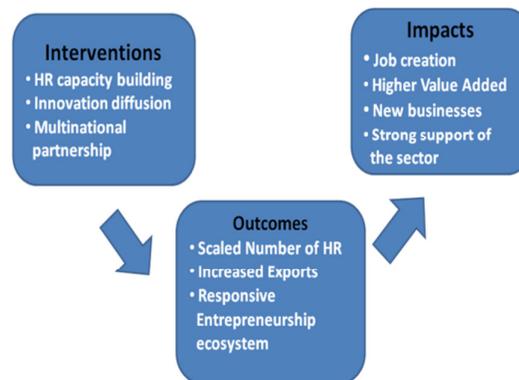
- Support to two cultural heritage experiences agreed
- Grants signed
- Two cultural heritage experiences launched

ICT SECTOR

Talented skilled human resources are at the core of the global ICT industry. Palestinians are well known for their significant population of highly educated individuals. The Compete project will work to create sustained growth in the local market by providing better tailored solutions and increasing exports through the expansion of the direct presence of ICT multinational companies in the Palestinian Territories.

To facilitate faster growth in jobs and investment, talented and experienced human resources are critical. It is imperative for the Compete Project to focus on developing Palestinian human resources not only from the skills perspective but also from the ability to think creatively, to innovate and to deliver world class technologies to the global market.

During the coming three year horizon, the Compete Project will focus on scalable interventions that help create talented pools of young Palestinians capable of providing world class technological solutions. Combining with the active engagement of key international ICT companies such as CISCO, Intel, Google and Microsoft, the Compete Project will deliver highly practical training programs where the trainees –after being carefully selected by local companies –will work in an active live-work environment to gain real life experience. The existence of talented skilled human resources will encourage ICT multinational companies to open research and development centers in the Palestinian Territories.



Another strategic thrust of the Compete Project will focus on on-the job training to expand work with multinational companies on specific technologies that are currently in high demand, such as mobile applications or specific R&D projects. The ability of multinational companies to provide live testimony on the capabilities of Palestinian IT professionals will enable Palestinian companies to gain greater exposure and better positioning in the e-sourcing market.

The third element of the Compete Project’s IT strategy is to enable a healthy and open ICT environment capable of providing strong motivation and support for entrepreneurship activities, leading to more startup projects and more investment in the sector. It is imperative for the Compete Project to actively engage all ICT stakeholders—particularly the educational institutions, representatives of the private sector, and IT social groups.

Nurturing the growth of Palestinian talent, enhancing private sector capacity to deliver projects with international standards, and providing a healthy open environment for Palestinian professionals will contribute significantly to the creation of a vibrant ICT sector capable of innovating new solutions and providing new services. These elements of change will help to transform the Palestinian ICT sector into a globally competitive player, resulting in significant increases in exports and employment.

Project Intermediate Result 1: Export Sales and Investment Increased

Activity 1: Cross-Sector Technology Program Stone and Marble (Components A and B)

Summary of Key Achievements thru September 2012: This is a new activity, initiated this planning period.

Stakeholders: Palestinian IT houses; Stone and Marble companies

Project Partners: PITA, Stone and Marble Union, Hebron Chamber of Commerce

Activity Description: Stone and Marble companies in the Palestinian Areas are heavily dependent on direct selling and limited distribution channels built based on direct networking or relationships. Compete will facilitate the development of specialized E-commerce platforms and digital solutions such as CRM systems to stone and marble sellers—especially to “group marketing companies” that need to sell in unconventional ways. With the help of PITA, HCCI and Stone and Marble Union, the Compete project will qualify partners from the ICT market to work with Stone and Marble companies to develop platforms that will enable companies to digitally reach out to a large and expansive customer base. The introduction of the payment gateway in activity No.3 will help to maximize the benefit of this activity to the stone sector.

Year 2 Project Contribution:

Expected Benefit: This activity will expand the local market for ICT companies and enable them to provide new and innovative services for Palestinian stone and marble exporters—increasing export sales.

Year 2 Milestones

- Qualify 3-5 Palestinian IT companies to provide services
- Qualify 3-5 Stone and Marble companies
- Implementation of the systems
- New leads generated

Activity 2: Cross-Sector Technology Program Agribusiness (Components A and B)

Summary of Key Achievements thru September 2012: This is a new activity, initiated this planning period.

Stakeholders: Palestinian IT houses; Agribusiness companies; Farmers

Project Partners: PITA, Palestinian Federation of Industries

Activity Description:

Agribusiness exports are a new phenomenon in the West Bank with high potential to penetrate international markets. However; there is an essential need to adhere to international food safety regulations to enable Palestinians to export fresh produce to international markets. IT is a major element in enabling the sector to uniformly and consistently abide with these rules and regulations. This new need for IT solutions in the agribusiness sector—specifically “traceability software” systems that help Palestinian fresh produce exporters adhere to ISO 22000 and Global Gap food safety standards—will expand the local Palestinian IT market and directly contribute to increased sales and exports of Palestinian fresh produce.

Compete will qualify software development houses as potential partners to develop, implement, and provide traceability software to a broad farmer base.

