



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

Compete Project Quarterly Report

January 1, 2014 – March 31, 2014

April 2014

This publication was produced for review by the United States Agency for International Development.
It was prepared by DAI

COMPETE PROJECT QUARTERLY REPORT

January 1, 2014 – March 31, 2014

DAI

Contract Number: AID-294-C-12-00001

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ACRONYMS AND ABBREVIATIONS

AHA	Arab Hotels Association
B2B	Business to Business
CIBER	Competitiveness Impact of Business Environment Reform
COP	Chief of Party
DQA	Data Quality Assessment
EU	European Union
FY1	Fiscal Year One of the USAID Compete Project
FY2	Fiscal Year Two of the USAID Compete Project
Geo-MIS	Geographical Management Information System
GlobalGAP	Global Good Agricultural Practice
HLITOA	Holy Land Incoming Tour Operators Association
ICT	Information and Communications Technology
iOS	Internet Operating System
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoTA	Ministry of Tourism and Antiquities
MoU	Memorandum of Understanding
NSFT	National Association for Specialty Food Trade
PCARD	Palestinian Center for Agricultural Research & Development
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
FY3/Q2	Second quarter of USAID Compete Project Fiscal Year 2014
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

COMPETITIVENESS:

Ability of a firm or a nation to offer products and services that meet the quality standards of the local and world markets at prices that are competitive and provide adequate returns on the resources employed or consumed in producing them (Source: businessdictionary.com).

USAID's partnership with Palestinian private businesses in the selected sectors of intervention by the Compete project, has reached a critical juncture where the impact from individual project activities is solidifying into core elements of competitiveness.

Throughout this report covering January – March 2014, evidence is presented that attest to the vibrancy of the Palestinian private sector to grasp the opportunities for economic growth resulting in increased exports and jobs by investing in new technologies, upgrading manufacturing processes, empowering individuals with new technical skills, as well as attaining new service delivery standards in the Agribusiness, Tourism, ICT, and Stone and Marble sectors.

➤ **Agribusiness**

- The introduction in 2012 of “forward contracts” has spawned an array of new crops (broccoli, potatoes) and new technologies (PSM - plant self-management, modern potato harvester, grafting techniques and seedling equipment), which has enabled producers to further expand their market reach and competitiveness.
- New technologies like PSM, soilless culture, irrigation and grafting techniques lead to higher yields and enable producers to capture a wider market share and to expand to different markets, such as through the Dubai Market Hub, or to Israel with the Kosher Certification for Shmita (Sabbath year); higher yields also help meet the terms of forward contracts.
- Interventions that help develop the supply chain like cooling rooms and packing lines ensure companies can deal with increased yields and enable companies to fulfill terms of forward contracts and to expand market reach.
- Successful participation in trade shows has improved the global image of Palestinian products, helping individual producers access new buyers in new markets into which they can feed their increased yields.

➤ **Tourism**

- Interventions in urban rehabilitation, site renovation, and trail development, which contribute to developing world-class Palestinian tourist destinations, are moving full steam ahead, ensuring destinations provide a high quality visitor experience.
- Hotels and hospitality services are improving, ready for more visitors, and again contributing to a better visitor experience.
- In tandem, HLITOA is improving their services for tour operators through targeted market profiles and increased participation in roadshows that should enable tour operators to bring in more visitors—just at the time when the sites and the hospitality industry are ready for more visitors.

- The better quality visitor experiences and targeted marketing should then lead to more and greater variety of visitors as the image of Palestinian tourist destinations improves.

➤ **ICT**

- Compete support several startup interventions, through Arabreneur and E-Zone at Leaders (component B), that are creating a pipeline of startups, from incubation to acceleration and investment.
- On the skills development front, the PITA employability program, the Microsoft IT Academy, and the “cloud training” under *salesforce.com* at the new H&W (women only!) office in Hebron are closing the skills gap ensuring there are talented computer engineers to meet the needs of growing Palestinian ICT companies such as Jaffa Net that are developing their multinational partnerships;
- The Technology Transfer Company, a public-private partnership with four (4) leading Palestinian universities, will then be in place to ensure sustainability of skills and talents throughout the sector to meet the demands of multinational partnerships.

➤ **Stone & Marble**

- Filter press maintenance provides the feedstock for new product development from sludge; once the new product production is in place, this will drive the maintenance and renewal of filter presses, ensuring sustainability in the industry. USAID’s “waste to profit” intervention thus becomes a virtual economic circle.
- As the stone industry gains sustainability and stability, the project is working towards opening more quarries in Area C, to increase resources again feeding a new era for export and job growth in what was once thought of as a “dying industry”.

The above are only snippets of how USAID through the Compete Project is connecting-the-dots at this juncture in the quest for the sustained economic development of the West Bank under private sector leadership. There are abundant encouraging signs throughout this report for the first months of 2014, but the pace for growth remains fragile and the momentum for moving forward could easily reverse if the political economy of the region deteriorates.

KEY ACCOMPLISHMENTS

AGRIBUSINESS

Introducing New Crops – Palestinian Al Forat Farms harvested the first crop of broccoli in the Palestinian Territories from a 10 dunum demo plot. The broccoli was planted under a forward contract facilitated by USAID through the Compete Project between Al Forat Farms and Palestinian company Al Salam. Ten dunums yielded about 30 tons, which at the local market price is worth 90,000 NIS (approximately \$26,000USD). The success of this new crop is already opening market opportunities for Palestinian exports—Al Forat Farms is in negotiation with two Israeli customers for more broccoli!



USAID West Bank/Gaza Mission Director Dave Harden helps with the first broccoli harvest in the West Bank.

Introducing New Technologies – Sami Abu Mansour Farms opened its modern chive growing facility, which features artificial soil (perlite) and a fully computerized irrigation system called Plant Self-Management (PSM); this technology enables the farmer to monitor his plants from anywhere. USAID assisted Sami Abu Mansour Farms with procuring insect netting, perlite pillows and padding to form the artificial soil, the fully computerized irrigation system, and a precooling packing house. These innovative technologies will ensure high quality export products and expand Palestinian fresh herb exports. USAID Mission Director, Dave Harden, attended the opening of the modern chive farm.



Farmer Abu Mansour can check on his plants from his iPad with the computerized Plant Self-Management system.

Developing the Value Chain – To lengthen the shelf life of fresh produce, and ensuring that quality goods reach the market, the Compete Project helped to procure two cooling rooms for Sami Abu Mansour’s modern chive farm, four cooling rooms for Tubas Company for Packaging and Marketing for their new potato and carrot packing house, and two cooling rooms for the Green Qalqilya Company and their new guava and avocado packing house.

Trade Show Participation – USAID’s Compete project supported the participation of Palestinian companies in two international trade shows. Five Palestinian companies showcased Palestinian fresh agricultural products in Fruit Logistica Trade Show 2014 in Berlin, which was attended by 60,000 visitors from 140 different countries, and six Palestinian firms exhibited their products at Gulfood in Dubai, the largest exhibition of food products in the Middle East with over 4200 exhibitors and 77,609 buyers in attendance. Between the two trade shows, participating companies report a total of 419 contacts made, 117 of which look promising, and they are negotiating 25 future business deals.

Driving Competitive Advantages – Ata Abu El Rub Nursery in the northern West Bank inaugurated its new facilities, which are now implementing the GlobalGAP (Global Good Agricultural Practices) System. USAID facilitated trainings in modern grafting techniques, and assisted with procuring seedling equipment to ensure the nursery had the capabilities to provide quality grafted seedlings at

competitive prices, compliant with GlobalGAP standards, enabling the nurseries to compete in both the local and global markets. Previously Palestinian farmers have relied on imported seedlings—upgrading Palestinian nurseries ensures they are able to meet demands for quality seedlings, driving sales and job opportunities for Palestinians. USAID Mission Director Dave Harden attended the inauguration of the nursery facilities.

Facilitating Access to Irrigation Water – The Compete Project organized a field visit to Nablus on March 24, 2014 for USAID Deputy Assistant Administrator Alina L. Romanowski and USAID West Bank/Gaza Mission Director David Harden to visit the treated wastewater project in Nablus. Through the Compete Project, USAID is launching the first treated wastewater reuse project to irrigate export crops, including guava, avocado, pomegranate, almonds, and mangos. The project is assisting farmers in using treated wastewater for the first time to help overcome the key impediment for agricultural development: scarce water.



The new seedling equipment at Ata Abu El Rub Nursery.



Women trained in modern grafting techniques hard at work, filling the seedling trays at Ata Abu El Rub Nursery.



Alina Romanowski, USAID Deputy Administrator looks down at the Nablus water treatment plant that will provide water for the treated wastewater irrigation project.

Dubai Marketing Hub – Following the completion of a comprehensive legal due diligence and technical assessment for a Marketing Intelligence and Distribution Hub Company (MIDHC) in Dubai, the project’s agribusiness team in coordination with Equity Law conducted a dissemination workshop, attended by 21 participants, to present the findings to the main Palestinian exporters to the Gulf markets

Driving Export Growth – The agribusiness sector is supporting some Palestinian companies to become Kosher certified to expand their exports to Israel, particularly during the Jewish “Shmita” year (Sabbath year in which Jewish fields lie fallow) starting September 2014. Ten Palestinian companies met with Rabbi Yousef Minsky to discuss the requirements for Kosher certification. Rabbi Minsky has so far visited three of the companies to inspect their facilities and make recommendations to help them obtain the Kosher Certificate.

TOURISM

Urban Rehabilitation – The major urban rehabilitation project for Bethlehem, Burqin and Bethany, which aims to improve the visitor experience at major Palestinian tourism destinations, was launched in February at an event in Bethlehem. The project is being implemented by the Palestinian Center for Cultural Heritage Preservation (CCHP) with support from USAID. The launch event was attended by USAID West Bank/Gaza Mission Director Dave Harden, who praised Palestinian culture, history, music, dance, food, and more, saying that Palestinians have what it takes to attract more visitors to the West Bank. The Center for Cultural Heritage Preservation (CCHP) has already begun substantive work on the project: the tourism sanitation facilities in Bethlehem are already 70% complete, a Palestinian company has been contracted to improve the street light network in strategic locations in Bethlehem, and the design for the restoration of a historic building in Bethlehem is ready; CCHP conducted its first community meeting with stakeholders in Bethany to discuss the proposed interventions; and they have signed a contract with Palestinian company Al Aziz Contracting for the rehabilitation of Dar Khater (Hosh Abu Jarour), a historic site in Bethlehem.



Hikers enjoy a spring-time walk in the Northern West Bank along the Abraham Path.

International Recognition of Palestinian Alternative Tourism – The Abraham Path in the West Bank was featured in the *National Geographic* cover story for the April 2014 issue, citing the Palestinian segment as the number one of the “10 of the Best New Walking Trails” worldwide! The story highlights the “sense of immersion” that is part of the experience of walking the Palestinian Abraham Path, particularly the “welcoming home stays”. USAID is working with the Abraham Path Initiative (an international organization) and

local partner Rozana Association to develop the Abraham Path between Nablus and Jenin, in the northern West Bank, particularly with developing “welcoming home stay” options and

training guides to provide the experience international tourists are looking for. Rozana has successfully engaged communities along the path to establish lodging and food options between Nablus and Jenin, and has completed training workshops for 16 local guides, covering an introduction to wild plants & wildlife, local history, culture and architecture in addition to first aid; and training for 38 Women Association members on food safety and hospitality. The Abraham Path Initiative has recently obtained a two-year grant from the World Bank to further develop the Abraham Path in the West Bank, complementing the work being done through the USAID grant.

Burqin Church – Rehabilitation of the sewage and sanitation facilities at tourist site Burqin Church are complete, with official handover taking place the last week of January. All parties were pleased with the work. Palestinian tourism success depends substantially on the quality and presentation of the tourism products it can competitively bring to the international market. USAID helped to ensure that Burqin Church presents a quality experience to tourists by supporting the renovation of



USAID Mission Director Dave Harden cuts the ribbon to reopen the historical Burqin Church, rehabilitated with support from USAID.

the sanitation facilities and beautifying the area outside the church, planting flowers, and installing benches and garbage bins to cater to tourists. The church was re-opened in an official ceremony on March 13, with the attendance of USAID representatives and main stakeholders, including the Palestinian Ministry of Tourism and Antiquities (MOTA), Burqin Church representatives and the Mayor of Burqin.

Hisham's Palace – After gaining approval from MOTA on the design of the museum display cases, and interpretive panels, the Compete Project has signed contracts with Palestinian companies for the supply and installation of the museum display cases, for both external and internal interpretation panels, and for museum renovations. The substantive work for these contracts are underway and it is expected that Hisham's Palace will be ready to reopen in May 2014, during the Jericho Arts Festival.

Hotel Classification – The Intercontinental Hotel in Jericho is the 1st five star hotel in Jericho to be fully classified under the Palestinian Hotel Classification System. After undergoing renovations and implementing some required changes, 13 hotels are now fully classified according to the standards of the new Palestinian Hotel Classification System; six in Bethlehem, four in Ramallah, and one each in Jericho, Nablus, and Jerusalem.

Improving Hospitality Services – On January 30, 110 hotel managers graduated from the Certified Hospitality Housekeeping Executive and the Certified Food and Beverage Executive courses in a ceremony attended by USAID Mission Director Dave Harden. The graduation recognizes their breadth of knowledge and experience in the hospitality industry. These in-service trainings contribute to institutionalizing quality service and standards in the

hospitality sector, and in particular to support the service and quality standards across the sector in line with the new Hotel Classification system.

ICT

Investment in Startups – USAID, through the Compete Project, supports the operations of *Arabpreneur*, an “angel investor” seed fund in the West Bank. Arabpreneur has invested in four Palestinian startups so far (AidBits, Karaz, LiveTop, and Fariqak) with a total of \$440,000 (\$80,000 to \$150,000 per startup). The participating companies have also generated interest among several other investors outside the Arabpreneur circle—all of the startups that participated in the Arabpreneur pitching event were approached by different investors including banks, leading to more than 30 pitching sessions for the participating startups. Arabpreneur has also created linkages for the selected startups with other accelerators in the region, including the Microsoft Accelerator Program in Tel Aviv, and Turkish accelerator Etohum bringing together founders, entrepreneurs, investors and executives in the Middle East region, as well as from Europe and the US. The Palestinian startup AidBits was selected to participate in the Microsoft Acceleration Program, where they will receive mentoring from top Microsoft employees as well as other industry leaders in Israel.

Increasing Opportunities for Women – With a grant from USAID through the Compete Project, H&W MENA officially opened the first-ever female-led software development center in Hebron. The center currently employs nine female software developers (all graduates from Polytechnic University and Hebron University), and a female supervisor, and plans to grow to about 20 staff by the end of the year. Currently, the team is working towards certification in *Salesforce.com* technology; once certified, they will start to work on projects for H+W Germany and many other companies. USAID West Bank/Gaza Mission Director David Harden attended the opening event.



Walla Jibrini, supervisor of a new all-women team at H&W MENA’s new office in Hebron, cuts the ribbon to officially open her new office, employing nine women computer engineers.

Supporting Multinational Partnerships – USAID, through the Compete Project supports multinational partnerships to ensure growth in the ICT sector; most recently, Palestinian company Jaffa Net signed a new agreement with Israeli startup HeadTop. This is the first partnership of its kind in which Jaffa Net received 20% equity and will be the technical arm of the Israeli startup, with expected revenues of \$2 Million USD in 2 years. Jaffa Net also secured an additional contract with a new internal INTEL group called iSES with 3 additional engineers were assigned to the project.

Driving Skill Development – As part of USAID’s initiative to bridge the gap between academia and the IT industry, the Compete Project supports the Microsoft IT Academy to implement its program at Palestinian universities. This program offers industry-leading technology skills to efficiently meet the IT sector’s skill demand; this quarter, 29 participants successfully completed the training in the mobile software development component of the IT Academy.

