



USAID
FROM THE AMERICAN PEOPLE

WEST BANK/GAZA

USAID/COMPETE MONTHLY REPORT

August 1, 2015 – August 31, 2015

September 3, 2015

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

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DAI

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ACRONYMS AND ABBREVIATIONS

AHA	Arab Hotels Association
B2B	Business to Business
CEO	Chief Executive Officer
COP	Chief of Party
CHS	Certified Hospitality Supervisor
EU	European Union
FY2	Fiscal Year 2 (USAID/Compete)
Geo-MIS	Geographical Management Information System
GLOBALGAP	Global Good Agricultural Practice
HCCI	Hebron Chamber of Commerce and Industry
HLITOA	Holy Land Incoming Tour Operators Association
ICT	Information and Communications Technology
IOS	Internet Operating System
MBA	Masters of Business Administration
M&E	Monitoring and Evaluation
MEPS	Middle East Payment Services
MIT	Massachusetts Institute of Technology
MoA	Ministry of Agriculture
MoTA	Ministry of Tourism and Antiquities
MoU	Memorandum of
NSFT	National Association for the 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
RFQ	Request for Quotations
SME's	Small and Medium Enterprises
SOW	Scope of Work
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency For International Development
USDA	U.S. Department for Agriculture
USMAC	US Market Access

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

KEY ACCOMPLISHMENTS

AGRIBUSINESS

Strawberry Production Scalability Support Program - USAID/Compete is working to scale up strawberry production by replicating demonstration farm models introducing new technologies using hanging and computerized irrigation systems in the West Bank. The outcome of these demonstrations was favorable in terms of productivity and profitability; therefore, USAID/Compete is sharing its findings and presenting a business plan for West Bank farmers and investors who wish to explore this business opportunity.

In early August, USAID/Compete conducted a second workshop in the Ministry of Agriculture office in Tulkarem, attended by farmers from Tulkarem and Qalqilya. During the workshop, the Compete Agriculture team presented the business plan and the feasibility study and explained the application process and all needed documents for interested applicants to participate in the program.

To date, 75 initial applications for the scalability support program have been received and 24 of these applicants submitted a full package with all the required documents. Three have been approved by the program's review panel, and procurement is under processing.

Under the scalability program, farmers like Abu Farha in Jalameh, Jenin, will receive a computerized irrigation system (feritigation system) and essential equipment, materials and supplies to expand his strawberry farm to include 3.75 dunums of hanging strawberries. Once operational, the system will eventually allow farmers like Abu Farha over a 100% increase in yield per dunum of Class A fruit, and will reduce water needs by preventing seepage and waste.

USAID/Compete will continue to review applications for the scalability program for award. The program's goal is to add 60 dunums of computerized irrigated hanging system farms to produce approximately 480 tons of strawberries. This is in addition to the 300 tons of locally produced strawberries. As a result of this program, we expect 780 tons of strawberry production in the West Bank. The program will target combinations of family farmers up to 3 dunums and commercial farmers up to 20 dunums.

TOURISM

Rehabilitating Urban Sites -

USAID/Compete has completed rehabilitation works at Shepherd's Field, Battir Historic Center, and Jarrar Palace this month.

The program has been working with the Center of Cultural Heritage Preservation (CCHP) on urban rehabilitation efforts in and around Bethlehem, Bethany, and Burqin to improve urban planning, zoning, and beautification to introduce new and improved Palestinian products and services for an enhanced tourist



Shepherd's Field traffic circle in Bethlehem was completed this month

experience.

Shepherd's Field is considered one of the most important tourist sites in Bethlehem after the nativity church. The project has beautified the area by upgrading the street leading to the area, organizing flow of tourist buses by providing pick and drop off areas, sidewalk construction for visitors, greening and landscaping, in addition to street furnishing.

The renovations of Battir Village, designated a World Heritage Site by UNESCO in 2014, aims to improve visitors experience by enhancing walking trails in the old core of Battir. Works included urban rehabilitation and beautification works; civil works, sidewalk construction, landscaping, lighting fixtures, and street furniture. Rehabilitations also included Battir Park restaurant.



USAID/Compete has completed rehabilitation of Jarrar Palace in Burqin (Jenin) this month.

Renovation works at Jarrar Palace in Burqin were also completed this month. The program supported the rehabilitation of a traditional building in order to revitalize the historic town of Burqin. The renovated building will offer visitors services and attractions in the historic buildings, including rest areas and a restaurant.