Year 2 Project Contribution:

Expected Benefit:

- Palestinian Fresh Produce exporters able to adhere to international food safety standards including USDA
- Agriculture exports increased
- IT software houses encouraged to introduce tailored solutions to agribusiness service providers
- IT sales increased

Year 2 Milestones:

- Select partner from ICT sector to create the traceability software
- Run workshops and pilot customer projects
- Implement the system

Activity 3: Cross-Sector Technology Program Financial Sector (Components A and B)

Summary of Key Achievements thru September 2012: This is a new activity, initiated this planning period.

Stakeholders: Palestinian IT houses; Financial Service Providers; Sub Economic Sectors

Project Partners: Banks, Payment solutions Companies, ICT companies.

Activity Description:

E-commerce is an essential part of international commerce in 2012, but lacking in the West Bank—essentially because Palestinians do not have an access for a payment gateway that facilitates the direct relationship between a foreign-based enterprise and a Palestinian one. The Compete project will introduce a payment gateway solution to the Palestinian Market. In partnership with regional and local businesses, Compete will support employee training initiatives, and facilitate necessary partnerships with local banks. This activity will have direct and in-direct effects throughout the economy—particularly on startups and entrepreneurship. Tourism service providers and stone and marble companies will be able to introduce new channels within their value chains and perform e-commerce operations with international customers; launch digital tourism initiatives, and create innovative products that can be sold online.

Year 2 Project Contribution:

Expected Benefit:

Introducing the payment gateway in the Palestinian market will enable local companies and consumers to engage in e-commerce. This will increase sales and investment throughout the economy and specifically within Compete's targeted sectors.

Year 2 Milestones:

- Creation of a Payment Gateway that will Accept VISA/MasterCard,
- Tourism Sector starts using the new payment gateway
- E-commerce increases in the Palestinian Areas

NOTE: this activity is linked to tourism sector activities.

Activity 4: Cross-Sector Technology Program Tourism Sector (Components A and B)

Summary of Key Achievements thru September 2012: This is a new activity, initiated this planning period.

Stakeholders: Palestinian IT houses; Tourism support companies such as hotels and tour operators

Project Partners: Arab Hotel Association, Holy Land Incoming Tour Operators Association

Activity Description: The Palestinian tourism sector has finished a detailed assessment of the tourism market during the first year of the project, and has identified numerous opportunities that—with the help of digital platforms and Palestinian IT companies—have the potential to boost the tourism sector and Palestinian economy as a whole. Moving from traditional tourism to digital tourism in the West Bank will require strong and capable IT companies to develop appropriate digital platforms that satisfy the demand for online tourism services. Compete will introduce digital tourism into the Palestinian market, beginning with the selection and qualifying of exiting ICT partners who will work with Compete to build and support solutions for the tourism industry through the development of Websites and Facebook applications, booking and reservation platforms, and systems integration with key tourism organizations. Compete will also conduct digital seminars and training for these partners to adapt to tourism industry requirements and trends. The activities presented for digital tourism are directly connected to the tourism sector activities (see Tourism Activity 4) since the tourism sector will handle the relationships with the tourism bodies in the market.

Year 2 Project Contribution:

Expected Benefit:

- New business opportunities developed between ICT and tourism sector
- Capacity built in ICT sector to serve local market needs for international business
- Demand for digital tourism created
- Exports and employment expanded

Year 2 Milestones:

- Partners for ICT , website development, Facebook application development, and booking platforms selected
- Awareness created and capacity built in specific digital tourism topics for ICT companies

- London World travel Market Conference attended, and meetings arranged between digital tourism companies and Palestinian counterparts.
- Needs Assessment from the industry for web booking and CMS completed (as a result from the Web Clinics Activity)
- RFP for Web templates and CMS for hotel and tour operators released and awarded
- RFP for booking platform, released and awarded and implementation initiated
- RFP for booking portals released and awarded
- GIS/LBS system developed
- Social Media Marketing training delivered
- HILTOA (Holy Land inbound tour operator association) website developed and digital marketing introduced to members
- Facebook applications built to increase digital presence of tour operators on the internet

Activity 5: Export Manager - Market Expansion Program (Component A+ B)

Summary of Key Achievements thru September 2012: This is a new activity, initiated this planning period.

Stakeholders: Palestinian IT houses; Entrepreneurs

Project Partners: PITA, Consulting Companies

Activity Description: Palestinian IT software houses have managed to penetrate specific international markets but on a limited scale. One of the reasons is that the sales cycle for IT products and solutions are long and often take more than six months to conclude. Compete will support an Export Manager/ Overseas Agent to penetrate specific markets whether to sell Palestinian products or obtain outsourcing contracts especially in the markets of the Arab Gulf countries, Saudi Arabia and USA.

Year 2 Project Contribution:

Expected Benefit:

- Palestinian IT exports increased
- Employment increased
- New markets established
- Palestinian IT sector positioned as advanced industry

Year 2 Milestones:

- Program announced
- Palestinian applicants assessed readiness for exporting
- Export Manager/ Overseas Agent hired

- Formation of contracts and partnerships facilitated

Activity 6: Solidify Multinational Partnerships

Summary of Key Achievements thru September 2012:

- Signed contracts with H+W Mena and Progineer companies
- Created 15 new jobs so far
- New technologies introduced
- \$300,000 worth of exports created

Activity Description: Compete will continue to build on USAID's previous success in creating partnerships between international companies and local Palestinian companies. So far this initiative has helped several Palestinian companies—including H+W Mena, Progineer and ASAL—to expand their workforce, attain higher skills and certifications, and raise their internal work standards. Compete will continue to support Palestinian software houses to partner with international companies (not necessarily first tier companies such Microsoft or Intel) with a focus on European and Arab Gulf markets. Furthermore; this initiative will encourage companies to open branch offices in Palestinian cities other than Ramallah to ensure hiring of new resources, especially females who are unable to moving to Ramallah for social reasons. This intervention will solidify the ICT sector's position as a reliable partner and keep building on the thrust and momentum achieved so far. Ultimately, this activity will support the achievement of new contracts, job creation and exports.