PITA Employability Program – This program, a partnership between the Palestinian Information technology Association and USAID through the Compete Project, was forged to create an extensive capacity building program that addresses the gaps identified in a market skills needs assessment to bridge the gap between a fresh graduate’s skillset and the real needs of the market. The employability program concluded successfully in January; 14 of the participants obtained long term employment contracts while 35 were placed in internships. Overall, the participants gave a positive evaluation of the employability program—81% said they were satisfied with the program and 90% would recommend it for new graduates, indicating that the employability program gave them additional skills and experience, interview practice and insight into current needs in the market.

Technology Transfer Company (TTC) – Following the launch of the technology transfer company initiative, named “Ibdaa”, USAID through the Compete Project organized a study tour to Jordan and Dubai in February to explore existing modules of research oriented institutions and look at examples of most successful R & D entities in partnership with the private sector. The delegation consisted of four university officials and Compete staff as well as USAID COR Ghassan Al Jamal. This tour laid the groundwork for launching the TTC in the Palestinian Territories by building on the examples (successes and challenges) of TTCs located in Amman and Dubai. Ibdaa selected a General Manager in March 2014, signifying an important milestone in the development of the technology transfer company. The GM will be responsible for the launch of Ibdaa, run the first round of projects, and manage the relationships between the partner universities and the private sector.

STONE AND MARBLE

Developing Quarries and Driving Exports – USAID is planning interventions to assist stone producers in Beit Fajjar area in Area C of the southern West Bank to help Palestinian stone producers capitalize on the vast natural stone resources in the area. The Compete Project organized a field visit with USAID Deputy Assistant Administrator Alina L. Romanowski and West Bank/Gaza Mission Director David Harden to study stone quarries



USAID Deputy Assistant Administrator Alina Romanowski studies the map of quarries in Beit Fajjar area.

in Beit Fajjar in Area C and learn about the latest developments in the region. There are 40 quarries in Beit Fajjar, but only four of them are licensed to operate. Stone producers submitted ten licensing applications to the Israeli Civil Administration in 2013, eight of them in Beit Fajjar area; licenses on these applications are still pending.

Filter Press Program – The project’s program for maintenance of filter presses in the stone industry is complete. Sixteen filter presses were serviced at various stone factories in the West Bank, ensuring that slurry is turned into sludge, allowing the reuse and conservation of water, while protecting the environment from stone residue, and presenting economic opportunities through new product development.

Turning Waste into Profit – The Compete stone team’s efforts to turn waste into profit continued with two investor workshops in Bethlehem and Ramallah following the announcement inviting interested investors to apply for a grant from USAID covering up to 50% of a full feasibility study for new product development from stone sludge. The workshops, organized in partnership with the USM and attended by 59 people, targeted potential investors in both the northern and southern parts of West Bank, inviting them to learn more about the completed pre-feasibility study, and inspect the product line developed from dry sludge. The project’s stone team shortlisted six applications from potential investors interested in undertaking a "Full Feasibility Study" of new products that could be produced from stone waste "sludge".



Potential investors gather round the table to learn about opportunities to turn waste into profit by developing new products from stone sludge.

ALL SECTORS

Private Sector Investment Leveraged - Since the beginning of Compete Project in the West Bank the M&E team has worked to capture the value of capital investments from our partners leveraged as a cost share of the project activities. As of March 31, 2014, private sector investment for the four sectors has reached a total of 26.7 million USD:

- \$15,506,600 in the Ag Sector;
- \$5,235,000 in the Stone & Marble;
- \$5,201,900 in the ICT sector;
- \$800,713 in the Tourism sector*.

* Investments as a result of meeting Hotel Classification Standards are likely to be substantial, increasing this number significantly.

PROJECT HIGHLIGHTS

This section contains highlights from select USAID Compete activities during the period of January 1 to March 31, 2014.

QUARTERLY HIGHLIGHTS – Forward Contracts Lead to New Technology



The first mechanized potato harvester in the Palestinian Territories.

“This is proof that assistance from USAID, through the Compete Project, drives private investment. We helped these farmers negotiate some forward contracts, and now they are taking the reins in their own hands and driving their farm forward with better technology and better opportunities.”

- Issam AbuKhaizaran, Quality Assurance Agriculture Specialist, USAID Compete Project

USAID assisted farmers at Top Field Farms to accompany members of the Compete Project’s agricultural team on an industry investigation trip to Italy last quarter. While there they investigated mechanized potato harvesters, and they were pleased to learn that the machines were capable of handling the heavy and rocky soil found in the West Bank.

When they returned home, the farmers began looking for equipment closer to home and were able to procure a used potato harvester. Top Field became the first Palestinian farm to use a mechanized potato harvester in the West Bank.

When harvesting potatoes by hand, the maximum production capacity Top Field could manage was 30 tons from about five dunums of land. The mechanized potato harvester more than doubles their production capacity to 70 tons, covering 10-15 dunums each day. This doubling of production capacity enables Top Field to meet larger commitments on forward contracts.

Top Field already has a forward contract, facilitated by USAID, through the Compete Project, with Lays potato chip company in Jordan for 6000 tons of red potatoes a year. During the summer months, Top Field must deliver 500 tons of potatoes each week to Lays in Jordan. Meeting this commitment without the mechanized potato harvester was simply impossible.

While USAID assistance through the Compete Project allowed Top Field to learn more about mechanized potato harvesters, and facilitated the forward contracts, Top Field took the initiative to invest their own money in the mechanized potato harvester—thus demonstrating the success of USAID’s interventions in driving private investment among its beneficiaries.

QUARTERLY HIGHLIGHTS – Improving Opportunities for Palestinian Women in IT



USAID West Bank/Gaza Mission Director Dave Harden learns from the women computer engineers at H&W's office in Hebron.

“USAID has successfully created jobs for female engineers working in cutting-edge technology that align perfectly with the cultural constraints in Hebron—this is disruptive innovation.”

-Mustafa Deeb, ICT Sector Lead, Compete Project

Eighty-five percent of computer science graduates at the Palestinian Polytechnic University in Hebron are women, but most of the Palestinian ICT sector is centered in Ramallah, meaning that job opportunities for the female graduates in Hebron were almost nonexistent. USAID identified an opportunity to establish a company in Hebron with a ready-made work force, and offered to help the Palestinian IT sector capitalize on this opportunity. H&W MENA saw an opening to expand their business, and sought to partner with USAID in the creation and management of the company.

USAID West Bank/Gaza Mission Director David Harden attended the official opening of the first-ever female led software development center in Hebron managed by H&W MENA. H+W MENA is currently the only company certified by Salesforce to deliver their services on the “Cloud” Currently, the team of nine female engineers and their supervisor are working towards certification in Salesforce.com technology; once certified, they will start to work on projects for H+W Germany and many other companies.

“The field of IT is exciting! It’s a new science with great opportunities. In Hebron, for many women the best job you can hope for is as an admin assistant position,” said one of the new women employees. *“This opportunity with H&W is unique and amazing! My family loves that I have found a great job close to home. And I’m thrilled to have a stimulating job in this exciting new field of cloud computing technology!”*

USAID supports this initiative as part of its efforts to expand culturally appropriate opportunities for women, while increasing job opportunities and IT exports to create sustained growth in the Palestinian economy.

Ghassan Jamal, Business Development Specialist at USAID West Bank/Gaza for the Compete Project explained: *“This partnership between USAID and H+W Mena creates employment opportunities and the training on real projects will lead to the development of real applications for the global market. This intervention comes as part of USAID’s goal to strengthen the Palestinian ICT sector by developing Palestinian human resources not only from a skills perspective but also from the ability to think creatively, to innovate and to deliver world-class technologies to the global market.”*

QUARTERLY HIGHLIGHTS – Enhancing Tourist Destinations: Burqin Church



The beautiful interior of the Burqin Church, just outside of Nablus in the West Bank.

“Palestinian tourism success depends substantially on the quality and presentation of the tourism products it can bring to the international market. Now, with the renovation of the sanitation facilities and beautifying the area outside the church, Burqin Church, which already draws a number of pilgrim tourists, presents an opportunity to increase the number of tourists coming to the area.”

-- Mohammad Qasem Taweel, Tourism Program Manager, USAID Compete Project

When tourists choose places to visit they usually think in terms of “destinations”. A destination can be a city, a region, even a country. What they have in common is the visitors recognize them as desirable geographical units they dream of visiting. Developing a region as a tourism destination requires taking into account the whole visitor experience, ensuring that public facilities, services and products are available nearby. Palestinian tourism success depends substantially on the quality and presentation of the tourism products it can competitively bring to the international market.

USAID, through the Compete Project, has undertaken a targeted plan for site development as part of the strategy to develop world-class tourism destinations. In effect, archaeological and cultural products, particularly those related to sites of religious significance, constitute the main pull factor for international visitors to the region. The City of Nablus in the northern West Bank has several attractions nearby, such as Burqin Church, that contribute to its pull as a destination within the West Bank.

Burqin Church, also known as the “*Church of Ten Lepers*”, is revered as one of the oldest churches in the world and is associated with Jesus and his healing of lepers in the area; the church draws thousands of visitors each year. USAID, through the Compete Project, assisted in rehabilitating the sanitation facilities at Burqin Church in order to meet the needs of visitors. The intervention included constructing a new toilet unit, and an underground sewage storage tank, and re-routing the sewage line to the new tank. The project also worked to beautify the area outside the church including cleaning graffiti, installing exterior tiles, landscaping and planting flowers, installing benches and garbage bins. The final effect is an area suited to calm contemplation, ideal for hosting religious pilgrims or archeological enthusiasts.

Site renovations such as this are intended to provide a range of unique and engaging travel experiences that will incentivize visitors to extend their length of stay and explore more sites in the West Bank, expanding the reach of their tourist dollars.

UPDATE ON COMPONENT B

Component B is a core part of the Compete work plan targeting assistance in developing Palestinian Business Support Organizations (BSOs) and commercial business service providers (BSPs). The Palestinian business environment has a strong presence of business, industry and professional associations that not only work as lobbyists with the government to protect the interest of their members but also as platforms on which to organize market access initiatives for their members. USAID, through the Compete Project, works with dynamic and representative BSOs and BSPs to enhance their current direct market opening activities in the four priority sectors of Agribusiness, Tourism, ICT and Stone & Marble.

AGRIBUSINESS

With assistance from USAID through the Compete Project in the West Bank, **the National Carton Factory** has become a local service provider of cartons to local farmers, especially for guava and avocado farmers. The Compete Project assisted them with applying proper carton specifications that comply with the food packaging and labeling norms of the (PSI) Palestinian Standardization Institution and hired a consultant to work with them to develop the required system to attain the ISO 9001 international standard; all that remains to be done is the internal and external audits.



The project's agribusiness team worked with business service provider **PalCircless** to support the participation of four Palestinian companies in Fruit Logistica in Berlin, February 5-7, 2014. Through this activity, PalCircless gained valuable experience in assisting with the design and construction of the booths, marketing, logistics and shipping samples. The agribusiness team also worked with the national trade association, **PalTrade**, to support the participation of six Palestinian companies in the Gulfood trade show in Dubai, February 23-27, 2014. PalTrade assisted the selected companies in the design and construction of the booths as well as organizing logistics.

USAID, through the Compete Project supports the design and implementation of an operational traceability system by **M.A.K International** for the fresh export produce sector following international best practices. The farmers are being trained on applying this system resulting in increased transparency and trust among stakeholders along the value chain. Dissemination of the software is facilitated through partnerships with the fresh producers and packers groups. This activity will increase product standards, provide strong brands and good perceptions; it is a key success factor for the export of fresh produce. M.A.K. International, in partnership with the Compete Project, is in the process of hiring a company to develop the required traceability software for Palestinian companies.

The project's agribusiness team employed the services of Palestinian company, **Equity Law**, to explore the possibility of establishing a Marketing Intelligence and Distribution Hub Company in Dubai. To that end, Equity Law organized an investigation trip to Dubai, with accompanying Compete staff, to conduct a comprehensive legal due diligence and technical assessment for the establishment of the distribution hub. Upon their return, Equity Law conducted a workshop with 21 principle Palestinian exporters to Dubai to disseminate the results.

ICT

Through the Compete Project, USAID is working with the representative body of the Palestinian IT sector, the **Palestinian IT Association (PITA)**, to address the existing skills gap in the Palestinian ICT sector. Computer Science graduates are lacking many of the cutting-edge skills currently needed in the market, and so the ICT team worked with PITA to implement an employability program that provides training on niche technologies and links young people to internships in IT companies. The employability program concluded this quarter, and participants have successfully obtained either internships or long-term employment.

Through the Compete Project, USAID is supporting **Arabreneur**, a regional seed fund network, to become an integral part of the Palestinian IT eco-system by engaging young entrepreneurs and provide them with working space, mentorship and capital to develop their promising startup companies, driving economic and social growth. *Arabreneur Venture Fund* has so far invested \$440,000 in four Palestinian startups and is providing them with professional advice, to build their companies and expand to regional and international level. Arabreneur selected eight companies to participate in their 2nd pitching event; prior to the event, Arabreneur provides basic mentorship, assisting the startups in developing a sound business plan and developing a pitch that will attract and inspire investors.

USAID, through the Compete Project, is also supporting **Leaders**, a Palestinian non-profit accelerator, that builds the capacity of Palestinian youth to create startups. In particular, Compete is partnering with Leaders to establish “E-Zone,” a fully equipped co-working space for entrepreneurs entered in their “Fast Forward” acceleration program, which provides mentorship and coaching for young entrepreneurs and financial assistance to launch their companies. Before E-Zone was even finished, three startups had already graduated from the “Fast Forward” accelerator, and are now considered ready for investment with strong products and business models. Leaders has selected four Palestinian startups in the second round of the Fast Forward program that will benefit from the now complete E-Zone facilities.

TOURISM

USAID, through the Compete Project, supports the development of the **Holy Land Incoming Tour Operators Association (HLITOA)**, one of the main stake holders in the Palestinian tourism industry with a membership of about 50 Palestinian tour operators. HLITOA is gaining capacity to better serve their members and provide tailored solutions that help tour operators and hotels attract more tourists to Palestinian areas. In particular, HLITOA is focusing on creating better brand identity for the Palestinian tourism industry utilizing the image bank created by Compete on Pinterest and Flickr sites, participating in trade shows and improving the digital presence of the Palestinian tourism sector on social media, while ensuring Palestinian tour operators are better able to attract tourists by developing market profiles for their members and selling new destinations.

As part of the enhanced services to their members, HLITOA has created an exhibition and roadshow strategy to enable their members to meet with outbound tour operators utilizing their recently published market profiles (four targeted markets selected by the Palestinian industry): faith tourism in the US, Mexico and Brazil, and adventure tourism. The profiles

produced by HLITOA provide critical information on these markets and how best to target them, especially how, when, and who the influencers are in the key target markets.

On the other hand, HLITOA is encouraging—with the support of Compete—Palestinian tour operators to include new Palestinian destinations in their tourist packages. To garner the support of tour operators, HLITOA organized two field visits to sites enhanced by Compete Project interventions in the West Bank, including Burqin Church, parts of the Abraham Path, Hisham's Palace in Jericho, and Jarar Palace in Sabastiye. More than 15 Palestinian Tour operators and hoteliers joined these visits.

The Compete Project is seeing evidence of the increased capacity of HLITOA and its strength as a service provider in the Palestinian tourism industry. HLITOA recently expanded its activities through an MOU signed with Solomon's Pools Tourism Project to include Solomon's Pools in official Palestinian tourism programs. This indicates that HLITOA has succeeded in garnering the trust of the tourism industry to promote and organize activities for the benefit of the industry.

The Arab Hotel Association (AHA), with assistance from USAID through the Compete Project, has assessed 54 hotels according to the star rating system and thirteen hotels have been fully classified. After the assessment, hotels have time to complete renovations and respond to recommendations to ensure they achieve their desired star level rating. USAID, through the Compete Project, is working with the **AHA** and **HLITOA** to establish a Palestinian Hospitality School in Jericho. **AHA** and **HLITOA** registered a non-profit company consisting of the board members of the two entities that will eventually own the school once it is finished.

