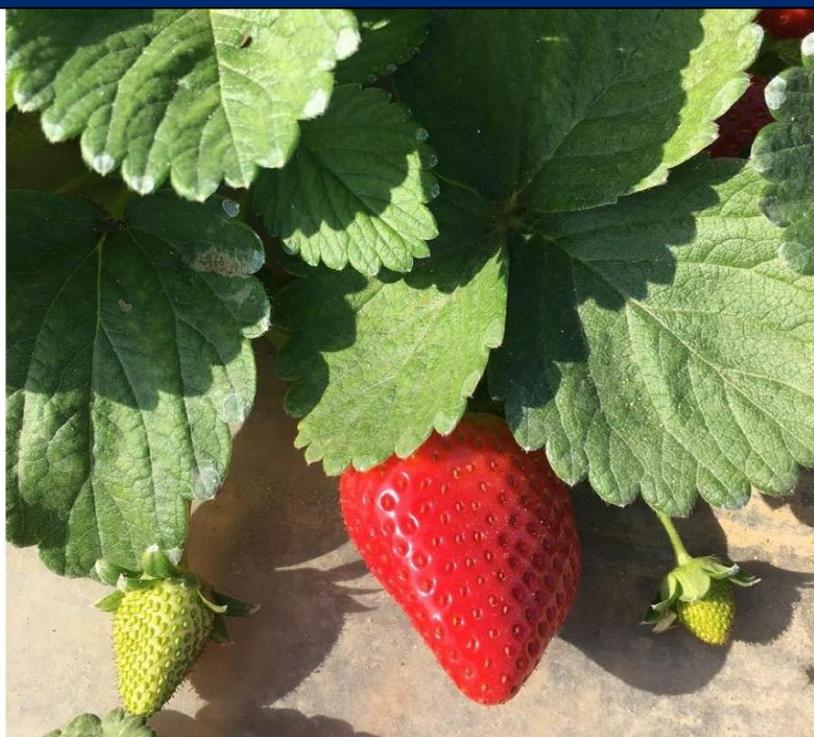




USAID | **WEST BANK/GAZA**
FROM THE AMERICAN PEOPLE

USAID/COMPETE QUARTERLY REPORT

October 1, 2015 – December 31, 2015



The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government. It was prepared by DAI.

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TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS	II
EXECUTIVE SUMMARY	3
Agribusiness.....	4
ICT.....	5
Stone & Marble.....	5
Tourism	5
Gaza.....	5
SUMMARY OF PROGRESS BY SECTOR.....	7
Agribusiness.....	7
ICT	18
Stone and Marble	27
Tourism	32
All Sectors.....	37
Leveraging Partnerships.....	38
GAZA	38
GENDER & YOUTH	45
Gender Strategy Implementation.....	46
MONITORING AND EVALUATION	46
Methodology	46
Key Accomplishments	46
Lessons Learned.....	47
COMMUNICATIONS AND OUTREACH.....	47
Marketing Support:.....	48
Events and projects:	48
Reporting.....	48
FINANCE AND OPERATIONS	48
Subcontracts and Grants.....	48
Vetting.....	49
Financial Summary.....	50
Level of Effort	51
ANNEX A: SUMMARY OF PROGRESS TOWARD INDICATORS.....	52
ANNEX B: MEDIA MONITORING REPORT	58
ANNEX C: GAZA ONGOING ACTIVITIES.....	59

ACRONYMS AND ABBREVIATIONS

AHA	Arab Hotels Association
B2B	Business to Business
CIBER	Competitiveness Impact of Business Environment Reform
COP	Chief of Party
DQA	Data Quality Assessment
EU	European Union
EDF	Environmental Documentation Form
Geo-MIS	Geographical Management Information System
GLOBALGAP	Global Good Agricultural Practice
HLITOA	Holy Land Incoming Tour Operators Association
ICT	Information and Communications Technology
iOS	Internet Operating System
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoTA	Ministry of Tourism and Antiquities
NIS	New Israeli Shekels
MoU	Memorandum of Understanding
NSFT	National Association for Specialty Food Trade
PCARD	Palestinian Center for Agricultural Research & Development
PIP	Palestinian Internship Program
PITA	Palestine Information Technology Association
PMEP	Performance Monitoring and Evaluation Plan
PPIS	Plant Protection Inspection Service
PPSQ	Plant Protection safety and Quality
PSI	Palestine Standards Institute
FY5/QI	First quarter of USAID/Compete Project Fiscal Year Five
RFP	Request For Proposal
RFQ	Request for Quotations
SME's	Small and Medium Enterprises
SOW	Scope of Work
TAMIS	Technical and Administrative Management Information System
USAID	United States Agency for International Development
USDA	United States Department for Agriculture

EXECUTIVE SUMMARY

USAID's partnership with the Palestinian private sector through USAID/Compete interventions has seen progress in improving the competitiveness of Palestinian value chains. Moving into fiscal year 5 of the Project, USAID/Compete will work to ensure the sustainability of these value chains, with emphasis on improving their market position. Key market failures were identified at the value chain level for targeted West Bank and Gazan sectors, and the Project has addressed these failures using the Firm Level Assistance Program (FLAP) as the primary vehicle through which support is provided.

During this reporting period in the West Bank, USAID/Compete concluded the design and started the implementation of activities that will introduce mushrooms and baby cucumbers as new value chains, unleashing market potential previously untapped in the agribusiness sector. In the ICT sector the Palestinian Internship Program has entered its third cycle, of placing interns within high-tech companies. Meanwhile, a group of trainees comprised mostly of young women were trained in SAP technology and solutions, and once training is complete, are expected to find employment opportunities with SAP affiliated companies locally and regionally. With the Stone and Marble sector, USAID/Compete is supporting the introduction of innovative products made from stone waste, turning environmentally damaging by-products into valuable commodities for the local Palestinian market. The Project also completed a capacity assessment for local tour operators in the Tourism sector, assisting them with identifying new markets to increase their commercial sales.

In Gaza, Compete is opening a new chapter of programming after many years of limited development in an isolated economy. In Gaza this quarter, Compete was focused on the design of major transformative initiatives in the agriculture, fishing, ICT, and tourism sectors. USAID/Compete conducted a competitiveness assessment of the furniture, textile and garment industries in Gaza. In coordination with respective unions in each industry, Compete and the unions selected 20 companies from each union that currently have the production capacity, staff, and quality resources on hand to participate in a survey that will reveal the opportunities and challenges for them to grow in their respective sectors. The Project will focus in these sectors which will allow producers to once again sell to their previous markets.

The aim of USAID/Compete's support in Gaza is for the Palestinian private sector to strengthen its competitiveness and expand into new markets locally, regionally, and internationally in key sectors essential to the future prosperity of the Gazan economy.

As a result of USAID/Compete's efforts, over the past quarter, 261 firms have applied for support through FLAP and 32 firms have benefited from the program. To date, USAID/Compete has improved the competitiveness of more than 250 firms. This quarter USAID/Compete has leveraged USD \$2,916,986 of private sector investments to scale-up and improve the quality of production to meet target markets' demand. This brings the total amount leveraged to USD \$64,254,270 since the start of the Project.

Summary of FLAP activity this quarter:

Sectors	Total Applications	Approved Cases	Rejected Cases
Agriculture	63	13	5
ICT	40	8	3
Stone	19	5	1
Tourism	42	4	7
Furniture	63	1	0
Textile	41	1	0
TOTAL	268	32	16

AGRIBUSINESS

Meeting International Standards in Agribusiness:

- **GLOBAL Good Agricultural (GAP) Certification.** During this reporting period, with USAID/Compete's support, the first ever Palestinian nursery has passed GLOBALGAP Certification.. GLOBALGAP is an internationally recognized set of farming standards. Through certification, producers demonstrate their adherence to international standards in production quality, food safety, traceability, environmental sustainability, and worker occupational health and safety.

Launching Wide Scale Assistance Programs:

- **Agronomists Capacity Building Program.** This quarter, the Agronomist Training Program was successfully completed, with **28 agronomists** completing the training. This program is aimed at solving one of the most critical impediments that a number of key agricultural sub-sectors are facing— finding qualified agronomists to manage the quality and productivity of local farms. In December, trainees successfully completed their last theoretical session, which covered several topics related to potato and carrot farm management. In addition, the trainees were introduced to the best practices of the GLOBALGAP certification system. Lastly, the trainees concluded their final field technical sessions which focused on strawberry and fresh herb farm management. The sessions were also attended by a number of beneficiaries participating in the Strawberry Scalability Program.

Enhancing Access to Quality Water:

- **Greening Jalameh.** USAID/Compete has completed the establishment of a 100 dunum demonstration site in Jalameh to introduce the practices of treated wastewater (TWW) reuse for irrigated agriculture, with the final hand over of the newly installed irrigation network and seedlings completed in November. Using wastewater from the Jenin treatment plant, the Project has worked closely with farmers and community leaders in northern West Bank to demonstrate how treated wastewater can be reused safely in agricultural production. By December, fruit trees in Jalameh received the treated irrigation, marking the first time Palestinian agricultural land of this size has been irrigated successfully using TWW.

ICT

Global Entrepreneurship Week (GEW):

- This quarter, USAID/Compete hosted three events, with **27 participants**, as part of the Global Entrepreneurship Week, an international movement occurring in over 140 countries concurrently where innovative business professional, investors, students, policy makers, and researchers engage in events designed to spark innovation and entrepreneurship. Through the three events, connections across the full spectrum of the IT and entrepreneurship ecosystem, from workforce development for youth to access to market for established companies were made.

STONE & MARBLE

Sludge New Products and Facilities:

- A pilot production line for light weight concrete blocks made from stone by-products is underway. USAID/Compete is working with Abu Kamil Automatic Block Factory to manufacture a product unique for the Palestinian market, light weight foam based concrete blocks, using liquid slurry produced during the stone slab cutting process. By the end of November, USAID/Compete had procured the pilot machine, while the supplier completed basic infrastructure. The machine was shipped from Italy to Abu Kamil in Nablus.

TOURISM

Assessment of Local Tour Operator Capacities:

- During this reporting period, the Project completed a capacity assessment of select Palestinian tour operators, providing individual analyses of internal company strengths, gaps hindering international sales and expansion, and possible opportunities for growth into international markets in a more efficient, simplified, and cost effective way. Fourteen (14) tour operators were assessed and assisted in generating leads with international buyers, which will allow them to penetrate new markets and increase their commercial sales.

GAZA

Agribusiness

Strawberry Value Chain - In this reporting period, USAID/Compete completed the design of a new project to introduce an innovative strawberry production pattern, for up to 100 dunums of land in Gaza using single span high greenhouses. In addition, the Project issued a request for proposals for the design, delivery, and installation of the high span greenhouses directly from Gaza in order to ensure quick implementation and impact. After evaluating the offers, selection of the supplier and select beneficiaries had been completed and is pending Mission Order 21 vetting approval.

Fishing – Over the past two months, the Project concluded the design of two upcoming projects, Fresh Fish and Kuhail Fish Farm. For Fish Fresh, the Project plans to assist the company through provision of equipment and technical assistance in order to increase their production capacity by an additional 190 tons per year for the local market. This expansion will be facilitated by the business plan our Gaza Agriculture Specialists have developed, and will be ready for implementation as soon as the company's vetting is secured.

In addition, USAID/Compete conducted a market assessment on the demand for fish fingerlings that are juvenile fish which have been grown from eggs and can be sold to fish farmers in bulk for development into fully mature fish for consumption. The Gaza Technical staff developed a business

plan for fingerlings production for Kuhail Fish Farms, which confirmed the viability of the project based on market conditions and the company's unique resources and knowledge. Accordingly, the project finished the project design to develop the first fingerlings' in the Gaza Strip and released procurement documents. The procurement process should be concluded by mid-January 2016.

Herbs - USAID/Compete is designing a scalability program to increase the production of fresh herbs by at least 50 dunums for the coming 2016 growing season. This pilot program evolved as a result of meetings conducted with two Israeli export companies this quarter, Arava Export Growers and Viva Farmers, both of whom showed great interest in buying Gazan herbs, with the overall estimated demand being about 300 dunums.

Information and Communications Technology

To date, USAID/Compete has received 43 ICT applications for firm level assistance. Of these, six have been approved and during this reporting period two letters of agreement (LOAs) have been signed: 321 Boom and Effects. USAID/Compete will assist 321 Boom in building its first full game for mobile devices and will provide marketing support once its offered at relevant game app stores. The Project will also be supporting Effects, a consulting and training firm focused on software and multimedia development services, in carrying out an apprenticeship program, addressing electricity shortages, and will provide minor equipment for their new multimedia division.

Tourism, Furniture, Textile and Garment

In this reporting period, USAID/Compete started the process of designing the Project's approaches and potential interventions for both the textile and furniture sectors. Two workshops were conducted with the sector's unions and select members with the export capacity, know-how, and history for the Project to engage. As a result of these consultations, USAID/Compete has issued a request for proposal to conduct an institutional capacity assessment on behalf of the unions. Additionally, the Project identified 20 potential export firms from each sector and conducted an assessment for the 40 participants to determine their readiness and capacity for export.

A coordination meeting was held this quarter between the Palestinian Committee for Hotels, Restaurants & Touristic Services and USAID/Compete to identify the sector needs and potential project implementation methods. Both parties agreed to conduct an institutional assessment with the union and to offer firm level technical assistance to the members as a way of addressing their specific needs and improving service quality and management skills.

The Project continues to provide technical assistance to Palestinian enterprises and Business Support Organizations with an economic and business rationale that prioritizes and targets project assistance and investments at the critical constraints to growth in the economy. This new phase is leveraging the successful initiatives, partnerships and achievements made during the base period of the contract and previous USAID investments, and is embodying a rigorous market systems approach to address the issues that constrain competitiveness in target USAID/Compete sectors.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Enhancing Market Access

Firm Level Technical Assistance – USAID/Compete has seen significant progress due to its new initiative to provide technical assistance to exporting and non-exporting firms in the agribusiness sector to increase financial, management, and marketing capacity. Firms which previously received USAID/Compete support are automatically eligible to receive assistance under this initiative; all others must apply. All firms undergo an assessment and, if selected, receive targeted support under three components: technical assistance, provision of equipment and inputs, and workforce development. Other sectors (ICT, Tourism, Stone and Marble) also follow this process.

As of December 31, 2015, of the 68 applications approved for the Firm Level Assistance Program, 25 have been in the Agribusiness Sector.

Al Forat Company

During the base period, Al Forat Company, located in Toubas, was assisted in establishing forward contracts with local and Jordanian companies to provide potatoes and carrots, resulting in a need for improved equipment to increase production. With the new cooling rooms and packing houses, high quality produce will be provided to their clients. Now, Al Forat is working to penetrate the Russian market with Compete's assistance in meeting the highly restricted regulations to obtain shipment certificates from the MoA and MoNE.

Following the GAP assessment conducted last quarter, the Project signed a purchase order for hiring a service provider to facilitate the adoption of a Quality Management System ISO 9001 and support Al Forat's capacity building efforts to meet future growth plans. The expected results of this intervention are sound HR, Administration, Finance, and Management systems. USAID/Compete also has assisted in procuring irrigation pipes and cooling rooms. Land use of Al Forat Company expanded drastically from 350 to 2,000 dunums.

Impacts this Quarter Include:

- Al Forat signed a contract with Ramzi Al Hanjal in Nablus to provide 1,000 tons of carrots.
- Al Forat signed a contract with Abu Al Joud Co. in Jordan to provide 1,000 tons of carrots.
- Al Forat increased the sales to Israel by USD \$260,000.
- Al Forat increased the sales to regional market by USD \$360,000.
- Al Forat increased the local sales by USD \$230,000.

Al Qasrawi Industrial & Trading Company Ltd.

During this quarter, a grant was signed with Al Qasrawi Industrial & Trading Co. Ltd that produces many varieties of crisps using high tech machinery. USAID/Compete will be assisting the company with development of a "Gap Assessment" for ISO 22000. Al Qasrawi will support an expansion in facilities to add new product lines such as potato chips. Compete will work with a service provider to conduct a GAP assessment benchmarked against ISO22000 food safety standards.