Year 2 Project Contribution:

Expected Benefit:

- Palestinian IT exports increased
- Employment (especially of females) increased
- New markets established
- Palestinian IT sector positioned as advanced industry

Year 2 Milestones:

- Partnerships facilitated
- New employees hired from areas outside the city of Ramallah
- New branches of Palestinian software houses established outside Ramallah

Project Intermediate Result 2: Innovation of Products & Services Increased

Activity 7: Seed Fund for Start-up companies (Components A and B)

Summary of Key Achievements thru September 2012: This is a new activity, initiated this planning period.

Stakeholders: Entrepreneurs; Young university graduates; PITA/PICTI

Project Partners: Local VC funds, PITA

Activity Description: One of the major impediments to the development of an entrepreneurship eco-system is the lack of seed funding that can support new startups and help them to expand their ideas into prototypes with distinct services to the market. This seed fund is a fundamental element in creating a pipeline of startup companies with the potential to attract venture capital investment. Compete will mitigate risks associated with the fund by covering operational costs for one year.

Year 2 Project Contribution:

Expected Benefit:

- Eco system for entrepreneurship strengthened
- Mentorship support developed and nurtured
- Startup companies created
- Investment in the ICT sector increased

Year 2 Milestones:

- Seed fund investors identified
- Board of directors created
- Seed fund established
- 10 new startup companies benefited from the seed fund

Activity 8: Startup University (Components A and B)

Summary of Key Achievements thru September 2012: This is a new activity, initiated this planning period.

Stakeholders: Palestinian IT Companies; Educational Training Institutions

Project Partners: Educational institutions and organizations, PITA/PICTI

Activity Description: This educational mentoring project supports entrepreneurs that hope to benefit from “seed fund” activities. Compete will support high level training and mentoring in business management related topics, including marketing and strategy development for startup enterprises and entrepreneurs. Training and mentoring will be provided through a reputable university located in the US or Europe.

Year 2 Project Contribution:

Expected Benefit:

- Local mentoring programs enhanced
- Support provided to entrepreneurs and workforce
- Operations of private sector companies improved.
- New pipeline of startups introduced to the market

Year 2 Milestones:

- Establish the Program in Ramallah with a local Partner
- Conduct the first round of mentoring and training support

Project Intermediate Result 3: Employment Increased and Job Skills Expanded

Activity 9: Multinational Partner Development Program (Components A and B)

Summary of Key Achievements thru September 2012: Oracle Training Initiative

Stakeholders: Palestinian IT companies; Entrepreneurs; Young university graduates; Educational institutions

Project Partners: Microsoft, Oracle, SAP, PITA

Activity Description: Partnerships with multinational IT companies has the potential to take the Palestinian ICT sector to the next level. Compete will build the capacity of Palestinian companies through work with multinational companies such as Microsoft, Oracle, SAP and Salesforce. We will leverage the knowledge and technical capacity of these multinational companies to help Palestinian companies obtain international market standards in delivering contracts and development projects. Through these partnerships and licensing arrangements, Palestinian partners can join in the bidding process of these multinational companies to implement projects not only in the West Bank, but also in the Arab region and Israel; increasing exports and employment.

Year 2 Project Contribution:

Expected Benefit:

- Microsoft and Oracle Partners identified
- Multinational linkages established
- Exports and high skill jobs expanded.

Year 2 Milestones:

- 4 partnerships and projects facilitated.
- Revenues increased by 3% for participating companies.

- Technical capacity building for Microsoft software development topics provided
- Technical capacity building for Oracle software development topics provided

Activity 10: Business and Technical Skills Development (Components A and B)

This is a new activity, initiated this planning period

Stakeholders: Palestinian IT companies; Entrepreneurs; Young university graduates; Educational institutions

Project Partners: Universities, Tier-1 Vendors, Microsoft IT Academy,

Activity Description: Multinational IT companies require highly skilled human resources that are well versed in specific technologies. Compete has designed a training program with the help of local Palestinian universities and Palestinian software houses to address the lack of skilled labor in the Palestinian market, especially among fresh graduates. We will identify and engage private sector companies, introduce case competition programs, and support a mini MBA course tailored for private sector needs. The MBA course will focus on international business and will be delivered in partnership with the Kellogg School of Management and Tel Aviv University. Through this program, Compete will also encourage educational institutions and private sector companies to exchange ideas and create joint training programs that can develop Palestinian technical skills that meet the high standards and needs of the international market. The goal is not only to raise the technical and soft skills of graduates, but also to affect a clear change in the local university curriculum through better cooperation with the private sector.