Diyafa, a highly regarded Palestinian hospitality consultancy firm, is the local partner implementing a series of in-service training to enhance the quality of service in the hospitality sector. Diyafa has conducted different training sessions, ranging from improving the skills of hospitality supervisors, to certifying Hotel Room Division Executives, to Hospitality Educators. This series of in-service training courses aims to entrench high quality service within the Palestinian hospitality sector, improving visitor experiences throughout the West Bank.

STONE & MARBLE

The Stone & Marble team works closely with the **Union of Stone & Marble (USM)**, the representative of the industry, to provide better services to their members, including professional advice on building distribution channels through participation in leading international tradeshows. The USM is evolving through the development of new services for their members, particularly by creating a service department to develop marketing activities that will heighten brand awareness of Palestinian stone internationally, and provide tailored services to build marketing capacity at the factory level, enabling companies to reach global markets. The initial plan is to have a pilot project employing 10 marketing managers at selected qualified factories.

Furthermore, the USM successfully engaged their members on investment opportunities in developing new products out of sludge, signaling a stronger relationship with the market and better services for their members.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Progress Toward Indicators

The following chart outlines key achievements, impact and evaluation of Agribusiness activities during the period of January 1, 2014 to March 31, 2014.

**TABLE 2: ACHIEVEMENTS, IMPACT AND EVALUATION OF AGRIBUSINESS
USAID COMPETE PROJECT FY3/Q2**

Organize and Upgrade Fresh Herbs Sector	
<i>Description</i>	
<ul style="list-style-type: none"> • Create a fresh herbs organization to adapt a protocol of best practices in order to satisfy international market standards and USDA-APHIS requirements. • Upgrade fresh herb facilities to comply with Integrated Pest Management systems (IPM) and USDA requirements. • Establish a packing house for fresh herbs in the Jordan Valley. 	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • New technologies delivered (PSM system) Established the first modern Palestinian chive farm; Palestinian farmer Abu Mansour received the fully computerized irrigation system called Plant Self-Management (PSM), purchased with support from USAID, to install in his newly completed state-of-the-art greenhouse; • Official opening of the modern chive farm. • Installed two cooling rooms for Sami Abu Mansour's modern chive farm to lengthen the shelf life of fresh produce, and ensuring that quality goods reach the market. <p><u>Jasmine Co.</u></p> <ul style="list-style-type: none"> • 100 % of GlobalGAP system developed. • GlobalGAP work training is ready and delivered to the Company Staff. • Jasmine has already started planting & herbs production & started implementing the whole system on their farm. • All the required modification on the farm was clarified for the farm manager and company. • In addition, 2 training courses (basic food hygiene & GlobalGAP) were delivered. 	<ul style="list-style-type: none"> • One unified voice with strong bargaining powers. • Enforcing quality competitiveness standards. • Protect the Palestinian Territories' existing fresh herb market share and will increase subsector competitiveness by instituting best practice IPM approaches. • Higher productivity and lower cost /dunum. <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Increase in exports by 111,500 USD for <i>Jasmin Co.</i> • An increase of 30 dunums under new technology for <i>Daraghmeh Co.</i> • 16 new male workers for <i>Daraghmeh Co.</i>, 11 are youth
Produce Distribution Hub	
<i>Description</i>	
Support for market research and a feasibility study as the first steps toward establishing a distribution hub for fresh produce in target markets to directly link local value chains to growing international markets.	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Following the completion of a comprehensive 	<ul style="list-style-type: none"> • A distribution facility will provide a local market presence to store, aggregate and distribute products

**TABLE 2: ACHIEVEMENTS, IMPACT AND EVALUATION OF AGRIBUSINESS
USAID COMPETE PROJECT FY3/Q2**

<p>legal due diligence and technical assessment for a Marketing Intelligence and Distribution Hub Company (MIDHC) in Dubai, the project’s agribusiness team in coordination with Equity Law conducted a dissemination workshop, attended by 21 participants, to present the findings to the main Palestinian exporters to the Gulf markets from the following sub-sectors:</p> <ul style="list-style-type: none"> • Fresh Herbs Sector • Date Sector • Fresh Produce Sector • Olive Oil Sector • Traditional Products Sector • Meat and Dairy Sector • Nuts Sector <ul style="list-style-type: none"> • Awaiting a response from the interested companies to submit a request for a full business plan on a cost share basis. 	<p>–fresh produce, dates, and fresh herbs – to control quality and better serve international customers.</p> <ul style="list-style-type: none"> • These efforts will extend the reach of partner marketing efforts; connect our partners to new markets, and result in increased export production areas and export volumes produced with commensurate increases in sales, incomes and employment.
<p>Upgrade Grape Sector</p>	
<p><i>Description</i> Upgrade 15 Palestinian grape farms, which vary from 1 to 70 dunums, to produce high quality seedless grapes at competitive prices. The Compete Project will provide technical assistance as well as cost share upgrading inputs with grape farms to include insect netting for grapes.</p>	
<p>Achievements</p>	<p>Impact</p>
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • 323063 m² out of 459,072 m² of insect net has been delivered and installed which covers around 300 dunums of seedless grapes. 	<ul style="list-style-type: none"> • Along with improved precocity and yields, seedless grape varieties are more competitive and so will increase international market share for Palestinian producers. • This activity introduces new production technologies; and will grow sales into new markets. <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • 372 dunums area under new technology.
<p>Upgrade Guava Sector</p>	
<p><i>Description</i> In partnership with 36 guava and avocado producers, Compete is providing financial assistance to establish a packing line with washing, packaging, storing, grading and cooling facilities.</p>	
<p>Achievements</p>	<p>Impact</p>
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Installed two cooling rooms for the Green Qalqilya Company and their new guava and avocado packing house. 	<ul style="list-style-type: none"> • These activities will introduce new production technologies to the guava subsector, improve and diversify products, and increase income by expanding into new markets. • In August 2013, the producers registered their packing house company which will act as an aggregator for the export produce. <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • A value of \$2,165,917 of guava and avocado

**TABLE 2: ACHIEVEMENTS, IMPACT AND EVALUATION OF AGRIBUSINESS
USAID COMPETE PROJECT FY3/Q2**

	exports were sent to Jordan.
Traceability Software	
<i>Description</i> Support the design and implementation of an operational traceability system (developed by the Palestinian ICT sector) for the fresh export produce sector following international best practices in order to increase product standards:	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> Software TOR published and submitted for quotation 	<ul style="list-style-type: none"> This activity is vital for Palestinian products and services to meet international standards and specifications. Supports an increase in exports of both new and improved Palestinian products and services that are dependent on reliable food safety traceability systems. The capability to deploy this new technology will contribute to growing exports, incomes, and employment. This system, resulting in increased transparency and trust among stakeholders along the value chain.
Date Sector	
<i>Description</i> <ul style="list-style-type: none"> Create long-term sustainability and open new markets through the adoption of international quality standards. Date Pollen Facility – Start/upgrade date pollen facilities in the West Bank; presently 90% of date pollen is brought from Israel through cost sharing of inputs required for the simple technology required to capture and distribute date pollen. Capacity Building for Date Firm Staff and Date Farmers and cost share equipment to raise knowledge and competence of the workforce to improve date quality and increase export produce to high value markets. 	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> Delivered lab equipment for Nakheel. 	<ul style="list-style-type: none"> Increase the competitiveness of Palestinian products in international markets through meeting food safety standards; With GlobalGAP and ISO 22,000, BRC Certification, Nakheel Palestine demonstrates adherence to food safety and quality standards to fulfill market requirements; consumers can rest assured that the food has been sustainably produced, adhering to health, safety, and environmental standards, and increasing their marketability. <u>FY3/Q2</u> <ul style="list-style-type: none"> An increase in area of 1300 dunums under production for Nakheel Palestine.

**TABLE 2: ACHIEVEMENTS, IMPACT AND EVALUATION OF AGRIBUSINESS
USAID COMPETE PROJECT FY3/Q2**

Meat and Dairy Sector	
<i>Description</i> Upgrade Meat & Dairy facilities to maintain current markets in East Jerusalem and to open new export links.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> • 100% of ISO22000 system development has been accomplished & implementation has been initiated after the issuance of system procedures; • Completed the internal audit; • Conducted the initial external audit; • It is expected the final external audit will be conducted during April 2014. 	<ul style="list-style-type: none"> • Preserve current market share; • Remain competitive in East Jerusalem; • Improve the productivity and quality of meat and dairy products; • Compliant with ISO 22000 food safety requirements.
Trade Show Participation	
<i>Description</i> Assist Palestinian food processors to exhibit their products at international trade shows in order to attract product buyers, enter into negotiations and receive export orders.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> • Five Palestinian companies showcased Palestinian fresh agricultural products in Fruit Logistica Trade Show 2014 in Berlin, which was attended by 60,000 visitors from 140 different countries. • Six Palestinian firms exhibited their products at Gulfood in Dubai, the largest exhibition of food products in the Middle East with over 4200 exhibitors and 77,609 buyers. • Canaan Fair Trade participated at Fancy Food Show 2014- San Francisco and Natural Products Expo West 2014- L.A. During both shows, Canaan's US team held several meetings with potential retailers and distributors as well as Whole Food Market Grocery Category manager to finalize listing the 'Shajara Tayyeba' olive oil product for Autoship all Whole Foods Stores across the country. 	<ul style="list-style-type: none"> • Enable Palestinian food producers to meet face-to-face with international buyers, showcase their products, enter into negotiations and better understand regulations for operating in a global marketplace; • Open and maintain market linkages, market information and support current distributors of Palestinian specialty foods; • Capture new market leads and buyers, create direct sales, and expand market penetration. • Improving the image and exposure of Palestinian products in global markets. <p>FY3/Q2 Participating in international trade shows enabled Palestinian companies to expand their reach into international markets, which resulted in:</p> <ul style="list-style-type: none"> • Expansion to Morocco for <i>Emirates Delight</i>. • 3 markets accessed for <i>Daraghmeh Co</i>: Moscow, Vienna, and Switzerland. • 7 new products for <i>Canaan Fair Trade</i> • 1 improved product for <i>Emirates Delight</i>. • 4 new hires for <i>Canaan Fair Trade</i>, 2 of them are female and 3 youth. • 19 new male workers for <i>Agripal</i>, 14 of them are youth. • 1 international contract with Russian Co. for <i>Daraghmeh Co</i>. <p>Initial indicators of successful export expansion include:</p> <ul style="list-style-type: none"> • Through <i>FancyFood show, Canaan Fair Trade</i>

**TABLE 2: ACHIEVEMENTS, IMPACT AND EVALUATION OF AGRIBUSINESS
USAID COMPETE PROJECT FY3/Q2**

	<p>expanded their product portfolio with Whole Foods Market, and exported products with a total value of \$52,464.</p> <ul style="list-style-type: none"> • Through <i>Gulfood show, Canaan Fair Trade</i> exported products with a total value of \$23,665 and a total of \$102,000 for <i>Emirates Delights</i>; • Through <i>Fruit Logistica show, Emirates Delights</i> exported products with a total value of \$100,000, \$179,451 for <i>Daraghmeh Co.</i> and \$361,238 for <i>Agripal</i>. • Through <i>Moscow World Food show, Daraghmeh Co.</i> exported products with a total value of \$55,000. <p><u><i>Fancy Food Trade Show Impact</i></u></p> <p>In both Fancy Food trade shows, Canaan booth noticeably heavy traffic, with roughly 200-250 leads of varying types from each show, approximately 120 leads per show, this includes national accounts, media, retailers, etc. After following up with these leads, some efforts were translated into sales and the company is still following up others.</p> <p><u><i>Fruit Logistica Trade Show – Berlin, February 5-7, 2014</i></u></p> <ul style="list-style-type: none"> • Participants evaluated the assistance provided by both the Compete Project and PalCircleless as good or very good. • 75% agreed the show was very organized to extremely organize; • All participants agreed that the learning outcomes of the show were achieved. • 75% agreed said that participation in the show was very useful; • 100% agreed that their skills improved as a result of participating in the show. • The participants made a total of 55 business leads, and met a total of 19 potential customers during the trade show. <p><u><i>Gulfood Trade Show – Berlin, February 23-27, 2014</i></u></p> <ul style="list-style-type: none"> • Participants evaluated the assistance from both the Compete Project and Pal Trade as good to very good. • 83% agreed that participating in the tradeshow was very useful for their companies. • All participants agreed that their marketing skills improved, 50% said they improved a great deal. • Half of the participants said they would participate in Gulfood in the future without donor assistance. • The participants made a total of 511 business leads, met 345 potential customers, and made 49 deals during the trade show.
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**TABLE 2: ACHIEVEMENTS, IMPACT AND EVALUATION OF AGRIBUSINESS
USAID COMPETE PROJECT FY3/Q2**

Forward Contracting	
<i>Description</i> Link Palestinian value chains to international and domestic markets with long-term contracts to avoid major price fluctuations and supply shortages.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> • Tubas Company for Packaging and Marketing successfully exported the first shipment of carrots processed and packed at their new potato and carrot packing line to Jordan. • Installed four cooling rooms for Tubas Company for Packaging and Marketing for their new potato and carrot packing house, 	<ul style="list-style-type: none"> • Forward contracts can increase competitiveness, increase export performance and improve country image (brand and origin) recognition, this will help to avoid major price fluctuations and help sustain a consistent supply flow in response to the market's needs. • A contract was signed between Top Field Co., Al Forat Co. and a farmer, Mohammad Basheer Daraghmeh with Al Ashqar in Jordan. <u>FY3/Q2</u> <ul style="list-style-type: none"> • A contract was signed between Top Field Co. and Zein Co. in Saudi Arabia with a total value of \$456,281. • A contract was signed between Top Field and Haj Omar in Israel with a total value of \$1,081,657. • A contract was signed between Top Field Co. and Wael Ibrahim in Qalqilia with a total value of \$1,096,286. • A total of exports of \$125,000 for Al Forat Co. • Sales to local market for Al Forat Co. by \$3000. • 22 new hires, all youth and 3 of them are females. • Sales to local market for Al Salam Co. by \$7,666.
Reuse of Treated Waste Water Demo (TWW)	
<i>Description</i> Build awareness and support for the reuse of TWW for agriculture to address the inadequate water supply. Study tours focus on the exchange of technical knowledge and the study of models to be replicated in the West Bank.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> • Addressing USAID comments on EA. • Organized a field visit to Nablus on March 24, 2014 for USAID Deputy Assistant Administrator Alina L. Romano ski and USAID West Bank/Gaza Mission Director David Harden to visit the TWW project in Nablus. 	<ul style="list-style-type: none"> • Transfer knowledge of how to use the TWW; • Provide additional sources of irrigation water by making use of the TWW from the Nablus waste water plant; • Increase awareness of the importance of using TWW in agriculture. The study tour provided them with guidelines regarding irrigation techniques, sanitation control and sustained quality. Most participants accepted the idea of using treated wastewater in the Palestinian Territories and are ready to use the treatment plant that is being constructed in Nablus.

