



USAID
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WEST BANK/GAZA

USAID/COMPETE QUARTERLY REPORT

October 1, 2014 – December 31, 2014

February 5, 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
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

USAID's partnership with the Palestinian private sector through Compete interventions accomplished much during the three-year base period. The first quarter of the fourth year, reported here, demonstrates continued economic growth through increased exports and jobs, particularly targeting women and youth in the sectors.

Agribusiness

Enhancing access to markets through forward contracting

- Abd Al Hakeem and Al Furat Company signed 5 contracts with Jordanian companies to supply potatoes, carrots, and onions, valued at US \$1,108,255.
- Al Furat signed a contract to provide 250 tons of onions to a local company, Al Hanjal, valued at US \$87,679.

Upgrading technology to improve the strawberry subsector

- Two strawberry farmers, Osamah Abu Rub and Na'im Shukri, reaped the benefits of technology upgrades from FY2014: both planted early, leading to a harvest a full month before the season and strawberry sales double the seasonal average at \$11 (40nis) per kilogram.

Tourism

Rehabilitating urban tourist destinations to enhance experiences

- A cluster of renovated sites in Bethlehem were celebrated in November, including: a renovated public toilet in Manger Square; a renovated traditional complex that will operate as an Icon school and visitor information center; an improved street lighting network in the old city; and, an upgraded stairway (Qattan stairway) in the old city, connecting main attractions.

Improving service standards with new vocational training

- Bethlehem University launched 25 training modules covering five clusters: Front Office Management, Food Safety and Sanitation, Food & Beverage, Culinary Arts, and Communications.

ICT

Celebrating continued success from startups

- Aidbits, originally supported in 2013, was selected to take part in the SBA Autumn International Venture Academy in France in October 2014, winning first place for Best Presentation and second place for Most Investable Company of the nine participating startups.

Establishing the software sector in the West Bank

- Infinite Tiers Software development program is relocating their offshore program from China to Nablus, which will support a series of internship programs expected to create 40-50 new engineering jobs in the next 18 months

Stone & Marble

Celebrating success in increased stone & marble exports

- Seven companies sponsored by USAID/Compete in to participate in various trade shows saw revenues between US \$40,000 and \$1.6 million this quarter as a result of connections made

Supporting creative new products designed by women

- Fonoun Company for Carved Stone and Marble now employs skilled women, including engineers and managers, responsible for developing creative stone products

However, quarter one of fiscal year four brought around a new approach to solidifying the core of competitiveness. It marks a transition period into a new approach to increase Palestinian export and local market competitiveness by addressing systemic market failures to set the foundations of a more competitive and inclusive market system.

The project will continue to provide technical assistance to Palestinian enterprises and Business Support Organizations but with an economic and business rationale that prioritizes and targets project assistance and investments at the critical constraints to growth in the economy. This new phase leverages the successful initiatives, partnerships and achievements during the base period of the contract and previous USAID investments, and introduces a rigorous market systems approach to address the issues that constrain competitiveness in four key sectors with high growth and employment potential, including agribusiness, tourism, information and communications technology, and stone and marble.

PROJECT HIGHLIGHTS

QUARTERLY HIGHLIGHT – BREAKING BOUNDARIES



Christina and Elisa in Jerusalem's Old City

USAID's Compete Project works to strengthen the competitiveness and export potential of key sectors essential to the future prosperity of the Palestinian economy:

1. **Agribusiness and specialty food**
2. **Tourism**
3. **Information and Communications Technology**
4. **Stone & Marble**

Tourism is undoubtedly one of the largest industries in the global economy, with an estimated US\$1159 billion spent by international visitors while abroad in 2013. While Israel and the Palestinian Territories are famous for their unique mix of cultures and historical sites central to three of the world's major religions, the reputation of the region as a site of political conflict has also blighted the area for decades. That divide has been inhibiting visitors and marring possibilities for the full development of the Palestinian tourist industry.

Two enterprising women have however, managed to turn that dynamic on its head. Co-founders Christina Samara, a Palestinian, and managing director of Samara Tourist & Travel and Elisa Moed, an Israeli, and CEO of Travelujah, broke the mold in creating Breaking Bread Journeys. The company organizes tours that crisscross the Palestinian-Israeli border introducing visitors to the real heart of both cultures - food. Their initiative opens doors to the heritage, folklore, traditions and hospitality of the Middle East, giving a real life taste of a fascinating part of the world.

In doing so Christina Samara and Elisa Moed started media frenzy, with journalists from NBC to the London Times clamoring to experience something completely different. As if further proof of success was needed, Christina and Elisa have just been nominated for Women of the Year by Myself Magazine, a German subsidiary of Conde Nast for the "risk they took to realize their vision of a friendlier world". According to Christina "the nomination, coming just a year after the official launch of our company really validates what we are trying to do – we are very privileged and honored to be considered after such a short time."

USAID has been supporting the initiative since the women introduced their inspired take on the possibilities for tourism in the Holy Land. Underlying the partnership between Christina and Elisa and USAID is a shared vision and belief in the ability of local tour operators to create truly unique market niches to place one of the most fascinating parts of the world where it belongs – firmly on the map of the globally competitive tourism industry.

QUARTERLY HIGHLIGHT – PARTNERSHIPS WITH A DIFFERENCE



Photo: USAID/COMPETE

Wala Ramouni, one of two interns from East Jerusalem working at Intel Israel over the summer

USAID's Compete Project works to strengthen the competitiveness and export potential of key sectors essential to the future prosperity of the Palestinian economy:

- 1. Agribusiness and specialty food***
- 2. Tourism***
- 3. Information and Communications Technology***
- 4. Stone & Marble***

Trying out innovative approaches to development problems is what USAID is all about. Unsurprisingly then, that the organization was the first stop for venture capitalist Yadin Kauffmann to pitch his idea of creating internships for Palestinian graduates and young professionals at multinational tech companies based in Israel. USAID's ongoing work using international partnerships to develop key industry skills for Palestinian junior professionals and talented graduates made the organization a natural partner. That conversation led to an opportunity for eight young Palestinians to take part in one of the most unique internships in the country. Through the program these youth are immersed in Israel's thriving tech scene, developing crucial skills and insights they can transfer to future employers.

The pilot program with US registered non-profit – Palestinian Internship Program (PIP), opened the doors of Intel and Medisafe based in Haifa, JVP in Jerusalem and FreightOS in Tel Aviv to offer internships for young Palestinian professionals in a range of fields from software development to web applications, finance to sales and customer services.

The program has been a resounding success and the feedback from both interns and the companies has been very positive, Nadine at Intel –'Besides all the technical skills that I developed, I also learned how to manage my time and organize my work more efficiently. I also learned a lot from observing the managers' attitudes; they focus on empowering employees and motivate them to develop creative solutions.' Indeed the participating companies have been so impressed that 75% of interns have been offered to have their internships extended, while Medisafe, FreightOS and JVP have all made offers of employment to the interns.

A series of workshops and seminars by entrepreneurs and professors from Harvard Business School, Brown University and Dartmouth were included in the program - which proved itself to be a model of the type of internships USAID envisions will develop the skills and experience needed to establish the West Bank as a regional high tech hub.

SUMMARY OF PROGRESS BY SECTOR

AGRIBUSINESS

Enhancing Market Access

Agribusiness Trade Shows – USAID supports the participation of Palestinian agribusiness companies at international trade shows to assist export ready firms in scaling-up their international presence. In the past, this has resulted in increased exports and opening new markets.

Foodex

Ten Palestinian companies participated at Foodex Saudi from November 17th to 20th. Foodex Saudi is the only food trade show in Saudi Arabia showcasing products from the food and beverage industry and the agriculture and forestry industry. The Palestinian pavilion, designed by a local export service company, PalCircles, with USAID support, was visited by more than 70 potential buyers and distributors from Saudi Arabia and the Gulf region. Meetings were also held with the Vice Chairman of the Jeddah Chamber of Commerce and the Chamber technical team to discuss Saudi Arabian market requirements and outline obstacles facing Palestinian exports overall and to Saudi Arabia. Subsequently, the Jeddah Chamber of Commerce developed an action plan to address the issues and introduce Palestinian products to the KSA market. They also provided a list of 128 potential Saudi Arabia-based buyers for the Palestinian companies to solicit.



Palestinian agribusiness companies network with potential buyers and distributors at Foodex Saudi

Component B – PalCircles – PalCircles is a service provider recently established in the Palestinian Areas to offer comprehensive export related services to local producers and manufacturers, with a focus on medium, small, and micro-enterprises. USAID/Compete provides support by assisting the company in procuring and/or designing spaces at trade shows.

Survey findings from Foodex:

- Major concerns related to Palestinian products are flow, price, and quality.
- KSA-FDA requirements are very restricted regarding pesticides residues.
- Most of the rejected shipments on the KSA borders due to fall in labeling and packaging requirement.
- The initial results include a combined total of 70 business leads, 10 of which are high potential leads, made during and following the show.

SIAL

Emirates Delight Company and Nakheel Palestine, both date producers, exhibited at the SIAL trade show in Paris, France from October 19th to 23rd. SIAL Paris is a long-standing global event for the food processing industry held every two years with around 6,300 exhibitors from over 100 countries

participating and roughly 150,000 visitors. Compete provided support across a range of factors including preparation, communication, design, and construction of exhibition booths.

Survey Findings from SIAL:

- The two booths were set in a very good location, attractive, having privacy for conducting B2B meetings.
- The participants assessed the trade show as a very well organized event.
- SIAL is an essential meeting place for market professionals and innovation trends.
- Emirates Delight signed an agreement to export 5 tons of dates to France
- The Palestinian delegation as a whole generated 212 business leads and initiated communication with 4 new potential markets.

Results from tradeshows supported by USAID/Compete:

- Al Jebirini exported US \$231,600 in products to Iraq as a result of attending the Gulfood tradeshow in 2014.
- Daraghmeh exported US \$533,956 in products as a result of Worldfood Moscow 2013 and Fruit Logistica 2013 and 2014.
- Emirates Delight exported US \$50,480 in products as a result of Fancy Food 2013 and US \$148,864 as a result of Fruit Logistica show 2013 and 2014.
- Cnaan Fair Trade exported US \$31,372 in products as a result of Gulfood tradeshow 2014.