Year 2 Project Contribution:

Expected Benefit:

- Cooperation between local universities and the private sector improved
- Number of graduates with skills demanded by the local market standards increased
- Capacity of private sector companies to deliver international standards projects increased

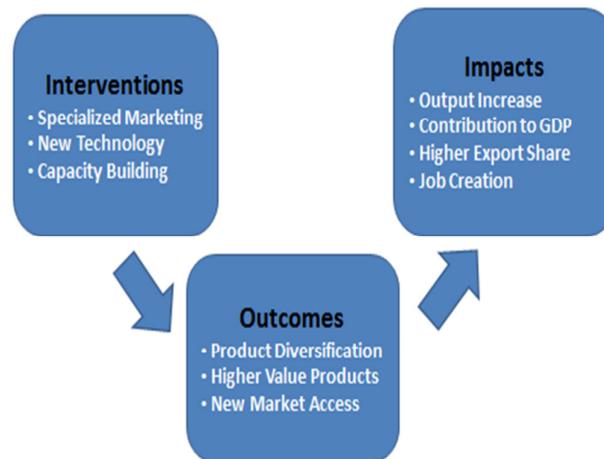
Year 2 Milestones:

- Case competition program for private sector companies and universities introduced
- Private sector companies to partner in this program identified and engaged (especially the big companies such as Paltel and Wataniyah)
- 4 case competitions completed
- 2 sessions of the mini MBA course delivered
- 2-3 sessions of PITA Employability programs delivered

STONE AND MARBLE SECTOR

As a leading industrial sector that relies on natural resources, the stone and marble sector remains an important contributor to exports, job creation and contribution to government revenues in the Palestinian economy. The transformation of this sector into a vital growth industry requires unified efforts by all stakeholders and a dynamically genuine engagement—including that of private sector firms, educational institutions, relevant public entities, producer unions and associations.

The Compete Project will implement a vibrant approach in its intervention with the Stone & Marble sector that will address the major sector challenges and create business opportunities that become the driving forces to developing a globally competitive industry. Intervention will take into consideration the environmental concerns that present themselves as both major business challenges, and business opportunities to be addressed with new investment, new technology and recycling



techniques. Compete will work with Palestinian stakeholder partners to prioritize new investments opportunities arising from the CIBER methodology described in Section B above.

Palestinian manufacturers embracing changes through technology and specialized marketing is essential for facilitating new market entries. We believe the formation of specialized marketing firms that will assist Palestinian companies to reach global markets, develop promotional materials and gain access to market information and intelligence is critical for transformational growth. Linking current manufacturers with international buyers, investors and equipment manufacturers is essential interventions that the Compete Project will also focus on to achieve results.

The introduction of new technology will provide the current and future workforce with the opportunity to build their capacities and skills. Through the assistance of a specialized marketing firm and the introduction of new technologies and training grounded within Palestinian institutions such as the Polytechnic University at Hebron, the sector will be enabled to reach new market access, higher value products, and more highly-skilled jobs.

Project Intermediate Result 1: Export Sales and Investment Increased

Activity 1: Trade Shows and FAM Trips (Component A)

Summary of Key Achievements thru September 2012:

- Two companies participated at the ‘Marmomacc’ trade show September 2012 as a soft launch for group marketing activities and to gain necessary experience
- The two participating companies, under group marketing activities, sold \$300,000 in stone slabs during the first 2 days of the ‘Marmomacc’ trade show

Stakeholders: Next Step for Trade & Investment; Verona Group; Levant Marketing Sharabati Group; Palestinian Stone Export Consortium;

Project Partners: Specialized marketing firm, Joint Marketing, Union of Stone and Marble, and stone producers

Activity Description: Participation of progressive mid-sized Palestinian producers at key stone and marble trade shows is important to gain knowledge on changes and updates in the natural stone industry. Leading exhibitions are excellent venues to learn about new equipment, technology advances, to attend educational seminars for skills development, and engage in business related networking for new business opportunities. From an environmental perspective, addressing major sector challenges by the Palestinian stone industry in partnership with public authorities is essential for future development. The Compete Project's support for participation in upcoming trade shows will focus on knowledge acquisition of recycling technologies to address sludge formed during manufacturing and begin assessment of new product and investment opportunities. Additionally, this activity will focus on supporting a limited number of export-ready SME's that will provide direct opportunities for Palestinian manufacturers to meet with major international buyers, project investors and building agencies. Supporting export ready SME's will increase exposure to international market buyers leading to an increase in export and expose them to new equipment and technology which is essential for meeting global market requirements. During Year 2, the Compete project will support participation in the following trade shows:

Year 2 Project Contribution:

Expected Benefit:

- Increase exports, market linkages and new markets
- Meet buyers and establish business relationships
- Represent Palestinian stone and marble at 4 major international trade shows

Year 2 Milestones:

- Dubai - Big 5 (November 2012)
- Brazil – Vitoria (February/March 2013)
- Atlanta - Coverings (April/May 2013)
- Italy - Marmomacc (September/October 2013)

Activity 2: Export to Hire Program/Export Managers (Component B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Group marketing companies; stone and marble manufacturers; export managers

Project Partners: Group marketing companies; stone and marble manufacturers; export managers

Activity Description: Linking Palestinian manufacturers with international buyers and investors is essential for reaching global competitiveness and increasing exports. The Compete project will link export managers with stone producers and group marketing companies to help expand market linkages within the sector and increase exports. Activities will focus on establishing distribution channels in the U.S., Europe, Latin America, the Middle East, and Asia.