ICT

Three letters of agreement (LOAs) with local IT companies were signed this month, via Compete's **Firm-Level Technical Assistance Program**. One of these LOA's was signed with *Pinchpoint*, a local IT company working in the gaming field seeking support in the implementation of its apprenticeship program. The company produces mobile and desktop games on several platforms. Solid artistic and technical skills are needed for this type of business, and because there is a lack of available talent in the market, *Pinchpoint* has developed an apprenticeship program in order to increase its potential workforce. Compete will assist *PinchPoint* in implementing its apprenticeship program, to increase the availability of qualified staff and thereby increase the company's productivity.

Eight people will benefit from this program. The internship program is divided into art classes and development classes, both of which will last for three months.

Niche Market Determination Concluded - USAID/Compete is helping qualified Palestinian IT companies to scale up their sales in international markets, and to open new markets based on scientific targeting of specific niches. USAID/Compete has hired a specialist to assess the capacity of specific Palestinian software houses to penetrate international markets through a SWOT analysis that clearly identifies not only internal company strengths or gaps to sell internationally but also identifies possible opportunities in international markets and how to expand internationally in a more efficient, simplified and cost effective method.

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

The niche market assessment was completed this month. Following this activity, selected companies will be supported under a cost-share scheme to hire market research companies to assist with expansion plans, under the FLAP.

STONE AND MARBLE

On August 24, 2015, the technical team met with the owners of four stone and marble enterprises who will be joining forces and opening a new company that will specialize in finished stone products. Based in Qabatya, Jenin, they will together act as a service company for the group of four companies, and will also provide service to other stone producers in the area. The group of firms is seeking support from Compete's firm level technical assistance program. The team met with the group so that they could share their initial thoughts before putting forth a plan. The group will identify local producers of stone machines and will, once operational, introduce new technology in Jenin, and support stone producers in finishing quality products.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Summary of Activities

Firm Level Assistance Program (FLAP) – USAID/Compete launched a new initiative in June to provide technical assistance to exporting and non-exporting firms in the agribusiness sector to increase financial, management, and marketing capacity. Firms which previously received USAID/Compete support are automatically eligible to receive assistance under this initiative; all others must apply. All firms undergo an assessment and, if selected, receive targeted support under three components: technical assistance, provision of equipment and inputs, and workforce development.

During the month of August, five applications for the FLAP were received from the agribusiness sector for review in the coming weeks. To date, USAID/Compete has received 78 FLAP applications from the agribusiness sector, 19 of which have been presented to the review panel. In total, 10 have been approved so far. Three applications were approved by the review committee during the month of August, and are under processing.

One LOA was signed under this sector this month – with Kufr Dan Company for Irrigation. The company is owned by Kufr Dan Cooperative for Agriculture and Irrigation. In addition to irrigation activities (wells rehabilitation, installation of irrigation network), Kufr Dan facilitates marketing of pickled cucumbers and baby cucumber for the cooperative members. They have no post-harvest facilities. The company owners have a total of 2,500 dunums including 50 dunums of baby cucumbers planted under forward contracts, and the plan is to expand to 100 dunums by next season.

Under the LOA signed this month, USAID/Compete will assist Kufr Dan in conducting a feasibility study for the production of baby cucumbers and will also conduct a gap assessment for the greenhouses in order to improve conditions.

Agronomist Program - In order to strengthen the competitiveness and export potential of key agriculture subsectors in the Palestinian economy Compete will provide assistance to upgrade the technical experience and performance of graduated agronomists to be recruited by enterprises working in Fresh Herbs, Dates, Carrots, Potatoes, Dried Herbs and Olive. Compete identified the urgent need for qualified agronomists to work with the above targeted subsectors based on the daily communication of the agricultural technical team with the project's beneficiaries.

Producers and exporters in these subsectors are struggling to find qualified agronomists. Compete has therefore planned and launched an agronomist training program to address this need. The training program will be conducted by a qualified firm or group of trainers for up to 40 agronomists benchmarked against Good Agriculture Practices (GAP), Post-Harvest requirements, Good Management Practices and International Standards (GLOBALGAP, BRC, ISO22000 and HACCP) for the targeted subsectors.

97 agronomist applications have been received so far, (of which 33 applications were received from Gaza). Proposals for service providers to implement the Capacity Building Program were evaluated this

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

month, and more information has been requested from bidders. The agronomist training program is scheduled to begin in mid-September.



USAID/Compete sponsored a study tour to Israel for West Bank farmers to learn about the use of TWW for agriculture.