Accelerating Export Growth – USAID/Compete provides technical assistance to export-ready firms to facilitate Palestinian produce sales internationally, particularly through forward contracts.

Date Contracts

In October, USAID/Compete introduced the Moscow based Kam-Trade Company to date producers, vegetable producers, and other exporters from the West Bank. As a result, Kam-Trade Company is negotiating two export contracts with Nakheel Date Company and Al Zaraoun Al Arab Company to buy 50 tons of dates worth \$350,000 USD from each. Kam-Trade Company is also negotiating the purchase of two containers with carrots, potatoes, and onions worth \$53,000 USD from the Tubas Packing House Company.

Potato, Carrot, and Onion Contracts

This quarter, USAID/Compete assisted Abd Al Hakeem and Al Furat Company in signing 5 contracts with Jordanian companies to supply potatoes, carrots, and onions. The value of the contracts is US \$1,108,255. The export of carrots will commence in February 2015, followed by the export of potatoes and onions in April 2015.

Local Contracts

This quarter, USAID/Compete assisted Al Furat in signing a contract to provide 250 tons of onions to a local company, Al Hanjal, valued at US \$87,679. The onions were delivered in November.

Impacts this quarter from Al Furat's contract include:

- 455 donums area are under new technology and cultivation for export crops.
- Red onions were introduced as a new product.

- 1 new worker was hired.

Potato and Carrot Contracts

USAID/Compete supported Top Field Company during FY3 to secure forward contracts with local and Jordanian companies for the export of thousands of tons of potatoes and carrots. Seven contracts were signed with Jordanian companies, generating exports with a total value of US \$2,025,000. Moreover, two forward contracts with the local frozen food processing facility, Al Salam Group, and Ali Brothers Company generated local sales with a value of US \$580,000.

Impacts this quarter from Top Field's contract include:

- 14 seasonal workers were hired.

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

Factory Layouts

During FY3, Compete hired a local consultant to develop factory layouts benchmarked against international food safety standards to improve the competitiveness, sustainability, and the export capabilities of Hithnawi Co., West Bank Salt Co., Mo'ta Mills Co., Emirates Delights Company, Co. Cooperative Association for Rural Development in Bethany, and Jerashi Printing House.

Impacts this quarter from adopting standards include:

- A Food Safety Requirements report had been prepared for Hithnawi Company, Mo'ta Mills Company, and Emirate Delights Company, as well as a layout according to the safety requirements.
- The initial layout for Jerashi Company has been approved.

Packaging

In FY3, Compete supported the National Carton Company to adopt international standards. National Carton, a Palestinian packaging manufacturer, adopted ISO 9001 certification schemes to help them comply with regional and global markets requirements, remove technical barriers embedding their entrance to new markets, and improve food safety and quality.

Impacts this quarter from adopting standards include:

- National Carton Company was able to sell proper carton specifications that comply with the food packaging and labeling norms of the Palestinian Standardization Institution (PSI) cartons with a value of US \$51,600.

Export Manager for Hire – USAID supports the hiring of export managers to assist companies' abilities in reaching international markets.

Emirates Delights

This quarter, Compete signed a grant with Emirates Delights Marketing Company to hire an export manger in Dubai to open new markets and export to the Gulf region and Near East Asia market.

Canaan Company

This quarter, Compete signed a grant with Canaan Company to hire an export manager for the Gulf market that will introduce the brand, manage market entry, and manage distribution to retailers and food service outlets.

Impacts this quarter from Canaan Company's export manager hire include:

- Exported products with a value of US \$2,956,456.
- Introduced 5 crushed olive oil products: chili, thyme, garlic, lemon, and basil.
- 11 jobs were created.

Strengthening High Value-Added Products, Services, & Technologies

Training for New Crops – USAID/Compete is enabling Palestinian private sector companies and individuals to produce a new high value added crop: mushrooms. Currently, Palestinian mushroom production is limited to one producer and the majority of local demands are met by imports. The intervention seeks to meet the high local demand for two mushrooms, Agaricus Bisporus and Brown Agaricus bisporus, and increase the number of females working in the agriculture and mushroom cultivation. Mushroom House Company, Palestinian Fertilizer Company, and the Compete agribusiness team members received training in two areas related to mushroom production from December 9th to 19th, 2014: mycelium and mushroom production from Mycelium BVBA Company in Belgium, attended by three trainees, and the manufacture of mushroom phase II compost from DLV Plant Mushrooms Company in the Netherlands, attended by five trainees.



The Palestinian delegation during the training in Belgium

Findings from trainee interviews:

- All trainees completed training for compost and mushroom production and are ready to implement.
- Compost can be produced by the Palestinian fertilizer company, most of the raw materials are available locally and Israel.
- It is not feasible to import compost (estimated price US \$1000/ton) and it is difficult to fulfill market demand on time, but it is recommended to start with one cycle to test the facilities and lessons learned.
- International prices for fresh mushrooms (Farm gate price) are roughly US \$1.20- \$1.60, whereas local prices are around \$4.

Upgrading Farming Technology – USAID supports the upgrading of relevant technology to assist farmers in increasing production and quality of high value-added new and existing products.

Strawberry Technology Upgrades

USAID/Compete is assisting the strawberry subsector in increasing productivity, improving strawberry quality, and meeting export standards. Earlier in 2014, strawberry farmers worked on a cost share basis

to upgrade their infrastructure and received training to support the upgrades, enabling increased production rates, improved quality, and an earlier harvest season this quarter. Two partners, Osamah Abu Rub and Na'im Shukri, procured the seedlings in time to plant early, which led to a harvest in early October – a full month before the season starts. The early harvest fetched higher profits, as strawberries were selling at \$11 (40nis) per kilogram at the time: double the seasonal average.



Strawberry Farm in Jenin

Impacts this quarter from the strawberry technology upgrades include:

- Increase in local sales by US \$61,644 for the 5 strawberry farmers.
- 10 new jobs were created in total for the 5 strawberry farmers.

Potato and Carrot Technology Upgrades

In the base period, USAID/Compete assisted TopField Company and Al Furat Company with procuring irrigation pipes to expand their project to 1100 dunums of potatoes and carrots. The companies also supplied 7000 tons of red potatoes for Al Salam Group and Al Ashqar Exporting Company with these upgrades.

Impacts this quarter from the potato and carrot technology upgrades include:

- Increase in local sales for Al Furat by US \$80,000.
- Increase in local sales for Top Field Company by US \$395,345.

Asparagus Technology Upgrades

Started in FY3 and completed this quarter, USAID/Compete assisted a Palestinian farmer who owns approximately 40 dunums of green houses in Al Faraa area to plant 5 dunums of asparagus under new technology. Support included the purchase of seedlings, sprinklers, and an irrigation network needed to process the specialized new crops and meet market requirements.

Impacts this quarter from asparagus technology upgrades include:

- The farmer has already fulfilled his cost share: land preparation, fertilizer, pesticide, water, and labor.
- The farmer planted the five dunums.

Upgrading Fresh Herb Facilities – In FY3, USAID/Compete provided support to the Fresh herb sector in upgrading facilities. 16 fresh herbs farmers were assisted with nettings to comply with integrated pest management practices in order to sustain in the US market.

Impacts this quarter from upgraded fresh herb facilities include:

- Jannet Adan exported products with a value of US \$848,000.
- Daraghmeh Company introduced a new product: Thailand basil.
- Daraghmeh Company accessed the KSA market.

- Daraghmeh Company hired 8 new workers.
- Sami Abu Mansour increased local sales by US \$30,000.
- Juneidi Nursery increased local sales by US \$74,200.
- Juneidi Nursery hired 3 new workers.

Improving Packing Facilities – USAID assists high value added subsectors by providing equipment to improve quality and standards of Palestinian produce and goods, allowing companies to reach new local markets and meet export standards for international markets.

Produce

On December 3, 2014, the official launch of two packing houses celebrated successes in identifying and supplying desirable produce to target markets. Since the establishment of Tubas Packing and Marketing Company last season, 1800 tons of carrots and 1500 ton of potatoes were exported, representing 90% of the total export of carrots and potatoes according to the MoA. The other packing house, established by Green Qalqilya Company, generated 389240 Kg of guava, 33075 Kg of pepper, and 66308 Kg of avocado exports, representing 40% of the total exports of avocado and guava according to the MoA.



USAID Mission Director Dave Harden, local community representatives, and other stakeholders during the inauguration in Qalqiliia

Olive Oil

This quarter, Compete supported the purchase of an olive oil tank for the Holy Tree Cooperative. The cooperative is based in Tubas in the northern West Bank and has 59 members, 16 of which are women.

Impacts this quarter from Holy Tree's upgrades include:

- An increase in storage capacity of olive oil by up to 20 tons.
- An improvement in the quality of the olive oil, which will enable them to access regional markets.
- The new tank has enabled the cooperative to save over US \$5,000 in non-reusable small tanks.

Transforming Product Packaging – USAID/Compete assists Palestinian companies to upgrade the marketing and packaging of goods as to meet standards and penetrate new markets.

ARWS

This quarter, Compete worked with Al Aqaba Rural Women's Society (ARWS), a women's cooperative from Tubas that generates products from raw materials, and Jusor Company for Investment & Agricultural Marketing, a local Palestinian marketing company, to design new packaging for ARWS products. By upgrading to bag-in-bag packaging for dry herbs, ARWAS products can now reach hotel markets as part of the UNDP National Product First initiative, as well as meet international market standards for export. Seven redeveloped products were exhibited by Jusor Company at Foodex Saudi in November.

Prime Company

USAID assisted Prime Company for Investment, which has been working for over two years in the development and testing of its anticipated product line. The line includes meals, bakery, pestos, sauces, marinades, jams preserves, honey, infused olive oil, and herbal teas. Compete also assists with the procurement of convention oven, fermenter, baking oven, and other kitchen equipment. This will enable the company to launch these products into the local market and eventually internationally.

