



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

USAID/COMPETE MONTHLY REPORT

January 1, 2015 – January 31, 2015



February 15, 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

KEY ACCOMPLISHMENTS

Supporting Post-Harvest Facilities – In January, Top Field Company, which established forward contracts with local and Jordanian companies with USAID/Compete assistance, completed the installation of a 150 square meter cooling room. The vendor also completed the training necessary to operate the room appropriately. This is part of USAID's initiative to strengthen the potato and carrot subsector through the provision of cost-shared, post-harvest equipment for four companies. With new cooling rooms and packing houses, high quality produce will be provided to their clients.

Urban Rehabilitation – In January, concept designs for urban beautification around Shepherd's Field, one of the most important tourist destinations in Beit Sahour (near Bethlehem), were completed in coordination with related stakeholders. The project aims to upgrade the street furnishings leading to the area, including organizing the flow of tourist buses by providing pick and drop off areas, sidewalks, greening, and landscaping. This is part of USAID's initiative with the Center of Cultural Heritage Preservation (CCHP) supporting urban rehabilitation efforts in Bethlehem, Bethany, and Burqin to create an enhanced tourist experience.

Academic/Private Partnerships – On January 4th, USAID/Compete signed a grant to officially launch Ibdaa, a technology transfer company promoting research and innovation between academia and the private sector. Ibdaa will facilitate the creation of startups by providing support as necessary for selected teams consisting of a Professor, students, and a member from the private sector. This is part of USAID's initiative to bridge industry gaps and knowledge transfer throughout the sector.

New Product Development Targeting Women – In January, a Compete stone & marble representative was chosen to participate on a selection panel to send local companies to the Bahrain Competition for Women Businesses and Producers. The representative was chosen because of USAID/Compete's successful work in helping skilled women penetrate the stone & marble sector by supporting Fonoun Company for Carved Stone and Marble, the first sector company in the Palestinian territories and the MENA region to break with tradition and create managerial positions for women.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Summary of Activities

Supporting Post-Harvest Facilities

– USAID/Compete is strengthening the potato and carrot subsector through the provision of cost-shared, post-harvest equipment for three companies: Top Field Company, Al Furat, and Buqeah and Al Farah Farms. During the base period, these companies were assisted in forward contracting with local and international companies, resulting in a need for



Farmers learn how to operate a cooling room

improved equipment to maintain supplies. With new cooling rooms and packing houses, high quality produce will be provided to their clients.

In January, Top Field Company, which previously established forward contracts with local and Jordanian companies, completed the installation of a 150 square meter cooling room. The vendor also completed the training necessary to operate the room appropriately.

Introducing New Water Sources – USAID is pursuing treated waste water (TWW) as a solution to the largest sectoral impediment for agricultural production in the West Bank: water shortages.

On January 20th, Compete met with KfW Development Bank/EU and Nablus Municipality's Water Supply and Sewerage Department (WSSD) to discuss the coordination of two projects which will use TWW from the Nablus West Plant. The first project is the Greening of Deir Sharaf and Jalameh, financed by USAID with an experimental pilot project covering an area of 200 donum (20 ha) and a foreseen expansion area of 7000 donum (700 ha) at a later stage. The second project is jointly financed by the Federal Republic of Germany and the EU, targeting an area of 30 donums (3 ha) inside the Nablus West WWTP as a pilot project and about 100 donum (10 ha) outside the boundaries of the treatment plant in cooperation with the local farmers.

Upgrading Strawberry Farm

Technology – USAID/Compete is assisting the high value-added strawberry subsector in increasing productivity, improving strawberry quality, and meeting export standards. In 2014, strawberry farmers worked on a cost-share basis to upgrade irrigation infrastructure and install the hanging system. The new technology enabled increased production rates, improved quality, and early harvests, which sold for double the seasonal average.