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

Greening Jalameh : After rehabilitation and reconstruction of the Jenin WWTP, USAID/Compete aims to establish a 100 dunum demonstration site to introduce and adapt the practices of wastewater reuse for irrigated agriculture. Using

wastewater from the Jenin treatment plant, the project will work closely with farmers and community leaders in the northern West Bank to demonstrate how treated wastewater can be reused safely in agricultural production.

Last month, USAID/Compete sponsored a three day theoretical and practical training on TWW use. This month, USAID/Compete sponsored a study tour to Israel where 22 farmers visited a number of farms irrigated with TWW (citrus, olives, almond and other fruit trees). The farmers also attended a lecture where they learned about treated wastewater irrigation networks and soil problems related to the use of treated wastewater.



During the study tour, West Bank farmers visited a number of farms irrigated with TWW.

Tammoun Water Design Project:

Compete is preparing to offer

support for the Tammoun Water Design project, which will provide water from wells located at Ras Al Far'a and An Nassariya to the Al Buqea Plains. USAID/Compete completed the Final Assessment Report this month, for submission to USAID review. If the outcome is favorable, the program will support the development of the preliminary and detailed designs, obtain necessary approvals, and develop the tender documents. The design will provide water for around 4500 dunums.

Milestones

External Global Gap Audit for Ata Abu Alrub Nursery completed: During FY2014, USAID/Compete supported two nurseries, Ata Abu Alrub and Juneidi, in upgrading nursery facilities, including seeder machinery, shading net, and a washing machine, according to GLOBALGAP standards. In May 2015, Compete conducted a site visit to Atta Abu Rub Nursery to supervise the internal GLOBALGAP audit, and this month, completed an external audit for the nursery to ensure that it is compliance with these standards.

Lessons Learned

The firm level technical assistance program is a great tool for identifying the demand for new value chains in the agricultural sector - such as baby cucumber and hot peppers (for crushing).

TOURISM

Summary of Activities

Firm Level Technical Assistance Program (FLAP Program) - Twenty three applications for firm level technical assistance have been received from the Palestinian tourism sector to date. During the month of August, two cases were presented to the committee for review and one company was approved to receive technical assistance, as it fit within the framework of the Program (City Inn Palace Hotel).

Rehabilitating Urban Sites -

USAID/Compete has completed renovation and rehabilitation works at several important touristic sites in the Bethlehem and Jenin Districts. Initial hand over of the Shepherd's Field Street, Shepherd's Field Tourist Bus Parking, Historic Center in Battir, and Jarrar Palace in Jenin took place this month with the attendance of CCHP, Beit Sahour Municipality, Battir Village Council, and Burqin Municipal Council. All construction works were completed at these sites this month, and punch lists were prepared where needed to be addressed by the contractor before final hand over.



USAID/Compete has completed the renovation of the tourist bus parking lot in Shepherd's Field this month.

The beatification works at Battir Historic Center that were completed this month include the renovation of walking trails in the old core of Battir and other civil works including sidewalk construction, landscaping, lighting fixtures, and street furniture. Rehabilitations include a restaurant located in a public park in bad physical conditions under a public-private partnership framework. This

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

rehabilitation will provide tourists with a public space (to be leased to the private sector) for rest and food and improve the roadway leading to the park.

Rehabilitation works at Battir Park Restaurant were also completed this month. Final hand over took place with the attendance of CCHP, Battir Village council, the Compete team, and the contractor.



USAID/Compete has completed the renovation of Battir Park Restaurant this month, supporting the development of Public-Private Partnership frameworks.

The aim of the renovation of the Battir Park restaurant is to support the development of Public-Private Partnership (PPP) frameworks to create investment opportunities for private companies while supporting the development of services and products. This initiative specifically focuses on site renovation and rehabilitation interventions targeting the domestic and Arab Israeli markets.

The Battir Park Restaurant will be leased to the private sector upon completion, to provide local and international tourists with a public space for resting and enjoying traditional food.

Upgrading Commercial Tourism Infrastructure - USAID/Compete is aiding in the expansion and improvement of tourist infrastructure at key sites throughout the West Bank. Buildings are selected based on accessibility and physical charisma, as to provide unique visitor experiences combined with improved tourist resources. The project will also work more closely with the private sector to commercialize tourist infrastructure, attracting private investments that could bring priority destinations to the next level.

Jarrar Palace: Renovations at Jarrar Palace in Burqin were completed this month. The renovations at the historic building will offer visitors services and attractions in including rest areas and a restaurant. Initial hand over took with the attendance of CCHP, Burqin Municipal council, Compete team, and the contractor. All renovation works had been completed, a punch list was prepared, and remarks will be implemented within the coming week, for the second hand over.



