



USAID
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WEST BANK/GAZA

USAID COMPETE PROJECT MONTHLY PROGRESS REPORT

April 1- 30, 2017



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.

May 2017

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Cover photo: A robot that plays bowling was created by professors and students at the National Instruments Lab at the Palestine Polytechnic University as part of a curriculum providing skills in machine creation.

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ACRONYMS AND ABBREVIATIONS

CG	United States Consul general
CLA	Israeli Coordination and Liaison Administration
EDF	Environmental Documentation Form
FLAP	Firm Level Assistance Program
FSSC	Food Safety System Certification
FY6/Q1	First Quarter of Fiscal Year Six
GEOMIS	Geographical Management Information System
GLOBALGAP	Global Good Agricultural Practice
HMS	Hotel Management Software
HLITOA	Holy Land Incoming Tour Operators Association
ICT	Information and Communications Technology
IPM	Integrated Pest Management
IOS	Internet Operating System
LOA	Letter of Agreement
M&E	Monitoring and Evaluation
MTIT	Ministry of Telecommunications and Information Technology
MOA	Ministry of Agriculture
MOTA	Ministry of Tourism and Antiquities
MOU	Memorandum of Understanding
NI	National Instruments Corporation
NIS	New Israeli Shekels
PCRHTS	Palestinian Commission for Restaurants, Hotels and Tourist Services
PIP	Palestinian Internship Program
PITA	Palestine Information Technology Association
PMP	Performance Monitoring and Evaluation Plan
RFP/Q	Request For Proposal/Quotations
RFQ	Request for Quotations
SME's	Small and Medium Enterprises
SOW	Scope of Work
TAMIS	Technical and Administrative Management Information System
TLC	Tension Leg Cages
TWW	Treated Waste Water
USAID	United States Agency for International Development
WIU	Palestinian Wood Industries Union

CHAPTER ONE: INTRODUCTION

USAID through its Compete Project (Compete) is pleased to present its monthly report for the period of April 1 - 30, 2017.

While the program in the West Bank is a continuation of the previous years' activities in selected value chains and is mainly focused on concluding those respective development objectives, in Gaza the Compete Project is expanding programming after many years of limited development amongst a totally isolated economy. USAID through its Compete Project aims to support the Palestinian private sector in strengthening its competitiveness and expansion into new local, regional, and international markets in the key sectors essential to the future prosperity of the Gazan economy. In The Project will support the agribusiness, fishing, ICT, textile and garment, and domestic tourism sectors.

The West Bank program as planned is focused on building the production capacity of firms to grow locally and expand regionally and internationally. Our focus is on addressing key market failures that will open the horizon for new value chains. Sectors targeted in Year 6 include Agirculture, ICT/Technology, Stone and Marble and Tourism.

In reviewing this information, the following report is organized into two sections and includes one appendice. Chapter Two, following this introduction, presents the key accomplishments and details of each technical sector first in the West Bank and followed by accomplishments in Gaza. Finally, the appendice outlines upcoming events of note followed by media reports highlighting the work of USAID through its Compete Project.

CHAPTER TWO: KEY UPDATES

WEST BANK

Summary of FLAP activity in the West Bank (since start of FLAP):

Sectors	Total Applications	Approved Cases	Rejected Cases
Agriculture	1486	521	194
ICT	147	53	70
Stone	48	23	25
Tourism	38	12	26
TOTAL	1719	609	315

AGRIBUSINESS

Firm Level Assistance Program

Progress has been made across Agribusiness sector clients during the month of April 2017. **Arabbeh Oils Company** received machines for a full production line including a sieving machine, and harvesting machine. A gravity separator (thyme separation) was delivered in April 2017 and will be calibrated next month. **Jerashi Company** supported with packaging equipment has completed two phases of ISO audits. A final audit closed out the activity during April 2017. **Mushroom House** was previously supported with the installation of a mycelium lab and equipment of phase 2 mushrooms. Following the approval of a bank loan, Mushroom House submitted a request for Compete support for the production of Phase I compost and mushrooms. Compete's support will ensure the availability of all materials necessary for the successful production of mushrooms and introduce a new high value crop to the West Bank with wide implications for other mushroom companies as the grantee will sell the mycelium and compost to other local producers. **Al Ard Company**, a producer of traditional products, will be supported with an export manager and halal certification in order for them better access Far East and Islamic markets. **Green Tech**, a plant nursery, will be supported in producing strawberry seedlings, through the establishment of a lab. To date a cooling system for the lab has been installed. **West Bank Salt Company** will be supported with ISO 22000 system adaptation.