Mushroom House

Mushroom House is a newly established company owned by three women and one man. In this reporting period, a purchase order was signed for lab equipment and a sterilization unit. They plan first to produce mushroom mycelium and then mushrooms. Currently mushroom farmers in the West Bank face difficulties due to the seed mycelium, which must be imported from Holland where delays in shipment negatively affect production. USAID/Compete is filling the gap in the value chain by specifically targeting the missing joints in the chain, prior to growing mushrooms. These missing parts are namely, the creation of sterilized compost, mycelium production (within a lab environment), and finally the incubation of mycelium in compost. After this final stage, mycelium will be available to producers to grow mushrooms. The lab will not only provide mycelium for Mushroom House, but will also supply other local mushroom growers. Currently Mushroom House will use a 200 square meter area to produce mushrooms.

Planned next quarter: Lab equipment, sterilization units and mycelium incubator equipment will be delivered, expected arrival in February – March 2016.

Lemon and Lime

Computerized Irrigation for New High Value Crops.

A grant was also awarded to the Lemon and Lime Agricultural Company this reporting period. Established in 2014 in the village of Bardalla in the Jordan Valley, the company is working to expand their fruit farms to include mangos, avocados, pineapples, seedless grapes, guavas, and other cost-effective crops that are geographically suitable. USAID/Compete will be supporting the company's plans for expansion by helping them overcome one of the main challenges - the availability of water resources. The support will include the provision of a computerized irrigation system which will result in water savings of up to 60 percent and an increase in the productivity of their fruit trees by up to 20 percent.

Planned next quarter: Delivery of equipment expected in March 2016.

West Bank Salt Company (WBS)

The USAID/Compete Project is providing a grant to procure a salt packaging machine which will target two sectors: salt and fresh herbs. The packaging equipment will enable WBS to produce consumer friendly sizes of packaged salt. In addition, WBS will reach out to herb producers and provide a facility to package excess herbs.

Qitaf Company- Jiftlek

Qitaf activities include the cultivation of dates. Current Qitaf clients are Palestinians, Israeli, French, and Turkish. Qitaf plans to expand their farming projects and produce more varieties, and reach the UK, South African, and Far East markets. Future plans of procuring, packing, and marketing seedless grapes will require Qitaf to become GLOBALGAP and BRC certified. Based on GLOBALGAP assessment results, Qitaf began working on adapting their systems in order to be aligned with international standards. In the next quarter, implementation of the system will begin, and a trained agronomist from the Agronomist Capacity Building Program will be hired.

USAID/Compete, in previous quarters, supported date companies with designing new date packages to enable the companies to meet international standards.

Impacts this Quarter Include:

- Qitaf Company printed the new design and exported products with a value of USD \$1,959,300.

Jamal Khalaf

Super-Hot Peppers. During this reporting period, the project awarded a grant to Jamal Khalaf to assist him with the procurement of a grinder needed to build his facility for super-hot pepper drying and packaging. In 2014, Mr. Khalaf planted five dunums of hot peppers as a trial under a forward contract with a client from the United States. The customer imported the production and was satisfied with the product quality to such an extent that expansion to other importers is promising.

USAID/Compete is supporting the farmer with the equipment needed to build a facility for drying and packing hot pepper for the export market. If successful, this initiative will be the first of its kind in the West Bank in which the farmer will be introducing a new high value crop with a high return in investment.

Impacts this Quarter Include:

- Jamal Khalaf introduced 1 new product: chili pepper.
- Jamal Khalaf accessed the US market with exports.
- Jamal Khalaf hired 3 new workers.
- An additional 30 dunums were planted in the Jordan Valley.

Jebrini

Participation in Gulf Food Trade Show. This quarter an LOA was signed with Jebrini to support their participation in the Gulf Food Trade Show in February 2016.

Next quarter: Jebrini participation in Gulf Food Trade Show.

Osama Abu Rub

Cooling Rooms for Strawberries. This quarter the Project signed an LOA with Osama Abu Rub, a farmer involved in the production of open field and greenhouse vegetables who is a previous recipient of USAID/Compete support under the Strawberry Scalability Program. Demonstrating the Project's ability to mentor their beneficiaries and scale products, Abu Rub's assistance allowed his farm to upgrade the technology used to plant strawberries, including new irrigation infrastructure and hanging systems that led to outstanding production and quality results. His farm met his harvest quota goal a full month before the season closed, while his strawberry sales doubled the seasonal average at USD \$11 (40 NIS) per kilogram.

Based on the success of his previous achievements with the program, this year, Mr. Abu Rub expanded his strawberry farm by adding four dunums of hanging strawberries in new greenhouses. In order to help him maintain the necessary cold chain and ensure a high quality product, USAID/Compete will be supporting Abu Rub with procuring cooling rooms in the upcoming stage of assistance.

Osama Abu Rub also visited Gaza where he was able to teach strawberry farmers how to cultivate strawberries using hanging system technology.

Impacts this Quarter Include:

- Increase in sales by USD \$53,800 for strawberry farmers.

- Eleven (11) new jobs created at strawberry farms, 3 female and 4 youth.
- Increase in area under new technology by 25 dunums.

Daraghmeh Company

Supporting the Expansion of Fresh Herb Farms. Daraghmeh Company is currently involved in the production of fresh herbs on 120 dunums of green houses, in addition to 300 dunums of open fields planted with vegetables. The company is planning to expand their fresh herb production in 2016, enabling them to cultivate fresh herbs year round. In order to successfully implement these plans, USAID/Compete will develop a business plan for Daraghmeh’s baby herb production, which will become the pilot activity of an eventual expansion throughout the West Bank, if successful. A draft of the business plan was submitted to Daraghmeh.

Impacts this Quarter Include:

- Daraghmeh exported USD \$559,250 in products as a result of Worldfood Moscow and Fruit Logistica tradeshows.
- Eight (8) new jobs were created, 6 for youth.

Baby Cucumbers. USAID/Compete is supporting the development of a new West Bank value chain through its firm level support to the Kufr Dan Cooperative for Agriculture and Irrigation. In addition to irrigation activities (well rehabilitation, installation of irrigation networks, etc.), Kufr Dan facilitates marketing of pickled cucumbers and baby cucumbers for its cooperative members. They have a total of 2,500 dunums, including 50 dunums of baby cucumbers planted under forward contracts, and plan to expand to 100 dunums by next season. However, in order to ensure quality standards are met for export, the cooperative has requested support to develop post-harvest facilities for sorting and storing.



USAID/Compete is supporting farmers across the West Bank by introducing new value chains. Here a farmer harvests baby cucumbers.

USAID/Compete signed an LOA with Kufr Dan this November to conduct a feasibility study for the production of baby cucumbers on a large scale for export. USAID/Compete also signed a grant with Kufr Dan to provide them with a sorting line that will enable them to comply with the specifications requested from the pickling factories. A gap assessment will also be conducted among 25 cooperative members in order to identify their needs and the types of interventions that could address any barriers to production.

Sami Abu Mansour

Supporting the Expansion of Fresh Herb Farms. Sami Abu Mansour is currently involved in the production of open field and greenhouse vegetables. Sami’s farm has produced fresh herbs, but export capabilities are hindered due to a lack of skilled workers and low prices offered by local middlemen. To be able to expand the farms’ abilities in exporting, Sami is aiming to achieve

GLOBALGAP certification. To date, the Project supported Sami's farm through irrigation systems and providing soilless cultures. A contract for the GAP study was signed during the reporting period. In the next quarter, the Sami Abu Mansour's farm will start adapting the system based on the benchmark set by GLOBALGAP and will also hire a trained agronomist from the Agronomist Capacity Building Program, thus improving the quality of produce and prices.

Impacts this Quarter Include:

- Sami Abu Mansour increased local sales by USD \$59,010.

Agribusiness Trade Shows – USAID supports the participation of Palestinian agribusiness companies at international trade shows to assist export ready firms in scaling-up their international presence. In the past, this has resulted in increased exports and opening new markets. Companies have participated in trade shows such as Foodex Saudi, SIAL, Fruit Logistica, Gulf Food, and Fancy Food among others during various years.

Emirates Delights

With USAID/Compete support, Emirates Delights participated at Fruit Logistica 2013, Fruit Logistica 2014, Gulfood 2013, Gulfood 2014, and SIAL 2014. Company representatives reported the following impact during the first quarter of fiscal year five from participation in these tradeshows.

Impacts this Quarter Include:

- Emirates Delights exported USD \$164,500 in products as a result of Fruit Logistica tradeshow.
- Emirates Delights exported USD \$212,517 in products as a result of Gulfood tradeshow.
- Emirates Delights exported USD \$61,100 in products as a result of SIAL tradeshow.
- Emirates Delights exported 16.4 tons valued at USD \$80,360 in products as a result of the Export Manager.
- Emirates Delights local sales as a result of the newly printed design USD \$19,500.

Canaan Fair Trade

Canaan Fair Trade participated at Fancy Food 2012, Fancy Food 2013, Fancy Food 2014, Gulfood 2013, Gulfood 2014 and Moscow 2013 with USAID/Compete support. Company representatives reported the below impact during the first quarter of fiscal year five, from participation in these tradeshows.

Impacts this Quarter Include:

- Canaan exported products with a value of USD \$137,040 (\$109,680 sales from almond oil alone).

Josour

Josour Company participated at Foodex 2014 with USAID/Compete support. Company representatives reported the following impact during the first quarter of fiscal year five from participation in this tradeshow.

Impacts this Quarter Include:

- Josour Co. exported USD \$105,000 in products to Saudi Arabia as a result of attending Foodex 2014.

- Josour improved four products.

Adopting International Standards – USAID supports the implementation of practices and packaging based on international standards to improve company’s ability to penetrate global markets.

National Carton Company

USAID/Compete supported the National Carton Company, a Palestinian packaging manufacturer, during fiscal year three in achieving compliance with ISO 9001 certification schemes and became ISO 9001 certified in March, 2015. Such international standards improve a company’s ability to penetrate global markets, enabling them to grow.

Impacts this Quarter Include:

- National Carton Company created one job.

Al Wadee

Al Wadee, located in Jericho, produce, package and market dates. USAID/Compete, in previous quarters, supported date companies with designing new date packages to enable the companies to meet international standards.

Impacts this Quarter Include:

- Al Wadee Company printed the new packaging design and exported dates with a value of USD \$477,000.
- Al Wadee is planning to hire five (5) agronomists from the Agronomist Capacity Building Program supported by Compete.

Al Zaraoun Al Arab

Al Zaraoun Al Arab produce, package, and market dates. Their products were marketed locally, but in 2014 export markets such as Turkey and Malaysia were targeted. Al Zaraoun has 600 dunums planted with dates; in 2014/2015 they installed new packing houses, a packaging line and freezing rooms for dates. Currently, Al Zaraoun produces around 130 tons of dates with a packaging line capacity of 2 tons per hour. Al Zaraoun production will increase to 500 tons in the next few years. USAID/Compete, in previous quarters, supported date companies with designing new date packages to enable the companies to meet international standards.

Impacts this Quarter Include:

- Al Zaraoun Al Arab printed the newly designed date packages and exported dates to Turkey with a value of USD \$199,192.
- Local sales as a result of the newly printed design: USD \$446,959.

Green Qalqilia

In 2014, USAID/Compete assisted Green Qalqilya Company, an aggregator made up of three guava and avocado companies and five farmers who represent 40 percent of their sectors, in establishing a packing house and two cooling rooms. Through this aggregator, farmers are able to use the equipment and facilities at low costs, allowing them to overcome the logistical issues that negatively impact quality, price, and competitive capacity, enabling them to meet export market demands.

Impacts this Quarter Include:

- Green Qalqilya Company generated 335 tons of guava, and 230 tons of avocado exports to Israel and Jordan with a total value of USD \$899,587.

Supporting Facility and Service Upgrades – USAID/Compete is strengthening targeted export ready and non-export ready subsectors by assisting with resource upgrades on a cost-share basis that would otherwise limit the sector’s ability to grow.

Scientific Lab Nablus

In 2012, USAID/Compete conducted a gap analysis for Scientific Lab Nablus regarding lab accreditations, microbiology analysis, and pesticide residue analysis according to ISO 17025 standards. Based on the results, USAID/Compete is assisting the lab on a cost-share basis in acquiring the necessary equipment, which will qualify it to achieve the ISO accreditations in the future. In addition, USAID/Compete delivered, calibrated, and handed over three machines that can perform about 250 new tests for pesticide residues, heavy metals, and microbiology. This concludes the provision of equipment to Scientific Lab under this initiative.

Updates this quarter include signing a contract with the Near East Foundation for testing collected treated waste water for chemistry and microbiology tests.

Canaan Fair Trade

USAID/Compete has facilitated Canaan with developing new products, identifying market linkages, and drafting of forward contracts.

In addition, USAID/Compete completed the installation and handover of machinery to assist with almond oil production, which has been in use since mid-May 2015. Impacts this quarter include Canaan exporting almond oil with a value of USD \$109,680 in sales (*for full list of impacts see Canaan Fair Trade listed above under Agribusiness Trade Shows*).

Al Hithnawi

Al Hithnawi General Trade Company, a seed and spice packing company, upgraded their production facilities with USAID/Compete support to stimulate the local market by providing new products: herb and seed oils. As a result, over 100 local suppliers are benefiting from Al Hithnawi’s need for large quantities of local produce for raw materials.

Impacts this Quarter Include:

- Al Hithnawi increased sales to Israel by USD \$14,400.
- Al Hithnawi increased local sales by USD \$33,600.
- Al Hithnawi created 2 new jobs, both are youth.

Tubas Packing and Marketing Company

In 2014, USAID/Compete supported Tubas Packing and Marketing Company (TUPAK), an aggregator made up of 10 farmers and companies, in establishing a packinghouse and four cooling rooms. Through this aggregator, farmers are able to use the equipment and facilities at low costs, allowing them to overcome the additional logistical issues that negatively impact quality, price, and competitive capacity, enabling them to meet the market demands in Jordan and the Gulf.

Impacts this Quarter Include:

- TUPAK increased local sales from carrot washing by USD \$101,182.
- TUPAK rental revenues from refrigeration fees USD \$31,823.

Vegetable Nurseries

During FY2014, USAID/Compete supported two nurseries, Atta Abu Rub and Juneidi, in upgrading nursery facilities, including seeder machinery, shading nets, and a washing machine, according to GLOBALGAP standards. These upgrades enabled one nursery to donate an old seedling machine to Thinabah Nursery, further strengthening the sector. USAID/Compete provided machine training to the staff at Thinabah to ensure sustainability.

Impacts this Quarter Include:

- Juneidi Nursery increased local sales by USD \$18,100.
- Seven (7) new jobs were created at Juneidi Nursery.

Top Field

During the base period, Top Field Company was assisted in establishing forward contracts with local and Jordanian companies to provide potatoes and carrots, resulting in a need for improved equipment to maintain supplies. To supplement, USAID/Compete assisted Top Field in installing a new cooling room to ensure high quality produce will be provided to their clients. In January 2015, Top Field Company previously completed the installation of a 150 square meter cooling room and the training necessary to operate the room appropriately.

Impacts this Quarter Include:

- Top Field increased the sales to regional market by USD \$1,383,335.
- Top Field increased local sales by USD \$59,555.
- Top Field increased the area under new technology by 120 dunums.

Jannet Adan

In fiscal year three, USAID/Compete provided support to the fresh herb sector in upgrading facilities. Sixteen (16) fresh herb farmers were assisted with nettings to comply with integrated pest management practices in order to sustain in the US market.

Impacts this Quarter Include:

- Jannet Adan increased exports by USD \$107,969.

Strengthening High Value-Added Products, Services, & Technologies

Launching Pilot Projects – USAID/Compete is assisting high value-added subsectors in launching pilot programs with new technology and/or new crops to increase productivity and meet market demands. Past subsectors targeted include strawberries. The Project will assess the feasibility of other subsectors.

Strawberry Subsector

USAID/Compete is assisting the strawberry subsector in increasing productivity, improving strawberry quality, and meeting export standards. During early 2014, strawberry farmers worked on a cost share basis to upgrade their infrastructure and received training to support the upgrades, enabling increased production rates, improved quality, and an earlier harvest season this quarter.

Impacts this Quarter Include:

- Increase in sales by USD \$53,800 for strawberry farmers.

- Eleven (11) new jobs created at strawberry farms, 3 female and 4 are youth.
- Increase in area under new technology by 25 dunums.

Grape Subsector

USAID/Compete's staff, headed by the Projects' Senior Technical Advisor, met with the West Bank Grape Council to assess overall industry strategies and needs, and understand where possibilities for engagement may be found. The Project will look into the feasibility of introducing seedless grape value chains in the Southern West Bank.