Farmers visiting strawberry fields during training

On January 14th and 15th, 2015, strawberry farmers attended a two-day production training course in Israel in coordination with civil administration (CA) agriculture department. Day one included field visits to Yuda Romano, a leading Israeli strawberry nursery, and modern Israeli strawberry farm. Day two covered theoretical training, such as seedling production, farm management, plant maintenance, and financial and feasibility analysis. 27 Palestinian farmers and five nursery representatives attended the training.

Agricultural Land Expansion – USAID continued cooperative discussions as part of Kerry’s initiative to develop Area C in the West Bank for Palestinian agricultural use. The agreement allows Palestinian farmers to irrigate designated lands, which will increase their production capabilities.

On January 6th, a meeting was held with the well owners in the Frush Beit Dajan Local Village Council to discuss the design project of the trunk line from Frush Beit Dajan wells to Jiftlik. The aim of the meeting was to introduce the project in more detail to the well owners so they can confirm their participation in the project and add their recommendations. The design company, the project local committee, and the Compete team also attended the meeting.

Milestones

- Top Field Company completed the installation of the 150 square meter cooling room.
- Top Field Company completed training on the operation of the cooling room.
- 27 Palestinian farmers and five nursery representatives completed a two-day strawberry production training in Israel.

Lessons Learned

During FY3, USAID/Compete assisted in implementing demonstrations of lychee and mango fields. Following the rare frost in Qalqilia on January 8 and 9, it became evident that lychee trees are far more tolerant than mango trees. The lychee crop was hardly affected by the frost while serious damage was evident on the mango crop. Therefore, there is higher risk in expanding the mango demonstration, although it could be very profitable for Qalqilia farmers.

TOURISM

Summary of Activities

Urban Rehabilitation – USAID/Compete is working with the Center of Cultural Heritage Preservation (CCHP) on urban rehabilitation efforts in Bethlehem, Bethany, and Burqin. The interventions are improving urban planning, zoning, and beautification to introduce new and improved Palestinian products and services for an enhanced tourist experience.

In January, concept designs for urban beautification around Shepherd's Field, one of the most important tourist destinations in Beit Sahour (near Bethlehem), were completed in coordination with related stakeholders. The project aims to upgrade the street furnishings leading to the area, including organizing the flow of tourist buses by providing pick and drop off areas, sidewalks, greening, and landscaping.

On January 13th, an official meeting was held at Bethlehem Municipality to evaluate the urban rehabilitation projects in Bethlehem area. Progress of each project was discussed, including challenges the projects are facing; Compete and Bethlehem Municipality developed guidelines for accelerating implementation and overcoming these obstacles. The meeting was attended by the mayor of the municipality, the Compete team, and CCHP team.

Improved Branding Strategies – USAID/Compete supports the design of a new branding strategy and messaging guideline to increase awareness and unify the image of the West Bank tourism sector. Under this initiative, the Holy Land Incoming Tour Operators Association (HLITOA) is re-branding their image and will assist local tour operators in utilizing the new strategy. Green Team Global, a US-based subcontractor, performed a site assessment in December to develop HLITOA's new brand and a draft of the West Bank-specific branding strategy.

In January, the HLITOA board approved the new branding strategy, including a new organization name, brand, logo, and message, as well as guidance for other Palestinian tourism companies to unify their own brands. The plan provides direction every aspect of the brand, such as how to create new names, logos, taglines, and umbrella messages, which will better assist members with marketing materials. Using the new strategy, HLITOA will hold branding workshops with the objective of training tour operators how to use it and unify the West Bank image.

Component B – HLITOA – The Holy Land Incoming Tour Operators Association (HLITOA) is one of the main stakeholders in the Palestinian tourism industry with a membership of about 50 Palestinian tour operators. USAID/Compete is assisting HLITOA in gaining capacity to better serve their members, provide tailored solutions, and help tour operators and hotels attract more tourists.