**TABLE 2: ACHIEVEMENTS, IMPACT AND EVALUATION OF AGRIBUSINESS
USAID COMPETE PROJECT FY3/Q2**

Saline Water Demonstration	
<i>Description</i> Conduct several pilot tests that use a Swiss technology (magnetically treated water) to enable the use of saline water for irrigation	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> SOW Preparations for procuring passive magnetic equipment's to farmers (up to 8 farmers). 	<ul style="list-style-type: none"> Introduction of new saline water technology will have major long-term benefits for the agriculture industry; Increase productivity, quality, export volumes and competitiveness of Palestinian produce. 13 farmers expressed interest and are willing to cost share magnetic saline equipment. An additional 8.5% of value in price due to improved dates grades
Upgrading of Nurseries Facilities	
<i>Description</i> Upgrade and qualify Palestinian nurseries in order to provide high quality grafted and fresh herb seedlings at reasonable prices.	
Achievements	Impact
<u>FY3/Q2</u> Ata Abu Rub Nursery : <ul style="list-style-type: none"> 100 % of GlobalGAP system development had been accomplished. The implementation phase has been started. 	<ul style="list-style-type: none"> Transfer knowledge of grafting systems; Address market needs, and adapting to soil conditions through grafting. <i>Ata Abu Rub Nursery</i> increased its local sales by \$230,000. Improved products. <ul style="list-style-type: none"> <i>Ata Abu Rub Nursery</i>: 2 new products were introduced: Green tea and Lemon grass. Jobs created: <ul style="list-style-type: none"> 1 new hire for <i>Ata Abu Rub Nursery</i> 11 new hires for <i>Juneidi Nursery</i> with 5 females and 4 youth. <u>FY3/Q2</u> <ul style="list-style-type: none"> Sales to local market for <i>Ata Abu Rub Nursery</i> by \$127,676. 4 new kinds of flowers were developed for <i>Juneidi Nursery</i>: Gerbera, Carmel, Angelina and Geranium. 1 new product developed for <i>Ata Abu Rub Nursery</i>: Asparagus. 2 new male workers for <i>Ata Abu Rub Nursery</i>- both are youth. 12 new workers for <i>Juneidi Nursery</i>, 2 of them are female and 4 male are youth.

Packaging and Labeling	
<i>Description</i>	
<ul style="list-style-type: none"> • Create a qualified team and system with the PFIA to assist food-processing companies to upgrade and improve their packaging and labeling capabilities for improved market access. • Upgrade packing line of West bank Salt Co. to improve market access and penetration. 	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> • PO signed with the vendor to deliver equipment for Al Aqaba Women’s Cooperative. The equipment includes an herb drying machine, cutting machine, packaging line and wrapping machine. 	<ul style="list-style-type: none"> • Increase the competitiveness, compliance and market access of the Palestinian food processing sector by building association-led capacities in export packaging, labeling and market requirements, leading to growing exports, incomes and employment. • The packages of 13 products have been redesigned. • Upgrading equipment – will support their ability expand their exports and to meet the requirements of vendors selling their products.
Upgrading Accredited Laboratory for Fresh Produce	
<i>Description</i>	
Upgrade and accredit Palestinian private sector laboratories to conduct tests according to international standards (ISO 17025) that comply with customers’ needs, specific market requirements, and enable firms to take immediate corrective action when required.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> • 20 machines out of 23 were delivered to the laboratories while the rest of the equipment will be delivered very soon “ Awaiting security check” 	Conducting tests in accordance with ISO 17025 will comply with customer needs, specific market requirements as well as reducing costs and time.
Introduce New Crops and Technologies to the Palestinian Agriculture Sector	
<i>Description</i>	
Provide new technology and/or support new product development for a range of partners.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> • Al Forat Farms harvested the first crop of broccoli in the Palestinian Territories from a 10 dunum demo plot 	Import substitution of processing vegetables with commensurate growth in employment and incomes <u>FY3/Q2</u> <ul style="list-style-type: none"> • 2 new products were introduced for <i>Top Field Co.</i> classic eggplant, and tamar potatoes.
Export Manager for Hire for Several Companies	
<i>Description</i>	
Hire an export manager for companies that have demonstrated a clear competitive advantage and access to international markets:	

Achievements	Impact
<p><u>FY3/Q2</u> <u>Canaan</u></p> <ul style="list-style-type: none"> • Participation in Winter Fancy Food Show January 19-21, 2014 in San Francisco; • Participation in Expo West LA March 6-9, 2014; • Listing and supplying the Organic EV olive oil (Shajara Tayyeba) to Whole Food Market (WFM) national wide – Auto ship listing; • Retailer recruitment through all channels, including trade shows, and national target lists (ongoing); • Demo group recruitment /training/management for national coverage. • New distribution development nationally and with specialty regional distributors (ongoing) • Broker development- West Coast, Rocky Mountain regions (ongoing) • Promotion planning (ongoing) • Demo Planning/coordination/follow up (ongoing) • Marketing materials development (ongoing) • Advertisement placement • World Fair Trade Day (WFTD) Program management and participation (ongoing) 	<ul style="list-style-type: none"> • Increase exports of selected companies and their farmers <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • As a result of <i>Whole Foods Market, Canaan Fair Trade</i> exported products with a total value of \$113,616.
FAM Trips	
<p><i>Description</i></p> <p>FAM Trips: Familiarize Palestinian exporters with international market demands through targeted Familiarization Study Tours (FAM tours); invite key buyers to visit and build business relationships with local producers.</p>	
Achievements	Impact
<p><u>FY3/Q2</u> <u>Grant with Palestinian American Chamber of Commerce:</u></p> <ul style="list-style-type: none"> • It was decided to delay the FAM Visit activity till after the Export Manager component is implemented to give the identified Export Managers time to build relations with US buyers and distributors interested in businesses with Palestinian Companies. • The Compete agribusiness team organized a meeting between the USAID trade project and 25 agricultural aggregators to explore the possibility of establishing a program offering logistical assistance and special arrangements for Palestinian agribusiness exporters at the crossing points with Israel. 	<p>FAM trips –including inward “buyer airlifts”- will facilitate critical link between international market makers and local agricultural value chains, thus increasing export opportunities and country image as a source for quality agriculture products.</p>

Updates for Other Agribusiness Activities in the Work Plan

- Capacity Building for Date Firm Staff and Date Farmers and cost share equipment to raise knowledge and competence of the workforce to improve date quality and increase export produce to high value markets :
 - Lab location is being prepared by Nakheel Company.
 - With support through the Compete Project Nakheel Company is working with Palestinian design company Zoom to redesign the packaging of their dates.

TOR for Water Project Designs : Recruit a water expert to develop the terms of reference for company to assess the feasibility of six water projects designed to enhance access to water in Area C:

- Contracted a consultant to assess the feasibility of six proposed agricultural water projects. The analysis showed that all of these projects are economically feasible.
- Israeli Authorities have approved irrigation projects in different parts of Area C; based on their approval, the TOR for two projects have been modified.

Expanding Exports – The Compete agribusiness team organized a meeting between the USAID trade project and 25 agricultural aggregators to explore the possibility of establishing a program offering logistical assistance and special arrangements for Palestinian agribusiness exporters at the crossing points with Israel. The meeting was a good opportunity for the agribusiness companies to give feedback to the trade project concerning impediments they face at the Israeli border.

Adopt International Standards: Assist Palestinian producers, processors and service providers to adapt an appropriate mix of global standards to increase the competitiveness of their products and services:

- National Carton Industry Company: 90% of ISO9001 system development has been accomplished & trail implementation process has been initiated in preparation for the final system procedures & documents.
- In 2013 and FY3/Q2 with GlobalGap certification, Thimar Co. exported a total value of \$2,037,345, and increased land under cultivation by 180 dunums, adding 10 new male workers (6 of them are youth).

Lessons Learned

In January for the first time during the project the agribusiness team held several “bidders’ workshops” for companies interested in bidding on the procurement of equipment for packing lines. The companies had the opportunity to clarify the required specifications of the equipment and procurement procedures. This has proven to guarantee better submissions that meet the project’s requirements, thereby reducing the time required for procuring equipment.

Regarding delays that are characteristic of the USAID vetting process, the agricultural team has learned that for time sensitive projects, particular involving international travel dates and trade show participation, there needs to be a clear cut-off-date for vetting of participating companies. While the Compete Project team works hard to ensure vetting applications are submitted with enough time for processing, if the companies are not vetted by this cut-off-date it would be better for those companies to be dropped. This is because the logistics of arranging last minute participation, including samples, publications, booth design, etc. is too complicated.

It is important to ensure that there are unambiguous milestones for beneficiaries, with clear measurements of success. The indicators must reflect the sophistication of the beneficiary and the project.

TOURISM

Progress Toward Indicators

The following chart outlines key achievements, impact and evaluation of Tourism activities during the period of January 1, 2014 to March 31, 2014.

TABLE 3: ACHIEVEMENTS, IMPACT AND EVALUATION OF TOURISM USAID COMPETE PROJECT FY3/Q2	
<ul style="list-style-type: none"> • Develop Market Profiles for Priority Destinations • Design and Implement a Destination Branding and Marketing Campaign • Organize West Bank –Focused Road Shows in Key Markets • Increase Visibility of Tour Operators and Palestinian Destinations on the Internet 	
<p><i>Description</i></p> <ul style="list-style-type: none"> • Develop market profiles for key country markets and key niche markets to expand market access and business development in the strategic tourism market. • Develop three destinations brand strategies based on research, analysis and market needs as well as to develop a set of branding guidelines for the use of destination brands and to train tourism sector players on how to use them effectively. • Support the competitive participation of Palestinian tour operators with innovative products in three key trade shows. Additionally, provide financial and organizational support for the organization of one Palestinian-focused roadshow at each of these trade events. • Build HLITOA’s internal capacity to manage and generate revenue from the developed Facebook leaderboard and two new web-enhanced applications so that key market segments are properly targeted. 	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • HLITOA presented four market profiles to its members and stakeholders in the tourism industry. The market profiles covered faith tourism markets in the US, Brazil and Mexico, and introduced a new market for Palestinian tour operators: adventure tourism. • HLITOA submitted their draft Tourism Market Roadshow Strategy to capitalize on opportunities for HLITOA members and their partners to meet outbound tour operators from target markets and conduct B2B meetings. • HLITOA, started site visits with Palestinian tour operators to get feedback from the tour operators on the completed and planned rehabilitation of specific Palestinian tourist destinations, and develop a commitment from the tour operators to incorporate these sites into their tours. This quarter, the first site visit included a visit to the Burqin Church, walking a small segment of the Abraham Path, and visiting Jarar Palace <p><u>The Jericho Festival, - April 24th :</u> Preparation are under way for Jericho Festival as an ideal location which will be held on 4 weekends, featuring music, movies and interactive games, and</p>	<ul style="list-style-type: none"> • Specific market intelligence to enable and support strategic market access contributes to increased sales for Palestinian firms. • Contribute to increasing destination awareness among key market segments and support an increase in sales for Palestinian firms. • HLITOA members’ enhanced e-marketing presence will result in increased bed nights from key source markets as well as increased sales for supported Palestinian firms. • Assist in strategic decision making and for the first time enable targeting the most lucrative potential markets. • The Palestinian tourism industry will use a unified message to increase awareness of the Palestinian territories as a tourist destination, and shift perception to accurately represent Palestinian tourist destinations. • Delivery of clear and consistent messages on tourism products that represent the Palestinian experience resulting in a more compelling proposition to the target market, and increase sales of Palestinian firms and increase tourists’ expenditures in Palestinian areas. • Enable HLITOA/AHA to provide better services to their members and business partners,

**TABLE 3: ACHIEVEMENTS, IMPACT AND EVALUATION OF TOURISM
USAID COMPETE PROJECT FY3/Q2**

<p>will ensure through this approach the best return on investment and contribute to increased visitor numbers, length of stay and average expenditure per visitor.</p>	<p>particularly through the four market profiles HLITOA is developing.</p> <ul style="list-style-type: none"> The destination brand supports Palestinian tour operators to organize road shows, actively sell new destinations and sites developed in collaboration with the Compete Project, as well as improve the digital presence of Palestinian tour operators. Increase sales and bring more investments in the tourism sector. <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> HLITOA expanded its activities through an MOU signed with Solomon’s Pools Tourism Project to include Solomon’s Pools in official Palestinian tourism programs. This indicates that HLITOA has succeeded in garnering the trust of the tourism industry to promote and organize activities for the benefit of the industry. The roadshows are useful for connecting with target media, churches, religious leadership organizations, faith leaders, and other influencers in the key target markets.
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Hotel Classification

Description

Develop and implement a mandatory hotel classification system in the Palestinian Territories to ultimately support an increase in tourist numbers, length of stay and average expenditure per visitor.

Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> To date, 13 hotels are now fully classified according to the standards of the new Palestinian Hotel Classification System. 	<ul style="list-style-type: none"> The system provides assurance of the highest quality possible for the amounts paid by tourists, increasing the credibility of Palestinian products and services. Increase in number of tourists, length of stay and average expenditure per visitor.

- Restoration/Upgrading of Archaeological Sites and Development as Key Attractions in Priority Destinations**
- Urban Planning, Zoning and Beautification at Priority Destinations**
- Improve Physical Access to Priority Destinations by International Visitors**
- Development of Visitor Interpretation Centers at Key Sites in Priority Destinations**
- Provide Commercially Viable Access to Reservation Systems for Small Palestinian Hotels**

Description

USAID, through the Compete Project, has undertaken a targeted plan for site development as part of the strategy to develop world-class tourism destinations. In effect, archaeological and cultural products, particularly those related to sites of religious significance, constitute the main pull factor for international visitors to the region. The project will focus its historic/archaeological restoration and upgrading activities on adding value to sites

**TABLE 3: ACHIEVEMENTS, IMPACT AND EVALUATION OF TOURISM
USAID COMPETE PROJECT FY3/Q2**

already in use or those that could be leveraged by the private sector to increase visitor volume and length of stay. Activities under the destination development include:

- Upgrade and beautify priority sites to be functional and attractive to visitors and locals alike.
- Facilitate the access of international visitors to overcome challenges particular to the Palestinian destinations, including transportation, checkpoint and road access.
- Upgrade visitor information centers to link potential consumers with the range of businesses and attractions catering to their needs. In addition, existing museums and archaeological sites need better interpretation to enhance the visitor’s experience.
- Fund the expansion of a local online reservation system (Yamsafer) to expand its services to small and medium hotels in our priority destinations. The project will support the development of market-based, commercial relationships between the reservation systems and the hotels and will facilitate the system’s connection to international reservation engines thus maximizing the visibility of Palestinian hotels.

Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • CCHP urban rehabilitation project launched. • CCHP has begun substantive work on the project: <ul style="list-style-type: none"> ➢ Signed a contract with Palestinian company Ali Abu Dayah and Bross for contracting to rehabilitate public sanitation facilities as well as to improve the street lighting in Bethlehem, ensuring adequate services for tourists. ➢ Submitted a concept design for the restoration of a historic building; ➢ Submitted a design for street lights in strategic locations in Bethlehem; ➢ conducted its first community meeting with stakeholders in Bethany to introduce the interventions they will be conducting as part of their sub-contract with the Compete Project. ➢ CCHP signed a contract with “Al Aziz Company for Construction and Contracting” for the rehabilitation of Dar Khater (Hosh Abu Jarour) in Bethlehem. ➢ Advertised RFP for Rehabilitation of Qattan Stairway and Bus Station Stairway projects in Bethlehem. <p><u>Hisham’s Palace Site Interpretation, Museum Rehabilitation:</u></p> <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • MOTA approved the design of the museum display cases; • Signed a contract with Palestinian company Al Nasher to deliver and install museum show cases at Hisham’s Palace • RFPs for Hisham’s Palace Historic site and museum renovation were advertised in local newspapers. • Organized a site visit to Hisham’s Palace for 	<ul style="list-style-type: none"> • Improve Bethlehem’s northern entrance • Link potential consumers with the range of businesses and attractions catering to their needs • Improve the access of international visitors to overcome challenges particular to the Palestinian destinations, including transportation, checkpoint and road access. • Increase tourism sales, length of stay, and average expenditures per visitor. • Adding value to our destinations and facilitating sales by the private sector. <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • This project will ensure key tourists sites are updated to enhance the visitor experience drawing more visitors and increasing length of stay.