Project Contribution: \$200,000

Expected Benefit: This activity will ultimately lead to increased numbers of international markets for Palestinian stone and marble products, increased exports, and expanded sales for Palestinian firms.

Year 2 Milestones:

- Two international export managers visiting Palestinian stone producers and quarries
- Meetings conducted with export managers at international trade shows to identify experienced stone representatives

Activity 3: Group Marketing and Mentorship Programs (Components A and B)

Summary of Key Achievements thru September 2012:

- Started advocating for group marketing activities within the industry
- Identified two group marketing companies that will represent stone and marble producers

Stakeholders: Group marketing companies; second tier stone and marble producers; Next Step for Trade & Investment; Verona Group; Levant Marketing; Sharabati Group; Palestinian Stone Export Consortium and future joint marketing groups

Project Partners: Group marketing companies; stone and marble companies

Activity Description: Stone and marble enterprises that have invested in new machines and are export ready often face difficulties accessing global markets, receiving market intelligence, and promoting and branding their final products. Linking Palestinian manufacturers with international buyers and investors is essential for reaching global competitiveness and increasing exports. Compete will increase the capacity of both group marketing companies and stone processors to more effectively link into international markets. Activities will target 8-10 new stone producers with no experience in marketing and will focus on raising capacity in marketing skills, web development, networking, and other critical marketing skills.

Year 2 Project Contribution:

Expected Benefit: This activity will ultimately lead to increased numbers of international markets for Palestinian stone and marble products, increased exports, and expanded sales for Palestinian firms.

Year 2 Milestones:

- Advocate and support the establishment of at least 3 group marketing companies or consortiums
- Supporting group marketing companies and consortiums to build their capacities and meet international standards including marketing materials

Activity 4: Young Generation Marketing Trends (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Second generation stone and marble producers

Project Partners: Second generation stone and marble producers

Activity Description: Working with second generation stone producers, Compete will expose them to new trends in the stone industry to increase awareness, provide exposure to new decorative products and trends, and network with wholesalers. Networking with wholesales, buyers and large international decorative stores will expose the targeted group to new business opportunities which will support increase in sales and international market access. This will also support establishing future business relationships and on-going export within the new generation stone producers in the stone and marble industry.

Year 2 Project Contribution:

Expected Benefit: This activity will create awareness within the industry of the latest decorative and market trends for high-value stone products.

Year 2 Milestones:

- Identify 3-5 young generation stone owners interested in exploring the latest in market interior decorative products and trends

Project Intermediate Result 2: Innovation of Products & Services Increased

Activity 5: Filter Press Maintenance and Upgrading (Component A)

Summary of Key Achievements thru September 2012:

- The evaluation of all filter presses across the sector was completed. Details regarding the cost to fix and upgrade existing filter presses were analyzed.

Stakeholders: Stone and marble producers sector wide who own filter presses in need of maintenance and upgrading

Project Partners: Lamar Co. and local importers and service providers of filter press equipment

Activity Description: Filter press machines are critical elements to producing high quality stone and marble products. The proper maintenance and upgrading of these machines will increase their effectiveness; enable manufacturers to produce higher quality products; extend the lifecycle of cutting tools; and allow stone processors to recycle water, comply with environmental regulations, and capture slurry produced during the cutting process. Based on an assessment conducted during the initial phase of this activity, the Compete project will repair and upgrade filter presses at the factory level that have been identified as needing repair.

Year 2 Project Contribution:

Expected Benefit: Upgrading and repairing filter presses will enable stone and marble processors to expand their capacity and produce higher quality products that comply with environmental regulations. This will ultimately contribute directly to increased exports and expanded sales.

Year 2 Milestones:

- Conducting maintenance and upgrading existing filter presses in the Palestinian market

Activity 6: Filter Press Cost Sharing Cross Sector Program (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: 60 stone and marble producers

Project Partners: Stone and marble producers, local specialized distributors, importers and service providers of filter press equipment

Activity Description: To provide an equal opportunity for stone producers to own filter presses to transform slurry to sludge, meet environmental requirements; recycle water and increase cutting tool lifecycle; Compete will implement a cost-sharing model to enable incentivized stone producers to purchase filter presses.

Year 2 Project Contribution:

Expected Benefit: This activity will enable stone producers to transform slurry to sludge, meet environmental regulations, and expand their income by engaging in new product development using sludge.

Year 2 Milestones:

- Meetings and vetting conducted with stone producer interested in filter presses starting in the Hebron industrial zone, Yatta and Samou'

- Installation of 30 filter presses

Activity 7: Sludge New Product Development— (Component A)

Summary of Key Achievements thru September 2012:

- Meetings conducted with 2 Italian stone experts
- Site visit to a Calcium Carbonate (CaCO₃) processing plant
- Meeting conducted with a professor from the Polytechnic University of Mons who is currently conducting experiments with students and looking at dry sludge

Stakeholders: Industry stone producers as potential investors; Palestinian investors in other industries

Project Partners: Italian experts, University of Mons Polytechnic Center; Video Marmoteca - Verona Stone Center; Industry stone producers and investors

Activity Description: This activity will attract investors interested in new product development using dry sludge. Compete will conduct a feasibility analysis and assist in cost and financial planning for the production of new sludge-based products and processing production. Activities will focus on targeting stone producers throughout the stone industry as potential investors. This program will be open to potential investors in other industries and potentially Palestinian expatriates.