Renovations at Jarrar Palace were completed this month.

Bethany Museum: USAID/Compete is working to develop and furnish a museum for the Ministry of Tourism & Antiquities (MoTA) in the old town of Bethany, in order to provide the thousands of visitors with more attractions when visiting Eleazar tomb. At the close of the month, the furnishing of Bethany Museum exceeded 90% completion. The main works are completed including the show cases, carpentry

works and glass fabrication. Museum objects are selected by MoTA, and will be installed and in place in the coming weeks. Works are expected to be completed in September.

Developing Innovative Interpretation – USAID/Compete is supporting the development of products to improve tourist mobility in the West Bank. Interpretation panels and civic maps enhance tourist experiences by highlighting important historical and cultural information or guidance at key sites.

Production and installation exceeded 50% completion at the close of the month. All content and text has been developed in English and Arabic languages as per MOTA's request. The printing and production of interpretation panels are expected to be completed by the end of September.

Developing a Tourist Information System - Visit Palestine: Visit Palestine, an online destination travel guide, was selected to be developed as a commercially viable resource to guide foreign and local visitors in Bethlehem and the Holy Land. Visit Palestine is expanding their resources for tourists by establishing a tourist information office (TIO) in the heart of the Bethlehem with staff speaking nine languages, redeveloping their website (www.VisitPalestine.ps in English, Arabic, Spanish, and Italian), and developing a mobile application to help visitors with special features such as planning, booking, maps, and city guides.

The Tourist Information Center continues to organize various events and tours. Highlight events are included below and include a movie screening, a photo exhibition, food tasting for groups, and various workshops. *Visit Palestine* has entered into several partnership agreements with various stakeholders from across the tourism industry and beyond. Join activities are planned including promotion of the Maftoul Festival and Yabous Cultural Center.

Visit Palestine is also signing MOUs with various service providers that operate day tours and hiking tours. (ie. Siraj center, Massar Ibrahim, Rozana)

Support to Bethlehem University's Hospitality School - On August 26, 2015, a meeting was held between USAID and members of the Compete team with the leadership of Bethlehem University's Hospitality School to discuss the school's business plan. The university is looking for support for the construction of the school. It was made clear that USAID/Compete is not the right mechanism to support the construction of the school, but instead, Compete may support the university with technical assistance in the development of the final drawings, specifications and bill of quantities. The university will send USAID/Compete the TOR and estimated timeline and budget, for discussion with USAID.

Compete also met with Bethlehem and Beit Sahour Municipalities this week, in order to discuss possible support from the program. Compete will consider support to renovation projects for both municipalities once the project concepts are developed and finalized.

Lessons Learned

USAID branding and marking regulations and procedures should be explained to beneficiaries of the FLAP prior to the signing of their contracts.

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

ICT

Summary of Activities

Firm Level Technical Assistance Program (FLAP) - Four LOAs were signed with ICT companies under the FLAP this month – Pinchpoint (see above Accomplishments section), Feratello, Smart Modern Systems and Ideal Projects Company. USAID/Compete will be supporting Feratello to launch Cyber security services with technical assistance in branding and business planning. Also, the program will be supporting Smart Modern Systems to expand into the regional market by setting up B2B partnerships.



Staff from Integrated Solutions attended a four day TEMENOS training in Dubai this month.

The company has solutions for queue management systems and USAID/Compete will provide support in re-branding, market research, and Gitex participation. Finally, USAID/Compete will provide support to Ideal Projects Company to launch a new product for individual car tracking. The company is planning to launch this product in the local and regional market. The program is assisting in re-branding, business planning and market research.

Integrated Solutions: Integrated Solutions, a company based out of Ramallah, is receiving support through USAID/Compete's FLAP. The company has been in business for the past 15 years, providing hardware and software services

for the banking sector. The next step for the company is to enter the banking software implementation business, which they have pursued by signing a partnership agreement with TEMENOS, a Swiss company and a global leader in banking software.

Compete is assisting Integrated Solutions to certify ten employees with training in TEMENOS technology, which will qualify the company to perform site installation and development.

Four people from Integrated Solutions attended a four-day training on TEMENOS in Dubai this month. The attendees were trained on TEMENOS 24 technical implementation levels 1 and 2.



Once training is complete, Integrated Solutions will work to become a lead TEMENOS implementation partner in the West Bank.

Once staff training is complete, Integrated Solutions will work as a support partner with the new banks in the West Bank to gain experience, and later become a lead implementation partner. There are currently no other TEMENOS implementation companies in the West Bank or Jordan other than Integrated Solutions.