Opening Ceremony of Palestinian Micro Herbs Facility

Daraghmeh Company has established a micro herbs farm with USAID support, marking the first time that micro herbs have been grown commercially in the Middle East (apart from Israel). An opening ceremony (*photo right*) took place in April with the attendance of USAID representatives including Mission Director Monica Stein-Olson and Compete COR Amal Tannous. Also in attendance were the Minister of Agriculture Dr. Sufian Sultan, and the COP of



the Compete Project, Said Abu Hijleh, representatives of the private sector and local media. The company is now using the advanced packing house towards adhering to international standards with four shipments of produce exported to European and Gulf markets.



Mohammad Daraghmeh explains the operations of the company to USAID's Mission Director Monica Stein-Olson.

Progress of Baby Cucumber Subsector

After the successful enhancement of the Kufr Dan Cooperative and its facilities supporting the baby cucumber value chain, resulting in the creation of a new economic cluster, the Compete Project is now striving to expand this successful model. By working with farmers in Tulkarem, Qalqilya and the Jordan Valley, the Project aims to create three new clusters which are expected to be



created in the upcoming period and will bring economic benefits to farmers and communities. Towards this aim the Project facilitated three workshops for each community in order to introduce the program to potential farmers, answer their questions, stipulate regulations, and receive applications. By April, 126 applications were received to enter the program. The baby cucumber clusters will be targeting pickling companies as well as selling baby cucumbers as fresh produce. Meanwhile, Kufr Dan Cooperative is preparing for the next baby cucumber season with 200 dunums planned to be planted with forward contracts. Together with Kufr Dan the three additional clusters will create baby cucumber production from over 350 dunums. By the end of April the four clusters together produced 110 tons of baby cucumbers in the 2017 season.

Progress of Grapes Program

Following the announcement of the grapes program, the Compete Project received applications from interested farmers and companies which represent more than 2850 dunums of planted vineyards. The Compete Project contracted two agronomists who completed the capacity building program and

tasked them with follow up. A grape program targeting the Northern West Bank was announced in April. By the end of April 2017 – 858 applications to the program were received – 58 applications of which were for the Northern program covering 281 dunums. Site visits were conducted to a majority of farmers and 291 farmers were approved. By April more than 820 dunums of land were rehabilitated with “T” and “Y” and seedless hanging systems benefiting farmers many of whom are located in Area C.



The irrigation systems and hanging systems, as part of a demo, for seedless varieties were delivered to farmers. Nine (9) seedless grape demos were completed. The demonstration sites were supported with metal hanging systems and irrigation pipes and a pump.



From left to right: Seedless grape hanging systems installed; a gasoline pump for seedless irrigation; pipes and levers as part of irrigation system; seedless grapes growing at farm in Halhul.

Demonstration Site for Deir Sharaf TWW Launched

USAID’s Compete Project began implementation with the Municipality of Nablus and Water Users Association of Deir Sharaf Treated Waste Water project. Purchase orders were accordingly signed with the vendors for irrigation systems [pumps, mainlines, a water reservoir, lateral irrigation pipes], as well as tree seedlings and fencing. Compete is currently working on establishing a 140 dunum demonstration site to introduce and adapt the practices of wastewater reuse for irrigated agriculture in Deir Sharaf and work is 90% complete with the main irrigation pipes laid into the ground.

ICT

Firm Level Assistance Program

New Palestinian ICT firms continue to apply for support through the Projects' Firm Level Assistance Program during this past quarter, including **Kenz**, a Palestinian startup that runs an e-commerce website site selling fashion items and lingerie. The business curated a collection of international brands targeting the Gulf market and the MENA region. Compete will support the startup that is led by two young women with a marketing campaign and in hiring two interns who will assist the company in their marketing, sales, and communication efforts, which would support Kenz in their efforts to secure further investment. The contracts for marketing manager and interns have been readied. In addition, **RedCrow**, another aspiring Palestinian Startup, will be supported Compete to implement a B2B marketing campaign; the campaign, will help RedCrow increase their contracts numbers and value in the region, and further increase RedCrow's investment opportunities.