Strawberry Scalability Program - USAID/Compete is working to scale-up strawberry production in the West Bank by replicating the demonstration farm models developed in early 2015 by the Project to introduce new technologies using hanging and computerized irrigation systems. The outcome of these demonstrations was favorable in terms of productivity and profitability; therefore, USAID/Compete is sharing its findings publicly and presenting a business opportunity for West Bank farmers and investors.

This past quarter, four more strawberry farmers in Jenin and Tulkarem have received computerized irrigation systems and other related agriculture inputs, including PVC gutters, polystyrene containers, and soil. Together, the four farmers planted 20 dunums this season with support from the Strawberry Scalability Program, one of whose success prompted him to plant an additional seven dunums next year. LOAs have been signed with an additional seven farmers (25 dunums) for next year's season, bringing the total to 52 dunums overall.

Supporting Enablers and Service Providers to Address Impediments

Meeting International Standards in Agribusiness – During this reporting period, the first ever Palestinian nursery has passed GLOBALGAP Certification, with USAID/Compete support. GLOBALGAP is an internationally recognized set of farming standards dedicated to Good Agricultural Practices. Through certification, producers demonstrate their adherence to GLOBALGAP standards in production quality, food safety, traceability, environmental sustainability, and worker occupational health and safety. During the fourth fiscal year, USAID/Compete supported the Atta Abu Rub nursery in upgrading their facilities, including the provision of seeding machinery, shading nets, and a seed washing machine, as per GLOBALGAP standards. USAID/Compete also helped to supervise an internal GLOBALGAP audit in preparation for the formal review, and assisted the nursery in finding solutions to pending compliance issues. With the Project's support, Atta Abu Rub nursery passed the GLOBALGAP external audit, and became the first GLOBALGAP certified nursery in the West Bank.

Agronomist Capacity Building Training Program

- In order to strengthen the competitiveness and export potential of key agricultural subsectors in the Palestinian economy, USAID/Compete is providing assistance to upgrade the technical experience and performance of agronomist graduates to facilitate their recruitment into enterprises working in fresh herbs, dates, carrots, potatoes, dried herbs, and olives. The project identified the urgent need for qualified agronomists to work in the above targeted subsectors based on the daily communication of the Agricultural Technical Team with the Project's beneficiaries. So far, topics covered include olive and olive oil production, farm management and export, strawberry farming, financial management, fresh herb farming, date farming, date field training, Hazard Analysis Critical Control Point (HACCP) training, and post-harvest techniques.



USAID/Compete conducted the Agronomists' field training at Osama Abu Rub's strawberry farm.

Launched in late October 2015, the Agronomist Capacity Building Training Program has been completed. In December trainees successfully completed their last theoretical session, which covered several topics related to potato and carrots farm management. In addition, the trainees were introduced to the best practices of the GLOBALGAP certification system. Lastly, the trainees concluded their last field technical sessions, that took place over a two week period, focused on strawberry, dates and fresh herbs farm management. The sessions were also attended by a number of beneficiaries that are part of the Strawberry Scalability Program. Twenty-eight agronomists were enrolled in the training program that aims at solving one of the most critical impediments that a number of key agricultural sub-sectors are facing - finding qualified agronomists to manage the productivity of local farms.

Tapping Unused Water Resources – USAID/Compete is beginning to work sector-wide with stakeholders, local authorities, and key actors to help them access and maximize the use of current water resources. This will increase irrigation to improve both the quality and quantity of agricultural products, transforming the Palestinian agribusiness sector into a globally competitive industry. The project will identify underutilized wells and transfer excess water to nearby areas including Area C.

Tammoun Water Design

Compete is supporting the Tammoun Water Design project, which will provide water from wells located at Ras Al Far'a and An Nassariya to the Al Buqea Plains. Compete supported the assessment phase and if the outcome is favorable, it will support the preliminary and detailed designs, obtaining necessary approvals. The design will provide water for around 4,500 dunums.

Introducing New Water Sources / Enhancing Access to Quality Water – USAID is pursuing treated waste water (TWW), a previously untapped resource in the West Bank, as a solution to the largest impediment for agricultural production, water shortages. Reuse of TWW is one of the few feasible means of increasing water resources and offers significant opportunity to introduce new crops for export. USAID/Compete has been working closely with the Ministry of

Agriculture (MoA) to address the challenge of access to quality water for agricultural irrigation, particularly in Area C. Compete is currently designing two projects in Area C, namely reuse of TWW in Deir Sharaf to irrigate 7000 dunums of farmland, and Al Baqea'ah Plain Project where water is transferred from wells located in Ras Elfaraa and Al Nasarieh to the Al Baqea'ah plain to irrigate 4,500 dunums. Additional Area C sites will also be selected and assessed in cooperation with the MoA based on the success of the initial activities.

Greening Jalameh

After rehabilitation and reconstruction of the Jenin WWTP, USAID/Compete established a 100 dunum demonstration site to introduce and adapt the practices of wastewater reuse for irrigated agriculture, with the final hand over of the newly installed irrigation network and seedlings having been completed in November.

USAID/Compete also sponsored a three-day theoretical and practical training on TWW use, where 22 farmers visited a number of farms outside the West Bank irrigated with TWW (citrus, olives, almond, and other fruit trees). The farmers also attended a lecture where they learned about TWW irrigation networks and soil problems related to the use of treated wastewater, and ways to adapt solutions for their land.

Using wastewater from the Jenin treatment plant, the project has worked closely with farmers and community leaders in the northern West Bank to demonstrate how treated wastewater can be reused safely in agricultural production. This quarter fruit trees in Jalameh, protected by fencing procured by the Project, received irrigated water, marking the first time a Palestinian agricultural plot of this size has been irrigated successfully using TWW.

Deir Sharaf TWW

USAID/Compete is supporting the design and expansion of the Deir Sharaf TWW plant in Nablus to provide an alternative water source for farmers in the area.

In May 2015, the Community Development Group, completed the assessment of multiple water distribution options from the TWW plant. The result of the assessment revealed four options to distribute the water from the plant to farmers; two include storage pools for reserve water and the other two include direct distribution only. All four are feasible, although the two with storage pools are significantly more expensive.

This past quarter USAID/Compete hired an expert consultant to design and implement a 200 dunum pilot demonstration site which will be planted with fig, apple, almond, olive, mango, and avocado trees.

Leveraging Partnerships - USAID/Compete is partnering with the Infrastructure Needs Program (INP) II, on the implementation of two other Area C projects. A meeting was held in November 2015 with members of Compete, USAID, and Black and Veatch (B&V), the implementers of INP II. Initial agreements were made on coordination efforts to be carried out on the two Area C projects mentioned above; the reuse of TWW for irrigation in Deir Sharaf and the transfer of water from wells to the Al Baqea'ah plain.

USAID/Compete and B&V will prepare an action plan with milestones and estimated budgets for both projects and submit it to USAID. USAID/Compete has shared the Projects' assessment reports and designs with B&V, and agreed to coordinate on implementation and administration of the projects, including the application for permits from the Civil Administration.

This meeting was followed by additional coordination with the MoA and the Palestinian Water Authority (PWA) at a meeting held on November 22, which was attended by USAID/Compete, representatives of CDM Smith (KFW consultants), the PWA, and B&V regarding the reuse of TWW from the Nablus West plant. The main objectives of the meeting were to coordinate efforts and avoid any duplication of work carried out by USAID and KFW, and to provide an update on overall progress.

Lessons Learned from the Quarter

Beneficiaries from different initiatives reported useful lessons to inform future interventions. For the production of baby cucumbers, the right variety must be used. In addition, a mix of netting and plastic for green house roofs will provide better ventilation, increasing theyields.

Planned Programs and Events for the Following Quarter

- Design and assessments around mushroom intervention.
- Design and scale-up of baby cucumber value chain.
- Designing intervention in the grape sector.
- Agronomist Capacity Building Program graduation.
- Design and scale-up the fresh herb value chain.
- Design and install solar systems to operate 40 wells.

ICT

Enhancing Market Access

Firm Level Technical Assistance Program

To date, of the 68 applications approved for the Firm Level Assistance Program overall, 21 have been in the ICT Sector.

Transcend Support. Transcend Support is a call center in Bethlehem founded in 2010. Currently the call center employs 60 agents who provide various services such as inbound/outbound calling, sales and customer acquisition, fundraising, and small software outsourcing. The company has a small management structure focused on operations, while other important components such as marketing and sales are not sufficiently addressed.

Having participated in USAID/Compete's Export Market Development Program, Transcend has undergone an assessment where major gaps in operations were identified. The chief findings stated that they are in need of a detailed call center operational assessment, and training for senior staff on industry best practices. Through an In-Kind grant, USAID/Compete and Transcend Support recruited an experienced international consultant to conduct an operational gap assessment for the call center and identify gaps, propose solutions, supervise implementation, and advise on capacity building for senior operational staff. This consultant is covering all of the elements of call center operations to transform Transcend Support into a well-recognized outsourcing service provider in the West Bank, and the region.

AD3 Studio Architectural Visualization Company. USAID/Compete signed an LOA with AD3, an animation and visualization startup providing services exclusively to the real estate and construction sectors. AD3 provides three different services that are based on a single platform called Autodesk Revit; these services include 3D visualization, Building Information Management (BIM) Modeling, and Heat/Wind/Sun/Lighting Simulation.

AD3 has begun providing services in the local market and has successfully secured a number of contracts with large customers. Unfortunately though, the local market has not adopted the standards on a widespread basis that would force developers to adopt full BIM implementation guidelines as industry standards, and thus the services provided by AD3 have not diffused throughout the industry. This is especially the case with the use of BIM modeling, which is a process involving the generation and management of digital representations of physical and functional characteristics of places.

In order to expand their business and address these challenges, AD3 must look toward regional markets such as the United Arab Emirates (UAE), while also improving their management structure. USAID/Compete will assist AD3 Studio in expanding into the UAE market by working through real estate developers as a first stage. Through USAID/Compete's support, AD3 and its staff will earn Leadership in Energy and Environmental Design (LEED) certifications and become a member of the US Green Building Council, qualifications which will help AD3 to enter the UAE market. Moreover, AD3 attended a conference in Dubai in December to build connections and sign partnership agreements with real estate developers, for which AD3 covered 100 percent of the conference related expenses.

Social Dice Company for Technology Services and Information. Social Dice is a Palestinian start-up that provides a recruitment solution for Human Resources managers. Social Dice is currently working in the West Bank, Jordan, Saudi Arabia, and UAE, but with very limited sales, staff, and resources. The company is working to establish itself as a recruitment service provider which will have a great impact on employment, exports, and contracts.

To help them expand their market and enhance the quality of their service, USAID/Compete will be supporting Social Dice in solving technical issues related to incomplete components of their software solution. The Project also supported the company's attendance of the Human Resources Summit in Dubai, the region's largest gathering of human resources professionals. The conference was an opportunity whereby the company connected with customers attending the conference. The conference was an ideal platform for learning and networking and resulted in two immediate contracts with UAE companies, generated 15 qualified leads, and four major partnerships with HR consultancy firms.

Axsos. A Letter of Agreement was signed this quarter with Axsos. Axsos is a software house with offices in Ramallah and Germany. The company works mainly with the German market, providing staff augmentation, technical support, and customized software development. Axsos relies on apprenticeship programs to increase their workforce. They have a long term training program that aims to prepare programmers for the international market, which require high standards. USAID/Compete will be supporting the apprenticeship program. The program will enable Axsos to build a qualified workforce, which will immediately affect the company's profitability.

Integrated Solutions. Integrated Solutions is an IT company based out of Ramallah, focusing on providing electronic and hardware solutions for the banking sector. Integrated Solutions are investing in adding banking software implementation to their portfolio, which is a completely new line of business for the company, and has potential to grow, with expected revenues of USD \$1.5 million in the first year as a result of introducing financial services software developed by Temenos Group AG to Palestinian banks. Integrated Solutions have signed a partnership agreement with Temenos, and this partnership agreement includes Palestinian and Jordanian markets.

Integrated solution requested assistance to train their employees on Temenos software in order to qualify the company in implementing Temenos software and applications, as per the agreement between both companies. This quarter, trainings were underway and directly conducted by Temenos in Dubai.

Infinity IT. A Letter of Agreement (LOA) was signed in December with Infinity IT which is a software provider based in Ramallah. The company sells “e-Service Desk” software packages for various sectors. To prepare the company for international expansion, USAID/Compete, through theFLAP, is supporting the company in creating the image of the service through different interventions that include: developing a branding strategy, updating its website, and developing the technical writing of the service content.

Iris Interactive Solutions. In December, an LOA was signed with Iris Interactive Solutions, a Ramallah based company that provides interactive touch screen solutions to several segments in the local market. They have recently launched a new solution called “sensory room” that aims at helping kids with autism. USAID/Compete will support the company in testing its autism therapy sensory room solution in ten local and regional locations. This will allow Iris to validate the product and the whole business idea and eventually expand in the targeted markets which include Jordan, Saudi Arabia, and UAE markets.



Children with stress disorders and autism benefit from Iris Solutions “sensory room”. Photo credit: Iris Solutions.

Smart Modern Systems (SMS). The company participated in Gitex, and used this venue to create partnerships with the UAE market and to sell directly to customers based in the UAE. A partner will represent them in the UAE, and will follow-up with leads in this market. As a result of the conference, SMS found a partner in the UAE who will represent them there. In addition, two strong leads, namely Abu Dhabi Bank and the Sharjah Zakat Committee, are guaranteed as a result of the conference. SMS will provide them with customized hardware solutions.

SAP Software Technology Training - SAP Software Technology (SAP), headquartered in Germany with regional offices in 130 countries, is a multinational software corporation that makes enterprise software to manage business operations and customer relations. The company is hurting from a shortage of certified engineers who can provide services for their global and regional

customers, opening a window of opportunity for Palestinian software firms to fill the gap. This new initiative involves qualifying software companies to provide SAP solutions, training fresh graduates on SAP technologies, and facilitating international projects for Palestinian companies.

USAID/Compete is supporting SAP in implementing its Young Professional Programme (YPP) - an intensive training “boot camp” designed to equip suitable candidates with the skills necessary to gain employment as a junior SAP consultant. Qualifying candidates who complete the YPP will be employed on SAP projects in key markets including Saudi Arabia, the UAE, and elsewhere in the Gulf mainly through locally identified Palestinian SAP partners.

The first YPP training took place in Ramallah this quarter, with participants selected by SAP from among 400 applications of college graduates sourced from Palestinian universities and companies. SAP conducted interviews and tests for the candidates and chose the best 17 candidates for participation in the program.

Export Market Assessment – USAID is supporting ICT companies to scale-up their current export activities by assessing ten companies and providing them with export market development plans. The assessment, completed in April 2015, identifies current gaps in export companies which hinder export development and create an export management structure to ease the export process for ICT companies.

At the beginning of April 2015, a Compete consultant interviewed companies to gather data for the assessment. Following this assessment, the Project conducted a study to identify product and market niches among the ten companies. The assessment will assist these companies in becoming more competitive in the international markets, enabling them to grow. Following this activity, selected companies will be supported under a cost-share scheme to hire market research companies to assist with expansion plans. The Niche Market Determination was underway as of the close of the year.

In December, a tender was issued for the implementation of recommendations for the assessment completed at the end of fiscal year four, and is expected to be awarded early next quarter.

Promoting Multinational Partnerships – USAID/Compete supports the establishment of multinational partnerships with Palestinian companies to increase exports and market access. In addition, this initiative promotes professional trained human resources.

H+W Mena

During the base period, USAID/Compete signed a grant agreement with H+W MENA, a software development company headquartered in Ramallah, to expand in the German market and to support eight women in becoming certified in sales force technology. This expansion motivated the company to open a branch in Hebron.

With USAID/Compete assistance, H+W Mena has developed an HIS healthcare System for Gulf countries. To support the development of the system, the company selected 20 interns and five professional developers to begin specialized training and initiate development of the Medical Practice Management Software System, which will manage hospital-wide operations for the Gulf countries' market.

Impacts this Quarter Include:

- H+W MENA Exports were USD \$102,000.
- One (1) job was created.
- H+W Mena signed agreements with two local hospitals generating USD \$400,000 in revenue.

ProGineer

During the base period, USAID/Compete signed a grant with ProGineer, a well-established local software outsourcing company working with PDF Solutions based in Silicon Valley to generate new highly skilled job openings. It aims to do this through training that will allow ProGineer's engineers to become the seeds for additional enhancements of PDF's software offerings. USAID/Compete also supported ProGineer to develop software on Natural Language Processing for Thompson Reuters, a large multinational organization.