**TABLE 3: ACHIEVEMENTS, IMPACT AND EVALUATION OF TOURISM
USAID COMPETE PROJECT FY3/Q2**

<p>prequalified contractors bidding on the contract for the museum renovations. The visit gave the contractors a chance to view the site and fully understand the requirements before submitting their tenders.</p> <ul style="list-style-type: none"> • Signed a contract with “The Armenian Ceramics-Balian Ltd” for the delivery and installation of ceramic outdoor interpretation panels at Hisham’s Palace in Jericho. • Signed a contract with Palestinian company Al Nasher to deliver and install indoor interpretation panels for the museum at Hisham’s Palace in Jericho to ensure a quality visitors’ experience. <p><u>Burqin Church Sewage System:</u> <u>FY3/Q2</u></p> <ul style="list-style-type: none"> • The church was re-opened in an official ceremony on March 13. 	
Hospitality School	
<p><i>Description</i></p> <p>To further institutionalize quality service and standards in the hospitality sector, USAID, through the Compete Project, is working with the Arab Hotel Association to establish a Palestinian Hospitality School to increase the skills and availability of well- trained service staff within the labor force; this includes comprehensive in-service training for front and back of house hospitality staff currently working in hotels.</p>	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • The contractor submitted four technical deliverables: the conceptual design converting an existing building in Jericho into a functioning 4 star hotel to serve as a hospitality school, a structural investigation and assessment, detailed survey assessment and assessment of the site condition, as well as the budget for equipping the first 40 (of 80) hotel rooms. 	<ul style="list-style-type: none"> • The school will raise industry standards and the attractiveness of careers in the hospitality sector. • Increase employment over the life of the project.
Support Development of Hotel Services and Quality Standards	
<p><i>Description</i></p> <p>Assist hotels in raising standards and hiring the appropriate number of staff to meet newly introduced hotel classification requirements.</p>	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • 110 hotel managers that participated in the in-service training graduated in a ceremony attended by USAID Mission Director Dave Harden. The graduation recognizes their breadth of knowledge and experience in the hospitality industry. These in-service trainings contribute to improving 	<ul style="list-style-type: none"> • Raise the level and availability of service level employees. • Indirectly raise the exports in the tourism sector. • The training offers an opportunity to improve services provided by the hospitality sector, and in particular supports the service and quality standards across the sector in line with the new

**TABLE 3: ACHIEVEMENTS, IMPACT AND EVALUATION OF TOURISM
USAID COMPETE PROJECT FY3/Q2**

<p>services provided by the Hospitality Sector, and in particular to support the service and quality standards across the sector in line with the new Hotel Classification system.</p> <ul style="list-style-type: none"> • Three training courses, the Certified Hospitality Housekeeping Executive (CHHE), the Certified Gold Service Professional (CGSP), and the Certified Food and Beverage Executive (CFBE) trainings were conducted. 	<p>Hotel Classification System.</p> <p><u><i>Certified Hospitality Administration (CHA) Evaluation, December 16 – 21, 2013</i></u></p> <ul style="list-style-type: none"> • 13 participants of the CHA course completed this survey. The participants agreed the pre-workshop materials were good to very good; • A strong majority agreed the format of the workshop was good or very good. • Over 2/3 agreed that the workshop flowed well, and all agreed the instructor’s presentation skills were good or very good. • Learning outcomes were achieved, the content of the workshop was good, and the materials were appropriate. • The instructor had strong teaching abilities and was able to engage the interest of the participants, and the group participation ratio was average to very good. <p><u><i>Certified Rooms Division Executive “CRDE” Workshop Evaluation, November 24 – 28, 2013</i></u></p> <ul style="list-style-type: none"> • 12 participants of the CRDE workshop completed this survey. • All participants agreed that the training met their expectations and that they will apply what they learned. • The majority indicated that objectives were well defined and met and that the material was useful, while all agreed that the content was well organized. • Regarding the instructors, participants agreed that the trainers were knowledgeable, with high quality instruction and met all the training objectives. <p><u><i>Certified Food and Beverage Executive (CFBE) Workshop Evaluation, March 1 – 5, 2014</i></u></p> <ul style="list-style-type: none"> • 14 participants of the CFBE course completed this survey. Overall, the survey presents a positive picture of the CFBE course. • 91% of participants agreed the content of the training was good or excellent • 82% agreed that the training objectives were met. • 73% agreed that the trainer was experience or very experienced. • 91% said the content was clear and easy to follow, and all participants agreed that they would use the information in the future.
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Improve Signage and Visitor Mobility at Priority Destinations	
<p><i>Description</i></p> <ul style="list-style-type: none"> Finalize the production and installation of civic maps and information panels at key points throughout our destinations' main distribution centers: Bethany, Bethlehem, Nablus, Jericho, Burqin, and Sabastiyeh. Support two ongoing private sector initiatives intended to create a Hop-on Hop-off Tour Bus in Nablus and Bethlehem, which could become a catalyst for distributing visitors and increasing expenditure in those destinations. 	
Achievements	Impact
<p><u>FY3/Q2</u></p> <p><u>Civic Maps</u></p> <ul style="list-style-type: none"> Conducted a site visit with the contractor and Nablus Municipality and agreed upon the number and location of the maps within Nablus. The SOW for the civic maps has been modified, reducing the number of cities that will receive civic maps from 10 to 7. <p><u>Hop-off Tour Bus in Bethlehem</u></p> <ul style="list-style-type: none"> 75% of Design phase is completed 	<ul style="list-style-type: none"> Improve signage and mobility will contribute to increase length of stay and expenditure by visitors to priority destinations.
Attract Anchor Private Investment to Priority Destinations	
<p><i>Description</i></p> <p>Work more closely with the private sector to attract large anchor investments that could become game changers for bringing the project's priority destinations to the next level.</p>	
Achievements	Impact
<p>Planning phase</p>	<ul style="list-style-type: none"> Anchor investment will result in increased arrivals from key source markets, additional sales for local suppliers, increased employment and a more competitive Palestinian tourism product.
Trail Development at Priority Destination	
<p><i>Description</i></p> <p>Develop and launch two trails and begin phase one development of a third trail to contribute to expanded tourism offerings in the West Bank and to support the Palestinian tourism sector in attracting the soft adventure tourism market</p>	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> Rozana has completed phases one and two of the work plan, including route scouting and engaging communities in establishing lodging and food options along the Abraham Path between Nablus and Jenin. Abraham's Path Initiative introduced Palestinian Rozana staff to GIS technology and methods for developing and mapping the trails. Rozana conducted two training workshops for community members <ul style="list-style-type: none"> Hospitality training: 38 Women Association 	<p>Expanded tourism offerings in the West Bank and to support the Palestinian tourism sector in attracting the adventure tourism market.</p> <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> Abraham's Path was featured in the National Geographic Cover Story for the April issue, listed as number one in an article called "10 of the Best New Walking Trails." The story highlights the "sense of immersion" that is part of the experience, particularly the "welcoming home stays". The Abraham Path Initiative obtained a two-year

<p>members were trained on food safety and housekeeping topics;</p> <ul style="list-style-type: none"> ➤ 5-day guide training (3 days in the field, 2 days theory) course with 16 participants that covered an introduction to wild plants & wildlife, local history, culture and architecture in addition to first aid. 	<p>grant from the World Bank, to further develop the Abraham Path/Masar Ibrahim in the West Bank, complementing the work being done through the USAID grant. The grant from the World Bank focuses on investment in people and institutions, path development, marketing development and action research regarding rural tourism and trekking in the West Bank.</p>
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Support Sales of Equitable and Regional Tours into the West Bank

Description
 Expand tourism product offerings; extend tourism outside of key hubs, and encourage Israeli/Palestinian joint business development.

Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Breaking Bread Journeys (BBJ), offering joint Palestinian/Israeli Tours continues their ongoing market research and business development, participated in Vakantiebeurs 2014, a trade show in the Netherlands – with more than 1,400 exhibitors, one of the most important touristic consumer events in the world. • BBJ participation in the Germany Road Show, which included a radio interview with Das Reiseradio (broadcast direct to tour operators across Germany), meetings with over 10 tour operators, and leads with two tour groups. • BBJ have also successfully confirmed two group bookings resulting from their participation in the World Travel Market in London last November. • Signed a grant agreement to support a new initiative that the organization Israel-Palestine: Creative Regional Initiatives (IPCRI) is undertaking to develop a new type of tourism targeted to Israeli citizens, and their family and friends and independent tourists to bring them to major cities in the West Bank through tours focusing on historical, religious, cultural and political narratives as well as day-to-day aspects of Palestinian society • 	<ul style="list-style-type: none"> • This activity will directly contribute to increases in sales and average lengths of stay.

Value-Chain Development at Priority Destinations

Description

- USAID through the Compete project in the West Bank is implementing a destination-focused approach to support growth of the tourism sector, developing internationally recognized products to act as the pull factor for international, regional visitors and domestic tourism. A destination can be a city, a region, or even a country.
- Support local small businesses that are able and willing to offer services such as restaurants, gift shops and interactive tourism experiences.
- Renovation of the Arab Women Association building to create a Gallery where visitors and tourists would gain a greater awareness, understanding and education about the history, culture, heritage and faith of Palestine, and Bethlehem in particular.

Achievements	Impact
<p><u>FY3/Q2</u> <u>Renovating and Equipping Bethlehem Gallery</u></p> <ul style="list-style-type: none"> • Signed an MOU with the Holy Land Christian Ecumenical Foundation (HCEF) to oversee construction to better equip the Bethlehem Gallery Center (formerly named Museum) for visitors. • HCEF has submitted three deliverables, including the business plan, tender documents for the construction works, procurement of systems & equipment. 	<ul style="list-style-type: none"> • Expanded tourism offerings developed in a manner that ensures community benefit and expands investment at the priority destinations will lead to improved visitor experiences, increased tourism arrivals, and increased sales for supported businesses. • Visitors recognize the destinations as desirable geographical units they wish to visit. • Developing Jericho as a distribution hub for visitors, leveraging its position as the gateway to the Palestinian Territories from Jordan and the ease of access from Israel through Route 1.
Updates for Other Tourism Activities in the Work Plan	
<p>Tourism Image Bank – Ensure the availability of quality images to support the sector to compete internationally both online and offline:</p> <ul style="list-style-type: none"> • Nearly 450 professional photos are uploaded for tourism image bank on Pinterest and Flickr sites. 	

Lessons Learned

Due to different levels of knowledge among stakeholders and beneficiaries on environmental requirements for any infrastructure or construction work, it would be useful to bring them together for an environmental mainstreaming session to ensure the work is done within the environmental management plan.

When planning events, it is a good idea to choose a venue that highlights the theme of the tourism project activity. For example, the launch of the CCHP project on Urban Rehabilitation was held in the Armenian Hall of the Nativity Church, which is a beautiful example of rehabilitation. Choosing this venue heightened the impact of the event and the urban rehabilitation project for participants.

There are 17 CCHP urban rehabilitation interventions, and USAID has requested to review the design of each intervention. Experience has shown that this is a time consuming process, especially if USAID has questions that CCHP needs answers. In order to ensure the implementation of the activities is more efficient, the project’s tourism team proposes to advertise the RFP at the same time as USAID is reviewing the documents. Any changes required based on USAID comments can be incorporated into the contract before it is awarded allowing the processes to run in parallel will help to save time in the overall implementation of the urban rehabilitation activities.

ICT

Progress Toward Indicators

The following chart outlines key achievements, impact and evaluation of ICT activities during the period of January 1, 2014 to March 31, 2014.

TABLE 4: ACHIEVEMENTS, IMPACT AND EVALUATION OF ICT USAID COMPETE PROJECT FY3Q2	
Multinational Partner Development Program	
<i>Description</i> Assist Palestinian software houses to partner with international companies, leveraging capacity and knowledge gained through these partnerships to ensure Palestinian IT companies meet international market standards.	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Palestinian Startup AidBits started the Microsoft acceleration program in February in Netanya, Israel for 3 months, where they received mentoring from top Microsoft employees as well as other industry leaders in Israel. • Palestinian company Jaffa Net signed a new agreement with Israeli startup Head Top. This is the first partnership of its kind in which Jaffa Net received 20% equity. • Preparations are underway to launch activities of the Israel Business Development program which aims to increase partnerships between Palestinian and Israeli ICT companies • H&W MENA officially opened the first-ever female led software development center in Hebron, employing nine female software developers (all graduates from Polytechnic University and Hebron University), and a female supervisor. Currently, the team is working towards certification in Salesforce.com technology; once certified, they will start to work on projects for H+W Germany and many other companies 	<ul style="list-style-type: none"> • Through these partnerships and licensing arrangements, Palestinian partners can join in the bidding process of these multinational companies to implement projects not only in the West Bank, but also in the Arab region and Israel; increasing exports and employment. • This intervention aims to solidify the ICT sector's position as a reliable partner and maintain the momentum achieved so far; supporting new contracts, job creation and exports; • This initiative encourages companies to open branch offices in Palestinian cities other than Ramallah to ensure new resources are hiring (especially females) who have difficulties moving to Ramallah for social/family reasons. <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Aid Bits will gain new skills that will have a direct impact on the startup's operations and will pitch in front of international investors from the globe. • Jaffa Net secured a contract with a new internal INTEL group called iSES with 3 additional engineers were assigned to the project. • Jaffa Net will be the technical arm of the Israeli startup, with expected revenues of \$2 Million USD in 2 years. • In addition to the cultural impact in the city of Hebron, USAID has successfully showcased the availability of software engineers in areas outside Ramallah, this will help in scaling up the ICT industry for the future, it is expected that other software companies will follow HW and open in areas outside Ramallah • Exports increased by 116,535 USD for <i>iConnect</i> • Exports increased by 52,500 USD for <i>Exalt</i> • Exports increased by 25,329 USD for <i>Fanar Soft</i> • 3 new hires for <i>iConnect</i>, 2 female and 1 male are youth

**TABLE 4: ACHIEVEMENTS, IMPACT AND EVALUATION OF ICT
USAID COMPETE PROJECT FY3Q2**

	<ul style="list-style-type: none"> • 7 new hires for <i>Exalt</i>, 6 male and 1 female are youth • 7 new hires for <i>H+W Germany</i>, 7 female, all youth. • 1 new contract for <i>Exalt</i> with <i>NDS, Cisco Video Technologies</i>.
Palestinian Business Innovation Center	
<i>Description</i> Inspiring young Palestinian entrepreneurs at the first ever Hi-Tech Hub Event. This event has been designed as monthly gatherings of developers, web designers, entrepreneurs, students, academics and investors who are interested in contributing to a more vibrant start-up community.	
Achievements	Impact
<p><u>FY3/Q2</u> <u>Accelerating Startups :Leaders/ E-zone</u></p> <ul style="list-style-type: none"> • Three startups graduated from Leader’s acceleration program “Fast Forward” ready for investment with strong products and business models. • E-Zone was established with a grant from USAID through the Compete Project. • Leader’s held its second selection event, choosing four teams (out of 15) to enter the acceleration program and benefit from EZone: FeeKash, Ustaz, iPush, and Sofrty. <p><u>Startup Cup</u></p> <ul style="list-style-type: none"> • Startup Cup selected seven (out of 16) finalist startups that will participate in the final mentorship stage in the Startup Cup program before graduating. A group of judges made up of representatives from the Palestinian IT community and Startup Cup made the final selection. 	<p><u>FY3/Q2</u> <u>E-Zone:</u></p> <ul style="list-style-type: none"> • A total of 6 startups created: FeeKash, Fadfid, eJameya, Asfar “Zoorna”, SeenLab and Sufraty • 1 new male hire at EZone. • Number of employment opportunities created at startups:17, 10 male and 2 female are youth • \$94,000 startup capital raised by youth. <p><u>Startup Cup (Connect Me)</u></p> <ul style="list-style-type: none"> • Startup Cup aligns with USAID’s strategy to create an enabling environment for a strong entrepreneurial eco-system. • 2 new hires for <i>ConnectME</i>, 1 male and 1 female youth. • 6 startups created: <i>3T, Palovina, Rainbow Colors, Sukkar Cake, CBS, Tadweer and Baladna</i>. <ul style="list-style-type: none"> ➤ <i>Rainbow Colors and CBS</i> are startups started by youth. ➤ \$179,225startup capital raised by youth.
Cross-Sector Technology Program Financial Sector	
<i>Description</i> Introduce the game-changing Payment Gateway solution to the Palestinian market in partnership with regional and local businesses, in addition to supporting employee training initiatives and facilitating necessary partnerships with local banks, and building awareness of its application across a variety of businesses.	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Launch event planned for May 7th 2014 	<ul style="list-style-type: none"> • The payment gateway will enable local companies, including startups and SMEs, to engage in e-commerce.