Non Invasive Medical Device (NIMD) is being supported by Compete with the procurement of equipment to create a device that can treat "hard mass" cancer. To date, a business plan is in the development process and the first part of the needed equipment has been delivered. **Al Andalus Software Development (ASD)** specializes in the fields of management, financial and business enterprise Information Systems design and customization. USAID through the Compete project is following up on Al Andalus's market expansion efforts, by supporting them as part of the third stage of the Export Market Development program in hiring a seasoned, well experienced Marketing & Sales Manager – the recruitment process is ongoing. **WizTech** is an IT Solutions Company working in the field of software development, consultancy, accounting and management solutions. Compete will support WizTech expand their products and services with the hiring of two new interns for software development. In addition, WizTech will be supported with a Niche Market Strategy and Marketing Plan to better target the market. The procurement process is ongoing.

Two new startups, iBAL and EAT.ps were approved in April for support with registration and development of products. USAID through its Compete Project, in its effort to support Palestinian startups and provide them with further opportunities to raise capital and secure investments, will also be supporting **UBConnect**, an East Jerusalem based startup that provides a mobile contact management platform called "UBCard". Compete will support UBConnect in their efforts to develop their product and attract investors by hiring a consultant to develop a comprehensive business plan, marketing and pricing strategies.

e-Government Services Progress

An MOU was signed between MTIT (Ministry of Telecommunications and Information Technology) and USAID through its Compete Project which seeks to facilitate the Public sector's outsourcing of Electronic Government "eGov" services to the private sector, to directly serve and reduce the burden of operational necessities on the Palestinian citizen. Currently, the state of e-Gov. services in the Palestinian government is fragmented, relies in some areas on paper based interactions with the citizens and manual operations. In partnership with the Palestinian IT Association (PITA), and in collaboration with the Office of the Quartet, USAID through the Compete seeks to increase the capacity of the targeted ministry e-Government services, the capacity of local service providers, enhance access to information through on-line portals, and provide additional ease of use assistance to the citizens. To achieve this, the Project has hired a consultant to develop and produce 10 e-Government services RFPs, specifying both technical and functional aspects of the e-service implementation. The ten e-services were previously identified by Compete through a

recommendations report, and were afterwards approved by a Palestinian Cabinet decree in November 2015.

By April, three e-Government services RFPs have been finalized, accepted and approved; the first one will facilitate renewing citizens' driving licenses, the second will automate and ease the procedures of importing vehicles into the Palestinian Authority and the third will provide a Traffic Advisory Service. The fourth and fifth RFPs for "Car Purchase and Maintenance" and for "Citizens Portal Service" respectively, were developed and are pending approval by the respective Ministries.

Palestinian Internship Program Fifth Cycle

The Palestinian Internship Program (PIP) works to address market failures related to Palestinian workforce development and high-tech employment by providing high-level internships for young graduates at start-up and multinational companies based in Israel. USAID through its Compete Project has approved support for a fifth cycle of the program for the third consecutive year, after having supported the program for two years through four rounds of internships, the first two of which were pilots. Twenty-five (25) Palestinian graduates were accepted by PIP as finalists for the 5th round. The 25 finalists went through a pre-internship professional skills workshop that will develop their soft skills and provide them with better opportunities in the job market. Eight (8) interns have been placed in companies in April with one intern to be placed in early May. The final number of placements will be based on matching those finalists to multinational companies and their needs.

STONE & MARBLE

Firm Level Assistance Program

Firm Level Assistance Program

Antique Stone's activity has been completed with a site prepared and the delivery of machines procured by USAID – this investment will see a complete renovation of the company's outdated equipment and enable them to turn stone pieces into aged stone in a variety of colors and patterns. Machinery included a stone ageing machine (pictured right) which is used for creating various styles of decorative stone.



Creative Business Solutions (CBS) was previously supported by Compete with a business plan regarding the utilization of stone waste. They identified gaps in the market including the production of artificial interior decorative stone and market from stone waste. Based on successful product tests conducted in Italy by the company, they are planning to expand its production to include artificial interior decorative stone, precast concrete products and cultured marble. Compete will support the establishment of a new factory for this purpose. The company will be collecting stone waste from stone companies in Ramallah and Birzeit.