Outdoor Tourism – USAID is introducing rock climbing to diversify sites and activities available to tourists interested in rural and outdoor activities in the West Bank. Independent consultants are working to identify, map, operationalize, and market the sector near the towns of Yabrud and Ein Qiniya.

In January, Compete rock climbing consultants provided the operations and marketing plan, routes inspection, trip feedback, and a map showing the directions, access, and specific climbing routes on the cliffs. The consultants are also working on the final report which will include the technical, institutional, and financial requirements for scaling up this activity to turn it into a viable and profitable business venture.

Implementing Quality Standards – USAID/Compete has been supporting the Arab Hotel Association (AHA), the official representative of Palestinian hotels, in raising Palestinian hotel service standards. The AHA hired PalClean, a professional local Palestinian cleaning service provider, to educate members on a systematic approach to cleaning. PalClean initially assessed 12 Palestinian hotels, developed a cleaning manual to address local needs, and successfully delivered training on basic cleaning to the staff of eleven of the twelve hotels.

During January, the AHA grant for improving cleaning standards was modified. The remaining tasks are to deliver the industry comprehensive assessment report, complete the housekeeper training, and deliver the general manager training.

Component B – AHA – The Arab Hotel Association (AHA), the official representative of Palestinian hotels, provides a variety of services to develop the Palestinian tourism sector. Through the issuance of grants, USAID/Compete supports AHA to improve and increase Palestinian tourism products and services that offer the highest potential contributions to increasing tourism numbers, length of stay, and average visitor expenditure.

Milestones

- Concept designs for urban beautification around Shepherd's Field were completed.

- The HLITOA board approved a proposed new branding strategy to unify marketing among stakeholders in the Palestinian tourism sector.
- The Compete rock climbing consultants provided the operations and marketing plan, routes inspection, trip feedback, and a map showing the directions, access, and specific climbing routes on the cliffs for the established sites in Yabrud and Ein Qiniya.

Lessons Learned

Regarding the selection of outdoor rock climbing sites, the sites in both Yabrud and Ein Qiniya are conveniently located; however, they are both south facing. This will make climbing during the summer hot and uncomfortable. When seeking new locations in the next phase, the consultants will pursue sites to provide a shady summer climbing location.

ICT

Summary of Activities

Firm Level Technical Assistance – USAID is seeking to provide technical assistance to non-exporting firms to increase their market access. This initiative aspires to strengthen the local presence of small companies with tailored assistance and subsequently expand their presence to the region and globe.

During January, the Compete ICT team identified six small software companies and began meeting with them to assess their needs and gaps. The selected companies are intended to receive funding under this initiative.

Component B – IbdAA – Academic/Private Partnerships – USAID is bridging a gap between academia and the private ICT sector through the establishment of a new tech transfer company, IbdAA, which will foster an environment in which universities and industry professionals may learn from each other, work together, and provide superior solutions to market needs. IbdAA will facilitate the creation of startups by providing support as necessary for selected teams consisting of a Professor, students, and a member from the private sector.

On January 4th, USAID/Compete signed a grant with IbdAA to officially start the program. IbdAA will focus on producing the first round of ideas with four universities and begin preparation for future rounds.

Supporting Market Accelerators – In 2014, USAID/Compete supported the development of a new accelerator, eZone, by providing mentorship, consultancies, and short term employment for startups. USAID's support of eZone has enabled an environment to attract foreign companies to open offices in West Bank. Harri.com, a New York-based startup that offers hospitality solutions, began with one employee at eZone in November 2013.

As of January, Harri.com expanded back office operations hosted at eZone in Ramallah to 15 engineers. They also plan to engage in a new, train-to-hire program, which will quickly raise the number of engineers to 60.

Promoting Multinational Partnerships – USAID/Compete supports Palestinian software development companies in raising their capacity to design new products and sell them worldwide. Under this initiative, Jaffa Net has grown to provide unique ICT services and serve as one of the top suppliers on the Palestinian market for Intel.