Cross-Sector Technology Program Tourism Sector	
<i>Description</i> Introduce digital tourism into the Palestinian market, beginning with the selection and qualifying of ICT partners to build and support solutions for the tourism industry through the development of websites, Facebook applications, booking and reservation platforms, and systems integration with key tourism organizations.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> Facebook Application for tourism being handed over to HILTOA. 	<ul style="list-style-type: none"> New business opportunities developed between ICT and tourism sector; Capacity built in ICT sector to serve local market needs for international business; Demand for digital tourism created; Exports and employment expanded.
Export Manager –Market Expansion Program	
<i>Description</i> Support an Export Manager/Overseas Agent to penetrate specific markets to sell Palestinian products or obtain outsourcing contracts especially in the Gulf, Saudi Arabian and North American markets.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> Al Andalous software has achieved 8 business deals; 3 in KSA and 5 in Iraq. 	<ul style="list-style-type: none"> Palestinian IT exports increased Employment increased New markets established Palestinian IT sector positioned as advanced industry <u>FY3/Q2</u> <ul style="list-style-type: none"> Exports increased by 70,900 USD for <i>Al Andalous Software</i>. <i>Al Andalous Software</i> signed 2 new contracts in KSA and Iraq
Microsoft IT Academy	
<i>Description</i> <ul style="list-style-type: none"> Enable educational institutions to offer market-need driven trainings on fundamental technology skills and relevant technical courses to efficiently meet the IT sector’s skill demand. The ITA will initially be launched in one Palestinian university as a pilot project but will implement the Training of Trainers model to promote future sustainability 	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> As part of Compete’s initiative to bridge the gap between academia and the IT industry, 29 participants completed the mobile software development component of Microsoft IT Academy program Preparations are underway for further training on Apple iPhone and Google Android mobile software development set to start early April with 60 participants. 	<ul style="list-style-type: none"> The Microsoft IT Academy (ITA) activity will offer industry-leading technology skills to efficiently meet the IT sector’s skill demand. It will allow educational institutions to offer market-need driven trainings on fundamental technology skills and relevant technical courses to students, faculty and staff who are interested in pursuing a career in IT.

	<p><u>FY3/Q2</u> <u>Microsoft Certified Phone Developer Training.</u> Microsoft IT Academy, January 1 - March 29, 2014</p> <ul style="list-style-type: none"> • 29 participants completed the evaluation; • The training content was largely judged to be good or excellent, and the majority of participants agreed that the content was clear and easy to follow. • The most useful courses were: “Fundamentals of XAML and Microsoft expression blend” and “Introduction to web development with Microsoft studio 2010”; • Over 70% agreed that the format of the training was good to excellent, and 97% said they would use the knowledge gained in the future. • Participants said the knowledge gained would help develop their career path or contributed to their personal development. • The top two answers how participants would apply the knowledge gained were: 1) as an asset to their university, and 2) transfer the knowledge to other university students. • Overall, 97% of participants were satisfied with the MCPD training.
Gaming Animation Industry Development	
<p><i>Description</i> Capitalize on the Palestinian ICT geographic location and highly skilled ICT workforce to enter into the gaming and animation industry.</p>	
Achievements	Impact
<ul style="list-style-type: none"> • In Design phase 	<ul style="list-style-type: none"> • New skills developed in the Palestinian ICT sector • Export and employment increased • New multinational partnerships created
Business and Technical Skills Development	
<p><i>Description</i> Identify and engage private companies, introduce case competition programs, and support an Executive Development (“Mini-MBA”) series in cooperation with leading U.S and Israeli universities for course content tailored for private ICT sector needs.</p>	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Employability Program: this program is designed to help young engineers to find jobs in tech companies in West Bank, by providing training on niche technologies and internships with ICT companies. • 49 participants completed the PITA Employability Program, and successfully obtained either an internship or long term employment. 	<p><u>FY3/Q2</u> <u>PITA Employability Program, Business and Technical Skills Development, October, 2013</u></p> <ul style="list-style-type: none"> • Overall, the evaluation of the employability program is positive. • About 75% agreed the program was well organized, and 92% agreed that the subjects covered in the training were valuable. • The top three most useful technical topics were: web application development, software

	<p>development, and database development and maintenance, the most useful non-technical topic was communication.</p> <ul style="list-style-type: none"> • About ¾ believed there was just the right amount of time for questions, and 92% said the materials were clear and useful. • 71% have been able to use the skills they acquired and 55% are enrolled in an internship program. • 81% are satisfied with the employability program and 90% recommend it for new graduates, indicating that the employability program gave fresh graduates additional skills and experience, interview practice and insight into current needs in the market.
Seed Fund for Start-up Companies	
<p><i>Description</i> Support risk-sharing associated with a “Seed Fund” for startup companies. This fund is a fundamental element in creating a pipeline of startup companies with the potential to attract venture capital investment</p>	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • Second pitching event planned for April 7th., to be followed by investment in 3-4 startups 	<ul style="list-style-type: none"> • The Seed Fund is a necessary step to create a pipeline of startup companies that are attractive to venture capital investment; • Startups will be able to receive investments in the range of 50K-150K and benefit from the portfolio of business services Arabreneur has developed for startups. This is in addition to a regional and international business acceleration network that will add value in terms of international exposure for these startups. • Arabreneur invested in four startups with a total of \$440,000 (\$80,000 to \$150,000 per startup). The pitching event also generated interest among several other investors outside the Arabreneur circle—all of the startups that participated in the Arabreneur pitching event were approached by different investors including banks, leading to more than 30 pitching sessions for the participating startups.
Tech Transfer Company	
<p><i>Description</i> Support the creation of a company that will facilitate the relationship between the private sector and the universities, this company will then channel R&D projects between both parties, and lay down the foundation for R&D in the Palestinian territories.</p>	

Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> Study tour to Amman and Dubai for TTC called “Ibdaa”, complete. The study tour was conducted to explore existing modules of research oriented institutions and look at examples of most successful R & D entities. Ibdaa has selected a General Manager, signifying an important milestone in the development of the technology transfer company. The GM will be responsible for the launch of Ibdaa, run the first round of projects, and manage the relationships between the partner universities and the private sector, as well as follow-up with the Ibdaa board. 	<ul style="list-style-type: none"> Academia/industry gap bridged Employment increased Number of startups increased New markets accessed through the development of new products Understanding of the value and application of R&D increased in Compete sectors and partner Palestinian universities <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> This tour will help lay the groundwork for launching the TTC in the Palestinian Territories; in particular
Start Up University	
<p><i>Description</i></p> <p>Support high level training and mentoring in business management for startup enterprises and entrepreneurs to ensure their competitiveness for investment.</p>	
Achievements	Impact
<ul style="list-style-type: none"> Activity on-Hold 	<ul style="list-style-type: none"> Local mentoring programs enhanced Support provided to entrepreneurs and workforce Operations of private sector companies improved New pipeline of startups introduced to the market
Microsoft Research Center	
<p><i>Description</i></p> <p>Based on the success of the USAID-sponsored Microsoft Research center- Israel incubation Project at PICTI, Microsoft is expanding the project to include more Palestinian employees who will work out of the ASAL company office in Ramallah. To ensure that the project goes forward, Compete will provide a cost-sharing grant to ASAL to off-set risks to Microsoft Israel.</p>	
Achievements	Impact
<p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> The Project has been concluded from USAID side in Q2, the project was a success in terms of employment and exports, new teams have been opened, and new skills obtained by the engineers, 	<ul style="list-style-type: none"> The grant will eventually create needed Palestinian talent to open a full-service Microsoft R&D center in the Palestinian Territories.
Updates for Other ICT Activities in the Work Plan	
<p>Diaspora Linkage: This activity aims to build bridges between Palestinian Diaspora worldwide and the ICT sector in West Bank and Gaza .The USA has been selected as a pilot country for this activity.</p> <ul style="list-style-type: none"> ➤ Increase in exports for <i>Proginer Technologies</i> of 54,148 USD. 	

Lessons Learned

As part of the multinational partnership program, the Compete Project supports the creation of business relationships through several mechanisms. In order to streamline the growth of jobs, a diversified strategy is needed to be able to tap into all potentials avenues for job creation and help make it a success, an example of this strategy would be supporting a customized internship programs, opening new leads with industries such as animation while at the same time supporting skill development in animation.

The recently concluded PITA Employability program proved to be a success in matching graduates with jobs, with 28% of participants landing jobs immediately after the training was finished, and 70% entering internship programs. Each year there are 2000 Palestinian university graduates with computer science degrees, and yet only a very small percentage are able to find gainful employment upon graduating. This type of specialized capacity building program that focuses on developing skills that are immediately applicable in the market has proven to be an effective method of ensuring the skill set of graduates meets the requirements of the job market, leading to more employment in the Palestinian ICT sector.

The Hebron Gender project proved to be a game changing activity—Hebron city has a lot of unemployed female developers who are unable to leave Hebron due to cultural and geographical reasons, and this project ensures job opportunities in Hebron and overall growth in the IT sector. It is expected that HW will increase the number of resources over the next few months, which will likely attract other similar businesses to do the same. Encouraging companies to invest in areas outside Ramallah will be a key development approach in the ICT strategy for the Compete Project to stimulate job growth.

STONE AND MARBLE

Progress toward Indicators

The following chart outlines key achievements, impact and evaluation of Stone & Marble activities during the period of January 1, 2014 to March 31, 2014.

TABLE 5: ACHIEVEMENTS, IMPACT AND EVALUATION OF STONE & MARBLE USAID COMPETE PROJECT FY3/Q2	
Trade Show Participation	
<i>Description</i>	
Assist Palestinian producers to participate at leading trade shows to enable opportunities to learn about new equipment, technology advances, and attract buyers and distributors.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> Preparations continue for the participation of Palestinian companies at the Coverings Tradeshow, taking place in Las Vegas, Apr 29- May 21. The project's stone team is coordinating with the Coverings contractors regarding booth design, quality booth construction, logistics, shipping products and 	<ul style="list-style-type: none"> Participating in international exhibitions enable Palestinian stone and marble producers to learn about new equipment, technology advances and to expand their international networks for new business opportunities. Supporting export ready SME's with new products will increase exposure to international markets, develop long term relationships with buyers which

**TABLE 5: ACHIEVEMENTS, IMPACT AND EVALUATION OF STONE & MARBLE
USAID COMPETE PROJECT FY3/Q2**

<p>with the participating companies / marketing consortiums to make sure developed marketing materials meet the targeted market and required information is been prepared in advanced.</p> <ul style="list-style-type: none"> • Verona for Marble and Industrial Investment, Palestinian company located in Bethlehem, signed a cooperation agreement with Tresorelle Company, an international company located in Italy, with two main branches in Taiwan and US. This will establish a mutual commercial office between the two companies. 	<p>will lead to an increase in exports, market penetration and employment.</p> <p><u>FY3/Q2</u></p> <ul style="list-style-type: none"> • The main goal of the agreement between Palestinian company Verona and Italian company Tresorelle is to market natural Palestinian stone and marble extracted from Verona’s quarries. • This marketing process is a mutually advantageous and profitable agreement. The agreement includes: 1) that Tresorelle buys \$150,000 worth of Verona products; and 2) Tresorelle markets and sells the products of Verona to other customers. • This is considered as an opening agreement and other agreements between the two companies are expected, enabling Verona company to reach Tresorelle’s 45 branches with Palestinian marble exports • Cooperation between Verona Company and the following local companies: <ul style="list-style-type: none"> ➢ Fairoz CO. ➢ Maher Mefreh. ➢ Nazeh Al Shrabati. ➢ Al-Rashdoon CO. ➢ AL-Sohba CO. ➢ Asraf Shehada <p><u>FY3/Q2</u></p> <p><u>In addition to meeting significant potential customers and making promising business leads, and increased marketing presence of “natural stone from the holy land”, some initial indicators of increased exports and sector growth as a result of trade shows include:</u></p> <ul style="list-style-type: none"> • Increase in Exports for <i>Al Waleed Co</i> of 135,511.5 USD as a result of <i>Verona Marmomacc and Big 5 tradeshow</i> • 5 new male hires, 4 of them are youth • Increase in exports for <i>Holy Land Stone Group</i> of <ul style="list-style-type: none"> ➢ 564,500 USD as a result of <i>Verona Marmomacc tradeshow</i> ➢ 590,500 USD as a result of <i>Dubai Big 5 tradeshow</i> ➢ 270,000 USD as a result of <i>Brazil Vitoria Tradeshow</i> ➢ 164,500 USD as a result of <i>Coverings tradeshow</i>. ➢ 2 new markets accessed: South Korea and Malaysia. • Increase in exports for <i>Al Omraniya Group Company for Jerusalem Stone</i> of 85,714 USD as a result of <i>Dubai Big 5 tradeshow</i>. • 3 new hires, 1 male and 1 female are youth
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Filter Press Evaluation and Upgrading	
<i>Description</i> Facilitate proper maintenance and upgrading of filter presses to increase their overall effectiveness; produce higher quality products; extend the lifecycle of cutting tools; comply with environmental regulations, and capture slurry produced during the cutting process.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> Maintenance of 16 filter presses have been successfully completed and activity complete. 	<ul style="list-style-type: none"> Enabling stone producers to transform slurry to sludge to meet environmental requirements, recycle water and increase cutting tool lifecycle. Will increase effectiveness, higher quality products are produced, short the lifecycle of cutting tools, recycle water for the stone producers, comply with environmental regulations and capture all slurry produced during the cutting of stone
Sludge New Product Development	
<i>Description</i> As part of project efforts to support the sustainability and transformation of the Stone and Marble sector there has been a great focus on the sludge issue or more specifically the ability to transform slurry to sludge that has further economic value. Compete conducted a pre-feasibility analysis and will be assisting potential investors in developing a comprehensive sludge new product full feasibility study “business plan” to develop further interest, trigger investments in new products that could be produced from slurry/sludge.	
Achievements	Impact
<u>FY3/Q2</u> <ul style="list-style-type: none"> Conducted two investor workshops, attended by 59 people, targeting potential investors in the West Bank, inviting them to learn more about the completed pre-feasibility study, inspect the product line developed from dry sludge, and pick up applications for the USAID grant supporting investment in the full feasibility study. Received 8 applications from potential investors interested in undertaking a "Full Feasibility Study" of new products that could be produced from stone waste "sludge". The project’s stone team met with three shortlisted potential beneficiaries that applied for the grant funding a full feasibility study on developing new products from stone waste to provide clarification, answer questions, and discuss the requirements for awarding the grant. 	<ul style="list-style-type: none"> This activity will attract investors interested in new product development using dry sludge. Activities will focus on targeting stone producers throughout the stone industry as potential investors. This program will be open to potential investors in other industries The new products offer business opportunities for Palestinian stone producers and interested investors.
Filter Press Cost Sharing Cross-Sector Program	
<i>Description</i> To provide an equal opportunity for stone producers to own filter presses to transform slurry to sludge, meet environmental requirements; recycle water and increase cutting tool lifecycle.	