Abu Kamil is aiming to expand the production of light weight blocks made of stone waste, a product which was developed under a grant from Compete last year. Compete will support Abu Kamil to establish a new light weight block factory to produce these blocks on a commercial scale which will have a positive effect on the environment and bring new technology and innovative techniques to the fore. Abu Kamil will utilize close to 5000 tons of stone slurry from the surrounding area per year,

benefiting the wider stone sector. **Ejada Company** completed the process of setting up new equipment from Russia enabling them to produce environmentally friendly tiles and decorative items from stone waste. This intervention will bring about solutions to the environmentally hazardous materials of stone waste and slurry and turn them into commercially viable products that meet specifications required by the local market.

TOURISM

Firm Level Assistance Program

On January the 10th the Project ceased accepting new applications for FLAP support to the Tourism sector.

Rehabilitating Urban Sites and Upgrading Tourism Infrastructure

The Compete Project received approvals from USAID to start implementation of three key renovation works that will help build the full “destination eco-system” for key tourism sites. The three sites include an information center (Dar Awwad) and handicraft village (Dar Sababa) in Beit Sahour as well as rehabilitation of Burqin’s historic town center. The Centre for Cultural Heritage Preservation (CCHP) completed all designs and in early January the first contracts were awarded. The renovation works, progressed in April reaching 50% completion, and will result in a better experience for visitors and increase numbers of tourists to this area thus bringing more revenues to local businesses and the community. The second batch for Hebron (Haram Al Rama) renovation project will be released in May.

CROSSCUTTING

Private Sector-Academia Technology Innovation Program (ICT/Technology)

National Instruments Lab Actively Teaching Students

As part of the Projects’ Private Sector-Academia Technology Innovation Program the Compete Project is assisting in the establishment of a National Instruments (NI) lab. The lab has been equipped with machinery and various tools needed for instruction. Around 50 students have signed up for the course given by professors who completed NI software and hardware training in Amman, Jordan. Courses are currently underway with various theoretical and practical instruction provided by the trained professors. Three members of PPU will be supported by Compete to attend the TURAP EXPO 2017 to be held in Turkey to meet with producers, consumers and manufacturers. The three day event between the 2nd and 5th of May, 2017 will expose the members of Palestine Polytechnic University to mechanical and control systems for machines and gave them ideas to improve the technical approach for selecting appropriate machine design.



Over the course of the Project, USAID’s Compete Project has discerned that across sectors, there is consistent, demand for high-quality machinery and equipment to increase efficiency of production of goods for local and export markets. Local technical universities do not yet have the resources or capacity to foster world-class training and opportunities for rising engineers to learn state-of-the-art tools to address real world problems. The private sector typically turns to international imports for new and innovative equipment to address efficiency challenges across the production value chain, and for the replacement of trademarked spare parts for this equipment, at high cost.



USAID’s Compete Project entered a partnership with National Instruments (NI) - a US-based firm developing automated test equipment and virtual instrumentation software - to fill this gap and build the capacity of local universities around machine design and manufacturing to improve the competitiveness of value chains of key sectors on the Compete Project. The Project identified

Palestine Polytechnic University (PPU) in Hebron as its academic partner for this project. While NI has agreed to provide technical training, mentoring and certifications, Compete will fund and facilitate the full operation through the lifetime of the extended Project. Key sectors that could benefit include agriculture, tourism, information and communications technology (ICT), stone and marble, food processing, and machine producers. Additional consideration will be made for the development of a maker's or fabrication lab in partnership with local universities, to achieve the same goal of workforce development to sustainably address local industry challenges.



GAZA KEY HIGHLIGHT

The Firm Level Technical Assistance Program in Gaza was officially launched on September 8, 2015. USAID Compete Project continued to receive and assess new applications under FLAP. To date, **1641** applications were received since the beginning of the Gaza program [September]. The pipeline is distributed as follows:

Sector	Program	Approved/ Assessed Cases	Rejected Cases	Totals
Ag	FLAP	13	320	424
	Strawberry Greenhouses	85	112	197
	Strawberry Plastic Roofing	25	0	30
	Fresh Vegetables	65	138	203
	Fresh Herbs	25	193	218
	Fresh Vegetables Extension	76	26	194
	Wells Program	0	44	44
	Ag Totals	289	833	1310
Fish		5	17	31
ICT		16	72	120
Tourism		9	35	44
Garment		21	68	136
Totals		340	1025	1641

Visits and Meetings

April 2017

- In April 2017, the Procurement Officer visited Gaza to follow up on Gaza procurements and meet with vendors and beneficiaries. Beneficiaries visited include: vendors of Cooling systems for Jerjawi and Elqedra. Al Salmi Fish Farm was visited to inspect the solar system installation. Garment producers were also visited.