Impacts this Quarter Include:

- ProGineer Exports reached USD \$69,466.
- One (1) job was created.

Al-Tariq Systems

See Gaza section for description of previous assistance and impact.

iConnect

During the base period, USAID/Compete facilitated iConnect, a Palestinian software company specializing in outsourcing and consulting, in developing two partnerships with international companies working in healthcare and retail e-commerce.

Impacts this Quarter Include:

- Exports reached USD \$120,483.

Jaffa Net – projects with Intel (PETS and SCS) and head up tribe

USAID/Compete previously supported Jaffa Net Company to develop a Head UP application that blocks applications at specific times as well as facilitated a project with Intel: Platform Enablement Test Suite "PETS."

- Jaffa Net: USD \$97,266 in export revenue (as a result of the PETS and SCS project with Intel).
- Three (3) new jobs created: 2 are youth.

Introducing Export Managers – USAID/Compete supports companies with acquiring technical experts in export management who will assist and enhance companies' abilities in reaching international markets.

Al-Andalus Software and Information Technology

During the base period, USAID/Compete supported Al-Andalus Software and Information Technology firm (ASD). Al-Andalus brought an export manager into their team for the Saudi Arabian market to increase ASD's regional export sales and develop into a regional software development company.

Impacts this Quarter Include:

- Al-Andalus generated exports with a value of USD \$8,000.

Fostering Strategies to Improve Human Resources and Services

Developing New Sector Services – USAID/Compete is developing new value chains in the market capacity to introduce services and tap the highly-skilled ICT workforce within the Palestinian software sector.

Gaming and Animation

Gaming and animation, a USD \$170 billion global industry with an annual projected growth rate of 10%, offers strong potential for Palestinian professionals to enter in the previously untapped industry.

On April 15th, 2015 Compete held a follow-up meeting with the animation task force to discuss ways to increase the capacity of local talent in the market. The task force will provide a full proposal and draft budget for the Animation Lab program. Compete will also arrange meetings with PMDP-DFID to determine possible cooperation under this initiative.

eGovernment to Improve Business Services

USAID/Compete seeks to improve “eGov” services to reduce the burden of operational necessities, such as registrations, for Palestinian companies. Currently, the government relies largely on separate IT systems and manual operations, lagging behind most of the world using quicker technology-based systems. In partnership with the Palestinian IT Association (PITA), and in collaboration with the Office of the Quartet, USAID/Compete seeks to develop e-services and encourage policy changes to improve these resources for Palestinian companies and citizens, leaving more time to focus on growth. This partnership will result in many benefits such as improving services for Palestinian citizens, and most importantly developing the ICT sector to develop advanced solutions. An assessment and business analysis was completed for ten e-services to determine the best business model. A position paper was developed and presented to the council of Ministers.

This quarter, the Palestinian government endorsed the commencement of these 10 online public services as part of its efforts to shift to e-Government services. The cabinet endorsement was captured by several local media outlets.

Global Entrepreneurship Week (GEW) – As part of GEW activities, (Compete hosted three local events for the Palestinian startup ecosystem during the week..

More than 140 countries participated in the Global Entrepreneurship Week, an initiative that is claimed to be the world’s largest celebration of the innovators and job creators who launch startups that bring ideas to life, drive economic growth, and expand human welfare.

The three events Compete hosted brought resources and connections to the full spectrum of the IT and entrepreneurship ecosystem, from workforce development for youth to access to markets for established companies. The three events included:

- November 19th: USAID/Compete hosted the Palestinian Internship Program which spoke about the third Cycle of their internship program for Palestinian youth with established international hi-tech companies and startups.

- November 19th: Compete hosted a session dedicated to raising awareness about the new and improved programs available through USAID/Compete assistance to the Palestinian IT ecosystem, from connections to apprenticeship and internship programs to access to finance and market support via the Firm-Level Assistance Program.
- November 20th: Compete hosted expert hi-tech and startup lawyer Mr. Abed Nashef, of GKH Law Firm in Tel Aviv, who spoke to entrepreneurs about common legal pitfalls that may sink a startup, in addition to advice on founders' arrangements, company incorporation, and IP protection.

Impacts this quarter include:

- Applications through FLAP due to participation in GEW.
- Applications were received for the Palestinian Internship Program.

Support to Start-Ups and Accelerators –

LEADERS - eZone

During the base period, USAID/Compete supported the development of a new accelerator, eZone, by providing mentorship, consultancies, and short term employment for startups. USAID's support of eZone has enabled an environment attracting foreign companies to open offices in West Bank. Recently, USAID/Compete has awarded a grant to LEADERS to support them in adding a program manager for a defined period of time who will build their business development capacity that in turn will support revenue generation, and assist with the operational costs of the technology park. The grant will also support Leaders in becoming operationally sustainable by 2017.

USAID/Compete has worked with LEADERS in the past to support the creation of a startup incubator hub, or eZone that acts as a center for the West Bank's growing technology entrepreneurship community by addressing some of the key constraints and challenges faced by the community members. In less than a year, eZone has helped 32 entrepreneurs start their businesses and grow 16 existing technology companies. These entrepreneurs have subsequently created 111 job opportunities for programmers, designers, and business professionals. By providing incubation space for technology enterprises and a multipurpose hall and a café, LEADERS' technology park facilitates formal and informal community gatherings, trainings, and events.

Impacts this Quarter Include:

- One (1) new startup developed a product: Mashvisor.
- Nine (9) jobs were created at eZone startups, all youth.
- Mashvisor: a startup product started by youth.

Start-ups that joined LEADERS:

- **Arabi Auto:** A website for cars that guides you through the process following the purchase of a car.. Through ArabiAuto you can connect through your bank account, buy the car you picked online, and contact an insurance company. You can also compare the car and choose the one that suits you. The costs are also very competitive and are the cheapest in the region. The website is expansive and the first in the Arab region. Arabi Auto is starting from the West Bank and Jordan, but aiming to reach all the Arab countries.

- **Elite Wedding Invitations:** EWI is an online platform that helps newlyweds personalize their feelings into their wedding invitations.
- **Dumps:** Dumps stores your notes, memo, shopping list, tasks, to-do list, files/documents, and shorter URL on more organized, faster and secure location. Provides access to your data everywhere you go, even on a handheld device.
- **Pal 4:** A Digital Marketing Company that provide marketing consulting services to companies in different fields from the Middle East and Europe.
- **Bayyanat Express:** It is a Microsoft Technologies Stack leading consulting firm and systems integrator in the West Bank specializing in Information Worker solutions, Business Process Automation, Integration and Application Lifecycle Management. Their services are tailored towards Microsoft technologies and leverage SharePoint technologies to provide customers with a structured and unified solution for their business needs.
- **Mashvisor:** Mashvisor was established in 2014 with the aim of providing real estate investment data analysis to real estate investors. The mission of the company is to automate and analyze nationwide real estate data to empower investors to find Traditional & Airbnb investment properties and optimize their rental performance.

Supporting Enablers and Service Providers to Address Impediments

Component B - Creating a Technical Transfer Company (IBDAA) – USAID/Compete is bridging a gap between academia and the private ICT sector through the establishment of a new tech transfer company. Despite the natural connection between industry’s demand for solutions and academia’s ability to provide R&D support, Palestinian universities and the private sector do not have a collaborative dynamic. Both universities and the private sector use R&D to generate new solutions to market problems, increase industry performance, and add value to the market through supporting the introduction of new products.

To tackle this problem, USAID/Compete has partnered with four local universities to create the first technical transfer company (IBDAA) to promote research and development activities between the private sector and academia to help solve market failures and spur innovation among Palestinian youth. The four universities leading this initiative are, The Arab American University (AAUJ), Najah National University (ANU), Polytechnic University (PPU), and Al-Quds University. The four universities established and registered IBDAA as a company to run and manage a program that supports innovative project ideas that offer creative solutions to industrial problems and that capture market opportunities.

This quarter IBDAA selected 10 of the most promising start-ups, based upon certain pre-determined criteria for commercial profitability and the jury’s recommendations. So far, seven are registered with the Ministry of National Economy to begin formal operations.

USAID/Compete is further assisting the implementation of IBDAA's incubation/acceleration program’s incubation period. This four to six month period allows selected participants to develop a working prototype of their ideas and attempt to commercialize it. This reporting period, USAID/Compete awarded a grant to AQWA Company for Control Systems from Al Quds University to support the development of their prototype, a remote water quality and safety monitoring tool. Specifically, the grant will allow for the procurement of sensors, controllers/Arduinos, transmitter and receiver circuits, transportation, stipends for team members,

and the cost of an event. Also under this grant, the university's cost share includes provision of office space, labs, test devices, and computers for the team.

USAID/Compete also awarded a grant to a second IBDA start up this period, InterJoy Company for Interactive Solutions. Interactive Stories is a mobile application developed by InterJoy targeting autistic children between the ages of five and 12 which serves to help improve their interactive functioning and social development. Based on similar types of interactive applications they developed for child victims of trauma, the application will feature a role play story that interactively enables users to control the events and use their perceptions, desires, intelligence, and feelings to move through the story. After the prototype for this application is complete and fully operational, the plan is to target higher age ranges as well. The grant provided by USAID/Compete will help with the procurement of laptops, tablets, website server registration, printouts and brochures, transportation, and salaries for team members.

Impacts this Quarter Include:

- Three (3) new startups were created, (Ektashef, Traffic Guard and Intilaqa)
- Seventeen (17) jobs were created at Ibda' startups
- Dura Municipality signed an agreement with Intilaqa (a startup in the field of Intelligent electricity systems specialized in developing and configuring the market needs and recycling old versions of meters); this system will enable Dura Municipality, other electricity distribution companies and municipalities to better manage electric power and assist them in solving the issue of debt and providing them with advanced interactive services with consumers. Capital raised in relations to this agreement equals to USD \$ 35,100
- Four IP Sessions were conducted in four universities

Palestinian Internship Program (PIP) - The Palestinian Internship Program (PIP) unofficially launched in October 2013 and officially incorporated as a 501(c)3 registered non-profit organization in Delaware in January 2014. The program was founded by Yadin Kaufmann, an experienced investor in Israeli start-ups and the co-founder of Sadara Ventures, the first venture capital fund investing in Palestinian high-tech. By October 2015, the program had completed two pilot rounds supported by USAID/Compete. PIP endeavors to address market failures related to Palestinian workforce development and high-tech employment by providing high-level internships for young graduates at start-up and multinational companies based in Israel. The idea that underscores the program is that by providing these internships to young Palestinian professionals, PIP can provide a framework that helps keep Palestinian techies in the field and gain crucial professional skills by exposing them to a highly developed high-tech economy. In other words, PIP seeks to help young professionals "leapfrog" the current state of the Palestinian high-tech economy and to instill in them the know-how they will need to grow Palestinian companies.

Following the success of their six month pilot, PIP is developing recruitment, alumni, and monitoring and evaluation systems in order to manage relationships, measure results, and ensure program effectiveness. The success of the program is dependent on solid relationships within both the Palestinian and Israeli hi-tech and startup communities, effective marketing of the value proposition for Israeli companies to take on an intern, and data-driven identification of key skills required to succeed in the hi-tech ecosystem matched with willing hosts. Compete is supporting the Palestinian Internship Program with a Fixed Award Amount (FAA) Grant, enabling them to conduct the third and fourth cycles of their internship program.

Lessons Learned

Introducing a multinational company such as SAP is considered an efficient way for market development. Clearly, the most important component in this process is to convince the multinational company to invest time and resources in high-risk areas. SAP turned out to be a great success. In addition to the direct impact of training seventeen fresh graduates, several ICT companies are now considering investing time and money in exploring adding new skills (SAP) to their portfolio and using it to expand into regional markets. USAID/Compete will continue with the same approach, exploring opportunities with companies similar to SAP, such as Oracle, Microsoft and others.

The Palestinian Internship Program (PIP) in coordination with USAID/Compete continues to refine their programmatic approach to assess performance and effectiveness and address the challenge of optics and recruitment.

Planned Programs and Events for the Following Quarter

- Conduct a Business Marketing and Sales training for SME companies.
- Market research for seven firms.
- SAP training graduation.
- Ibdaa fundraising event.
- Universities Capacity Building Session (Business Planning and Financial).
- “How to Score VC Funding” Session.

STONE AND MARBLE

Enhancing Market Access

To date, of the 68 applications approved for the Firm Level Assistance Program overall, 13 have been in the Stone and Marble Sector.

Abu Kamil Automatic Block Factory. USAID/Compete is addressing the issue of stone waste by supporting the gradual transformation of the industry toward the use of business solutions for “dry sludge” and “liquid sludge,” thereby creating commercially viable and environmentally conscious new products out of previously un-utilized stone production waste.

Creating these competitive new products will lead to business opportunities that could be targeted in local markets; with this vision in mind, USAID/Compete is working with Abu Kamil Automatic Block Factory as a pilot program to produce light weight foam based concrete blocks using liquid slurry produced during the stone cutting process. As of the end of this quarter, the equipment for the small scale pilot production line has arrived at port and is awaiting clearance.



USAID/Compete is supporting Abu Kamil Block Factory in the procurement and installation of a small scale pilot production line for light weight concrete blocks made from slurry stone waste.

Pending investment in a complete production line, USAID/Compete assistance will have remarkable impact on the factory as well as 20-25 other small and medium producers in Nablus Governorate since the factory will be selling through these standard distribution channels.

Al Aqsa for Marble. An LOA was finalized with Al-Aqsa for Marble Company this quarter. USAID/Compete will support the company in revamping their marketing; developing a new promotional image, logo, and catalogue design; and conducting a study on the South Korean market. A sample catalogue has already been designed. The service provider will then finalize the catalogue based on feedback from the USAID/Compete's communications team.

Fonoun Arts of Carved Stone. Fonoun Arts' application for firm level support was approved by the panel this reporting period. USAID/Compete will support the company in their participation at a Tel-Aviv trade show hosting professionals in the design, construction, and building industries. The Project also approved support for the purchase of six online market studies for the US, Canada, UK, UAE, Israel, and Spain markets to facilitate their export potential. The studies will provide the company with critical information about these markets, including where stone is being sold, names of buyers, distribution channels and other important information for companies to start targeting those markets for exports.

Fonoun Arts' is the first Palestinian company to invest heavily in high tech equipment for the creation of new high-end value products, such as stone products carved using computerized machinery. Winning an award at the recent Middle East Trade Show is a testament to the standards of quality Fonouns Arts's aims to achieve. USAID/Compete will continue to support them in reaching clients regionally and globally. In the coming quarter, work will be underway to conduct market studies of the US, Canada and UAE specifically. The studies will provide contacts and information for major players and recommended actions. The impact of supporting Fonoun Arts' is creating a positive image of Palestinian stone in export markets, increasing profits, and benefiting other players in the value chain of the stone sector.

Techno Fonoun. The Project's firm level review panel also approved Techno Fonoun's application for support, wherein USAID/Compete will provide technical assistance for the installation of a high-tech laser printing machine, as well as a water recycling system for capturing the water released during the production of carved stone in order to contain, filter, and utilize it for production reuse. In addition, Techno Fonoun will abide by environmentally friendly practices. Techno Fonoun is working towards the introduction of new products and sub-sectors by introducing 3D printing on stone, glass and marble, a first for Palestinians. The innovation will impact the sector by increasing employment and the introducing tourism based products.

Sharabati Modern Company. Sharabati Company produces slabs, outdoor tiles, indoor tiles, and cut-to-size building stone. USAID/Compete will provide technical assistance through supporting a new Materials Management, Image, and Bar Coding System for the company and will conduct a full electrical audit to enable the company to determine the best way to reduce electricity costs. The Project will also support their participation in the Coverings tradeshow in the US that should yield high value results, including the establishment of new contracts. The company plan on the following actions in the next quarter:

- Procuring a new Materials Management, Image and Bar Coding System for the company.

- Conduct a full electrical audit.
- Participation in the COVERINGS trade show in the USA.
- Product testing at the Council of North America.

Saba' Stone Company. Saba' Stone specializes in both slabs and building stone of several colors. As a result of the company's recent participation at the Middle East trade show with USAID/Compete support, the company secured exports to the UAE market for the first time and also met potential clients in new markets. Market expansion will require control over the production process, as well as quality control, which can be helped by the recruitment of a production and quality control expert.