Date Packaging

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

Impacts this quarter from product packaging upgrades include:

- Qitaf Company printed around 300,000 Cartons with the new design (100,000 cartons of 5 Kg and 200,000 cartons of 1 KG).
- Nakheel Company and Al Mares Company were late this season; both companies will print the packaging for next season.
- Emirates Delights Company printed the new design.
- Al Wadi Company printed the new design and exported 70 tons of dates to Turkey and Dubai with a value of US \$560,000.
- Al Wadi Company hired 3 new male workers.
- Zaroun Al Arab printed the new design and exported 22 tons of dates for the first time to Turkey with a value of \$166,000.

Supporting Enablers and Service Providers to Address Impediments

Introducing New Water Sources – USAID is pursuing treated waste water (TWW) for the first time as a solution to the largest impediment for agricultural production in the West Bank: water shortages. In November, the Compete agribusiness team held a meeting with the Mayor of Nablus Municipality to agree on an action plan to demonstrate TWW use for stakeholders. Under the plan, USAID/Compete will install an irrigation network over 30 hectares of farmland in the northern West Bank, intended to support growth of exports crops including almonds and pomegranates. As an initial step, the project will cover 20 hectares (200 dunums) in Deir Sharif, Nablus and 10 hectares (100 dunums) in Jalameh, Jenin. This quarter, Compete signed grants with PCARD and NEF to implement the Jalameh project. The RFQ for the procurement of seedlings and irrigation pipes was announced, bids were received, and Compete is currently in the bid award stage.

Increasing Agricultural Lands – USAID is conducting cooperative discussions with Israel's Coordination of Government Activities in the Territories (COGAT) and local stakeholders as part of Kerry's initiative to develop Area C in the West Bank for Palestinian agricultural use. The "Economic Initiative for Palestine" agreement allows Palestinian farmers to irrigate the designated 1,460 hectares (14,600 dunums) with treated wastewater and rehabilitated wells in Jiftlik, Deir Sharif, and Tamoun to increase their production capabilities. Several meetings took place over the this quarter, including; a meeting with COGAT to discuss Israeli requirements for Area C projects; an introductory meeting and tours regarding an area in Jiftlik in the Jordan valley and another in Al Beqa'ah near Tamoun; and a meeting with the Deputy Minister of Agriculture, Abdallah Lahlouh, to discuss the implementation plan.

Lessons Learned

To avoid misunderstandings and miscommunication, all elements of USAID/Compete's assistance needs to be more clearly explained when developing relationships and agreements with beneficiaries. This is especially true for elements regarding the final phases of an intervention as well as the concept of intellectual, or intangible, interventions.

Upgrading strawberry farms enabled early plantation and a subsequent early harvest, generating significantly higher prices for the fruit.

In December, USAID requested information regarding numbers of increased agricultural areas per crop. While the M&E team does track new area, it has previously not been tracked by specific crops; new "crop" indicators will be developed to satisfy this request.

TOURISM

Enhancing Market Access

Destination Marketing – USAID is supporting a pilot project to develop Bethlehem, the most visited city in the West Bank, into a southern West Bank destination hub for tourism. If successful, this approach will be scaled up to fund similar work in Jericho for the Dead Sea area and Nablus for the northern West Bank, increasing the accessibility and resources available to tourists in the West Bank. In December, a consulting team performed a two week assessment to develop a comparative analysis of selected competitors and identify successful product positioning, branding goals, investment characteristics, and success metrics. This information will contribute to the overall goal to develop Bethlehem's strategic marketing plan, branding strategy, and investment briefs.

Festival Branding and Promotion –

USAID promoted Christmas activities throughout the holiday season as part of the strategic branding of Ramallah, Bethlehem, Beit Jala, and Beit Sahaour as destination locations. HLITOA, with a Compete grant, tailored spiritual, shopping, culinary, and cultural events to increase tourism and awareness of each location's products and services, specifically targeting the Star Street decorations and tree lighting events. The Christmas tree lighting ceremonies were held in Bethlehem on December 6th and Ramallah on December 7th. Both lighting events were attended by thousands of people, including West Bank residents, Arab-Israeli tourists, and foreign tourists, with speeches given by the prime minister and respective mayors in each city. Bethlehem Municipality also offered activities throughout the month, including a Christmas market in Star Street, musical concerts, children's plays, cultural performances, Christmas carols, and a scout's parade.



Christmas Festival 2014/2015

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.

Developing Tourism Resources – USAID/Compete is supporting the development of Visit Palestine as a commercially viable resource to guide foreign and local visitors in Bethlehem and the Holy Land. Visit Palestine is establishing a tourist information office (TIO) in the heart of the Bethlehem, 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.

Impacts this quarter from Visit Palestine’s TIO include:

- A soft opening of the TIO on December 24th, 2014, offering a staff speaking 9 languages.
- Procurement of local products from 40 West Bank and Jerusalem suppliers.
- Six new hires.
- Filming and production of video trailers to be finalized in January.

Improved Branding Strategies – USAID/Compete began 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. It’s planned that during the month of February, the new brand will be approved and training workshops will be delivered to HLITOA members.

Travel Road Shows – USAID supports Palestinian tourist sector participation in international trade shows to showcase the range of unique tourism packages available in the West Bank. Presence at such events increases the visibility of the Palestinian sector on global markets.

Adventure Travel World Summit

The Holy Land Incoming Tour Operators Association (HLITOA) and five local tour operators attended the Adventure Travel World Summit from October 6th to 9th in Ireland with USAID support, marking the first adventure based industry event for HLITOA. The annual event draws tourism boards, tour operators, destination marketing organizations, and specialty travel agents from 60 countries across the world. HLITOA hosted a successful roadshow dinner in parallel to the event to introduce Palestinian tour options to 40 industry professionals and representatives from top international publications. As a result of increasing Palestinian tourist sector awareness at this summit, online adventure travel magazine *Curious Animal* listed the West Bank on “The Adventure Travel ‘Hot List’: the 10 most exciting adventure travel destinations for 2015,” found at <http://www.curiousanimal.com/adventure-travel-hot-list/>.

CulturFair

HLITOA organized and held a road show at CulturFair, an international cultural travel fair in Mexico on December 3rd to 5th, 2014. With USAID support, HILTOA assisted the participation of three members including the Ministry of Tourism, aiming to build capacity for the tour operators to support their own road shows in the future. Also called the International Cultural Travel Fair, CulturFair targets the cultural and heritage travel market. HLITOA's roadshow seminar aimed at raising the Palestinian profile within the Mexican and global faith travel markets.



Participants at the international CultourFair in Mexico

Strengthening High Value-Added Products, Services, & Technologies

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

Bethlehem

In November, an inauguration ceremony was held for a cluster of renovated sites in Bethlehem, including: a renovated public toilet in Manger Square; a renovated traditional complex that will operate as an Icon school and visitor information center; an improved street lighting network in the old city; and, an upgraded stairway (Qattan stairway) in the old city, connecting main attractions. Works are still underway in Bethlehem include the Bus Station Stairway and the King David Street geometry. The stairway renovations exceeded 50% of project completion at the end of December and will continue undergoing work in the spring. Work on King David Street, including adjusting the slope of the road and construction pick up and drop off areas, will continue undergoing work till end of February.



USAID Mission Director Dave Harden, Minister of Tourism Ms. Rula Maayah, and Bethlehem Mayor Ms. Vira Baboon cutting the ribbon of Al Qattan Stairway during the inauguration ceremony

Bethany

In Bethany, urban rehabilitation works in the historic town are underway and will continue undergoing work till end of February. The project aims to improve visitor experiences by enhancing walking trails in the old town and improving the entrances and itineraries, encouraging visitors to spend more time (at least a half day) at the site.

Upgrading Commercial Tourism Infrastructure – USAID/Compete is aiding in the expansion and improvement of tourist infrastructure at key sites throughout the West Bank. Historic 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.

Jarar Palace

CCHP signed a contract in October with USAID/Compete to renovate Jarar Palace in Burquin, which will operate as a visitor information center when completed; CCHP's renovations of the historic building reached 30% completion by the end of December. Compete also met with key stakeholders from Burquin to establish a strategic conservation and management plan, ensuring that community stakeholders are ready to manage the sites, and to identify additional locations for potential future interventions in the historic town.

Hosh Abu Jarour

The renovation of Hosh Abu Jarour, a traditional building located on Star Street in central Bethlehem, was completed during November, marking the third completed intervention in the city under the CCHP contract. The renovated building will serve as a visitor information center and house the first Icon School in the West Bank. The Icon School, which will train local students to paint religious icons by hand, is expected to draw huge crowds of religious pilgrims and tourists to Bethlehem, generating significant employment and revenues for the local community.

Bethlehem Gallery

Rehabilitation and furnishing of the Arab Women's Union building into the Bethlehem Gallery is underway, aiming to operate as a gift shop, gallery and restaurant. The project aims to provide tourists with commercial attractions and services in Bethlehem (besides visiting the Nativity Church) to extend the length of stay and expenditures of visitors. By the end of December, renovation works had exceeded 60%, furniture is under fabrication, and part of the equipping had been delivered to the site.

Easing Visitor Mobility – USAID/Compete is supporting the development of products to improve tourist mobility in the West Bank. Interpretation panels, one such intervention, enhance tourist experiences by highlighting important historical and cultural information at key sites. Between October and December, USAID/Compete and CCHP representatives evaluated site conditions for proposed interpretation panels, selected 27 sites in Burquin and Bethlehem, and advertised a request for proposals for the design and installation of the panels. As of December, dozens proposals were received, evaluated, and narrowed down in preparation for final selection and award.

Targeting Outdoor Tourism – USAID/Compete is developing new services and products in key locations to diversify options available to tourists interested in rural and outdoor activities in the West Bank.

Outdoor Rock Climbing

Rock climbing has been selected as one target market, and Compete has engaged independent consultants to identify, map, operationalize, and market sites near Yabroud and Ein Qiniya. During the first quarter of FY2015, the consultants met with the village councils from each village to form

agreements regarding the usage and development of the selected areas. Ein Keniya officially signed an agreement, which designates public land to be developed for rock climbing sites. To date, 14 climbing routes, 7 in each location, have been physically prepared.