AGRIBUSINESS

Cross Cutting

Enhance Access to Water and Alternative Energy Sources

Compete proposed in February 2017 **to cancel the wells activity** and replace it with a more flexible and timely one, by introducing generators to enable selected wells that are critical to our growth plan.

Enhance Capacity and Skills of Agribusiness Workforce

Compete designed the **Agronomists Capacity Building Program** to assist firms in implementing good agricultural practices, quality management system and adopting new technologies as well as in having better management and documentation system. Five agronomists were trained and began work in August of 2016 and their contracts ended in January 2017. One cooperative and two companies hired all 5 agronomists and Compete is supporting them on a 50% basis for 3-6 months.

Fresh Herbs - As part of the scalability high-value production patterns program, vendors have been identified to supply 100 dunums of farmed land with assets, such as greenhouses and establishment costs for the farms, to support the fresh herbs sub-sector. In the first phase, 15 LOAs were signed covering 75 dunums; all of which have been fitted with agricultural inputs and upgraded. The program was reopened in January 23rd, 2017 to expand the program. Ten (10) LOAs for the expansion program were signed covering 50 dunums. Completion is expected in June 2017. The total quantity of chives and mint exported to the US by the end of April reached 3714 and 1243 kilos respectively. In addition, 673 kilos of mint and 203 kilos of tarragon were exported to the Russian market. One of these farmers, Samir Al Shaer (*pictured right*) is one of the farmers benefiting from increased exports.



Ahmad Abonaja Company

Abuonaja Company is engaged mainly in exporting vegetables to foreign market such as the EU, Russia, and Israeli markets. The company turned to the herbs business in 2012; they mainly planted chives and mint, to a lesser extent basil, tarragon, chervil, and coriander. Now the company is the sole herbs producer and exporter in Gaza. Abonaja Company is planning to establish a new packing house for fresh herbs neighboring the new farms of herbs that are supported by Compete. The packing house will include a sorting area and cooling facilities. Compete will support the company in GLOBALGAP and in establishing the packing house through a cost share. The work is in the procurement process and will be completed by July 2017.

Vegetables

Introduce New Production Patterns

The Compete Project aims to support tomato and pepper farmers to export to the Gulf market. In order to achieve this, the quality of produce must increase. The Compete Project plans to introduce **netting** to increase the production period and improve quality and also enhance post-harvest packing houses and cooling rooms to ensure optimal storage of vegetable products prior to shipment. For example, farmers need to replace plastic covers of greenhouses with netting, which will ensure higher yields and better quality due to improved ventilation. The Gulf market is more lucrative in the summer period, as summer is the off season for the Gulf region. For farmers to be able to produce in the summer period they need to change their current pattern of production.

In the first phase of the program the Compete Project signed LOAs with 65 farmers covering 234 dunums to join the vegetable subsector high-value production patterns program. Netting was installed across 234 dunums benefiting 65 farmers so far.

Upon the high demand from farmers to expand the program, on 16 June 2016, Compete announced a second phase with an additional 200 dunums. In response the Project received 144 new applications, and with interested applicants from the first phase, making a total of 194 applications. By the end of April 2017, 79 farmers were found compliant and LOAs were signed covering 271.8 dunums. The second phase for netting will commence in May 2017 – a vendor has been identified and the procurement is in process.

Establish Vegetable Industries

Abu Hashish Company-Pickling Company - Compete supported Abu Hashish in developing a new line of packaging processes to enhance the quality of products. The pickle production processes at the company are very primitive; all processing is carried out manually. The production is locally marketed directly to retailers and groceries in 20 liter buckets. The total investment is \$296,000. Compete supported this factory with business plan to understand the feasibility of developing a new production line. An LOA was signed in January 2017. The business plan was completed in March 2017.