Achievements	Impact
<p>"This activity has been put on indefinite hold pending success in a change in approach to support the transformation of the industry in-terms of sludge/slurry. The focus has moved with USAID through Compete partnering with 3-5 investment groups to finalize full feasibility business plans that utilized sludge/slurry in new product manufacturing facilities"</p>	<ul style="list-style-type: none"> • This activity will enable stone producers to transform slurry to sludge, meet environmental regulations, and expand their income by engaging in new product development using sludge.
Updates for Other Stone & Marble Activities in the Work Plan	
<ul style="list-style-type: none"> • International Show Rooms and Hubs: Support the establishment of up to 3 international show rooms or hubs under a cost share model. The project will use strict selection criteria to identify participating companies. Through this activity, the companies will also identify an export manager for hire to increase the net value of the activity's goal to attract international buyers and increase sustainable exports <ul style="list-style-type: none"> ➢ Compete Project is preparing the scheme and will announce the activity by mid May 2014. • Sludge Processing Factory and New Product Development: This activity support potential investors though advanced sample product development, including field visits to Italy to investigate new technology and meet with experts in the field. Upon receiving significant additional funding, Compete would pursue Phase 3, which will include supporting the establishment of a processing facility. <ul style="list-style-type: none"> ➢ The Compete Project announced moving into phase two of this activity which involves investors to conduct full feasibility studies targeting product development from dry sludge. ➢ 8 investors / companies submitted proposals to undergo the sludge new product full feasibility study March 6th, 2014 ➢ 4 companies were selected and 2 company were requested to submit additional information ➢ 3 investors will be signing grants by the end of April, 2014. • Union of Stone and Marble – Industrial Modernization & Promotional Unit: Support the establishment of a service unit at the Union of Stone & Marble that will provide stone producers with marketing support, BMS, and administration/HR services. This activity will include support for upgrading IT management systems. <ul style="list-style-type: none"> ➢ Meetings took place with the executive staff at the Union of Stone & Marble (USM) to discuss the establishment of new services within the USM for stone producers. The services will include administrative support, financial support, marketing support and other services, with a focus on "Marketing Development" and "Marketing Support to Reach Global Markets". The Compete Project is conducting a detailed economic analysis to ascertain the sustainability of this new service. • Trade Shows and Group Marketing: Support export-ready SME's (either individually or through a Group Marketing consortium) that will provide direct opportunities for Palestinian manufacturers to meet with major international buyers, project investors and building agencies. <ul style="list-style-type: none"> ➢ Compete Project started preparations for participation in Coverings Trade Show in Las Vegas at the end of April. • New Product Development Targeting Women: Support stone producers with new product development and manufacturing using residual stone. This will include the recycling of odd-shaped stones produced during manufacturing into new products while building production lines where women employees are involved in either management or operations. <ul style="list-style-type: none"> ➢ The Compete Project started preparations for this activity during the second quarter of 2014. • The Compete Project is supporting a new Palestinian company Fonoon—Arts of Carved Stone in Bethlehem. Leading members of the group marketing consortium (supported by Compete) observed at recent tradeshows the need for specialty stone production (such as outdoor decorative items, sculptures, mosaics and tiles), and established Fonoon to meet this gap with an initial investment of \$ 2 million. Fonoon has applied to Compete for a grant to support hiring a predominantly female team, including designers, Auto-CAD engineers, technical and mechanical engineers, marketing managers and an administrative staff. An international export manager will follow in either the Gulf or US market to facilitate an increase in exports. The company will be the first of its kind in a state of the art facility, and the first stone company to hire predominantly female staff in a traditionally male-dominated industry. 	

Lessons Learned

As the stone team has met with potential investors for the new product development, they have learned that while there are interested investors, it will require some work and encouragement to ensure these investors are ready and capable of undertaking the project. Investors will need to be connected with research consulting firms to collaborate on the full feasibility study. The stone team will need to be vigilant in ensuring forward momentum.

This month the Stone team recognized the importance of developing the service division of the Union of Stone & Marble in order to strengthen the industry. The USM plays an essential role in the sustainability of progress within the Palestinian stone sector because its ability to provide enhanced services to its members, particularly in the area of marketing, will lead to further growth in the industry. The USM needs to be sustainable, to ensure continuity of this support to the industry, and by offering needed services to their members they will generate income for the union, guaranteeing that sustainability.

The visit to Beit Fajjar revealed how important it is to the industry to ensure access to new quarries; this will provide large quantities of raw material which will decrease production costs and increase competitiveness and profit within the industry.

SUMMARY OF PROGRESS TOWARD INDICATORS

The following table is a report of all indicators specified in the PMP for the period of January 1, 2014 to March 31, 2014.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY3	Actual Value for FY3/Q1	Actual Value for FY3/Q2	Planned Value for FY4	Planned Value for FY5
4.5.2	Agricultural Sector Productivity	4.5.2-36	OP Indicator	Agri	Value of exports of targeted agricultural commodities as a result of USG assistance	Decimal	35,926,562	FY12	\$20,000,000	\$6,628,811	\$6,965,134	\$21,500,000	\$23,000,000
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C08	OP Indicator	ICT	Number of assisted Information and Communication Technology (ICT) start-ups that have developed products or signed contracts	Integer	0	FY12	20	4	8 ¹	20	20
4.2.2	Trade and Investment Capacity	4.2.2-C11	OP Indicator	Tourism	Number of new or improved assisted tourism sites and tourism trails	Integer	0	FY12	6	1	²	4	2
4.6.2	Private Sector Capacity	4.6.2-C02	OP Indicator	Tourism	Percent of hotels adopting nationally-adopted, USAID-introduced hotel classification	Percentage	100	FY12	70%		10% ³	90%	100%
4.2.2	Trade and Investment Capacity	4.2.2-C12	OP Indicator	Stone & Marble	Value of exports through group and specialized Palestinian stone and marble marketing companies and consortia	Integer	0	FY12	\$6,000,000	\$882,011	\$1,810,726 ⁴	\$6,500,000	\$7,500,000

¹ Several pitching events are planned throughout the year that will lead to an increasing number of startups.

² Work began in the 4th quarter of FY2. The Abraham Path (50% complete), Burqin Church (now 100% complete), Hisham's Palace (75% complete); hence, the impact of these interventions will be captured in FY2014. The project is now progressing as planned.

³ Per Palestinian Tourism Regulations, all hotels have adopted the classification system. More than 60% of hotels have been visited and assessed by the hotel classification committee and to date 13 have been fully classified. However, some hotels need to renovate or refurbish to achieve standards, which can take six months. Hence, the Ministry is planning to final mandatory classification within FY2014.

⁴ Typically business deals will take time to complete and start showing results; we are expecting more business from current and future tradeshows.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY3	Actual Value for FY3/Q1	Actual Value for FY3/Q2	Planned Value for FY4	Planned Value for FY5
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C05	OP Indicator	Agri	Number of hectares under improved technologies or management practices as a result of USG assistance	Integer	0	FY12	10000 dunums 1000 hectares	2550 dunums 255 hectares	1882 dunums, 188 hectares ⁵	1000 dunums 100 hectares	1000 dunums 100 hectares
4.5.2	Agricultural Sector Productivity	4.5.2-C02	OP Indicator	Agri	Number of new or improved Palestinian products produced by assisted Palestinian agribusiness firms	Integer	0	FY12	50	27	15 ⁶	20	20
4.5.2	Agricultural Sector Productivity	4.5.2-7	OP Indicator	Agri	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	Integer	N/A	FY13	200	90	21	200	200
4.2.2	Trade and Investment Capacity	4.2.2-C02	Management Indicator	Agri	Percent increase in exports of assisted Palestinian agribusiness firms	Percentage	35,926,562	FY12	56%	18%	19%	56%	56%
4.2.2	Trade and Investment Capacity	4.2.2-C03	Management Indicator	Tourism	Percent increase in exports of assisted Palestinian tourism firms	Percentage	56,674,923	FY12	8%	7%		8%	8%
4.2.2	Trade and Investment Capacity	4.2.2-C04	Management Indicator	ICT	Percent increase in exports of assisted Palestinian Information and Communication Technology (ICT) firms	Percentage	5,075,600	FY12	7%	7%	6%	10%	10%
4.2.2	Trade and Investment Capacity	4.2.2-C05	Management Indicator	Stone & Marble	Percent increase in exports of assisted Palestinian stone and marble firms	Percentage	20,573,475	FY12	29%	4%	9% ⁷	35%	35%

⁵ Will continue capturing the area under water projects, forward contracting, fresh herbs, Guava, Grapes, etc...

⁶ Will continue tracking products like dried herbs, fruit trees, vegetables, oils, and soaps.

⁷ Typically business deals will take some time to come through especially large projects; we are expecting more business from current and future tradeshows.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY3	Actual Value for FY3/Q1	Actual Value for FY3/Q2	Planned Value for FY4	Planned Value for FY5
4.2.2	Trade and Investment Capacity	4.2.2-C06	Management Indicator	ICT	Percent increase in sales of assisted Palestinian Information and Communication Technology (ICT) firms	Percentage	8,308,269	FY12	7%	4%	4%	7%	7%
4.2.2	Trade and Investment Capacity	4.2.2-C07	Management Indicator	Stone & Marble	Percent increase in sales of assisted Palestinian stone and marble firms	Percentage	30,046,475	FY12	20%	3%	6% ⁸	23%	23%
4.2.2	Trade and Investment Capacity	4.2.2-C08	Management Indicator	Agri	Number of new markets accessed by assisted Palestinian agribusiness firms	Integer	7.00	FY12	4	1	4	1	1
4.2.2	Trade and Investment Capacity	4.2.2-C09	Management Indicator	ICT	Number of new markets accessed by assisted Palestinian Information and Communication Technology (ICT) firms	Integer	2.00	FY12	5	2		1	1
4.2.2	Trade and Investment Capacity	4.2.2-C10	Management Indicator	Stone & Marble	Number of new markets accessed by assisted Palestinian stone and marble firms.	Integer	6.00	FY12	5	3	2	1	1
4.2.2	Trade and Investment Capacity	4.2.2-C13	Management Indicator	ICT	Number of new Information and Communication Technology (ICT) contracts executed with international buyers/firms for Palestinian products or services	Integer	0	FY12	10	3	3	10	10
4.2.2	Trade and Investment Capacity	4.2.2-C14	Management Indicator	Tourism	Percentage increase of overnight stays in Palestinian hotels from key tourism source markets	Percentage	252,574	FY12	10%		⁹	5%	7%

⁸ Typically business deals will take some time to come through especially large projects; we are expecting more business from current and future tradeshows.

⁹ Four markets have been identified. The results will be seen in six months from the launch of the activities.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY3	Actual Value for FY3/Q1	Actual Value for FY3/Q2	Planned Value for FY4	Planned Value for FY5
4.5.2	Agricultural Sector Productivity	4.5.2-C01	Management Indicator	Agri	Percent increase in sales of assisted Palestinian agribusiness firms	Percentage	103,000,000	FY12	29%	8%	8%	25%	25%
4.5.2	Agricultural Sector Productivity	4.5.2-C03	Management Indicator	Agri	Percentage increase in area under cultivation for export crops (hectares)	Percentage	360	FY12	25%	46%		25%	25%
4.5.2	Agricultural Sector Productivity	4.5.2-C06	Management Indicator	Agri	Number of new agribusiness contracts executed with international buyers/firms for Palestinian products or services	Integer	0	FY12	15	4	3 ¹⁰	15	15
4.6.2	Private Sector Capacity	4.6.2-C01	Management Indicator	Tourism	Percent increase in number of bed nights in Palestinian hotels	Percentage	863,947	FY12	9%	7%	¹¹	10%	11%
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C01	Management Indicator	Agri	Percent increase in employment of assisted Palestinian agribusiness firms	Percentage	1,690.00	FY12	10%	4%	5%	10%	10%
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C02	Management Indicator	Tourism	Percent increase in employment of assisted Palestinian tourism firms	Percentage	2,251	FY12	4%	0.22%	¹²	5%	5%
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C03	Management Indicator	ICT	Percent increase in employment of assisted Palestinian Information and Communication Technology (ICT) firms	Percentage	339	FY12	25%	4%	11%	25%	25%
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C04	Management Indicator	Stone & Marble	Percent increase in employment of assisted Palestinian stone and marble firms	Percentage	471	FY12	13%	2%	2% ¹³	13%	14%

¹⁰ Awaiting new contracts from tradeshows and forward contracting.

¹¹ Ministry of Tourism and Antiquities data reveals an increase of 37.5% between Jan-March, 2013 and Jan-March, 2014.

¹² Delay in implementing the adopted hotel classification due to renovation issues and heavy investments by hoteliers have impacted the current growth in hiring at this stage. It is expected to achieve good results within six months as a result of targeting selected markets.

¹³ Two projects targeting women and employment have not launched yet. We expect employment after activity implementation.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY3	Actual Value for FY3/Q1	Actual Value for FY3/Q2	Planned Value for FY4	Planned Value for FY5
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C06	Management Indicator	Tourism	Number of training courses developed and delivered through the USAID - established hospitality school	Integer	0	FY12	4	4	3	10	10
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C07	Management Indicator	Tourism	Number of Palestinian tourism and hospitality establishments adopting new technology and tools. (such as booking platforms, payment gateways, market access information and corporate social media presence)	Integer	0	FY12	10	1	¹⁴	10	10
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C09	Management Indicator	ICT	Number of new Information and Communication Technology (ICT) start-up companies established	Integer	0	FY12	15	4	8 ¹⁵	20	20
GNDR-2			Management Indicator	All Sectors	Proportion of female participants in USG-assisted program designed to increase access to productive economic resources (assets, credit, income or employment)	Percentage	N/A	FY13	24%	36%	4%	25%	25%
4.6.2	Private Sector Capacity	4.6.2-C03	Management Indicator	All Sectors	Number of assisted private sector organizations and private sector service providers receiving USG assistance	Integer		FY13	15	6	1	5	5

¹⁴ Targeting four new markets based on the profiles prepared by HLITOA; the number of companies targeting these markets electronically is expected to increase within six months of completing the market profiles and branding activities.

¹⁵ Several pitching events are planned throughout the year that will lead into increasing number of startups.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY3	Actual Value for FY3/Q1	Actual Value for FY3/Q2	Planned Value for FY4	Planned Value for FY5
4.6.2	Private Sector Capacity	4.6.2-C04	Management Indicator	All Sectors	Number of new services provided by targeted business service providers and business service organizations to targeted sectors by the Compete Project	Integer		FY13	4	11	10	5	5
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C11	Management Indicator	All Sectors	Percentage increase in number of firms that received services from business service organizations and business service providers as a result of USG assistance	Percentage		FY13	10%	3%	1%	12%	12%
4.2.2	Trade and Investment Capacity	4.2.2-C15	Management Indicator	All Sectors	Percentage increase in revenues of business service organizations from new services delivered to their members as a result of USG assistance	Percentage		FY13	20%	24%	25%	25%	20%
MEP0040	Strengthen Micro-Enterprise Productivity	MEP0040	Management Indicator	ICT	Number of business started by youth with USG assistance, disaggregated by sex of founder.	Integer		FY14	10		6 ¹⁶	10	10
MEP0041	Strengthen Micro-Enterprise Productivity	MEP0041	Management Indicator	ICT	Total number of start-up capital raised by youth	Integer		FY14	120,000		\$273,225	250,000	350,000
MEP0042	Strengthen Micro-Enterprise Productivity	MEP0042	Management Indicator	All Sectors	Number of youth gaining employment or better employment as a result of participation in USG-funded program	Integer		FY14	113	74	100	120	130

¹⁶ Several Pitching events are planned throughout the year that will lead into increasing number of startups and youth

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY3	Actual Value for FY3/Q1	Actual Value for FY3/Q2	Planned Value for FY4	Planned Value for FY5
MRP0039	Strengthen Micro-Enterprise Productivity	MRP0039	Management Indicator	ICT	Number of businesses started by youth with USG assistance that are still in operation one year later, disaggregated by sex of founder	Integer		FY14	8		¹⁷	5	5
6.3.1	Gender	6.3.1 C	Management Indicator	All Sectors	Increase in exports and/or sales by women-owned businesses and cooperatives as a result of U.S. Government assistance in the Agribusiness, Stone and Marble, and Tourism sectors.	Percentage		FY14			¹⁸		
6.3.1	Gender	6.3.1 D	Management Indicator	ICT and Tourism	Number of women participants in training and capacity building courses that improve skills in the ICT and Tourism sectors.			FY14		162	120		
4.2.2	Trade and Investment Capacity	4.2.2-C15	Management Indicator	Tourism	Economic impact as a result of festivals/events activities organized/ supported under the tourism sector across the West Bank by USAID through the Compete Project						\$6,055,622		

¹⁷ It has not yet been a full year since startups were established; cannot measure this indicator yet.