Abraham Path

Compete completed all activities related to the development of the Abraham Path, a long-distance walking trail stretching across the Middle East, as a tourist destination in the West Bank. A final field visit with partners Rozana and the Abraham Path Initiative (API) took place in November to commend the work achieved and meet with the beneficiaries of the project: the village council of Ta'anek, the Mardawi family homestay, and guide Mohammad Atari, who also received training through the project. Due to this initiative, the communities will benefit from the increased tourism and visitors will now receive unique insights into the plants, wildlife, local history, and culture of the region. The work done in developing Abraham Path allowed it to place as the National Geographic cover story for the April 2014 issue.

Promoting Regional Tours – During FY3, USAID/Compete supported Samara Tours in adding important sections to their initial toolkit including guides for additional marketing activities that can be used by other stakeholders interested in offering joint tours and entering new markets.

Impacts this quarter from Samara Tours include:

- Based on their first year of activities, they are quite confident about the next steps that are required in order to attract and form partnerships with international tour operators to offer and promote the new tour products.
- The summer 2014 Gaza events have dramatically influenced Samara projections and negatively impacted their results for 2014. While Samara did receive cancellations, they have found that the interest still remains and groups that cancelled immediately rebooked for 2015. For example, a tour with 30 passengers cancelled in July resulted in two new tours booked in February and July 2015 with expected total of 70 passengers. Moreover, they expect that some of their itineraries will require revisions to remove certain sites or overnights in the Palestinian Territories depending on the group.

Improving Tourism Sector Marketing

– USAID/Compete is improving the marketing capacity of stakeholders in the Palestinian tourism sector through availability of new quality marketing products. On November 26th, an event was held at Solomon Pools in Bethlehem to launch the online Image Bank providing a comprehensive digital archive of high quality pictures of Palestinian cultural and natural tourist sites. The materials are available to tourism industry professionals for use in marketing and promotional materials and to the public free of charge through Flickr and Pinterest. The event was attended by USAID West Bank/Gaza Mission Director Mr. David Harden,



USAID Mission Director Dave Harden and USAID/Compete COP Said AbuHijleh enjoy the Image Back photo exhibition

stakeholders in the tourism industry, and local media. An MOU was signed at the event, handing management of the Image Bank to Compete partner HLITOA.

Fostering Strategies to Improve Human Resources and Services

Hotel Classification Standards – USAID

supported the implementation of classification standards and related training in FY2014 to ensure high quality service is a hallmark of the Palestinian tourism sector. On October 21st, USAID held a celebration to recognize the achievements of all 11 participating hotels in acquiring the Property Gold Quality Service Certificate. Roughly 300 employees from the hotels completed and passed the trainings, which constituted eight modules designed by the American Hotel & Lodging Association-Education Institute (AHLA-EI) delivered by a local company, Diyafa Hospitality Management Consultants.



Gold Quality Service recipients at the event

Improving Hotel Services – As part of raising Palestinian hotel service standards, USAID/Compete has been supporting the education of members on a systematic approach to cleaning through the Arab Hotel Association (AHA), the official representative of Palestinian hotels. PalClean was subcontracted by AHA to assess 12 Palestinian hotels to understand the local needs of the varying hotel management and to develop a cleaning manual on the most efficient and effective cleaning procedures. This quarter, PalClean delivered trainings on basic cleaning to the staff of two more hotels, Mount of Olives and Golden Wall in Jerusalem, leaving only one of the twelve selected hotels left to train.

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.

Establishing Vocational Training –

USAID/Compete and Bethlehem University are improving the quality of service standards in the West Bank by providing for the first time a vocational education program. In December, Bethlehem University launched 25 training modules developed through a USAID/Compete grant. The modules target front-line staff, covering five clusters: Front Office Management, Food Safety and Sanitation, Food & Beverage, Culinary Arts, and Communications. To meet industry requirements, this initiative focuses on specific



Food and beverage students from Bethlehem University practicing during the launch event

pedagogy and curriculum development built around specific training needs. This will fill an education and labor gap and contribute to an increased number of Palestinians employed in the tourism sector.

Lessons Learned

This year, the preparation for the Christmas festivals took place over a time period of about a month. However, the planning requires a higher level of coordination between the municipalities, ministries, and industry association. A planning period of about four months should be sufficient in the future.

In the past, service providers for festival events were directly procured, resulting in multiple contracts. To avoid the complications of dealing with multiple tenders connected to one intervention, it is more efficient to create one contract and allow that contractor to manage the subcontracts.

ICT

Enhancing Market Access

ICT Trade Shows – USAID is promoting Palestinian ICT exposure and market linkages to regional and international markets by sponsoring participation in conference events. This assists Palestinian startups in getting more exposure to investors and customers by facilitating their participation in events around the globe.

EBAF

Two Palestinian startups, Education and Aidbits, participated in the European Business Angel Forum (EBAF) 2014 in Istanbul, Turkey on December 15th and 16th. They worked with Compete to identify the event and undergo the necessary requirements to participate. Both companies independently passed the interviews and criteria requirements, indicating positively improving ecosystem in the sector. They pitched and networked with a large number of investors at the event, several of which showed interest in the companies. The two companies will follow up to pursue concrete investments.

Web Summit 2014

Aidbits and Education also participated at the Web Summit 2014 in Dublin from November 4th to 6th with USAID assistance. The Web Summit is the largest tech conference in Europe and the MENA region, and attracted 22,000 people to the event. The two startups gained more experience on how to sell their company to possible international investors by exhibiting their own initiatives and observing similar startups from other countries that launched and marketed other tech products. Both companies received 50-60 interested visitors, potential customers, and possible investors, furthering their quest to reach international markets.



AidBits participating in the Web Summit in Dublin

SBA

Aidbits, originally supported in 2013, continues to see international success independently. Aidbits was selected take part in the SBA Autumn International Venture Academy in France in October 2014,

winning first place for Best Presentation and second place for Most Investable Company of the nine participating startups. The Academy is a ten day event which provides coaching and advice on making businesses more attractive to venture investors. Aidbits, which automates monitoring and evaluation systems for NGO's, was also selected to attend the world renowned Web Summit in Dublin in November 2014.

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

Al-Tariq Systems

In 2013, USAID/Compete supported Al-Tariq Systems to develop time attendance and workflow management software systems for clients in Oman as part of increasing Palestinian IT exports and promoting international partnerships. Since the successful implementation, Al-Tariq used this project as a reference to expand into other countries in GCC, further increasing their international presence. Al-Tariq signed partnership agreements with IT companies in Kuwait and Bahrain, selling the workflow management system. Sales activity will start at beginning of 2015.

Impacts this quarter from Al Tariq Systems's partnerships include:

- Al-Tariq generated sales with a value of US \$18,000

H+W Mena

H+W Mena recruited interns and programmers and began development of a HIS Healthcare System for Gulf Countries with USAID assistance. H+W Mena selected 20 interns and 5 professional developers to begin specialized training and initiate development of the Medical Practice Management Software System to manage hospital-wide operations for the GCC market.

EXALT Technologies

This quarter, EXALT concluded two projects with Cisco Video Systems (formally NDS) and Headbox (an Israeli Startup). EXALT provided software development services in the field of software development and quality assurance to build their Android Mobile Application. Headbox provides an integrated identity for user's streams and social presence. It allows users to be able to call, SMS, and chat with Facebook and Google Hangouts friends in an integrated chat view. These business relationships with the global reaching companies has introduced EXALT to new clients and possible business opportunities, increased EXALT's exposure to international clients, increased their capacity in software development, and created 7 new jobs for new graduates, 1 of which is female.

Jaffa Net

USAID supported Jaffa Net Company to develop the Head-UP Application that helps users to manage his or her online time by blocking certain applications (such as Facebook, Whatsapp, etc.) during certain timeframes chosen by the user. Head-UP Tribe is the startup company which Jaffa Net supports as the developing and technology partner.

Skills acquired by Jaffa Net Staff this quarter:

- Android System Programming.
- English Communication Skills.

- Software Development Management Skills.

Impacts this quarter from Jaffa Net's partnership include:

- 73% of the project staff is new.
- Jaffa Net has experience and continuing relations with Intel.
- Jaffa Net is fully aware of the difference between working with startups and large companies.
- Jaffa Net is positioning itself as a mobile outsourcing company, providing better chances to win other projects.

Additional updates this quarter on Jaffa Net:

- Intel is continuing the PETS project with Jaffa Net.
- Jaffa Net has launched the Mobile Billing application as a cloud service.
- Jaffa Net has developed a mobile functionality to some of its current applications such as Check Clearing System for banks.
- Jaffa Net has a mobile billing contact with a major water utility group that covers 10 towns and cities in Aker Area.
- Jaffa Net is currently developing a hardened Android environment that is converting smart phones to safer environment for families and kids.
- Jaffa Net has increased its share in Head-Up Tribes to 60%.

Introducing Export Managers – During fiscal year three, USAID supported Al-Andalus Software and Information Technology firm (ASD) to hire an export manager for KSA to increase regional ASD export sales and develop into a regional software development company.

Impacts this quarter from hiring an export manager for Al-Andalus Software:

- Developed new web site for lab system.
- Participated in a famous medical equipment exhibition in Dubai, where ASD connected with a good dealer in Oman and established agreements with more than three KSA companies (who sell lab machines) to sell the ASD system to their clients
- Enhanced ASD products

Facilitating Local Market Development –

USAID/Compete and the official representative of the private ICT sector, the Palestinian Information Technology Association (PITA), worked together facilitate Expotech Technology Week 2014 on November 9th, the biggest national technology event held for the 11th year in West Bank and Gaza. The focus of this year's Expotech event in Ramallah was "Solutions for Intelligent Cities" to promote awareness that technology can improve lives by addressing problems associated with rapid urbanization. The event launch was attended by 1000 local and international figures and roughly 20,000 individuals participated in the three-day IT exhibition with 53 exhibitors.



Expotech 2014

Component B – PITA – PITA is a Palestinian-based organization that represents the ICT industry in the West Bank and Gaza. The company has around 150 members and provides export promotion, capacity building, and advocacy services for the sector. USAID/Compete supports by providing technical assistance to provide better services to their members.

Fostering Strategies to Improve Human Resources and Services

Job and Internship Creation – USAID/Compete supports programs to increase the service capacity of mid and entry-level software developers in the West Bank, thus fostering market expansion.