As a new exporter to the Gulf market, Saba' is also planning to diversify its product portfolio to attract new customers. The company will obtain an antique vibrating machine which gives newly cut stone an aged look, adding to its value in the market. The procurement process that USAID/Compete will support through a cost share will commence next quarter. USAID/Compete will also support the company in developing and updating their branding and promotional materials, which may include the company's website and catalogue.

Impacts this Quarter Include:

- Exports as a result of Middle East Tradeshow reached \$65,000.
- One (1) new market accessed: UAE.

Yaboos Company. Yaboos is specializing in a wide variety of operations in the field of stone and is considered a specialty producer of decorative and antique tiles for indoor designed based applications and outdoor decorative areas. The main challenge facing stone companies is their ability to access new markets; especially as the majority of producers rely on Israeli companies to market their products on their behalf in the global market. USAID/Compete, through the Firm Level Assistance Program, started working with Yaboos Company to develop their promotional materials to attract customers and be better positioned in new markets. Activities with Yaboos are underway with the aim of enhancing its marketing channels and building the company's identity by developing a new theme for its brand that will be reflected across its publications and promotional tools.

BTIC. BTIC is an importer for stone sector machinery and spare parts. USAID/Compete will support the installation of a barcode system to help them with their inventory management. A site visit took place last quarter, and their application was approved in November this quarter.

Palestinian Construction Guide. The company provides services to the industry, connecting companies with clients, advertising, and business service support. This quarter, the company applied through the FLAP to upgrade their website so that they will be better equipped to provide essential services to subscribed companies. In addition, marketing personal will be hired through this intervention.

Mohammad Arafat and Partners for Stone and Marble. USAID/Compete will be supporting the company in conducting product_specifications tests.

Component B – The Union of Stone and Marble (USM)

The Union of Stone and Marble (USM), the national industry representative, offers services related to trade, exports, standards, capacity building and education for members. USAID contributes

technical assistance and periodic funding to help expand their spectrum of services, empowering them to better assist beneficiaries and tackle industry issues.

USAID/Compete will further engage USM to develop a new program through local education centers and service providers to create a marketing, sales, and development program targeting recent graduates in the sector. This initiative will address one of the many gaps in the stone sector and will especially focus on women's participation.

PalTrade

USAID/Compete supports PalTrade, the official Palestinian export agency, in expanding the export horizons for stone and marble businesses. In particular, PalTrade assists with coordinating trade show participation and providing market information useful to the industry.

Compete is engaging PalTrade through FLAP to connect beneficiaries with new information needed to develop marketing plans and export potential.

Stone and Marble Trade Shows – USAID supports the Palestinian stone and marble sector's participation in international trade shows as exhibitors to showcase the range of unique products the West Bank has to offer and to learn about industry demands.

Middle East Trade Show 2016

This reporting period, USAID/Compete awarded a grant to PalTrade to support the participation of six stone companies to exhibit at the Middle East Trade Show in 2016, building on past successes in this field. The companies that will participate in the trade show include: Verona Company for Marble and Industrial Investment, Fonoun Arts of Carved Stone, Sukhour Al-Quds, Al Raedah Investment, Al Anan Company for Marble and Stone, Al Madina Stone Investment. Al Anan also plans on participating in the upcoming Xiemen Stone Fair in China.

Impacts this Quarter Include:

Al Anan

- Exports as a result of Dubai Big 5 tradeshow reached \$87,963.

Verona Marble and Industrial Investments Company

- Exports as a result of Verona participation at the Marmomacc tradeshow reached \$274,330.
- Exports as a result of the Dubai Big 5 tradeshow reached \$65,000.

Al Waleed for Cutting Stone and Marble Company

- Exports as a result of Dubai Big 5 tradeshow reached \$174,152.

Al Omraniyeh Group Company

- Exports as a result of Dubai Big 5 tradeshow reached \$314,695.
- Four (4) new jobs created, one (1) female and all are youth.

Halaika

- Exports as a result of Middle East Tradeshow reached \$200,000.

Al Madina Stone Investment

- Exports as a result of Middle East tradeshow reached \$150,000.
- Two (2) new jobs created – 2 are youth.

HL Jerusalem Stone

- Exports as a result of Middle East Tradeshow reached \$50,500.
- Three (3) new jobs are created, all female youth.

Promoting Value-Added Products – USAID is targeting firms in the stone and decorative/handicrafts subsectors to develop new value-added products. This new initiative seeks to develop desirable products to increase the visibility of the subsectors both locally and internationally.

Fonoun Company for Carved Stone and Marble

Impacts this Quarter Include:

- Local Sales \$42,851.
- Exports to Israel reached \$7,575.
- Two (2) new jobs created, both are youth.

Strengthening High Value-Added Products, Services, & Technologies

Sludge New Products and Facilities – USAID/Compete is addressing the issue of stone waste by supporting the gradual transformation of the industry towards the use of creative business solutions for ‘dry sludge’ and ‘liquid sludge’ - thereby creating commercially viable new products and creating positive practices that address environmental issues. Creating environmentally conscious and competitive new products will lead to business opportunities that could be targeted in local and international markets; geared with this vision USAID/Compete is working with Abu Kamil Automatic Block Factory who will be producing a unique product which is the light weight foam based concrete blocks using liquid slurry produced during the stone cutting process.

This quarter, after the completion of the needed procurement procedures of the machine for the production of lightweight blocks, the machine was released after finalizing all needed requirements for clearance which will allow the company to start preparing for producing light weight products for testing and piloting purposes in January. The samples will be produced based on market requirements and needs. Once these pilot samples are produced, they will be sent to an independent testing center for quality assurance. Depending on the results, Abu Kamils’ factory will then proceed with steps for full-scale production.

Lessons Learned

Techno Funoon. Market demand whether for local, international or regional markets need decorative stone work, and high quality design based products, thus making it important to support such investments. Support will make a difference to the sector as due to the demand in international markets; companies should maintain good relations with major clients, including those located in Israel.

Tomb stones, one of the niche products targeted by Techno Funoon, have a large market and potential for expansion as a new product. Preparation can be done on site at the factory and ship for export as a high value product ready for use.

To address gender issues in the Stone and Marble Sector, new product development and higher value products should eventually hire women designers. Traditional stone extraction and cutting do not readily hire women, hence the importance of supporting investments such as Techno Funoon.

Planned Programs for the Following Quarter

- Assessment of local machine producers to identify needs and areas of support.

TOURISM

Enhancing Market Access

Firm Level Assistance Program

To date, of the 68 applications approved for the Firm Level Assistance Program overall, six (6) have been approved in the Tourism Sector.

Grand Hotel. Hotels in the Palestinian territories are seeking assistance in conducting full assessments of their operations and in developing business plans so that they will be able to evaluate their market performance to include competitive analysis, price positioning, and market segment penetration. In response to this need, USAID/Compete signed an LOA with the Grand Hotel in Bethlehem this reporting period. With Project support, the Grand Hotel will develop plans that will, through the process of their development, help design operational and management plans to achieve business success, maintain focus, enlighten decision makers, and answer questions, especially those related to finance issues. The Project has already prepared for the agreement and procurement requirements, received vetting approval and will proceed with award early on in the coming quarter.

Orient Palace Hotel. USAID/Compete will be providing Orient Palace Hotel with comprehensive hotel management software. This system is expected to enhance business operations among these hotels, which will help reduce operational costs, increase their operational capacity, grow the number of clients, expand to new markets, and generate higher revenue. The system will also enable beneficiaries to update and maintain their records, enhancing their managerial and decision-making capabilities. Finally, the software solution will help them to organize their procurement and compliance procedures, eventually enhancing their performance in all aspects. The LOA for the Orient Palace Hotel was signed, procurement was completed, and implementation kicked off in December.

City Inn Hotel. A Letter of Agreement was signed with City Inn Hotel to support them installing a comprehensive property management software system. The system is expected to enhance the hotel's business operations, which will help reduce operational costs, increase its operational capacity, increase the number of clients, expand to new markets, and generate revenues.

Traveller Experience Tours (TE- Tours). TE-Tours is a start-up tour operator based in Jerusalem, and a member of the Holy Land Incoming Tour Operator Association (HLITOA), Arab-Brazilian Chamber of Commerce, Skal International, and the Institute of Travel and Tourism-UK. TE-Tours works on inbound tourism, and seeks to diversify the offerings to tourists visiting the Holy Land. It is distinguished by its flexible programs built around various types of requests and visits, with its main established markets being Portugal and South America. Moving forward, TE-Tours' plan for 2016 focuses on expanding their services further in two markets: Spain and Brazil.

With the ultimate goal of supporting the tourism sector and helping them expand and increase their sales, the Project's firm level review panel approved support and signed an LOA. TE-Tours will participate at the FITUR International Tourism Trade Fair which will take place in January 2016 in

Madrid, Spain. Through USAID/Compete's support, TE-Tours' participation at FITUR will help them improve their network, promote their services to the Spanish market, and enhance their relations with key clients.

Laila Tours and Travel. The Project's Firm Level Assistance Program review panel approved assistance to Laila Tours this reporting period. Laila Tours have been providing quality tours and pilgrimages to the Holy Land, Jordan, and Egypt since 2006, and also provide outbound ticketing services for residents and visitors to the Holy Land. USAID/Compete will be supporting Laila Tours by deploying new systems to manage and improve their financial capacities and sales plans. The project will also help the company translate the content of their website from English and Arabic into Spanish and French to help enhance their outreach to the French and Spanish markets, two of their major client bases.

Samara Tours. USAID/Compete previously supported Breaking Bread Journeys, a unique Palestinian-Israeli tourism initiative that was officially launched at the World Travel Market (WTM) in London in November 2013. The initiative has gained major success and attracted international recognition from media outlets all over the world, from Europe to the U.S. The founders were also nominated for the Women of the Year award in August this year by Myself Magazine, a German subsidiary of Conde Nast. USAID/Compete had supported this initiative as part of its strategy to offer more equitable tours in the region, and had worked with the tour operators Christina Samara and Elisa Moed on a toolkit to aid in replicating the enterprise elsewhere. The Marketing and Product Development Toolkit provides step by step information for tour operators to develop new or improve existing joint tourism products. As a practitioners guide, it covers testing, pricing, advertising, and developing a marketing strategy.

Impacts this Quarter Include:

- Increase in revenue by \$41,128.

Challenges this quarter:

- Due to the political situation Mrs. Samara indicated that several individual tourists and two groups have cancelled their tours after October 2015.

Assessment of Local Tour Operator Capacities - In the Tourism Sector, there are several tour operators with specific clientele interested in religious tourism. The bulk of the packages sold by these inbound operators are comprised of visits to key religious sites around the Governorate of Bethlehem. One of the main challenges hindering their growth is their inability to connect to new clientele and bring travel vendors to the country. As a result, USAID/Compete is working to support local tour operators to scale up their sales in international markets and to expand to new markets based on specific market segments and niche product offerings. In order for these firms to grow and in-turn help expand the Palestinian tourism industry, local tour operators need to expand their current itineraries and diversify their offerings in order to attract new tourists and new markets.

USAID/Compete completed an assessment of the capacity of specific Palestinian tour operators that provides an analysis of identified company strengths, gaps hindering international sales and expansion, and possible opportunities for expansion into international markets in a more efficient, simplified and cost effective way. Fourteen tour operators were assessed to support them in

generating leads with international buyers, which will allow them to penetrate new markets and increase their sales.

The assessment by Tourism Specialist Judy Karwacki included a product development and marketing action plan to help mitigate challenges facing the tourism sector as identified by her analysis. Priority actions include:

- Providing support to Islamic tourism development;
- Support for trade and road show participation;
- Firm level assistance to complement the destination level product development and marketing actions;
- Development of a contact database for the faith markets; and
- Development of an e-marketing platform integrating a website for HLITOA and individual sites for members.

In December, USAID/Compete shared with HLITOA and respective tour operators their individual rapid assessments and a comprehensive report, which includes the aggregated findings and recommendations. The report will assist each tour operator to compare and benchmark themselves with the Palestinian tourism sector and better understand the industry trends, areas of improvements and opportunities to transform the sector and their companies into more competitive businesses.

Hotel Classification Standards –The hotel classification system was highlighted as a key tool to create clarity regarding the quality and standards of facilities, products and services that are offered to visitors, guests and tourists. The development of the classification system was agreed upon and completed by the Palestinian Hotel Classification Joint Committee (PHCJC) which includes members of the private sector, Arab Hotel Association (AHA), Holy Land Incoming Tour Operator Association (HLITOA) and the Ministry of Tourism and Antiquities (MoTA). Subsequently the USAID/Compete Project supported the implementation of the system resulting in the classification of 33 hotels to date.

USAID/Compete is planning a training program for hotel classification auditors on Palestinian classification standards. This training will enhance the technical skills and capabilities of these auditors to ensure that the hotel classification system in the Palestinian Territories is being implemented against appropriate standards. In December, a meeting took place between the USAID/Compete team and the MoTA to discuss details of the planned training where Compete shared a draft from the Terms of Reference with the Ministry and it is anticipated that the training program will start in January of next quarter.

Developing a Tourist Information System – USAID/Compete supports the growth of commercially viable, privately run, comprehensive visitor information systems in the West Bank. Palestinian information systems are a critical component to attracting adventure tourists and cultural travelers and were previously primarily dependent on public or donor funding to operate. As a result, service is frequently interrupted due to funding cuts and information is rapidly outdated given the meager operational budgets.

VisitPalestine

VisitPalestine, an online destination travel guide, was selected to be developed as a commercially viable resource to guide foreign and local visitors in Bethlehem and the Holy Land. VisitPalestine is

expanding their resources for tourists by establishing a tourist information office (TIO) in the heart of Bethlehem with staff speaking nine languages, redeveloping their website (www.VisitPalestine.ps in English, Arabic, Spanish, and Italian), and developing a mobile application to help visitors with special features such as planning, booking, maps, and city guides. The company was supported under a grant that ran until August 2015.

Website. In this past reporting period, the new website has been launched and is now live at www.visitpalestine.ps. Some final debugging is underway and along with final development and testing of the online shop.



A screenshot of the new website, which includes new content, an online store, and much more.

Audio Guides: All audio guides (English and Arabic) are completed and ready to be placed on the smartphone application once completed.

Smartphone application. The development of the travel guide started in November and is expected to take 8-10 weeks. The final product will be a smart-phone travel guide for both iPhones and androids. The contract for the development of the app was divided between two companies. Openxcell (US company based in India) is developing the application (designs and development). Progressus Marketing (the company that developed the new website) will be working with Openxcell on developing the API and web services for the project. This will enable the application to read directly from the website using a single back end.

Bethlehem audio guide.

- The content for the Bethlehem Audio Guide (hop on hop off) is well underway. Overall, nearly 40 points of interest and 10-15 stories are being developed in English.
- The route of the tour has also been developed and timed on multiple trials to calculate the length of each audio segment ensuring that it corresponds.
- Once content is finalized, a few trial drivers will be needed and then the full recording of the guide will be completed in English. Upon successful completion of the guides in English, we

will commence translation into the other languages (5 in total) and then proceed with recording.

VisitPalestine Tours. The information center has just launched a new weekly tour (2 departures per week) within the Bethlehem Old Quarter area. The BQT tours have taken place 4 times so far and had 24 participants in the tours. This customized tour, included the training of 3 Tour Guides who committed to work with VisitPalestine on launching these weekly scheduled tours.

VisitPalestine is currently working with other tour guides in Jerusalem and Jericho in an effort to launch these weekly tours in these destinations as well.

Gift Shop.

- The gift shop will be participating in several planned bazaars this upcoming year.
- List of suppliers has grown to nearly 70 artists and craftspeople.
- The Online Shop is under testing and will be launched within the month (full online order processing and shipping).
- Currently working on launching the VisitPalestine product Brand. Special packaging and themes are being planned for 2016.

Impacts this Quarter Include:

- Increase in number of hotels/ tour guides: 9 (6 hotels and 3 tour operators).
- Increase in revenue by \$61,500.

Strengthening High Value-Added Products, Services, & Technologies

Improving Visitors Mobility - Developing Innovative Interpretation - USAID/Compete is supporting the development of products to improve tourist mobility in the West Bank.