As of January, Jaffa Net continues to provide services for Israeli companies, including: completing a mobile application to increase the productivity of individuals and workers for Israeli-Palestinian startup HeadUP; and signing a new contract to develop a mobile billing application for water utility companies working in the Aker area of Israel.

Milestones

- Ibdaa was officially launched on January 4th.

Lessons Learned

USAID/Compete has continually supported unique programs that generated significant employment opportunities for male and female youth, including startup acceleration and internship programs. As the market develops and trends change, the project needs to adapt with new interventions that can cope with changes in technology and the market status.

STONE AND MARBLE

Summary of Activities

Networking Events – USAID/Compete is supporting Palestinian market exposure, access to finance, and development of new value-added products by attending networking with beneficiaries and other industry supporters. Doing so ensures support of the industry is unified and accurately addresses company needs.

On January 28th, Compete attended Italy Day at the Polytechnic University in Hebron to network with other industry sponsors and unify the approach to development in the industry.

On January 29th, Compete attended a networking event at the Nablus Chamber of Commerce which discussed supporting creative industries.

New Product Development Targeting Women – USAID/Compete is encouraging the assimilation of women into the stone and marble sector by supporting Fonoun Company for Carved Stone and Marble, the first company in the Palestinian territories and the MENA region to break with tradition and create managerial positions for women. Through this intervention, Compete is assisting the development of new value-added products with potential to reach international markets by assimilating skilled women with an exceptional eye for design into the sector.

On January 12th, a meeting was held with Fonoun to follow-up on progress in hiring additional staff and procuring necessary investments.

Due to this support for women in the industry, Mr. Hanna Rabah, Compete Stone & marble Sector Lead, was chosen to participate in January on a panel to select local companies to attend the Bahrain Competition for Women Businesses and Producers. The information showcased at the event reaffirmed the need for Compete's related intervention. Compete also met with a representative from the Ministry of Women Affairs to learn about other initiatives and projects by women that could be included under future initiatives.

Component B – USM – Enhancing Market Access – The Union of Stone and Marble (USM), the national industry representative, offers services related to trade, exports, and standards, as well as capacity building and education for members. In particular, USM is creating a marketing department to implement activities that will heighten international awareness of Palestinian stone and provide tailored services to build marketing capacity at the factory level, enabling companies to reach global markets. USAID contributes ongoing

technical assistance through a grant to expand their spectrum of services, empowering them to better assist beneficiaries and tackle industry issues.

On January 12th, a meeting was held with USM to follow-up on progress.

Stone & Marble Trade Shows – USAID supports the Palestinian stone & marble sector’s participation in international trade shows to showcase the range of unique products the West Bank has to offer. Under this initiative, Sukhour Al-Quds and Verona Company participated in the Marmamocc show in Italy during September 2014 and Al-Anan for Stone Company and Sharabati Modern Company participated in 2013. All four also attended the Dubai Big 5 show in November 2014 without USAID support.

On January 14th, a meeting was held with the three beneficiaries to follow-up on growth and market progress since participating in these events.

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

On January 6th, a meeting was held with Paltrade to follow up on two stone and marble events. The networking event in Dubai held in November 2014: Paltrade confirmed beneficiary participation and follow-up communications. Paltrade and USAID/Compete also brainstormed new ideas for similar events in the future, such as providing measures to promote better business matching. In addition, Paltrade confirmed preparation progress for companies scheduled to participate in The Middle East Trade Show, scheduled to take place in May.

Lessons Learned

While planning for the Middle East Trade Show with USM and PalTrade, two beneficiaries that were previously selected and vetted later decided to not participate in the show due to financial and owner disagreement issues. To avoid this when planning for trade shows in the future, the industry representative, service provider, or official trade center (PalTrade) should sign agreements with the selected beneficiaries before the proposal is submitted for the show. The agreement will ensure that the beneficiaries understand and agree to the logistics, details, vetting, and cost share. This will avoid much lost time, as trade shows often take a year or more to plan, book, and prepare for.