¹⁸ This indicator was set based on the Gender strategy and will be captured during FY14.

CROSS-CUTTING INDICATORS

USAID Compete works across the Agribusiness, Tourism, ICT and Stone & Marble sectors to find opportunities to encourage gender equality and support youth innovation¹⁹. While Stone & Marble exemplifies a more traditional manufacturing industry with limited numbers of women and youth, the Tourism, ICT and Agribusiness sectors show encouraging signs of efforts to reduce gender gaps. Over the last quarter there were several workshops and trainings with a youth and gender component.

Youth & Gender

This quarter the Agribusiness team held one workshop to support awareness and skill building in the agriculture community.

- The Workshop on the Dubai Distribution Hub with 21 participants, 1 of them female; 2 of the male participants were youths.

This quarter the Tourism team delivered three specialized training courses for hospitality employees at various levels, including management, supervisors, and front line employees. The training offers an opportunity to improve services provided by the Hospitality Sector, and in particular to support the service and quality standards across the sector in line with the new Hotel Classification system.

- Eleven hotel executives completed the Certified Food & Beverage Executive (CFBE); one was female and two of the participating males were youths.
- Eleven hotel executives completed the Certified Hospitality Housekeeping Executive (CHHE); 2 were female, and one of the female participants was a youth.
- The Tourism team also held a graduation ceremony for the specialized training for hotel executives; 90 participated in the event, 19 of them were female; 17 of the males and 9 of the females were youth.
- Guest Services Gold Training was completed by 172 participants; 42 were women, 17 of whom were youth, and 64 of the male participants were youth.

The Tourism team, with help from the Communication team and in partnership with the Center for Cultural Heritage Presentation (CCHP) held an event to launch the extensive Urban Rehabilitation Program for Bethlehem, Bethany and Burqin; 59 people attended the event, 5 of them were female; 4 males and 2 females were youth.

In partnership with Rozana Association and the Abraham Path Initiative, three trainings were held for guides and homestays:

- Sixteen took part in the Introduction to Hospitality and Local Guides Training; 3 of them were female (all youth) and 8 of the males were youth;
- An Introduction to First AID (continuation to Guide training) was also held with six male participants, five of them were youth.
- Thirty-eight women took part in the Introduction to Hospitality Training; five of them were youth.

¹⁹ Defined by USAID as age 14 to 29

The ICT sector held the Mobile Software Development - Microsoft IT Academy Training with 27 participants, 10 of them female (7 of them youth); and 7 of the male participants were youth.

The Stone sector held two presentations on the Full Feasibility Study - Sludge New Product Development:

- Ramallah: 26 participated in the event, 2 were female; 4 of the male participants were youth.
- Bethlehem: 33 males participated, 2 of which were youth.

Gender Strategy Implementation

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

- Pillar #1: Promote the success of women in business in the Palestinian Territories, especially those operating within Compete Project 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.

This section describes the activities that took place throughout the month in line with the gender strategy and these four pillars within each of the four sectors.

Under the first pillar, the strategy indicates that Compete's agribusiness component will work to promote and disseminate the success stories of women role models taking leading roles in the sector. This quarter two women represented their companies at international trade shows from Palestinian companies Nakhleel Palestine and Maslamani. Additionally, in the agribusiness sector, Ata Abu Al Rub Nursery officially opened this quarter with a strong staff of women grafting experts, which falls under pillar two.

Fitting under pillars 1 and 2, the ICT sector partnered with software company H+W Mena to open a software development center in Hebron that exclusively employs female software developers; and falling under pillar 4, these women are being as administrators and developers in cloud technology. The office in Hebron officially opened this quarter, with nine female employees and a female supervisor. This provides culturally appropriate opportunities for women engineers in Hebron. The ICT sector showed very promising numbers in job creation for gender equality, with females making up 40% of new hires. Additionally, almost 40% of the participants in the Microsoft IT Academy were women.

The Compete Project is helping two strong women leaders at Breaking Bread Journey's to launch their tourism initiative; the grant from USAID will help ensure the success of their business venture. Under pillar 2, this quarter the tourism sector partnered with the Arab Women's Union (AWU) in Bethlehem to restore the Bethlehem Gallery, which is owned and managed by the AWU. Fulfilling pillar 4, the tourism component supported 38 women in training opportunities under the trail development activity. Members of women's associations, the women received training in hospitality and food safety to develop business opportunities through home-stays and meals for hiking tourists.

In a traditionally male-dominated sector, an exciting new business venture is underway in the Stone & Marble sector. A new company called Foonoon—Arts of Carve Stone has recently been created. This company will focus on specialty stone products and is looking to hire predominantly women staff as designers, engineers and experts in international exporting. The Compete Project is providing financial support and incentives to help this project get off the ground.

M&E ACCOMPLISHMENTS

Monitoring progress and evaluating results is an on-going process to determine whether or not an activity is progressing towards its intended results. The project's M&E team continued to play a critical role in capturing and evaluating performance data from project activities. Below are the key accomplishments for the M&E team during this quarter:

- Attended the intensive gender training provided by USAID to be better aware of USAID regulations in this regard;
- Conducted a series of field visits and interviews across the West Bank to collect, capture and verify data, as well as ensure the quality of data collected in a systematic and timely manner with regard to achieving quantifiable targets;
- Employed 5 online surveys for events and trade shows to get feedback directly from participants;
- Continued opening and updating USAID activities and interventions through the Compete Project in the West Bank on Geo-MIS, TraiNet and TAMIS;
- Worked closely with component leads and the technical staff to make sure that USAID regulations are met;
- Worked with the communications team to submit project progress reports; and
- Continue capturing data on Private Sector Investment Leverage.

Lessons Learned

Attending the USAID gender training has had a great effect on improving the skills and knowledge of M&E team, ensuring that we are more aware of how to consider gender while designing any activity, as well as of how to capture gender participation in the project activities. This will reflect positively and significantly on M&E performance.

Having an M&E engineer as one of M&E staff adds a significant value to the M&E scope of work, enabling the M&E team to follow up on environmental issues, installation of equipment and any construction work that come under some activities and interventions will ensure that USAID regulations have been met in this regard.

COMMUNICATIONS AND OUTREACH

During this quarter the communications team highlighted major activities of USAID Compete's four sectors and issued 6 press releases announcing workshops and program launches, and program successes gaining press coverage from local outlets and at times in regional specialized media.

The following local and regional print and online media covered Compete activities (see Annex):

- *Newspapers:* Al-Quds Newspaper, Al-Ayyam News, Al-Hayyat Al Jadideh
- *News agencies:* Wafa News agency, Maan News agency, PNN News Agency, Shasha Raya Press, Ekhbaryat News Agency, Shfa Palestine News Network;
- *News webpages:* Al Iqtisadi, Al Wasat Today, Al Watan Voice, Baladna, Hurriyat News Network, Panet.co.il, Sama News, Shasha News, Zamn Press, Al Bawaba, Arab Crunch, Mob Outlook 76, Donia Al Watan;
- *International:* *Los Angeles Times Travel, Travel Weekly.*

Online

The team has focused on ensuring regular updates and continued improvements to the project's [website](#) to make the site more dynamic and user-friendly. This quarter the team made some changes to ensure compliance with USAID branding guidelines. During this quarter 3,267 visits were logged at the site from 57 different countries.

Events

This quarter there were four events held that the Communications Team worked with the technical teams to organize and promote. Promotional activities included brochures, roll ups, banners, photography and so forth for the following events:

- Ibdaa presentation at Al Quds University, January 27, 2014
- Fruit Logistica Trade Show, February 5-7, 2014
- CCHP Urban Rehabilitation Launch Event, February 19, 2014
- Gulfood Trade Show, February 23-27, 2014
- Opening of Ata Abu Al Rub Nursery and Burqin Church, March 13, 2014
- H&W MENA All Women Hebron Center Opening, March 27, 2014

Reporting

As a key vehicle to communicate project progress, impact and evaluation, the Communications team works closely with the M&E and technical teams to produce meaningful weekly, monthly, quarterly and annual reporting. During this quarter, the team produced twelve weekly reports, two monthly reports and a quarterly report.

The Communications team wrote two success stories this quarter to highlight achievements in the ICT sector, called *Women Join the Cloud in Hebron*, and the Tourism sector, called *National Geographic Ranks the Abraham Path in the West Bank #1*.

SUBCONTRACTS AND GRANTS

During the second quarter of the third year of the project (January 1, 2014 through March 31, 2014), the Compliance and Grants team continued to work closely with the technical staff to ensure an agile and streamlined implementation of technical activities performed in a manner compliant with USAID regulations and the special requirements of the Mission.

Achievements During Q2 of FY3

Procurement for project activities continued, including the RFA phase for grants to perform feasibility studies for new product development using sludge, agricultural inputs to upgrade facilities, trade shows in Berlin and Dubai. The final installation of a potato and carrot packing line in Tubas was completed. The procurement team continues to work closely with the Communications Team to prepare for and execute the Jericho Festival through procurements for publicity, event management, a film festival, several competitions related to ICT, and bands.

Seven (7) grants totaling \$765,259 were executed during the quarter with an additional 5 in the concept/negotiation phase.

The Compliance and Grants team worked closely with the Finance team to complete the monthly SubAward Reporting as required under Mission Notice 2009-WBG-11.

During this quarter, 279 new requests for vetting were submitted to USAID for individuals and organizations. Eligibility/Ineligibility Notices for 309 outstanding requests were received.

The Compliance and Grants team began the procurement process for the annual Partner Contracted Audit of the project. This year, in addition to the prime contract, four (4) firm fixed price subcontracts under two different subcontractors and two (2) simplified grants to one grantee will be audited.

Goals and Future Activities

The Compliance and Grants team will continue to focus on supporting the technical components to implement an effective and compliant project. In Q3, the Compliance and Grants team anticipates supporting the installation of a guava/avocado packing line in Qalqilya, implementation of the Jericho Festival, final delivery of netting for grape farmers, and support to grantees participating at the Coverings Trade Show and Fancy Foods Trade Show in the US.

The Compliance and Grants team will work in coordination with the Monitoring & Evaluation team to perform site visits to grantees, pilot projects, and other project sites and events to resolve any compliance issues that may arise.

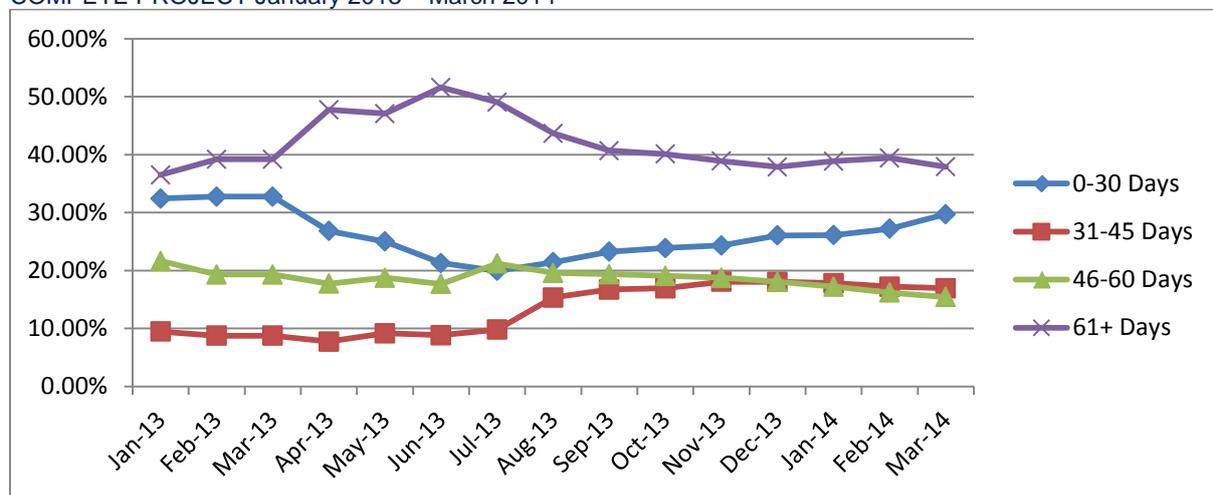
ISSUES THAT MAY INHIBIT OR ENHANCE PERFORMANCE

Vetting

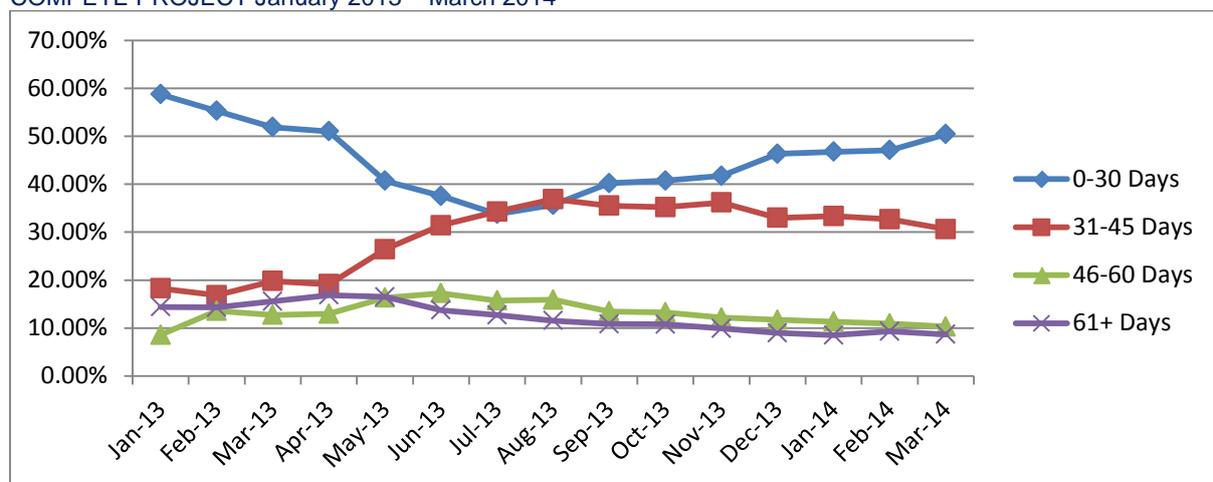
Engagement in a partnership-like relationship with established as well as start-up Palestinian companies is the surest method for USAID to help build a growing economy with job opportunities for young people that could result in a lasting and peaceful Palestinian society in the Near East. Underpinning these potential partnerships is the willingness and success in adhering to Mission Order 21 in a timely business-like manner.

The first three months of 2014 has seen a marked improvement in the processing of vetting applications for Mission Order 21 with the trajectory for rapid vetting all pointing in the right direction as the graphs below indicate. This is to be welcomed as should the outlook for continued improvement; albeit the just under 40% of companies vetting time of 60 days or more remains less than satisfactory.

NETTING ANALYSIS – COMPANIES
COMPETE PROJECT January 2013 – March 2014



NETTING ANALYSIS – INDIVIDUALS
COMPETE PROJECT January 2013 – March 2014



FINANCIAL SUMMARY

The financial summary for Quarter 2, FY3 of the USAID West Bank and Gaza Compete Project is provided in the table below.

Current Obligation	Obligation Spent	Obligation Remaining	Per Cent Obligation Spent	Per Cent Obligation Remaining
\$29,763,000	\$19,626,708	\$10,136,292	66%	34%

LEVEL OF EFFORT CHART

(Person months)

Item	Contract Budget Base Period			Inception to Date (March 2014)		Contract Budget Base Period				
	Person Months per Year	Number of Individuals	Total Person Months	Number of Individuals	Total Person Months	Year I	Year II	Year III	Total	Total Remaining
Long Term Professional Employees	12	14	168	18	303	168	168	168	504	201
Short Term Consultants	12	-	60		154	60	60	60	180	26
Direct Home Office Support	-	-	-		7	10	5	7	22	15

ANNEXES

Annex 1: Media Monitoring Report

Annex 2: Summary of Progress by Sector FY3Q1 Archive