In October, Compete signed a grant with Infinite Tiers Software Development to create new jobs and the largest internship program in the West Bank. As a result of USAID's support, the US-based company is relocating their offshore development program from China to Nablus to centralize their international operational requirements. With this move, 40-50 new engineering jobs will be created over the next 18 months, increasing the total number working at Infinite Tiers to 100. The grant also supports the first phase of internships, where 40 interns will be integrated within several software development racks within Infinite Tiers and at least 50% of the 40 interns will be hired with long term contracts. Another two rounds of internships will be subsequently held, supporting another 40 interns during each. The initiative is an important step in strengthening Nablus as a northern software development hub and provides an opportunity for the students of three nearby West Bank universities, the Arab American University in Jenin (AAUJ), An-Najah National University in Nablus, and the Palestine Technical College-Kadoorie in Tulkarem, to obtain essential skills and work experience.

Impacts this quarter from Infinite Tiers internship program include:

- Infinite Tiers has completed construction work and furnishing training floors for all trainees; building is now ready to receive a total of 40 trainees.
- Infinite Tiers has interviewed more than 70 trainees and selected and signed contracts with 21 trainees. This process is still on-going to select the remaining 19 trainees.
- 4 employees were hired at Infinite Tiers.
- The first internship round will include significant participation of women.

Supporting Acceleration Activities – Concluding this quarter, USAID/Compete supported the development of a new accelerator, E-Zone, at Leaders Organization during FY3. The summary of the impacts can be found below.

Cumulative impacts from E-Zone's acceleration grant activities:

- Ten startups created.
- \$200,000 in total value of cash investments.
- \$300,000 in total value of in-kind investments.
- Leaders Organization organized two of the most successful Startup Weekends in the West Bank. Last year's Ramallah Startup Weekend had more than 70 participants and 36 ideas generated, concluding with three winners.
- Three of the FastForward startups are already negotiating deals expected at USD \$700,000 with outside investors.
- Leaders Organization was able to successfully enroll a FastForward accelerator in the Global Accelerator Network (GAN).

- The applicants for the accelerator increased from 25 in the first round of acceleration to more than 180 in the last round, with the number of applicants increasing each new round.
- Development of an in-house training course on entrepreneurship delivered by volunteers, whom now have turned into StartMeUp, one of the most sought after courses taught by volunteers in the West Bank.
- Mentorship from local, regional, and international mentors from the Dubai-based Jeeran Network and through the US-based PHSV program was delivered to the entrepreneurs. Many of the mentors are still coaching the entrepreneurs beyond the timespan of the project.
- Several hosted entrepreneurs attended the Webit Congress in Istanbul with Leaders' support.
- Through the PHSV program, nine teams traveled to the Silicon Valley in the United States for a one month training program at local accelerators.



Students from Arab American University – Jenin taking part in IbdAA's university campaign

Supporting Enablers and Service Providers to Address Impediments

Academic/Private Partnerships – USAID is bridging a gap between academia and the private ICT sector through the establishment of a new technical transfer company, IbdAA. IbdAA will facilitate the creation of startups by providing in-kind support and equipment as necessary for selected teams consisting of a Professor, students, and a member from the private sector. IbdAA kicked off its program by selecting 10 teams from 96 submitted applications. Compete contracted Trip to Innovation (TTI) to aid in the selection and provide mentorship for the winning teams through May 2015. With USAID support, IbdAA, a technology transfer company, undertook an awareness-raising campaign to market the initiative at the four participating universities: Al Najah University, Al Quds University, Palestine Polytechnic University, and Arab American University-Jenin. The campaign involved speaking to students in lectures, meeting with faculty staff members, meeting with active IbdAA club members and representatives, and one-on-one discussions on how to initiate ideas and how to apply to IbdAA. In November, IbdAA began reviewing the 99 applications it received from the four Universities detailing ideas to solve specific market problems. IbdAA will work closely with the short listed teams to prepare their business plans and prepare them for the final pitching event which will take place in December 2014.

Component B – IbdAA – USAID is actively supporting the launch of IbdAA, a technology transfer company, to bridge the academia-industry gap and promote research and innovation. IbdAA is fostering an environment in which universities and industry professionals may learn from each other, work together, and provide superior solutions to market needs.

Lessons Learned

Recently, Compete began looking at the animation industry, which has a spending of \$400 billion USD each year. It was found that GCC markets have an affinity to Palestinian companies, and since animation uses a similar value chain to software, the current programs developed for the software industry can be

used for animation companies. This opportunity to work with ICT firms working in other subsectors may be beneficial to the whole market in the future.

Exposing Palestinian startups to international markets and investment works as a catalyst for developing the ICT eco-system; participation in trade shows creates a better understanding of competition and an easy access to potential investors.

The Palestinian ICT market is not far from the new trends in technology and with these changes in trends, new global value chains are emerging. Compete is looking at supporting firms in adopting these new value chains, which would lead to significant jobs and exports, examples of these value chains include Obama Care Healthcare-IT, Animation, and cloud based services.

STONE AND MARBLE

Enhancing Market Access

Stone & Marble Trade Shows – USAID is sponsoring stone and marble sector companies to participate in international trade shows to increase the visibility of Palestinian products.

Marmomacc Trade Show

USAID/Compete supported two walkers and two companies, Verona for Marble and Industrial Investment and Sukhour Al-Quds Company, to exhibit stone products at the Palestinian Pavilion at the Marmomacc Trade Show in Verona, Italy from September 24th to 27th, 2014. The two walkers, supported through the Union of Stone and Marble, were given the opportunity to attend workshops, a networking event, and business-to-business meetings organized by the Compete team. The Marmomacc Trade Show is considered by industry professionals as the landmark world event in the field of natural stone, primarily focused on blocks, tiles, granite, slabs, decorative products, and industry equipment. The fair hosts 1,513 exhibitors annually, 60% of which come from 58 countries across the globe, and welcomes 65,000 visitors every year.

Component B – USM – 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. The USM is creating a marketing department to implement 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. USAID contributes ongoing technical assistance through a grant to expand their spectrum of services, empowering them to better assist beneficiaries and tackle industry issues.

Survey findings from Marmomacc:

Compete M&E team distributed an online survey to get participants' feedback:

- Verona Company expects to generate \$1,200,000 in sales within the next 6 months.
- Sukhour Al-Quds Company expects to generate \$100,000 within the next 6 months.
- All companies considered this an important trade show to attend.
- 50% of participants consider the Italian market a major global market.
- Both companies said that they are planning to participate next year.

Summary of findings from Marmomacc:

Overall, the survey indicates the success of the intervention; both participants provided positive responses to all questions. The participants reported generating significant interest in Palestinian stone products among buyers from and made business leads from Europe and the Gulf regions.

Recommendations include:

- “Bigger and wider marketing promotion of Palestinian stone at all trade shows - such as the Turkish Government does” – Sukhour Al-Quds Company
- “Training and capacity building in marketing and high quality presentation of products” – Verona Company

Lessons learned from Marmomacc:

- Provide firm level technical assistance based on the needs of each company to assist their expansion within their own space.
- Illustrate different methods linked with a marketing strategy for displaying products at such international trade fairs.

Big 5 Trade Show

After the success of the 2013 Big 5 event in Dubai in which six stone companies exhibited with USAID/Compete support, USM and Paltrade, with other donor support, replicated the assistance for six companies to exhibit in the November 2014 Big 5 trade show. In addition, USM independently provided logistical support through their new service unit for 12 Palestinian business people to attend the trade show as walkers at their own expense. The Big 5 Show ranks as the leading international trade show for operators in the marble sector, for professionals in construction and contract sectors as well as designers and decision makers seeking success in an increasingly specialized and competitive context. This exhibition hosted over 2,500 companies from more than 65 countries.

Component B – Paltrade – Paltrade, the official Palestinian Trade Center and Export Agency, provides export and market development assistance to new businesses in the industry, including organizing trade shows and events and providing market studies and information.

USAID/Compete provides technical assistance and funding for specific events to improve Paltrade’s services to beneficiaries, especially for Compete targeted agribusiness and stone & marble sectors.

Survey findings from Big 5:

- Most of the companies stated that the exhibition was very important for their businesses.
- Most of the companies agreed that PalTrade’s representative in the exhibition was very cooperative with them.
- Most of the companies stated that they reached their goals from this participation.
- Most of the companies stated that the Big 5 trade show in 2014 was better than previous years, indicating an increase in the demand for Palestinian stone in the Gulf region.

Lessons learned from Big 5:

- Train and encourage participants to send their sales, marketing managers, designers, and/or other key staff to the exhibition and, in some cases, to represent the company.

- Organize better marketing, promotional, and media coverage.
- Organize B2B meetings tailored to construction projects which will be implemented as a result of Dubai winning the 2020 Expo.
- Ensure full control and monitoring on the construction process and quality of the Palestinian pavilion: no participants should be allowed to handle their booth construction on their own.
- Encourage and work with participants to improve the quality of the promotional materials.
- Encourage participants to ship exact products and samples to maintain control of the process.
- Train on international marketing and capacity building when needed.
- Train on stand behavior and codes of conduct linked with international countries.

Impacts from Trade Shows this Quarter

According to company representatives, the following revenues from exports were generated in FY4Q1 from USAID/Compete funded trade show participation:

- Verona for Marble Company generated \$1,547,300 in export revenues from connections made at trade shows between 2012 and 2014.
- Fonoun Arts of Carved Stone generated \$57,143 in export revenues from connections made at Big 5 2014.
- Al Anan for Stone & Marble generated \$394,495 in export revenues of from connections made at Marmomacc 2013 and Big 5 2013.
- Sharabati Company generated \$680,118 in export revenues from connections made at Marmomacc 2013 and Big 5 2013.
- Al Waleed Stone Company generated \$121,962 an export revenues from connections made at Big 5 2013.
- Sukhour Al-Quds Company generated \$42,400 in export revenue from connections made at Marmomacc 2014.
- Al Omraniya Company generated \$275,081 in export revenues from connections made at Big 5 2013.

International Networking Events –

USAID/Compete and Paltrade organized a large networking event in conjunction with the Big 5 trade show in Dubai on November 20th. At the networking event, Dubai based architects, engineers, contractors, Palestinian businessmen, and the Dubai Palestine Business council were invited by Paltrade to meet 6 Palestinian companies. The event gave a better understanding of the needs of the UAE market, how to penetrate it, and introduced the Palestinian companies to a network of potential importers.