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 innovation¹. The following section highlights project activities this month with a youth and gender impact.

GENDER & YOUTH

In January, the Agribusiness Sector held two trainings:

- On 1/14/15, a strawberry farm management training was attended by 18 people. None were female and four were youth.
- On 01/28/2014, a cooling room training was attended by two companies, Top Field and Abd Al Hakeem, and a total of 11 people. None were female and seven were youth.

¹ Defined by USAID as aged 14 to 29

GENDER STRATEGY IMPLEMENTATION

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

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

This section describes the gender strategy activities within these pillars that took place throughout the month.

Supporting pillars 1, 2, and 3, the Stone & Marble sector has been working with Fonoun Company for Carved Stone and Marble in Bethlehem to break gender barriers and create managerial positions for women – the first stone and marble company in the Palestinian territories and the MENA region to do so. Fonoun now employs professionally skilled females in their workforce including a marketing manager, a designer, a mechanical engineer, and an AutoCAD engineer, all of whom are responsible for developing new and creative stone products. In addition to support for Fonoun and because of this work, a Compete stone & marble representative was chosen to participate in January on a panel to select local companies to attend the Bahrain Competition for Women Businesses and Producers. Compete also met with a representative from the Ministry of Women Affairs to learn about other initiatives and projects by women that could be included under future initiatives.

ISSUES THAT MAY INHIBIT OR ENHANCE PERFORMANCE

VETTING

The commitment to adhere to Mission Order 21 in a timely, business-like manner is essential to the success of USAID's partnerships with Palestinian companies. Since mid-2013, there has been steady decline in all vetting applications processed in more than 61 days. In January, vetting applications for individuals overall improved, with applications taking less than 30 days significantly increasing by 1.5% and all other times slightly declining. For companies, the number of applications vetted in less than 30 days also significantly increased by nearly 0.9% and all other applications taking longer decreased between 0.1% and 0.5%.

Figure 1. Length of vetting time for individuals.