Interpretation panels and civic maps enhance tourist experiences by highlighting important historical and cultural information or guidance at key sites. USAID/Compete worked with the Center of Cultural Heritage Preservation (CCHP) on urban rehabilitation efforts in and around Bethlehem, Bethany, and Burqin. The interventions are improving urban planning, zoning, and beautification to introduce new and improved Palestinian products and services for an enhanced tourist experience. Final hand over took place for the installation of 22 interpretation panels in the walking trails of Bethlehem, three panels in Burqin, and two in Bethany old town. The interpretation panels are installed at main attractions. The ultimate goals are to promote each site, encourage visitors to explore these attractions and provide a more stimulating visit.

- Two (2) Interpretation panels were installed in Bethany.
- Three (3) Interpretation panels were installed in Burqin.
- Seventeen (17) interpretation panes were installed in Bethlehem.

Rehabilitating Urban Sites and Upgrading Tourism Infrastructure - Working to build the full “destination eco-system” for key tourism sites in the West Bank, USAID/Compete has improved several tourism sites and trails including urban rehabilitation works in important historical locations in Bethlehem, Burqin, Bethany, Battir, Beit Sahour, and Jericho.

This reporting period, USAID/Compete has conducted field visits to assess future renovation activities in locations determined as priority renovation sites by the Ministry of Tourism and

Antiquities, Beit Sahour Municipality, Bethlehem Municipality, Burqin Village Council, and Battir Village Council. The technical team has conducted their due diligence to assess these sites and determine which of them are eligible for support from the Project. The final list of six sites was selected by the Ministry of Tourism and Antiquities and evaluated by the Compete Project. A final decision will be made next quarter after consultation with USAID. USAID/Compete has also conducted an evaluation of potential contractors to carry out renovation works, through a review of their expressions of interest. The Project anticipates starting renovation work on priority sites by next quarter.

Impact from Site Renovation Interventions:

Number of visitors from 1/10/2015- 31/12/2015:

- Burqin Church: 250.
- Bethlehem Gallery: 1232
- Al Karmeh restaurant: 11 events, 750 customers and \$29,786 in revenues.
- Public toilet in Bethlehem: 960.
- Beit Sahour Parking: 163,100 (3,262 buses) and 97,860 NIS in revenue.

Fostering Strategies to Improve Human Resources and Services

Supporting a Hospitality School – In conjunction with the curriculum developed for Bethlehem University, USAID/Compete developed plans for a Hospitality School modeled after the Amon Hotel School in Amman, Jordan. Plans for the school incorporate key findings from previous assessments, including geographic demand. The school will increase industry standards and the attractiveness of careers in the hospitality sector to Palestinians. In this reporting period, a grant was signed with Bethlehem University to start the development of an architectural design overview of the hospitality training school at Bethlehem University's Mount David site.

Lessons Learned

Visitor confidence in visiting the West Bank as a safe destination has decreased in recent months. In order to counter this there is greater evidence of the need for a public-private representative body to lead efforts in marketing and branding the destination, and working with partners to build confidence on behalf of the destination.

Planned Programs for the Following Quarter

- Kick off the site renovation works.
- Process Gaza FLAP tourism applications.

ALL SECTORS

Private Sector Investment Leveraged – Since the beginning of the Compete Project, the M&E team has captured the value of capital investments from our partners leveraged as a cost share from Project activities. In the first quarter of the fifth year of the Project, the private sector has invested \$2,916,986 with the following sector contributions:

Agriculture: \$2,008,615.

ICT: \$656,000

Stone & Marble: \$ 252,371

Tourism: *To be captured in upcoming quarters.*

Note on ICT Investment: It is worth mentioning that in the case of service companies, and in particular outsourcing companies, these companies invest in talent and skills in order to make each employee a "production unit" or a revenue generating unit. The value of these companies stem from the overall knowledge and experience the company gains from developing these resources. Intangible assets are hard to estimate; the private sector investment leveraged under the ICT sector includes employees in mergers and acquisitions as well as employee value added per company. The formula in this regard is to multiply new jobs created under the ICT sector by \$40,000.

LEVERAGING PARTNERSHIPS

Coordination on Area C Water projects

A meeting was held this quarter with USAID, members of Black and Veatch (B&V) and Compete Project staff to agree on coordination efforts to be carried out on two "Area C" projects - the reuse of treated waste water for irrigation purposes in West Nablus (Deir Sharaf), and the transfer of water from wells located at Ras Elfaraa and Al Nasarieh to Al Baqea'ah plain. Compete and B&V will prepare an action plan with milestones and estimated budgets for both projects within the next 10 days and submit to USAID. Compete has shared the projects' assessment reports and designs with B&V, and agreed to coordinate on implementation and administration of the projects – including on the application for permits from the Civil Administration.

GAZA

Firm Level Technical Assistance – USAID/Compete has began the roll out of its initiative to provide technical assistance to exporting and non-exporting firms in Gaza to increase financial, management, and marketing capacity. All firms undergo an assessment and, if selected, receive targeted support under three components: technical assistance, provision of equipment and inputs, and workforce development.

The firm level technical assistance program was officially launched on Sep 8th 2015. Between October 1st and December 31st, the project held several information sessions and workshops with the unions and cooperatives of targeted sectors to identify their needs, and to agree upon mechanisms of communication and cooperation between the Project, the Unions and their members. USAID/Compete continued to receive and assess new applications under FLAP. 412 applications were received since the beginning of the Gaza program [September] to the present. The pipeline is distributed as follows:

	Total Applications	Approved Cases	Rejected Cases	Resubmission Cases	Excluded Cases
Agriculture	215 ¹	34	16	0	0
Fish	8	4	0	0	1
Furniture	69 ²	20	0	1	1
ICT	48	7	3	0	0
Tourism	25	0	0	0	0
Textile	47 ³	20	0	1	0
Totals	412	85	19	2	2

For a comprehensive list of ongoing Gaza activities please view Annex C.

Agribusiness Sector

Cross Cutting:

As part of USAID/Compete’s plan to address water challenges affecting the agriculture sector, a specialized well project has been designed to upgrade 40 wells and provide them with alternative energy options to enable 300 farmers working in the three sub sectors [strawberry, herbs, vegetables] to cultivate over 200 hectares. The 40 wells are identified with preliminary data collection; a detailed design on the project is underway.

Fresh Herbs

USAID/Compete has conducted meetings with two Israeli export companies, Arava Export Growers and Viva Farmers, both showed great interest in buying Gaza herbs production for export. The estimated demand by the two companies is about 200 dunums. The market research confirms the growth potential and viability of this value chain and the current 30 dunums of cultivated land offer high potential for a scalability program to increase the production by at least 50 dunums by the coming seasons.

Vegetables

USAID/Compete plans to enhance post-harvest packing houses and cooling rooms to ensure optimal storage of vegetable products prior to shipment. Compete wants to support tomato and pepper farmers to export to the Gulf market. The Gulf market is more lucrative in the summer period, as it’s the off season in the summer of the Gulf. For our farmers to be able to produce in the summer period they need to change the pattern they are doing now. For example, they need to replace plastic covers of greenhouses with netting, which will ensure higher yields and better quality due to the ventilation. We will work with an export company that buys from the farmers participating. We will help one exporter with a cold room, so that when products are collected they can be refrigerated to maintain the cold chain.

¹ 100 farmers applied and are part of the strawberry scalability program

² 20 firms from furniture sector were identified and will start working with them in the Export Market Development Program

³ 20 firms from garment sector were identified and will start working with them in the Export Market Development Program

Strawberry Value Chain

USAID/Compete intends to strengthen the strawberry sector in Gaza by introducing high production through technology, equipment and inputs, providing support to marketing firms, upgrading post-harvest facilities, introducing new processing facilities, and upgrading existing farms.

Strawberries can be grown in open fields, single high span greenhouses, or in multi span greenhouses; to date all the strawberries in Gaza are planted in open fields. The findings of a financial analysis conducted by USAID/Compete earlier this year have shown that single span high greenhouses are more cost effective and will produce a greater return over the multi span greenhouse patterns. Furthermore, the single span high greenhouse patterns allow easy reallocation in case the soil deteriorates on the plot on which it is installed.

USAID/Compete has started the implementation phase of introducing new strawberry production patterns for up to 100 dunums of single span high greenhouses; this intervention will increase the yield per dunum from three tons (open field) to four and a half tons (single span high greenhouse). It is expected that the volume of exports overall will increase from one to two tons, and the local volume from two to two and a half tons per dunum. This project has received interest from 71 farmers through applications submitted to FLAP. USAID/Compete will sign LOAs with 34 farmers in January 2016 to start the first implementation phase. During phase two, more farmers (66 based on our plan) will be engaged by the Project.

In addition, USAID/Compete is examining the viability of establishing a strawberry jam factory and a frozen strawberry production facility to reduce the risk of possible border closures or cancellation of export permits for strawberries. The two projects are at an early stage, but feasibility studies underway are promising.

Fishing

USAID/Compete will work to strengthen and scale up the fishing sector in Gaza by building the capacity of sea fishermen, scaling up onshore fish farms, and supporting the development of offshore fish farms. In this reporting period, the Project has concluded the design of two projects, for Fish Fresh and Kuhail Fish Farm.

Fish Fresh. Fish Fresh is the biggest onshore fish farm in Gaza, established in 2011 in the Khan Younis district. The company specializes in producing Denis fish (Sea Bream), with a production capacity of approximately 140 tons per year. USAID/Compete will support Fish Fresh to increase its production capacity by an additional 190 tons per year, and will increase its employment by 22 workers. USAID/Compete has concluded the project design and business plan for expansion and the project is ready for implementation as soon as the company's EDF is approved. A vendor has been identified and the Project is waiting vetting to proceed.

Kuhail Fish Farm. Kuhail Fish Farm is the oldest on-shore fish farm in Gaza, established in 2006. The company also specializes in producing Denis fish, and its production capacity is around 30 tons per year. USAID/Compete has conducted a market assessment on the demand of fingerlings and developed a business plan for Kuhail on their production; both assessments confirmed the viability of the project.

The company possesses the expertise and interest to produce Denis fingerlings, which is the main market failure facing fish farming, resulting in limited growth of fish production in Kuhail Fish Farm and other onshore farmers. Support from USAID/Compete aims to tackle this major impediment and work with firms within the value chain via introducing fingerlings production in the Gaza Strip, which otherwise must be imported from Turkey or Israel for the area's fisheries. This intervention therefore will benefit the entire value chain, not only the direct beneficiary from this grant.

USAID/Compete will assist Kuhail Fish Farm through an In-Kind grant to develop a fish hatchery for Denis fingerlings for the benefit of the Gaza Strip fish farming value chain, as well introduce new alternative energy solutions (solar) to address persistent electricity disruptions that effect consistent production. During this period USAID/Compete has concluded the project design and the project is expected to be started once approved by the Environmental Documentation Form (EDF)

Al Bahar Fish Farm. The second biggest onshore fish farm was established in 2015 near the coastal road of southern Gaza. The company specializes in producing sea bream "Denis" fish, its production capacity is around 100 tons per year. The local market is deemed the main market for the company. USAID/Compete will support Al Bahar to increase its production capacity by an additional 80 tons per year, and will increase its employment by 5 workers.

Abu Alnaja. Abu Alnaja and Associates Company was established in 1993. Abu Alnaja is planning to expand their business to include offshore fish (Denis) production by introducing Tension Leg Cages (TLC) technology. This new technology will enable Abu Alnaja to reduce the running and investment cost. On an offshore site, Abu Alnaja will need less electricity and will not require the processes and infrastructure for aeration. This company will be the first to employ this technology in Gaza, and is securing the permit from the Israeli Coordination and Liaison Administration (CLA) to operate within a certain distance from the shoreline. USAID/Compete will support Abu Alnaja in conducting a business plan for offshore fish farms and providing diving training courses in order to increase its production capacity by an additional 80 tons per year and its employment by 5 workers. Skilled divers are required for this type of offshore fishing as they set up the cages, sink them, provide feed, and extract the fish.

Information and Communications Technology Sector

The mandate of USAID/Compete's work in the ICT sector in Gaza is to increase the competitiveness of the sector to facilitate regional/international expansion and increase the number of new entrants in the software sector.

Strategic priorities will center on providing technical assistance to stabilize operations; enhancing access to market; strengthening the capacity of targeted firms/sectors to produce high value products and services; developing workforce skills and introducing new technologies; and providing business enhancement and institutional development support.

To date, USAID/Compete has received 49 ICT applications for firm level assistance from Gaza. Of these, seven have been approved, five LOAs have been signed and one company will join the Export Market Development Program.

321 Boom. 321 Boom is a game startup from Gaza that has been registered since June 2015. The co-founders developed a concept character called Rayru, around whom they have built a game prototype (<http://www.rayru.321boom.net/>). The team applied for a competition organized by

USAID for best game prototypes during a sponsored high tech hub conference in 2013. Their entry won first prize, for which they received a commitment from USAID/Compete to provide technical assistance to build the first project.

Currently the company has no proper management structure and little business or marketing knowledge, but does feature strong technical skills around gaming. As a new start up, 321Boom does not have the financial resources to start the project, as gaming is a long-tail business for which full financial maturity and sustainability may take some time.

Under this LOA, USAID/Compete will assist 321Boom in building its first full game for mobile devices, and will provide marketing assistance once it has been published on the relevant game app stores. Once the game development has been completed, USAID/Compete will assist 321Boom to purchase advertisements on relevant websites like Amazon, GooglePlay, and the iTunes store, as well as membership subscription to a gaming organization to help them continue to stay informed and engaged with their market.

Effects. Effects is a consulting/training company in Gaza which has been providing services to the local market for the past four to five years, with their revenue in 2014 reaching approximately \$200,000. To generate this amount, Effects has created a wide portfolio of customers by offering a variety of services, including web based applications, short films, and documentaries. Effects has worked on several successful software projects, and has a pipeline of new projects as well.

The company is in the process of building a dedicated and expanded software department, but in order to do so successfully, the company must revise their management structure, build internal capacity, and address issues related to power generation. USAID/Compete will be supporting Effects in carrying out an apprenticeship program, addressing electricity shortages, and providing minor equipment for their new multimedia division. Once the apprenticeship program is finished, the hired employees will start generating income for the company, which will increase local sales and income and generate more jobs.

Netstream. The company is one of the Internet Service Providers (ISP) in Gaza. Its current market share is about 10% (6,500 clients) and it is the only ISP that provides TAJAWAL services via WIFI, overcoming restrictions of 3G infrastructure in addition to having a number unique services. Currently, they have their own call center but it is very limited. They are looking to set up an expanded call center as a separate investment unit to serve other clients, including the mother company. The potential clients will be from local and regional markets. USAID/Compete will be assisting Netstream Company to improve their services by developing a business plan that measures the feasibility of expanding the service.

Vision Plus. Vision Plus is a training center in Gaza that has been operating since 2011. The company provides local training services in Gaza on Cisco, Microsoft and other IT topics. They also provide exams and certifications for young trainees. The company's customers are mainly youth who are trying to find employment in the local market. USAID/Compete will assist Vision Plus in opening a new MAC lab to introduce new training skills and topics in Gaza Strip as well as providing certification and training for trainers. The Project will also assist them in becoming an Apple certified training center.

UnitOne. UnitOne is a Business Process Outsourcing (BPO) company based out of Gaza since 2011. Significant portions of their staff are formed from their dedicated unit for women, which has around 50 people working in data entry and content translation. UnitOne has a small software division that has been providing services to the UAE, Netherlands, and US markets, and recently received interest from INTEL (Jerusalem) to start doing translation work. UnitOne is cooperating with IT companies in the West Bank to provide backup offices and counter instability in the Strip. UnitOne has future plans to open an office in Jordan. Compete will assist UnitOne via a professional consultant to conduct a niche market assessment and determination. This assessment will result in a detailed scope of work for a market research firm as part of the Export Market Development Program.

Modern Tech Company [MTC]. MTC is an ICT company established in 1994. The company works in website development and hosting, SMS, and specific software packages for certain industries. The company is evolving from a service-oriented to product-based company by leveraging the experience and network of customers they have built over the years. USAID/Compete will enroll the MTC Company in the Export Market Development Program by conducting an export market assessment for MTC's product named "Cloudy", which is an operation tool for collaboration. The work will be concluded in February of 2016.

Al-Tariq Systems. During the base period, USAID/Compete supported Al-Tariq Systems to develop tailored software systems for clients in Gulf countries, allowing them to increase their international presence. USAID/Compete signed a grant with Al-Tariq Systems to further facilitate market penetration to two new markets in Poland and Norway. As a result, Al-Tariq built new software packages to be sold in these markets and is using a partnership model with local software solution companies in these countries.