Gulf professionals meet with Palestinian companies at the stone and marble networking event

Diversifying Target Markets – USAID is seeking to diversify products desirable to consumers through exposure at exhibition events. Stone, ceramics, and traditional ceramics companies were supported under this initiative to exhibit their products at the Annual Artesian Fair in Tel Aviv. The event, held on December 6, 2014 and hosted by the US Embassy, sought to identify popular consumer products, make connections, and stimulate sales to increase consumer feedback, future production, and future sales. Three companies participated: Rasha Traditional Workshop in Sabastia sold hand-made clay products and accessories; Al-Salam from Hebron sold traditional ceramic and blown glass products; and Fonoun Arts of Carved Stone, who presented mixed stone and olive wood products, connected with three contractors for future ventures. One non-USAID funded company, Christmas House, presented olive wood carvings, showing influenced growth in the sector. All four companies stimulated sales; however, Al-Salam’s products did exceptionally well and traditional ceramics and olive wood handicrafts exhibited export potential.



USAID Gender Specialist Susan Markham visiting Fonoun

Establishing International Hubs – USAID is supporting the establishment of international hubs, or representative offices, to attract international buyers and increase sustainable exports of Palestinian stone and marble products in key markets. In November, the Compete stone and marble team visited two hubs to follow up on the progress: the Al Waleed Company hub in the Al-Ein industrial zone, which is in development, and the Al Omranieyeh Company hub in the Abu Dhabi industrial zone, which is in the planning stages. The hubs present a major opportunity for these companies to expand operations in the Gulf region, showcase Palestinian stone and marble products, and ultimately increase exports and employment.

Strengthening High Value-Added Products, Services, & Technologies

New Products Supported by Women – USAID/Compete is targeting gender equality in the stone and marble sector to diversify high end, value-added products. USAID gender specialist Susan Markham visited Fonoon Company for Carved Stone and Marble in Bethlehem on November 6th, which specializes in decorative stone products such as tiles, statues, figure sculptures, murals, and columns. Fonoon, supported by USAID, is the first stone and marble company in the Palestinian territories and the MENA region to break with tradition and create managerial positions for women. Fonoon 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.

New Technology for Environmental Issues – USAID is introducing the recycling of ‘stone waste’ as a sustainable, direct and cost effective driven means of addressing the environmental challenges and opportunities of the Palestinian stone and marble industry. Four investors, Al-Aqsa Company, Creative Business Solutions, Abu Kamil Automatic Block, and Al-Raha Company, have begun developing feasibility

studies and business plans for new sludge products with cost-sharing and technical support. Several events related to this initiative occurred during the last quarter.

In October, Compete met with Lavaris, a research and innovation company, and the Design School at the Charles University of Prague to discuss possible technologies available to handle the sludge and possible partnerships with other Palestinian partners. Compete is moving forward with the plans to support Lavaris in testing the Palestinian sludge on patent machinery to develop new products that could be manufactured in the Palestinian Areas. Samples of dry sludge and local available construction materials were sent to Lavaris for further tests. Based on these results, Lavaris is planning to present a feasibility study to potential investors.

In November, Compete facilitated meetings in Dubai between six Palestinian companies and a Czech company, the latter of which develops technologies to use waste sludge as the raw material in creating new products. This initiative attempts to reduce or eliminate the environmentally-damaging sludge in the Palestinian Areas.

In December, Compete followed up with the four partners regarding progress on the feasibility studies. Investor meetings will be organized to showcase final results and findings to give insight as to what will be required to move into phase three of their investment. In addition, Compete held meetings with two new potential investors in sludge new products, both of which have researched and/or produced prototypes using stone waste sludge.

Decorative Products for Export – USAID through the Compete project is working on developing and expanding the Stone and Marble sector by focusing on decorative stone products with export potential. The Compete Stone and Marble team met with 2 producers; the Aswar Stone Company and Saba' Company in Al-Doha in Bethlehem to assess the capacities and potential for future partnerships. The Compete Stone and Marble team also is reviewing the results of USAID sponsored participation in the Marmomacc Trade Show in Italy where two Palestinian companies attended the show.

Lessons Learned

Regarding the Dubai networking event, it is important to conduct specific matchmaking events, build stronger company profiles, and better connect beneficiaries with contractors in key markets. Future work should also include more tailored missions to capture high quality results.

International hubs are low cost but high impact, enabling daily connections important to penetrating large potential export markets. Contractors in the key markets, such as the Gulf, feel more comfortable making the connection through the established hubs; therefore more hubs should be pursued.

To develop potential of the stone subsectors, it is important to provide opportunities for companies to fully develop products and ensure company exposure to international markets by attending key trade shows. These trade shows enable exposure and feedback on the new products.

Reflecting on the positive experience and feedback that was received at the Artisan Fair at the American University in Tel-Aviv, products such as traditional handicraft ceramics, glass, olive wood, and clay products received exceptional support from buyers. Even though decorative Palestinian products and

handicraft products are sold globally, approaching key target markets with modern designs and higher product quality with a well-designed marketing plan will have a great impact.

ALL SECTORS

Private Sector Investment Leveraged – Since the beginning of the Compete Project, the M&E team has captured the value of capital investments from our partners leveraged as a cost share from project activities. In the first quarter of the fourth year of the project, the private sector has invested US \$5,506,090 with the following sector contributions:

Agriculture: US \$4,318,086

ICT: US \$571,900

Stone & Marble: US \$616,104

No significant value was reported for Tourism this quarter.

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

GENDER & YOUTH

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.

In October, the ICT sector team held a workshop:

- On October 30, 2014, the Ibdaa Brain Storming session was attended by 44 people. Two were female and 14 were youth; one youth was female.

In October, the Tourism sector team held an event:

- On October 21, 2014, the Gold Quality Service Graduation was attended by 47 people. Nine were female and 16 were youth; four youth were female.

In November, the Tourism sector team held an event:

- On November 26, 2014, the Image Bank Launch Event was attended by 24 people. Eight were female and one was a youth; the only youth was female.

In December, the Agribusiness sector team held one training and two workshops:

¹ Defined by USAID as aged 14 to 29

- On December 6, 2014, the Enhancing Almond Productivity Workshop – Canaan was attended by 16 people. None were female and none were youth.
- On December 11, 2014, the Compost and Mushroom Production Training was attended by 3 people. None were female and two were youth.
- On December 23, 2014, the Organizational Exchange Visit workshop for strawberry farmers was attended by 15 people. None were female and one was a youth.

In December, the Tourism sector team held an event:

- On December 18, 2014, the Launch of the Hospitality Vocational Training Curriculum was attended by 28 people. 11 were female and none were youth.

In December, the ICT sector supported an internship program:

- The Infinite Tiers Internship Program awarded internships to 21 candidates. 17 were female and 21 were youth; all candidates were youth.

Throughout the quarter, the ICT sector held a series of trainings:

- The Ezone trainings were attended by 837 people. 337 were female and 729 were youth; 319 of the youth were female.

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 Fonoon 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. Fonoon 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.

Working through pillars 1 and 3, the Compete agribusiness team is continuing to work with the Al Aqaba Rural Women's Society (ARWS) in the Jordan Valley. In October, USAID/Compete signed a

grant with Jusor Co. for Investment & Agricultural Marketing to package and market Al Aqaba's products to improve their marketability. The company designed new packaging for seven products which will be exhibited at the Foodex trade show in Saudi Arabia in November.

Reinforcing all four pillars, Compete trained and assisted the establishment of the Mardawi home stay as part of the Abraham Path development initiative. The lodging is supported by the entire family; however, the vast majority of the business responsibilities are run by the woman of the house. This marks a success in breaking the gender bias regarding business operations as well as cost-sharing and training women under this new tourism sector initiative.

MONITORING AND EVALUATION

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

METHODOLOGY

The USAID Compete Project's M&E team conducted a series of field visits and interviews across the West Bank to collect systematic and timely performance information to quantify results for FY4/Q1. The technical teams supported these visits in lending their first-hand knowledge of sector-specific activities and resulting impacts. This ensures data is collected from the most appropriate and knowledgeable people at the targeted companies, farms, etc. M&E also employs the use of online surveys for events, trade shows, etc., to get feedback directly from participants.

KEY ACCOMPLISHMENTS

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

- Developed of the PMP for FY4, including the list of indicators and targets.
- Conducted a series of field visits and interviews across the West Bank to collect, capture, and verify data, as well as ensure quality of data to achieve quantifiable targets.
- Continued opening and updating activities and interventions 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 have been met.
- Worked with the communications team to submit project progress reports.
- Captured ongoing data on Private Sector Investment Leverage.

The M&E Engineer continues to:

- Verify Scopes of Work for environmental assessments, environmental reviews, or other environmental studies.
- Implement EMMP follow up with beneficiaries on site periodically, as well as status reports on progress, quality, and environmental compliance, as well as to prevent delays and cost overruns.
- Provide engineering technical support to the project team in reviewing, monitoring and evaluating the implementations of the project activities.

- Review designs, specifications, plans, and drawings vis-a-vis the environmental analysis and make recommendations to ensure they meet and abide by the mitigation requirements.
- Serve as the Compete representative to monitor and enforce environmental analysis recommendations mitigation measures as well as DAI and USAID construction requirements.

The M&E Economist continues to:

- Conduct economic analysis and financial feasibility studies to support Compete technical teams in the economic assessment.
- Provide specialist advice in making wise decisions.
- Communicate with beneficiaries to verify the data for economic analysis verification.
- Follow up with beneficiaries on site periodically as a part of monitoring and evaluation team.
- Employ the use of online surveys for events and trade shows to get feedback directly from participants.

LESSONS LEARNED

- The Compete M&E Manager traveled to Paris to join the two date companies at SIAL tradeshow to evaluate their performance and the suitability of the show for other Palestinian companies in the future. A key lesson learned was that transparent M&E comments, findings, and recommendations on the implementation of each event, workshop, tradeshow, etc., are very valuable and helpful to Compete teams regarding considerations and improvements for upcoming events.
- The purchase order/subcontract workflow should include environmental review for all technical contracts to avoid any gaps and missing technical requirements.