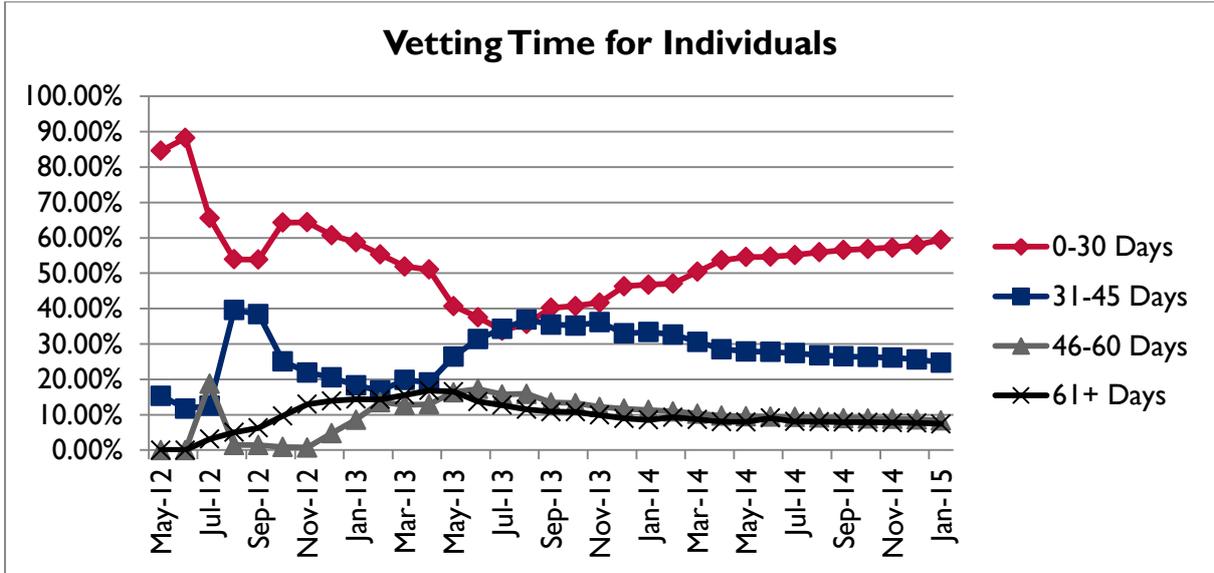
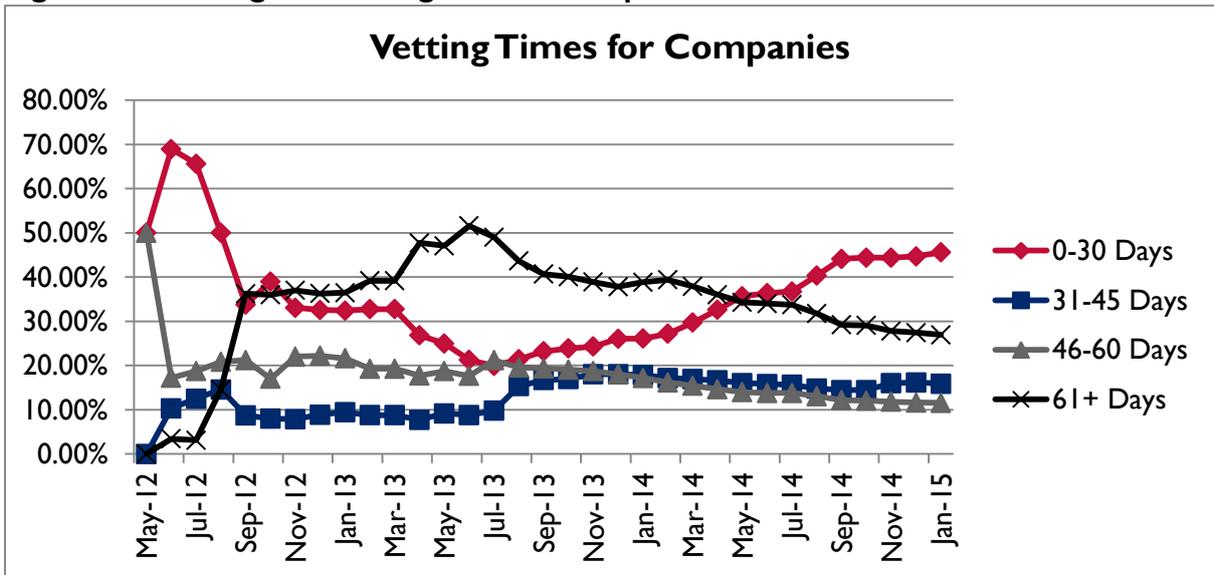


Figure 2. Length of vetting time for companies.



CALENDAR FOR JANUARY 2015

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5 Area C Jiftlik expansion meeting with well owners and design company	6 PalTrade meeting regarding trade show and networking events	7	8	9	10
11	12 USM progress meeting	13 CCHP rehabilitation progress meeting	14 Strawberry Training	15 Strawberry Training	16	17
18 Area C Beit El expansion meeting with CA and design companies	19	20	21	22	23	24
25	26	27	28	29	30	31

COMPETE PROJECT MONTHLY ACTIVITY/EVENT OUTLOOK

Other Upcoming Events			
Agribusiness Sector	Tourism Sector	ICT Sector	Stone & Marble Sector
February: Field visit/meeting with Head of Palestinian Tax and VAT February 2: Area C expansion meeting with CA and design company February 6-7: Administrator’s Assistant site visits. March 7: Dates Festival in Ramallah	February 6: 5k Run in Bethlehem February 11: HLITOA Branding Strategy Launch	Ibdaa Launch (Reschedule TBD)	January: Meetings with Sludge New Product Potential Investors