Year 2 Project Contribution:

Expected Benefit:

- To understand the approach required to move forward with sludge technology and product development looking at the scientific aspect of the process
- To consult with Italian experts in the stone industry, invite them to site visit in the Palestinian Territory and support in developing an adequate sludge new product program
- To understand the characteristics of dry sludge produced in the Palestinian Territory and be able to match it to various important industries
- To conduct pre-feasibility studies regarding dry sludge processing plant and other new products

Year 2 Milestones:

- Italian consultant to conduct a site visit to stone producers and provide us with an assessment regarding the appropriate methodology required to approach the dry sludge issue
- Dry sludge scientific analysis conducted
- Collaboration with international technical institutions regarding various approaches and re-search undertaken to address dry sludge and new product development options

- Pre-feasibility study conducted for the various manufacturing and processing options for dry sludge

Group A: Investors

A group of 5 investors in Bethlehem are interested in manufacturing artificial stone and light building blocks

Group B: Investors

A group of 3 investors located in Hebron are interested in processing dry sludge into Calcium Carbonate (CaCO₃)

Group C: Potential Investors

A group of 2 investors located in Nablus are interested in constructing 3 sludge ponds in the north to capture slurry and naturally process it for the production of plaster. They will also look into conducting demos for agriculture purposes.

Activity 8: Recycling Technology—Group A: Investors (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Stone and marble quarry owners throughout the sector

Project Partners: Verona Marble and Investment Company

Activity Description: Compete will support the recycling of odd-shaped large blocks of stone to manufacture high quality finished products from blocks that are either sold at a very low price or dumped in fields. Recycling odd-shaped large blocks to produce high quality finished tiles used for cladding and decorative purposes will introduce higher value products.

Year 2 Project Contribution:

Expected Benefit:

- Processing odd-shape small blocks for production of tiles and decorative products that have a higher value
- Hiring of 15-20 employees
- Introduce new products in the international market to increase exports and market linkages

Year 2 Milestones:

- Proposal submitted for the new production line

Activity 9: Recycling Technology—Group B: Investors (Component A and B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Al-Itikal Modern for Cutting Stone and Trade, industry stone producers; Union of Women in Nablus; Nablus municipality

Project Partners: Al-Itikal Modern for cutting stone and trade

Activity Description: Compete will support the recycling of broken tiles that are produced during the manufacturing process. Broken tiles will be used to produce new products that have commercial value by using special adhesives. Locally produced machines located in the north will be used to cut the broken tiles. With the support of the women's union in Nablus approximately 50 jobs will be created for women to conduct the assembly and processing.

Year 2 Project Contribution:

Expected Benefit:

- Processing tiles that are left behind during manufacturing
- Women employment increased
- Processing broken tiles and producing new products

Year 2 Milestones:

- Proposal submitted for this activity
- Planning and coordinating for this activity

Project Intermediate Result 3: Employment Increased & Job Skills Expanded

Activity 10: PPU Stone Center -Capacity Building and Training—TVET Staff (Component B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Palestinian Polytechnic University Stone Center staff; Palestinian Polytechnic University Stone Center students; Union of Stone & Marble and Sector Producers

Project Partners: Palestinian Polytechnic University Stone Center, Union of Stone & Marble

Activity Description: The Palestinian Polytechnic University is a leading technical university in the Palestinian Territory with a successful TVET program. The Polytechnic's Stone Center is an ideal institution to conduct future activities such as product and workforce development within the stone sector. The sector industry workforce along with TVET students will participate in capacity and skills development proto-type activities as well as providing an opportunity for students/industry trainees to be involved in product development. This will add value to current sector workforce and contribute to developing an entry flow of skilled

individuals into the industry's workforce. Supporting the Polytechnic University and introducing advanced machines and technology will also provide an ideal opportunity for sector consortium collaboration to develop products that meet local and international standards. Compete will provide TVET staff with training on new machines supported by UNIDO and other capacity building programs. Staff in turn will train students in the use of this technology.

Year 2 Project Contribution:

Expected Benefit: Training stakeholders in the use of new machines and technology will lead to a higher skilled workforce that will directly contribute to increased sales and employment over the next three years.

Year 2 Milestones:

- Training and capacity building programs prepared

Activity 11: PPU Stone Center- New Machine Training (New and Previous Graduates) (Component B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Stone employees; recent graduates; and current stone employees

Project Partners: Polytechnic University Stone Center

Activity Description: Introducing new technologies for product development is an important initiative in building workforce capacity. Compete will support training of previous graduates and current students on new machines and technology. Future phases of this activity will include potential twinning programs with international universities such as the Verona Stone Center and University of Mons Polytechnic Center.

Year 2 Project Contribution:

Expected Benefit: Training stakeholders in the use of new machines and technology will lead to a higher skilled workforce that will directly contribute to increased sales and employment over the next three years.

Year 2 Milestones:

- Training students and previous graduates will take place

Activity 12: PPU Stone Center -Study Tours and Stone Trade Show Visits (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Current TVET students

Project Partners: Polytechnic University Stone Center

Activity Description: Compete will support study tours to countries such as Jordan and Europe, as a part of the stone center graduate program for students to learn about new technology and latest market requirements.