COMMUNICATIONS AND OUTREACH

During this quarter, the communications team highlighted major activities from USAID/Compete's four sectors and issued ten press releases announcing workshops and program launches. Activities also gained press coverage from local outlets and, at times, in regional specialized media outlets this quarter. The following reports detailed media coverage from events held, ten press releases, and two feature stories that were produced in the 1st quarter FY4.

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

- Newspapers: Al-Quds Newspaper, Al-Ayyam News, and Al-Hayyat Al Jadideh.
- News agencies: Wafa News agency, Maan News agency, PNN News Agency, Shasha Press, Ekhbaryat News Agency, and Shfa Palestine News Network.
- News webpages: Mawwal News, New Hub News, Atlas News, Al Watan Voice, Hebron Fm, Zamn Press, Fateh Watan News, Pal Sawa News, Kufiyah News, Asdaa Press, Hona Al Quds News, and Pal 24.

EVENTS

This quarter there were six main events and a number of field visits/tours with USAID officials held that the communications team worked with the technical teams to design, organize, implement, and

promote. Promotional activities included brochures, roll ups, banners, photography and so forth for the following events:

- Launch of the tourism Image Bank on November 26, 2014
- Inauguration of a cluster of renovated sites in Bethlehem on December 18, 2014
- Launch of the Potato and Guava packing house in Tubas on December 3, 2014
- Launch of the Vocational Training Curriculum in Bethlehem on December 18, 2014
- Celebration of the University Gold Certificate recipients on October 21, 2014
- Christmas Festival 2014/2015

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 thirteen weekly reports, two monthly reports and a quarterly report.

Two success stories were approved this quarter to highlight achievements: one in the ICT sector, called Partnerships with a Difference, and one in the Tourism sector, called Breaking Boundaries.

FINANCE AND OPERATIONS

SUBCONTRACTS AND GRANTS

During the first quarter of the fourth year of the project (October 1, 2014 – December 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 Q1 of FY4

The procurement team continues to work closely with the Technical teams to implement the project Work Plan.

Four (4) grants totaling \$451,641 were executed during the quarter with several others in design and negotiation phase.

During this quarter, 185 new requests for vetting were submitted to USAID for individuals and organizations. Eligibility/Ineligibility Notices for 133 outstanding requests were received.

Goals and Future Activities

The Compliance and Grants team has recently undergone a reorganization which will strengthen accountability and clarify separation of duties. This new structure will allow the grants team to spend more time in the field working with grantees, create dedicated resources for the Procurement team, and provide additional support to the HR, Vetting, and Finance functions.

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 the first quarter of FY2015, vetting applications for individuals overall improved, with applications taking less than 30 days increasing by nearly 0.8%. For companies, the number of applications vetted in less than 30 days increased by over 0.3% and applications taking between 31 and 45 days increased slightly. All vetting times for companies taking over 45 days declined.

Figure 1. Length of vetting time for individuals.

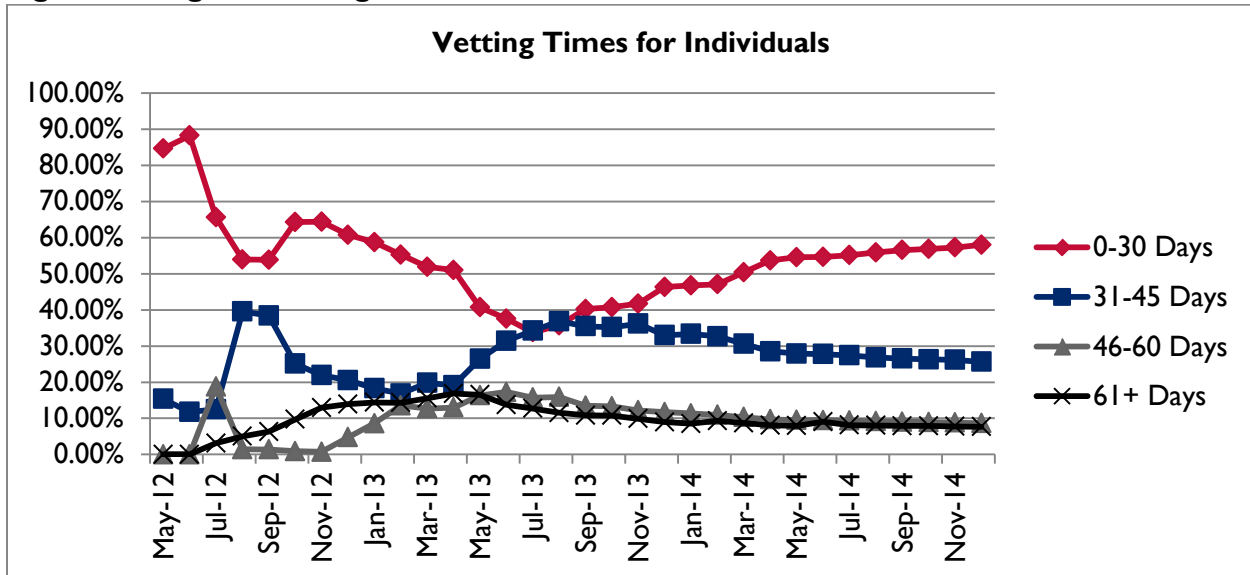
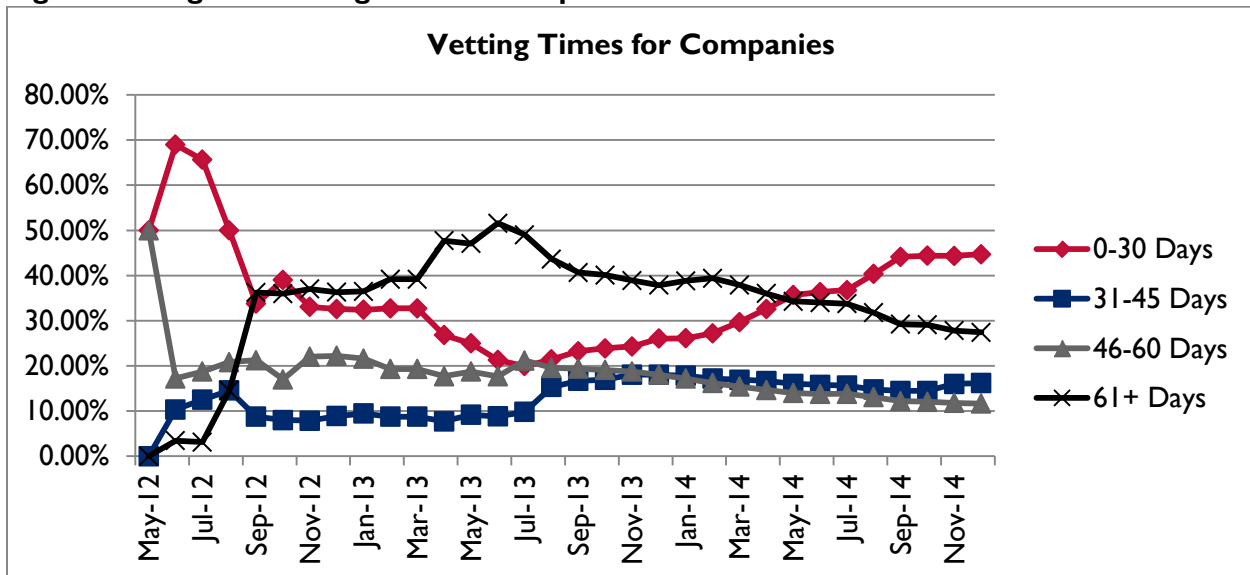


Figure 2. Length of vetting time for companies.



FINANCIAL SUMMARY

The financial summary for Quarter I, FY4 of the USAID West Bank and Gaza Compete Project is provided in the table below.

Table I. Obligation Summary.

Current Obligation	Obligation Spent	Obligation Remaining	Per Cent Obligation Spent	Per Cent Obligation Remaining
\$ 39,163,000	\$ 28,834,552	\$ 10,328,448	74%	26%



LEVEL OF EFFORT

Table 3. Level of Effort in Person Months.

Item	Contract Budget		Inception to Date (December 2014)		Contract Budget by Year				
	Labor Category	Number of Individuals	Total Person Months	Number of Individuals	Total Person Months	Year I	Year II	Year III	Year IV ITD
All	14	1172	14	649.9	106	233	251	57.34	524.66

ANNEX A: SUMMARY OF PROGRESS TOWARD INDICATORS

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

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY4	Actual Value for FY4/Q1
4.5.2	Agricultural Sector Productivity	4.5.2-36	OP Indicator	Agribusiness	Value of exports of targeted agricultural commodities as a result of USG assistance	Decimal	35,926,562	FY12	23,300,000	\$6,774,983
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	30	1
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	7	1
4.6.2	Private Sector Capacity	4.6.2-C02	OP Indicator	Tourism	Percent of hotels adopting nationally-adopted, USAID-introduced hotel classification	Percentage	55	FY12	70%	58% ²
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	6,500,000	\$3,118,499

² 32 hotels have been fully classified. Despite the fact that all legally registered hotels have already adopted the new Palestinian Hotel Classification system, the hotels still need to renovate and refurbish the buildings to achieve a certain star status. This process can take up to a year (in few cases) to achieve the required standards; thus, the final classification of most of the hotels is expected within the next 18 months. This process can take more than a year and in few cases, up to two years.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY4	Actual Value for FY4/Q1
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C05	OP Indicator	Agribusiness	Number of hectares under improved technologies or management practices as a result of USG assistance	Integer	0	FY12	150	46.5
4.5.2	Agricultural Sector Productivity	4.5.2-C02	OP Indicator	Agribusiness	Number of new or improved Palestinian products produced by assisted Palestinian agribusiness firms	Integer	0	FY12	60	10
4.5.2	Agricultural Sector Productivity	4.5.2-7	OP Indicator	Agribusiness	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	Integer	N/A	FY13	300	34
GNDR-2			OP 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	46%	23%
4.2.2	Trade and Investment Capacity	4.2.2-C02	Management Indicator	Agribusiness	Percent increase in exports of assisted Palestinian agribusiness firms	Percentage	35,926,562	FY12	65%	17%
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	5%	1% ³