Fostering Strategies to Improve Human Resources and Services

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

eGovernment to Improve Business Services: USAID/Compete seeks to improve “eGov” services to reduce the burden of operational necessities, such as registrations, for Palestinian companies. Currently, the government relies largely on separate IT systems and manual operations, lagging behind most of the world using quicker technology-based systems. In partnership with the Palestinian IT Association (PITA), Compete seeks to develop e-services and encourage policy changes to improve these resources for Palestinian companies and citizens, leaving more time to focus on growth. An assessment and business analysis was completed for ten e-services to determine the best business model.

This month, feedback was received on the eGov report and position paper, and PITA and OQR will present these documents to the Ministry of IT and Telecommunications, in order to then present them to the Prime Minister’s office. The goal is influence a decision by the Palestinian government to outsource the development of e-service solutions to the private sector.

Lessons Learned

The firm level technical assistance program is a great tool for the identification of patterns in terms of market needs. For example, business skills are missing across all companies – a need that could trigger a market designed program to develop business skills.

STONE AND MARBLE

Summary of Activities

Firm Level Technical Assistance Program (FLAP) - To date, USAID/Compete has received 31 applications for firm level technical assistance from Palestinian stone and marble companies. Four applications were reviewed by the FLAP review committee this month and of these, Al-Aqsa for Marble in Beit Fajjar and Mohammad Arafat - Holy Stones in Beit Furik were approved for support under the FLAP. USAID/Compete will provide technical assistance including costing and export pricing, market studies, product testing, website and product catalogue design for these companies.

On August 24, 2015, the technical team met with the owners of four stone and marble enterprises who will be joining forces and opening a new company that will specialize in finished stone products. Based in Qabatya, Jenin, they will together act as a service company for the group of four companies, and will also provide service to other stone producers in the area. The group of firms is seeking support from Compete’s firm level technical assistance program. The team met with the group so that they could share their initial thoughts before putting forth a plan. The group will identify local producers of stone machines and will, once operational, introduce new technology in Jenin, and support stone producers in finishing quality products.

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

Milestones

Abu Kamil Automatic Block: Previously, USAID/Compete supported Abu Kamil in developing a feasibility study and business plan for new sludge products including light weight blocks. Last month, USAID/Compete signed a grant with Abu Kamil to assist in the procurement of the necessary machinery. This month, USAID/Compete has selected a supplier from which to procure a small scale production line for light weight blocks. The order will take place in early September.

Lessons Learned

Several new potential investors have shown interest in new product development and from stone waste, which will be captured in the near future under the firm level program.

LIST OF TRAININGS/WORKSHOPS

DATE	EVENT	TOTAL PARTICIPANTS	NUMBER OF FEMALES	NUMBER OF MALES	TYPE OF EVENT
JULY 27, 2015 (UNREPORTED)	WASTEWATER REUSE FOR AGRICULTURE	24	18	6	TRAINING
AUGUST 2, 2015	INTRODUCTION TO STRAWBERRY SCALE UP PROGRAM	29	25	4	WORKSHOP
AUGUST 17, 2015	TWW STUDY TOUR	22	0	22	TRAINING
JULY 27-AUGUST 31, 2015	TEMENOS TRAINING, DUBAI	4	0	4	TRAINING

CALENDAR OF UPCOMING EVENTS SEPTEMBER 2015

~ September 2015 ~						
◀ August						October ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 STM FLAP Assessment; Hebron	2 Meeting: Civil Administration to discuss feedback regarding the preliminary design for Dier Sharaf TWW project (Area C). Meeting: Minister of IT and Telecom to present eGov position paper. Event: IBDAAs', Intellectual Property Rights, Al Quds University	3 Event: IBDAAs', Intellectual Property Rights, An Najah University Meeting: CBS Sludge New Product presentation, COMPETE offices.	4	5
6	7 STM FLAP assessment, Nablus	8	9 Meeting: Minister of Tourism regarding potential future support in site renovations. Meeting: Hebron, Bethlehem stone machine manufacturers.	10	11	12
13	14	15 STM FLAP assessment, Bethlehem	16 Event: IBDAAs', Intellectual Property Rights, Polytechnic University, Hebron.	17	18	19

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

~ September 2015 ~						
◀ August	Sun	Mon	Tue	Wed	Thu	October ▶
20		21	22	23	24	25
27		28	29 EVENT: IBDAAs' Fundraising Event	30	Notes:	

Key:
Agribusiness
Tourism
ICT
Stone and Marble