Year 2 Project Contribution:

Expected Benefit:

- To be exposed to the latest in the world of stone and marble
- To learn about the latest in the stone technology and market needs

Year 2 Milestones:

- 1 study tour conducted

Activity 13: PPU Stone Center - Graduate to Hire Program (Component B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Current TVET students & Stone Producers

Project Partners: Polytechnic University Stone Center and Union of Stone and Marble

Activity Description: The Compete project will support a cost-sharing program to leverage the management and marketing capabilities of the Stone and Marble Industry. The program will allow stone producers and processors to hire new graduates from local Palestinian universities, but mainly from the Palestinian Polytechnic University. Compete will cover 50% of the new employee salary for the first six months of the contract, while the employer covers the rest of the salary. This will encourage stone producers to hire immediate graduates and will increase full-time employment in the industry. The activity will provide sufficient time for graduates to demonstrate his or her value to the employer; and at the same time gain real experience in the field that enables him/her to remain in the industry.

Year 2 Project Contribution:

Expected Benefit:

- Increase in employment

Year 2 Milestones:

- Meetings conducted with industry stakeholders and producers to identify participants in this program

Activity 14: PPU Stone Center - Accreditation of Testing Lab (International) (Components A and B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Industry stone producers

Project Partners: Polytechnic University Stone Center, Verona Stone Center and Union of Stone and Marble

Activity Description: Compete will support the accreditation of a testing lab to provide testing services for the stone and marble processors and quarries which is needed to prove the quality of the stone and how it could be used. This is an important step to facilitate exports especially to EU countries and USA. Compete will field an expert consultant who will help the PPU center, calibrate the equipment, initiate international testing procedures, and train PPU employees. Other industry testing laboratories and the Palestinian Standard Institute will be invited to engage in this activity with the PPU center.

Year 2 Project Contribution:

Expected Benefit: This activity will lead to an increased number of Palestinian products that meet international standards and specifications.

Year 2 Milestones:

- Identify the working group to support the implementation of this activity
- Map out the steps required to move forward with this activity

Activity 15: PPU Stone Center -R&D—Sludge New Product Development (Components A and B)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders Stone and marble sector; Polytechnic University Stone Center

Project Partners: Polytechnic University Stone Center

Activity Description: The Compete project will support research and new product development from sludge at the Polytechnic university stone center to expose students to recycling technology and create future market need for developing products from dry sludge.

Year 2 Project Contribution:

Expected Benefit:

- Polytechnic students exploring new product development from dry sludge

Year 2 Milestones:

- 1 student at the stone center prepares a proposal for one new product from dry sludge

Activity 16: PPU Stone Center - Promotional Materials (Component A)

Summary of Key Achievements thru September 2012:

This is a new activity, initiated this planning period.

Stakeholders: Palestinian Polytechnic University Stone Center

Project Partners: Palestinian Polytechnic University Stone Center

Activity Description: The Stone Center was recently provided with new machines by UNIDO. The Compete project will support the production of promotional materials that will be used in trade shows and for visitors to promote the Stone Center internationally. All promotional materials will include the USAID logo and will comply with USAID branding and marking requirements.

Year 2 Project Contribution:

Expected Benefit: Representation of the PPU stone center with promotional materials will add value to the program

Year 2 Milestones:

- Meetings conducted with PPU Stone Center and the Compete project's communication team to understand USAID's requirements for promotional materials
- Identify what promotional materials are required

III. COMMUNICATIONS AND OUTREACH

Marketing and Communications plan Y2: The overall goal is to create and maintain a positive dialogue and perception in the media and other channels around USAID support of sustainable economic development in the Palestinian Territories. The communications plan will focus on highlighting the social, human, environmental, and economic impact of the

Compete Project by shedding light on job creation, increases in exports and investments and improvement in the quality of Palestinian products across the four economic sectors.

PR and outreach: USAID's Compete communications are geared to a wide audience of local stakeholders in the respective sectors, Palestinian general public, prospective clients, international investors, Palestinian diaspora, US and international community. Compete's communications plan will utilize all media channels to promote and reach out to key media including press releases, TV/Radio spots, newspaper ads, and more to engage the media and ensure continuing interest in the project. Monitoring, tracking and compiling lessons learned is also in the mandate of the communications team.

Particular for campaigns and large events, resources are devoted to arranging radio and TV interviews and appearances for sector leads, stakeholders, and other relevant entities to speak about the project. Efforts will also be made to facilitate media visits to the field, invite them for briefs on our activities, and arrange opportunities for key media to interact with Compete team members.

Website creation and management: The website will be launched in Y2 and will be a main source of information about the project, its progress, news, updates and reference material to the four sectors stakeholders, success stories. It will be integrated with Compete project social media tools, including Facebook, Twitter, Pinterest, and flickr. Short films also will be produced from the field and uploaded on the website.

Social Media: Compete will begin building its social media presence in Y2. Specifically, Compete will have a cross-sector presence on Facebook, YouTube, Pinterest, Twitter and Flickr. Resources are devoted to monitoring, content creation and engagement (in English and Arabic) on the site.

Reporting: The communications team will continue to work with technical teams and M&E to produce quality weekly, monthly, quarterly and annual reporting for the Compete Project. The politically charged nature of the region necessitates sensitive communications – all publications are viewed as highly visible and go through a rigorous editing process. Part of the role the team has, is that of investigative reporter, sourcing human, environmental, economic and social impact stories.