Impacts this quarter include:

- Al Tariq Exports: \$61,500
- One (1) new job was created

Furniture

In September 2015, USAID/Compete planned to provide limited support to firms working in the furniture sector to address the challenges they face, especially those with the capacity and growth potential to serve local and/or export market needs. The technical assistance program will target the entire value chain of the furniture sector and proceed with a comprehensive package of support for interventions based on market needs and building the foundation and infrastructure needed to enhance export potential and expand to new markets.

Accordingly, USAID/Compete conducted a competitiveness assessment of the furniture industry in Gaza. In coordination with the Palestinian Wood and Industries Union, 20 companies that currently have the production capacity, staff, and quality resources were selected to participate in a survey to assess opportunities and challenges facing the industry, key materials, and drivers that enable increased production and successful export to historical markets. The survey was conducted in cooperation with the Palestinian Wood and Furniture Industries in Gaza who identified the top 20 exporters out of their affiliated members based on the export volume and export potential.

However, in light of the new Israeli restrictions issued in December 2015 on importing raw materials required for production (no wood more than 1cm width and 5cm length can be imported

to Gaza), Compete prepared a memo to USAID highlighting the current status of the furniture sector, the challenges companies are facing during the new restrictions, and the annual input amounts required for immediate operation by surveyed firms. High level negotiations between the international community and Israel are required to find a suitable mechanism by which firms can access the required raw materials. If progress is not made on this front, the ability of USAID/Compete to support the furniture sector will be marginal.

On the institutional level, USAID/Compete is in the process of conducting an institutional assessment for the Palestinian Wood and Industries Union to obtain baseline information on the unions' operating environment and to identify the strategic and operational challenges facing the aforementioned unions. The assessment will eventually enable the Project to determine the type of technical assistance and capacity building support needed for the targeted unions. The assessment will be completed by the end of January 2016.

Textile and Garment

In September 2015, Compete planned to provide limited support to the firms working in the textile sector and to address the challenges among the firms that have some capacity and growth potential and serve local and/or export market needs. The technical assistance program will target the entire value chain of the textile sector and proceed with a comprehensive package of supportive interventions based on market needs and building the foundation and infrastructure needed to enhance export potential and expand to new markets.

USAID/Compete conducted a brief survey to examine the readiness of these firms to export. The survey covered the following areas: sales, contracts and agreements, products for export markets, promotion and marketing tools, raw materials required for export markets. After gathering the survey results, USAID/Compete started to conduct market research for Israeli and West Bank markets to match companies with market needs and requirements. The aim is to improve the ability for firms to produce specially designed products for target markets.

USAID/Compete plans to conduct an institutional assessment for the Garment and Textile Union to obtain baseline information on the unions' operating environment, identify the strategic and operational challenges facing the aforementioned unions and eventually enable the project to determine the type of technical assistance and capacity building support needed for the targeted unions. The assessment will be conducted once the vetting process is completed.

Tourism

USAID/Compete will work with the Tourism sector in Gaza to develop strategic business and management plans and enhance production and quality systems. The program will also provide training in areas critical to improving performance. Through December 31, 2015, the Project received 25 applications and will proceed with application assessments in January and February of 2016.

This quarter, USAID/Compete conducted an institutional assessment for the Palestinian Committee for Hotels, Restaurants & Touristic Services in order to obtain baseline information on the unions' operating environment and identify the strategic and operational challenges facing the aforementioned unions. The baseline information will eventually enable the Project to determine the type of technical assistance and capacity building support needed for the targeted unions. The assessment will be completed by late January 2016.

GENDER & YOUTH

USAID/Compete works across the Agribusiness, Tourism, ICT, and Stone & Marble sectors to find opportunities to encourage gender equality and support youth innovation⁴. The following section highlights project activities this month with a youth and gender impact.

In October, the Agribusiness sector held two trainings:

- On October 25th, 2015, an Agronomist Training was attended by twenty-eight people, including six females. All participants were youth.
- On October 29th, 2015, training on how to use computerized irrigation systems for hanging strawberries was attended by eight people. One was female.

In October, the ICT sector held one training:

- On October 18th, 2015, an Intellectual Property Awareness Session at the Arab American University in Jenin was attended by 31 people. Seventeen were male (13 male youth), Fourteen were female (13 female youth).

In November, the Furniture sector in Gaza held one workshop:

- On November 9th, 2015, a meeting took place with The Palestinian Wood and Industries Union and their members to identify the cooperation roles between Compete and the Union. Fifteen were male. One youth.

In November, the Textile & Garment sector in Gaza held one workshop:

- On November 9th, 2015, a meeting took place with Union of Industries for Textile, Leather and Clothing and their members to identify the cooperation roles between Compete and the Union. Twenty-nine were male. One female.

In November, the ICT sector held one training and one seminar:

- On November 19th, 2015, a seminar around the Global Entrepreneurship Week was attended by twenty-seven people. Twelve were male youth, and four female youth out of six female participants in total.
- On November 23rd, 2015, training for SAP was attended by seventeen people. Eleven were female, all youth. The six males were also youth.

In December, the Agribusiness sector held one training and one workshop:

- On December 13th, 2015, a firm level technical assistance program workshop - Capacity building training ISO9001:2008 system requirements for Al Forat Co. was attended by 19 people. One was female youth. All others were male, twelve of whom were youth.
- On December 14th, 2015, training on Farm Management (Plant Production and Protection) - Strawberry on site Visit was attended by nine people all male. One was youth.

⁴ Defined by USAID as aged 14 to 29

GENDER STRATEGY IMPLEMENTATION

In November 2013, USAID/Compete produced a Gender Strategy aimed at promoting gender equality and participation among women in the Palestinian Territories. The USAID/Compete Gender Strategy rests on four pillars:

- Pillar #1: Promote the success of women in business in the Palestinian Territories, especially those operating within USAID/Compete sectors.
- Pillar #2: Identify new entry points for women within the Project's four value chains.
- Pillar #3: Encourage private sector support for the economic participation of women through financial and technical cost share models and incentives.
- Pillar #4: Expand efforts to increase the full participation of women in training and capacity building programs.

The Palestinian Internship Program (PIP) and SAP training saw a high percentage of female participation; eleven of the seventeen participants at the SAP were female. For the PIP, 50% of interns were female in cycle 1 and cycle 3 (current cycle 3: 5 males / 5 females).

MONITORING AND EVALUATION

Monitoring progress and evaluating results are key management functions that enable the team to capture performance data that plays a critical role in planning and management decisions. M&E is an on-going process that allows managers to determine whether or not an activity is making progress towards its intended results.

METHODOLOGY

The USAID/Compete Project's M&E team conducted a series of field visits and interviews across the West Bank to collect systematic and timely performance information to quantify results for FY5/Q1. The technical teams supported these visits in lending their first-hand knowledge of sector-specific activities and resulting impacts. This ensures data is collected from the most appropriate and knowledgeable people at the targeted companies, farms, etc. M&E also employs the use of online surveys for events, trade shows, etc., to get feedback directly from participants.

KEY ACCOMPLISHMENTS

The following are selected accomplishments for the M&E team this quarter.

M&E Team (M&E Specialist, M&E Senior Coordinator, Economist, M&E Engineer) has continued to:

- Conduct field visits and interviews across the West Bank to verify data, as well as ensure quality of data to achieve quantifiable targets;
- Document and update data on Geo-MIS, TraiNet, and TAMIS;
- Monitor project team to make sure relevant USAID regulations are met;
- Work with the communications team to submit project progress reports;
- Capture ongoing operational research data such as Private Sector Investment Leveraged;

M&E Economist:

- Conduct field visits and interviews across the West Bank to collect, capture, and verify data required of economic analyses to support Compete technical teams with analyses for many project activities;

- Provide the team with the required statistics and constantly updating sector related figures; this supports the Project during work plan development, activities, interventions and showcasing project related results to USAID, DAI and industries;
- Work closely with Compete staff and beneficiaries to prepare feasibility studies, business plans and different types of reporting for proposed activities to insure that correct interventions are selected and provide feedback;
- Work with different sectors such as Agriculture to develop business plans that are scalable and could generate investments to support growth such as Strawberry BP;
- Other support includes monthly Gaza reports, economic and quantitative models and techniques developed to measure Compete supported impacts on the four sectors;

M&E Supervisory Engineer:

- Prepare the Environmental Documentation Form for proposed projects and interventions;
- Prepare the Environmental Review Summary and Environmental Mitigation and Monitoring Plan and status reports on environmental compliance and investigation;
- Provide the project team with recommendations on necessary environmental provisions during the planning, design and implementation phases of projects and interventions;
- Develop Scopes of Work (SOW) and Terms of Reference (TOR) for environmental assessments, environmental reviews, or other environmental studies that may be needed for any proposed project or intervention;
- Support the project team in reviewing, monitoring and evaluating the implementation of the project activities;
- Participate in internal technical review of all grant proposals to evaluate measurable results and impact, M&E methodologies, qualitative and quantitative indicators;

LESSONS LEARNED

The M&E team conducted a series of field visits this quarter across the West Bank. While the team's primary function is to monitor progress against indicators, the M&E team also continued its focus on building trust with project stakeholders and beneficiaries. A key lesson learned is that building strong relationships is key in assisting monitoring improvement, meeting the project's objectives and ensuring all USAID regulations have been fully respected and met. This approach has had a positive impact on obtaining constructive feedback and comments on the implemented activities.

One issue that came up from meetings with beneficiaries is the data collection frequency for some indicators. Having worked with some clients for four years, it became clear that some indicators, such as export figures require more time for actual figures to come to fruition. Therefore, the Project will look into requesting such figures on a bi-annual basis, rather than quarterly.

COMMUNICATIONS AND OUTREACH

During this quarter, the communications team highlighted major initiatives implemented by USAID/Compete's four sectors. Project partners published a number of press releases.

The following local online media outlets covered Project activities (see Annex B for full details): Wafa News agency, Maan News agency, PNN News Agency, Al Watan Voice, Raya FM, Panet News agency, Palestine News.

MARKETING SUPPORT:

The Communications team started working with a number of Project clients to support their efforts in marketing and promoting their products and services.

The support included evaluating their current marketing tools, designing new promotional tools which include both online and printed materials, developing the content of different publications and supervising service providers work, quality assurance on the development of the final product:

- Yaboos: a specialty producer of **decorative and antique tiles**.
- Ideal Projects Company: USAID/Compete is supporting the company in launching a new product for **individual car tracking**.
- Infinity IT: USAID/Compete is supporting the company in creating the image of the new **“E-service desk” software**.

EVENTS AND PROJECTS:

This quarter the Communications team supported the implementation of a number of projects and events, which included developing announcements, supervising, and producing related logistics and media documentation. The communications team worked with the Project’s partners, beneficiaries and technical teams to design organize and implement:

- Awareness workshops about “Intellectual Property” in four different Palestinian universities as part of IbdAA’s development plan.
- Young Professionals Program.
- Agronomist Capacity Building Program.

REPORTING

As a key vehicle in communicating Project progress, impact and evaluation, the Communications team works closely with the M&E and technical teams to produce meaningful monthly, quarterly and annual reporting. During this quarter, the team produced two monthly reports and an annual report. No success stories were approved this quarter.

FINANCE AND OPERATIONS

SUBCONTRACTS AND GRANTS

During the first quarter of the fifth year of the project (October 1, 2015 – December 31, 2015), the office continued its support of the technical program activities. Efficient processing of Grants and Letters of Agreements will enable the Project to achieve program results while spending funds at a predictable and budgeted pace.

Achievements during Q1 of FY5

- Twenty five (25) Letters of Agreement were issued with a total value of \$253,012. Breakdown as follows: ICT 11, Stone & Marble 3, Tourism 3 and Agriculture 8.
- Twelve grants (12) totaling \$1,014,155 were executed during the quarter with several others in design and negotiation phase. Breakdown as follow: ICT 4, Stone & Marble 2, Tourism 1 and Agriculture 5.
- Twelve (12) Independent Consultancy/Employment Contracts signed on behalf of Compete beneficiaries. Ten of them supported ICT firms.

- Two (2) full time Compete staff were hired (Program Coordinator for Gaza and Procurement Officer).
- Twenty Eight (28) Agronomists signed apprenticeship agreements as part of an effort to improve their capacity to support local farms and agribusinesses.
- Seventeen (17) Trainees signed agreements to complete a SAP engineering training program.
- One (1) training was conducted on Mission Order 21 for all staff.

Goals and Future Activities

For the coming period, the finance and operations team will continue to work with the Compete Gaza office to integrate Gaza activities into the DAI Ramallah administrative process. This will create an efficient and compliant means for implementing program activities in Gaza.

During the upcoming quarter, the team will conduct procurement training for all staff. Import of goods to Gaza will prove to be challenging and extend the time required to complete specific activities. Compete must identify qualified vendors in Gaza that have the experience to import goods and materials and prioritize those vendors which already have goods and materials in stock.

VETTING

The commitment to adhere to Mission Order 21 in a timely, business-like manner is essential to the success of USAID's partnerships with Palestinian companies. During the reporting period, Compete submitted 343 names and organizations for vetting. Vetting approval is averaging 34.1 days. During the previous quarter (July-Sept), the average was 14.8 days.

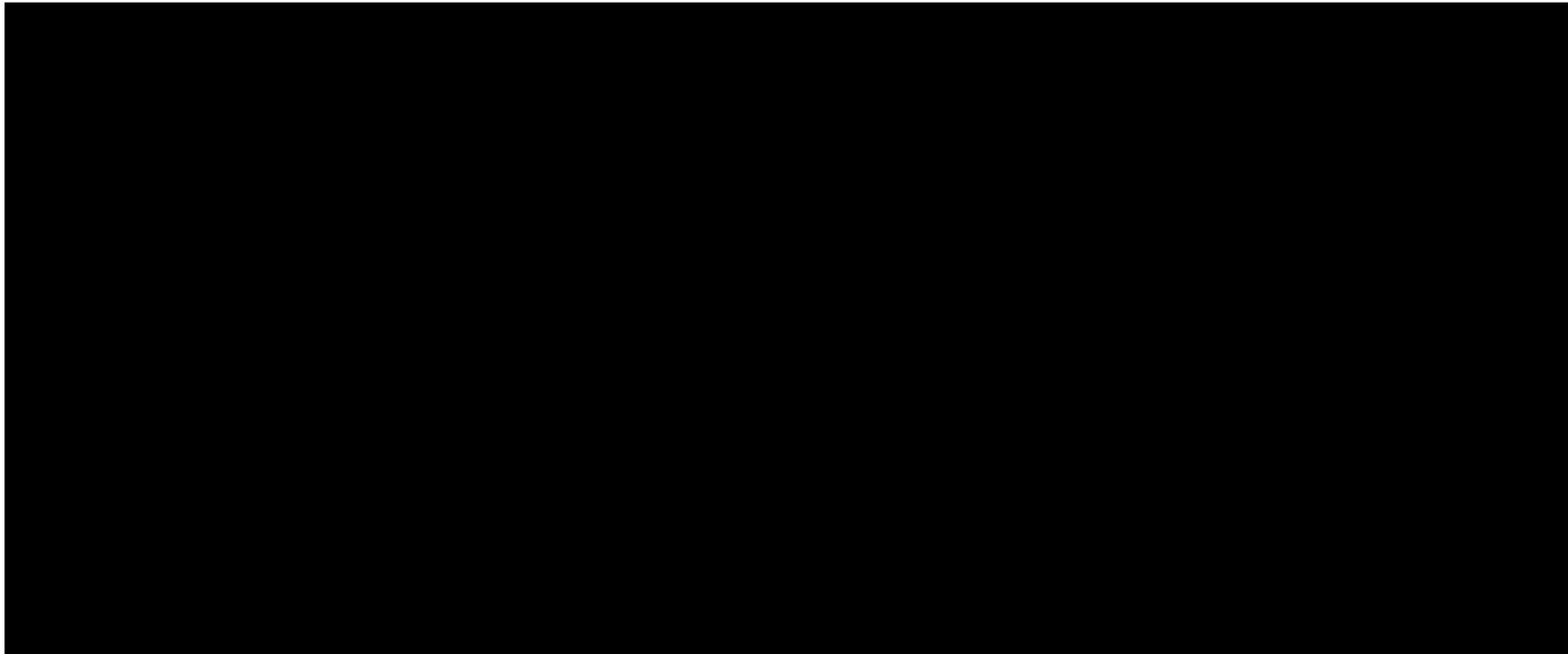
FINANCIAL SUMMARY

The financial summary for Quarter 1, FY5 of the USAID West Bank and Gaza Compete Project is provided in the table below.