³ MoTA reveals an increase of 1% in overnights for December 2014 compared to December 2013. This data is combined for Bethlehem and Ramallah.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY4	Actual Value for FY4/Q1
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	10%	14%
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	32%	15%
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	10%	8%
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	22%	10%
4.2.2	Trade and Investment Capacity	4.2.2-C08	Management Indicator	Agribusiness	Number of new markets accessed by assisted Palestinian agribusiness firms	Integer	7.00	FY12	5	2
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	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	6	5

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY4	Actual Value for FY4/Q1
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	16	3
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	60,630	FY12	10%	13.7% ⁴
4.5.2	Agricultural Sector Productivity	4.5.2-C01	Management Indicator	Agribusiness	Percent increase in sales of assisted Palestinian agribusiness firms	Percentage	103,000,000	FY12	33%	7%
4.5.2	Agricultural Sector Productivity	4.5.2-C03	Management Indicator	Agribusiness	Percentage increase in area under cultivation for export crops (hectares)	Percentage	360	FY12	20%	18%
4.5.2	Agricultural Sector Productivity	4.5.2-C06	Management Indicator	Agribusiness	Number of new agribusiness contracts executed with international buyers/firms for Palestinian products or services	Integer	0	FY12	20	5
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%	-4% ⁵
4.7.3	Strengthen Micro-Enterprise Productivity	4.7.3-C01	Management Indicator	Agribusiness	Percent increase in employment of assisted Palestinian agribusiness firms	Percentage	1,690.00	FY12	10%	3%

⁴ An increase of 13.7% between Oct-Dec, 2013 and Oct-Dec, 2014 due to the four market profiles completed and presented by HLITOA.

⁵ PCBS data reveals a decrease of 4% between October to Dec, 2013 and October to Dec, 2014. Tourism is facing huge unplanned challenges because of the war on Gaza, situation in Syria and Egypt, and the current political issues in the Palestinian Areas.

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY4	Actual Value for FY4/Q1
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	2%	0
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	37%	3%
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	10%	3%
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	5	5
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	14	-
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%	23%
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	N/A	FY13	10	1

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY4	Actual Value for FY4/Q1
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	N/A	FY13	6	2
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	1756	FY13	10%	3%
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	\$2,394,236	FY13	30%	6%
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	-
MEP0041	Strengthen Micro-Enterprise Productivity	MEP0041	Management Indicator	ICT	Total number of start-up capital raised by youth	Integer	-	FY14	\$240,000	\$26,000
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	226	49

PE Code	PE Name	Indicator Code	Indicator Type	Sector	Indicator Name	Indicator Format	Baseline Value	Starting Fiscal Year	Planned Value for FY4	Actual Value for FY4/Q1
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	0 ⁶
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	0	0 ⁷
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.	Integer	-	FY14	0	354

⁶ It has been less than a full year since startups were established therefore this indicator cannot be measured yet.

⁷ Will be captured during FY4, currently working with 2 cooperatives.

ANNEX B: MEDIA MONITORING REPORT

USAID Compete activities gained press coverage from local outlets and, at times, in regional specialized media outlets this quarter. The following reports detailed media coverage from events held, ten press releases, and two feature stories that were produced in the 1st quarter FY4.

Event/initiative: USAID and in cooperation with Intel and an educational Jordanian concludes a number of specialized trainings

Sector: ICT

Date: 12/10/2014

Media Coverage:

Al Hayat Newspaper

<http://pnn.ps/index.php/local/81891>

<http://www.wafa.ps/arabic/index.php?action=detail&id=168805>

<http://mawwal.ps/ar/mawwal/35435>

<http://samanews.com/ar/index.php?act=post&id=189789>

<http://www.al-ayyam.com/pdfs/20-2-2014/p12.pdf>

Event/initiative: USAID supports the Palestinian participation at Marmomacc international Tradeshow in Italy

Sector: Stone and Marble

Date: 19/10/2014

Media Coverage:

<http://pnn.ps/index.php/economy/103025-عالمياً-الأكبر-والرخام-الحجر-معرض-في-ومميزة-مثمر-ة-فلسطينية-مشاركة>

<http://www.wafa.ps/arabic/index.php?action=detail&id=185596>

<http://www.alquds.com/news/article/view/id/529151>

Event/initiative: 11 Hotels Receive the Golden Certificate

Sector: Tourism

Date: 21/10/2014

Media Coverage:

<http://www.wafa.ps/arabic/index.php?action=detail&id=185704>

<http://samanews.com/ar/index.php?act=post&id=216590>

<http://www.alhayat-j.com/newsite/details.php?opt=7&id=246280&cid=3453>

<http://pnn.ps/index.php/local/103266>

<http://sahafaty.net/news2237990.htm>

<https://newhub.shafaqna.com/AR/PS/5564251>

Event/initiative: Ibdaa launches a marketing campaign in cooperation with 4 Palestinian universities

Sector: ICT

Date: 10/11/2014

Media Coverage:

<http://www.wafa.ps/arabic/index.php?action=detail&id=187130>

<http://arabic.pnn.ps/index.php/home/pnn/services/website/2012-01-11-16-33>

<http://dl.alquds.com:8080/pdf/fd56a2b92060f6e29c9c42c47f29ca50/546c6421/pdf-docs/2014/11/13/page21.pdf>
<http://www.al-ayyam.com/pdfs/13-11-2014/p10.pdf>

Event/initiative: USAID launches a tourism image bank

Sector: ICT

Date: 27/11/2014

Media Coverage:

<http://www.alwatanvoice.com/arabic/news/2014/11/27/624935.html>
<http://www.mawwal.ps/ar/mawwal/62283>
<http://hebronfm.ps/index.php?news=20906>
<http://zamnpres.com/news/64050>
<http://www.wafa.ps/arabic/index.php?action=detail&id=188094>
<http://www.wafaimages.ps/album.aspx?id=13797>
<http://pnn.ps/index.php/economy/107497>
<http://www.alquds.com/news/article/view/id/534608>
<http://www.shasha.ps/more/122314>
<http://www.al-ayyam.com/article.aspx?did=251931&date=>
<http://www.al-ayyam.com/pdfs/27-11-2014/p06.pdf>

Event/initiative: USAID launches packing houses in Qalqilia and Tubas

Sector: Agriculture

Date: 03/12/2014

Media Coverage:

<http://www.alwatanvoice.com/arabic/news/2014/12/03/628301.html>
<http://www.fatehwatan.ps/page-97580.html>
<http://www.palsawa.com/ViewDetails.aspx?ID=15298>
<http://arabic.pnn.ps/index.php/economy/108229>
<http://www.wafa.ps/arabic/index.php?action=detail&id=188590>
<http://maannews.net/arb/ViewDetails.aspx?ID=744723>
<https://www.youtube.com/watch?v=FsnHqb3D8Ko&list=UU6IreKB-jvsnWGwmsGN6deA>
<http://kufiyah.net/%D8%A7%D9%84%D9%88%D9%83>
<http://www.wafa.ps/arabic/index.php?action=detail&id=188590>
<http://www.asdaapress.com/?newsID=7939>
<https://www.facebook.com/563508163711637/photos/pcb.81212139>
<http://kufiyah.net/%D8%A7%D9%84%D9%88%D9%83%D8%A7%D9%8>

Event/initiative: Christmas activities in Bethlehem and Ramallah

Sector: Tourism

Date: 06/12/2014

Media Coverage:

<http://maannews.net/arb/ViewDetails.aspx?ID=745227>

<http://pnn.ps/index.php/local/108561>
<http://www.wafa.ps/arabic/index.php?action=detail&id=188715>
<http://www.alwatanvoice.com/arabic/news/2014/12/06/629451.html>
<http://www.alwatanvoice.com/arabic/news/2014/12/06/629416.html>
<https://newhub.shafaqna.com/AR/PS/8544321>
<http://www.alquds.com/news/article/view/id/535864>

Event/initiative: USAID Launches Hospitality Vocational Training Curriculum at Bethlehem University

Sector: Tourism

Date: 20/12/2014

Media Coverage:

<http://arabic.pnn.ps/index.php/local/110202>
<http://www.alwatanvoice.com/arabic/news/2014/12/20/636257.html>

Event/initiative: USAID Inaugurates a Cluster of Renovated Sites in Bethlehem

Sector: Tourism

Date: 20/12/2014

Media Coverage:

<http://www.maannews.net/arb/ViewDetails.aspx?ID=748233>
<http://www.alquds.com/news/article/view/id/537787>
<http://www.alwatanvoice.com/arabic/news/2014/12/18/635520.html>
<http://arabic.wafa.ps/arabic/index.php?action=detail&id=168805>

Event/initiative: Palestinian Farmers Plant Sweet Potatoes (Feature Story)

Sector: Agriculture

Date: 22/12/2014

Media Coverage:

<http://www.alwatanvoice.com/arabic/news/2014/12/22/637300.html>
<http://zamnpress.com/news/65612>
<http://www.maannews.net/arb/ViewDetails.aspx?ID=749161>
<http://www.shasha.ps/more/125488#.VjIOvsAA>
<http://pnn.ps/index.php/economy/110477>
<http://www.rb2000.ps/ar/news/126909.html>
<http://www.raya.ps/ar/news/881975.html>
<http://www.honaalquds.net/ar/article/8141/#.Vjh-x14Clk>
<http://www.pal24.net/ViewNews.aspx?ID=49696>
<http://www.al-ayyam.com/pdfs/23-12-2014/p22.pdf>

Event/initiative: Palestinian Strawberry (Feature story)

Sector: Agriculture

Date: 24/12/2014

Media Coverage:

<http://pnn.ps/index.php/economy/110651>
<http://www.raya.ps/ar/news/882246.html>

<http://www.wattan.tv/ar/news/117744.html>
http://www.shasha.ps/more/125657#.Vj_PK_xAA
<http://www.alwatanvoice.com/arabic/news/2014/12/24/638048.html>
<http://ekhbaryat.net/?newsID=58901>
<https://newhub.shafaqna.com/AR/PS/9222418>
<http://www.wattan.tv/ar/news/117744.html>
<http://www.alhayat-j.com/newsite/details.php?opt=7>