Event Management:

- Providing the necessary support and managing launch events, MoU signing, organizing press conference, workshops, etc.
- Overseeing production of printed material including but not limited to press handouts, brochures, fact sheets, booklets and other publications.
- Branding: roll up, banners, invitations,
- Production of promotional items: prizes, give-aways, etc.

IV. TIMELINE

WEST BANK AND GAZA COMPETE PROJECT ANNUAL WORKPLAN TIMELINE

Activity	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Transformation of Agribusiness Sector to Compete in Global Markets												
Project Intermediate Result 1: Exports and Investment Increased												
Activity 1: Forward Contracting	<input type="checkbox"/>											
Activity 2: Saline Water Demonstration	<input type="checkbox"/>											
Activity 3: Olive and Olive Oil Demo Rollout	<input type="checkbox"/>											
Activity 4: Adopt International Standards (GG, BRC, ETI etc. Certifications)	<input type="checkbox"/>											
Activity 5: Organize Fresh Herbs Sector	<input type="checkbox"/>											
Activity 6: Trade Show Participation	<input type="checkbox"/>											
Activity 7: Fam Trips	<input type="checkbox"/>											
Activity 8: Upgrade Grape Sector	<input type="checkbox"/>											
Activity 9: Upgrade Guava Sector	<input type="checkbox"/>											
Activity 10: Upgrading Packing line of West Bank Salt Company	<input type="checkbox"/>											
Activity 11: Reuse of TWW demo and creating a TWW organization	<input type="checkbox"/>											
Activity 12: Produce Distribution Hub	<input type="checkbox"/>											
Project Intermediate Result 2: Innovation of Products and Services Increased												
Activity 13: Traceability Software	<input type="checkbox"/>											
Activity 14: Packaging and Labeling	<input type="checkbox"/>											
Activity 15: Upgrading of Meat and Dairy Facilities	<input type="checkbox"/>											

Activity 16: Upgrading of Nurseries Facilities	<input type="checkbox"/>												
Activity 17: Upgrading accredited Laboratory for fresh produce analysis	<input type="checkbox"/>												
Activity 18: Upgrading Fresh Herbs Facilities (Implement Integrated Pest Management (IPM) and USDA requirements)	<input type="checkbox"/>												
Activity 19: Agriculture Information Call Center	<input type="checkbox"/>												
Activity 20: Upgrade the Aquaculture Sector	<input type="checkbox"/>												
Activity 21: Date Pollen Facility	<input type="checkbox"/>												
Project Intermediate Result 3: Employment Increased and Job Skills Expanded													
Activity 22: Capacity Building for MoA Veterinary Services Staff	<input type="checkbox"/>												
Activity 23: Capacity Building for the Dates firms Staff and Dates Farmers	<input type="checkbox"/>												
Activity 24: Capacity Building for the MoA Plant Protection Services Staff and Fresh Herbs Agronomists	<input type="checkbox"/>												
Activity 25: "Export Manager for Hire" for several companies	<input type="checkbox"/>												
Activity 26: Introduce New Crops and technologies to the Palestinian Agriculture Sector	<input type="checkbox"/>												
Transformation of Tourism Sector to Compete in Global Markets													
Project Intermediate Result 1: Exports and Investment Increased													
Activity 1: Market Profiles	<input type="checkbox"/>												
Activity 2: Destination Brand Development	<input type="checkbox"/>												
Activity 3: Tourism Image Bank	<input type="checkbox"/>												
Activity 4: Digital Marketing Conference/Workshops and Solutions	<input type="checkbox"/>												
Activity 5: Trade Show Participation	<input type="checkbox"/>												
Activity 6: HLITOA/AHA Development Support	<input type="checkbox"/>												
Activity 7: Tourism Development Around Key	<input type="checkbox"/>												

Sites														
Project Intermediate Result 2: Innovation of Products and Services Increased														
Activity 8: Hotel Classification														
Activity 9: Support Development of Hotel Service and Quality Standards														
Activity 10: Site Renovation														
Activity 11: Trails														
Activity 12: Palestinian/Israeli Tour Development Support Samara/Travelujah														
Activity 13: Bethlehem Master Plan														
Project Intermediate Result 3: Employment Increased and Job Skills Expanded														
Activity 14: Hospitality School														
Activity 15: Know Your Market to Grow Your Market														
Activity 16: Cultural Heritage and Tourism														
Transformation of ICT Sector to Compete in Global Markets														
Project Intermediate Result 1: Exports and Investment Increased														
Activity 1: Cross-Sector Technology Program--Stone and Marble														
Activity 2: Cross-Sector Technology Program—Agribusiness														
Activity 3: Cross-Sector Technology Program--Financial Sector														
Activity 4: Cross-Sector Technology Program—Tourism														
Activity 5: Export Manager--Market Expansion Program														
Activity 6: Solidify Multinational Partnerships														
Project Intermediate Result 2: Innovation of Products and Services Increased														
Activity 7: Seed Fund for Startups														
Activity 8: Startup University														

Program												
Activity 14: PPU Stone Center- Accreditation of the Testing Lab (international)												
Activity 15: PPU Stone Center- R&D, Sludge New Product Development												
Activity 16: PPU Stone Center- Promotional Materials												