Table 1. Obligation Summary.

Current Obligation	Obligation Spent	Obligation Remaining	Per Cent Obligation Spent	Per Cent Obligation Remaining
\$44,663,000.00	\$37,665,633.19	\$6,997,366.81	84.3%	15.7%

Table 2. Line Item Summary.



LEVEL OF EFFORT

Table 3. Level of Effort in Person Months.

Item	Contract Budget	Inception to Date (December 2015)	Contract Budget by Year (Actuals)					Total Remaining
			Total Person Months	Year I	Year II	Year III	Year IV	
Long-Term Professional Employees, Short Term Consultants, and Home Office Support Staff	1172	872.69	167.86	230.55	251.48	222.8	0	299.31

ANNEX A: SUMMARY OF PROGRESS TOWARD INDICATORS

The following table is a report of all indicators specified in the PMP for the period of October 1, 2015 to December 31, 2015.

Agribusiness										
Indicator Name	Baseline	PMP Ind. type	Planned Base Period	Actual Base Period	Planned Value for FY4	Actual Results FY4	West Bank Planned Value for FY5	Gaza Planned Value for FY5	Project Planned Value for FY5	Actual Value for FY5 Q1
Value of exports of targeted agricultural commodities as a result of USG assistance	Dynamic	OP	\$35,000,000	\$40,744,842	\$23,300,000	\$24,501,126	\$17,444,842	\$6,000,000	\$23,444,842	Reported Bi-annually
Number of hectares under improved technologies or management practices as a result of USG assistance	Dynamic	OP	1700	1877	150	157	150	200	350	14.5
Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	-	OP	300	1973	300	245	180	120	300	60
Number of new or improved Palestinian products produced by assisted Palestinian agribusiness firms	-	OP	90	129	60	67	30	15	45	5
Number of new markets accessed by assisted Palestinian agribusiness firms	-	MNG	8	28	5	6	5	2	7	1
Percent increase in sales of assisted Palestinian agribusiness firms	Dynamic	MNG	50%	48%	33%	24.5%	15%	15%	15%	Reported Bi-annually
Increase in area under cultivation for export crops (hectares)	-	MNG	190	292	72	123	72	-	72	3.5

ICT

Indicator Name	Baseline	PMP Ind. type	Aggregated Planned	Aggregated Actual	Planned Value for FY4	Actual FY4	West Bank Planned Value for FY5	Gaza Planned Value for FY5	Project Planned Value for FY5	Actual Value for FY5 Q1
Number of ICT assisted start-ups that have developed products or signed contracts	-	OP	50	45	30	7	15	3	18	1
Value of exports of assisted Palestinian Information and Communication Technology (ICT) firms	Dynamic	MNG	\$761,340	\$2,397,271	\$507,560	\$2,449,824	\$1,800,000	\$1,000,000	\$2,800,000	Reported Bi-annually
Percent increase in sales of assisted Palestinian Information and Communication Technology (ICT) firms	Dynamic	MNG	15%	29%	10%	29%	15%	15%	15%	Reported Bi-annually
Number of new markets accessed by assisted Palestinian Information and Communication Technology (ICT) firms	-	MNG	8	8	5	5	3	2	5	⁵
Number of New ICT Start-up companies established	-	MNG	22	17	14	10	9	3	12	4
Total number of start-up capital raised by youth, disaggregated by sex	-	MNG	120,000	\$ 322,650	\$ 240,000	\$66,000	\$ 50,000	\$ 50,000	\$ 100,000	Reported Bi-annually

⁵ Compete is focusing on Firm Level Assistance Program; new markets will be accessed in the upcoming quarters
 USAID/COMPETE QUARTERLY REPORT, OCTOBER 1 – DECEMBER 31, 2015

Stone and Marble

Indicator Name	PMP Ind. type	Baseline Value	Aggregated Planned	Aggregated Actual	Planned Value for FY4	Actual FY4	West Bank Planned Value for FY5	Actual Value for FY5 Q1
Value of exports through group and specialized Palestinian stone and marble marketing companies and consortia	OP	-	\$ 8,250,000	\$ 13,246,160	\$ 6,500,000	\$6,586,842	\$ 6,746,160	Reported Bi-annually
Percent increase in sales of assisted Palestinian stone and marble firms	MNG	Dynamic	38%	45%	22%	23%	15%	Reported Bi-annually
Number of new markets accessed by assisted Palestinian stone and marble firms	MNG	-	9	12	6	6	6	1

Tourism

Indicator Name	PMP Ind. type	Baseline Value	Aggregated Planned	Aggregated Actual	Planned Value for FY4	Actual FY4	West Bank Planned Value for FY5	Gaza Planned Value for FY5	Project Planned Value for FY5	Actual Value for FY5 Q1
Number of new or improved assisted tourism sites and tourism trails	OP	0	11	7	7	9	3	0	3	Reported Bi-annually
Percent of hotels adopting nationally- adopted, USAID- introduced Hotel Classification system	OP	54	70%	56%	70%	66%	80%	0	80%	Reported Bi-annually
Percent increase in sales of assisted Palestinian Tourism firms	MNG	Dynamic	-	-	-	-	10%	10%	10%	Reported Bi-annually

Fishing			
Indicator Name	PMP Ind. type	Gaza Planned Value for FY5	Actual Value for FY5 Q1
Value of exports of fish products as a result of USG assistance	MNG	\$500,000	Reported Bi-annually
Number of new or improved Palestinian products produced by assisted Palestinian fishing firms	MNG	2	Reported Bi-annually
Percent increase in sales of assisted Palestinian firms	MNG	15%	Reported Bi-annually

Textile and Garment			
Indicator Name	PMP Ind. type	Gaza Planned Value for FY5	Actual Value for FY5 Q1
Percent increase in sales of assisted Palestinian firms	MNG	15%	Reported Bi-annually
Value of exports of targeted textile and garments firms as a result of USG assistance	MNG	\$1,000,000	Reported Bi-annually

Furniture			
Indicator Name	PMP Ind. type	Gaza Planned Value for FY5	Actual Value for FY5 Q1
Percent increase in sales of assisted Palestinian firms	MNG	15%	Reported Bi-annually
Value of exports of targeted furniture firms as a result of USG assistance	MNG	\$3,000,000	Reported Bi-annually

Cross cutting indicators										
Indicator Name	PMP Ind. type	Baseline Value	Aggregated Planned	Aggregated Actual	Planned Value for FY4	Actual FY4	West Bank Planned Value for FY5	Gaza Planned Value for FY5	Project Planned Value for FY5	Actual Value for FY5 Q1
Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)	OP	-	24%	22%	46%	27%	24%		24%	Reported Bi-annually
Number of youth gaining employment or better employment as a result of participation in USG-funded programs	MNG	-	113	322	226	290	96	90	186	Reported Bi-annually
Number of assisted private sector organizations and private sector service providers receiving USG assistance.	MNG	-	30	47	10	9	10	9	19	6
Number of new services provided by targeted business service providers and business service organizations to targeted sectors by the project.	MNG	-	6	52	6	14	5	10	15	3
Increase in exports and/or sales by women-owned/ managed businesses and cooperatives as a result of USG assistance		Dynamic	0	0	No Target	\$138,181	\$50,000	\$50,000	\$100,000	Reported Bi-annually
Number of new jobs created as a result of USG assistance			-	-	-	-	226	210	436	Reported Bi-annually

ANNEX B: MEDIA MONITORING REPORT

USAID/Compete activities gains press coverage from local outlets and at times in regional specialized media outlets. The following annex details media coverage press releases that were published by partners during this quarter:

Event/initiative: Ibdia organizes workshops about Intellectual Property in four Palestinian Universities

Sector: ICT

Media Coverage:

Arab American University of Jenin

<http://www.prealmedia.com/ar/?Action=Details&ID=4001>
<http://maannews.net/Content.aspx?id=804859>
<http://www.raya.ps/ar/news/922601.html>
<http://www.alwatanvoice.com/arabic/news/2015/10/21/797104.html>

Palestine Polytechnic University:

<http://www.ppu.edu/p/ar/news/1682>

<http://harmees.com/articles/view/263406/%D8%AC%D8%A7%D9%85%D8%B9%D8%A9-%D8%A8%D9%88%D9%84%D9%8A%D8%AA%D9%83%D9%86%D9%83-%D9%81%D9%84%D8%B3%D8%B7%D9%8A%D9%86-%D8%AA%D9%86%D8%B8%D9%85-%D9%85%D8%AD%D8%A7%D8%B6%D8%B1%D8%A9-%D8%A8%D8%B9%D9%86%D9%88%D8%A7%D9%86-%D8%A7%D9%84%D9%85%D9%84%D9%83%D9%8A%D8%A9-%D8%A7%D9%84%D9%81%D9%83%D8%B1%D9%8A%D8%A9>

<http://sirajfm.com/%D8%AC%D8%A7%D9%85%D8%B9%D8%A9-%D8%A8%D9%88%D9%84%D9%8A%D8%AA%D9%83%D9%86%D9%83-%D9%81%D9%84%D8%B3%D8%B7%D9%8A%D9%86-%D8%AA%D9%86%D8%B8%D9%85-%D9%85%D8%AD%D8%A7%D8%B6%D8%B1%D8%A9-%D8%A8%D8%B9%D9%86/>

Najah National University:

<http://www.najah.edu/ar/print/37876>

<http://www.raya.ps/ar/news/916609.html>

Al Quds University:

<http://pnn.ps/2015/09/04/%D8%A7%D8%A8%D8%AF%D8%A7%D8%B9-%D8%AA%D9%84%D9%82%D9%8A-%D9%85%D8%AD%D8%A7%D8%B6%D8%B1%D8%A9-%D8%AD%D9%88%D9%84-%D8%A7%D9%84%D9%85%D9%84%D9%83%D9%8A%D8%A9-%D8%A7%D9%84%D9%81%D9%83%D8%B1%D9%8A%D8%A9-2/>

Event/initiative: Ministry of Telecommunication and IT hosts the Young Professionals Program for 18 Palestinian graduates

Sector: ICT

Date: November 2015

Media Coverage:

<http://www.maannews.net/Content.aspx?id=810892>
<http://palestine.shafaqna.com/AR/PA/104886>
<http://www.raya.ps/ar/news/926159.html>
<http://www.panet.co.il/article/1128226>

ANNEX C: GAZA ONGOING ACTIVITIES

The main accomplishments in each targeted sector during the past quarters are summarized in the table below:

ONGOING ACTIVITIES IN GAZA: October 2015 – January 2016				
Sector	State	Strategy	Ongoing Activities	Current / Anticipated Impact
Agri-business: <i>Cross-Cutting</i>	<ul style="list-style-type: none"> Lack of adequate access to water or energy 	<ul style="list-style-type: none"> Provide technical assistance to select firms and equipment / inputs to enhance access to water Provide technical assistance and/or equipment to enhance access to alternative energy sources 	<ul style="list-style-type: none"> Assessment of wells (in process) Design a program to rehabilitate 40 wells using solar energy 	<ul style="list-style-type: none"> 40 wells will be operating with solar energy supporting at least 2000 dunums of productive land
Agri-business: <i>Fresh Herbs</i>	<p>In 2015: 30 dunums, 60 tons, 5 farmers</p> <p>Basket consists of 3 varieties</p>	<ul style="list-style-type: none"> Scale up Fresh Herb Farms Introduce new products and technologies Enhance post-harvest facilities 	<ul style="list-style-type: none"> Assessment of the current fresh herbs sector (complete) Market demand assessment (complete): 2 Israeli exporters (Arava, Viva) expressed demand for 300 dunums / 600 tons production Design for a scalability high-value production patterns program (underway) 	<ul style="list-style-type: none"> 100 dunums (200 tons) Basket consists of 6 varieties \$1 m of exports
Agri-business: <i>Vegetables (potato, carrots, tomato, pepper)</i>	<ul style="list-style-type: none"> Lack of proper post-harvest packing and cold chain facilities. Limited markets (Israel & WB) 	<ul style="list-style-type: none"> Introduce new products and technologies Enhance post-harvest Facilities Establish Vegetable industries 	<ul style="list-style-type: none"> One exporter has been identified to establish a cold storage facility to enable export Design a high value productions pattern program to enable farmers sustain the Gulf market during the summer 	<ul style="list-style-type: none"> Adequate post-harvest facilities established by May to export to Gulf High value production patterns using netting established (200 dunums) installed by June for about 80 farmers Expanded Summer exports to Gulf markets (additional 600 tons)
Agri-business: <i>Strawberry</i>	<p>In 2015: 900 dunums yielding 2700 tons</p> <ul style="list-style-type: none"> Limited markets 	<ul style="list-style-type: none"> Introduce high production patterns Support marketing firms Upgrade post-harvest and introduce processing facilities Upgrade existing farms 	<ul style="list-style-type: none"> Develop business plans (complete) Indoor (high span greenhouses) Strawberry Scalability Program (71 applications; 34 approved and LOA signed) 	<ul style="list-style-type: none"> 100 dunums under new production patterns yielding 450 tons of high quality strawberries.

	<ul style="list-style-type: none"> Lack of high value production patterns 			
Agri-business: <i>Fish</i>	On shore <ul style="list-style-type: none"> 3 fish farm (260 tons) Lack of fingerlings 	<ul style="list-style-type: none"> Scale-up onshore fish production 	<ul style="list-style-type: none"> Assist 2 fish farms - were approved to expand production Support establishment of the first fingerlings lab 	<ul style="list-style-type: none"> 270 additional tons One fingerlings farms established (1m fingerlings/annum) Employment - 30 Sales \$3.5 million
	Off shore <ul style="list-style-type: none"> Untrained personnel Lack of fingerlings 	<ul style="list-style-type: none"> Support development of offshore fish production 	<ul style="list-style-type: none"> Business plans and training for 6 divers 	<ul style="list-style-type: none"> 6 divers trained Trained staff to install an off shore farm
ICT	<ul style="list-style-type: none"> Business instability due to public infrastructure, market disconnect and weak business tools Lack of qualified workforce Limited access to market 	<ul style="list-style-type: none"> Enhance access to market Development of workforce capacity Enhance access to finance 	<ul style="list-style-type: none"> 17 companies passed Assessment 5 signed LOAs Support 1 training center to become an Apple Certified training center (the first in West Bank and Gaza) 2 companies enrolled in Export Market Development Program 	<ul style="list-style-type: none"> Introduction of training for new skills in the market Supporting startups in funding (1 accomplished, others pending vetting)
Furniture	<ul style="list-style-type: none"> September 2015 increased restrictions on dual-use list of required imports Lack of market access Declining workforce, moving to other sectors Weak support institutions Lack of quality assurance and management systems 	<ul style="list-style-type: none"> Build capacity and enhance access to market for select firms Enhance capacity of Furniture Association 	<ul style="list-style-type: none"> Identification with Union of top 20 export-ready firms (complete) Current State and Needs Assessment of 20 export-ready firms, incl. sales, exports, partnerships, material requirements, marketing information (complete) Assessment of Furniture Union (complete) Assessment of dual-use restrictions list as related to firm production requirements 	<i>In the absence of a mechanism to address dual-use restriction list of items needed for production, Compete is limited in its ability to positively affect this sector moving forward.</i>

<p>Garment and Textile</p>	<ul style="list-style-type: none"> • Lack of market access • Declining workforce, moving to other sectors • Weak support institutions • Lack of quality assurance and management systems 	<ul style="list-style-type: none"> • Build capacity and enhance access to market for select firms • Enhance capacity of Garment & Textiles Association 	<ul style="list-style-type: none"> • Identification with Union of top 20 export-ready firms (complete) • Current State and Needs Assessment of 20 export-ready firms, incl. sales, exports, partnerships, material requirements, marketing information (complete) • Israeli market research and matching (in process) • Assessment of Garment & Textile Union (pending) 	<ul style="list-style-type: none"> • Established connection with Israeli partners, exploring pilot
<p>Tourism</p>	<ul style="list-style-type: none"> • Constant political instability • Weak support institutions • Lack of quality assurance and management systems 	<ul style="list-style-type: none"> • Build capacity and enhance access to market for select firms • Enhance capacity of Tourism Association 	<ul style="list-style-type: none"> • Activity development utilizing FLAP to address needs • Conduct assessment of Tourism Association (complete) 	<ul style="list-style-type: none"> • Exploring business opportunity for domestic tourism