Green Field - Green Field Company was established in 2012 in Gaza as a food processing company focusing on potatoes. Green Field produced 3 tons of potato chips and planted 15 dunums of red "industrial" potato in 2013. The planned chip production collapsed due to the war of 2014. Currently, the company diverted production to more lucrative products including fresh and frozen French fries and frozen strawberries, where 60 tons of French fries and 20 tons of frozen strawberries were produced and sold only to restaurants. Compete conducted a needs assessment benched marked against HACCP to ensure food safety compliance and determine the exact needs for upgrading the production facilities. The assessment was completed in March 2017. Compete is awaiting a final assessment report.

Enhance Post Harvest Facilities

The Project identified and approved working with five export companies that buy from participating farmers, storing around 8,560 tons. A sixth has withdrawn as they did not comply with USAID requirements. The cold storage facilities will ensure products collected by participating farmers will be refrigerated and the cold chain maintained enabling export. Also, recently joining the project is Yousef Alqedra and Hamdi Al Jerjawi which the Project aims to support through providing each with a cooling room storing 3,000 tons per facility.



Compete staff during a meeting with an export company which with the establishment of cooling facilities will assist export of Palestinian produce.

Bawasel Al Wifaq – Completed: Compete supported Bawasel Al Wifaq Company in providing cooling facilities, storing around 700 tons. The cold storage facilities will ensure products collected

by participating farmers will be refrigerated and the cold chain maintained enabling export. By March 2017, the cooling facilities contributed to total local sales worth 400,000 NIS.

Hamdi Al Jerjawi - Ongoing: Compete plans to support Hamdi Al Jerjawi Company in providing a cooling room, storing around 3,000 tons. The cold storage facilities will ensure products collected by participating farmers will be refrigerated and the cold chain maintained enabling export. The equipment is expected to be installed by August 2017.

Husny Shihadeh and Sons Company for General Trading - Completed: Husny Shihadeh was provided with a cooling room which will benefit a large number of farmers in Gaza. The aim of this grant is to assist Husny Shihadeh Company via purchasing two refrigeration units for their proposed cooling rooms. Supporting this activity addresses the currently limited access to export markets (especially Israel and the West Bank) and the widespread lack of cold chain facilities throughout Gaza, thus strengthening existing high-value agricultural subsectors. The capacity of the cold storage facilities is 1,060 tons. A purchase order was signed with Husny Shihadeh and the panels and refrigeration system installed and is fully operational. By March 2017, the cooling facilities allowed for product being exported to Jordan with a value of 220,000 NIS.

Mahmoud Hamdan and Partner for Vegetables Trade [Abu Tayem] - Completed: Compete supported Abu Tayem Company with a cooling room, storing around 800 tons. The cold storage facilities will ensure products collected by participating farmers will be refrigerated and the cold chain maintained enabling export. The work was completed in January 2017.

Yousef Alqedra – Ongoing Compete plans to support Yousef Alqedra Company in providing a cooling room, storing around 3,000 tons. The cold storage facilities will ensure products collected by participating farmers will be refrigerated and the cold chain maintained enabling export. The equipment is expected to be installed by August 2017.

Strawberry Value Chain – Compete intends to strengthen the strawberry sector in Gaza through introducing new strawberry production patterns for up to 100 dunums of single span high greenhouses. By end of Year 5, 85 LOAs were signed with farmers, and eighty five (85) dunums of greenhouses were installed in Gaza for the farmers receiving support from Compete which includes netting for shade. In October as a follow on **program** Compete decided to assist 28 farmers out of the 85 with plastic roof covers and steel fasteners. Strawberries continued to be exported to the West Bank until mid-March at good prices. Currently all strawberries are sold in Gaza locally as the prices in Gaza are the same as in the West Bank. The total quantity of strawberries reached 542.38 metric tons reported by end of March 2017 produced by the 85 strawberry farmers supported, 370 tons of which were exported. Of total production, 348.56 tons were marketed in the West Bank, 172.3 tons in the local market, and 21.5 exported to European countries. The average price for 1 metric ton of strawberries is NIS 7,487 bringing the total sales this season to date to \$1,074,261.

In addition a pilot project using computerized hanging systems aimed to ensure the feasibility of hanging strawberry farms in relation to Gaza's climate and economy. Eid Ahmad Deeb Siyam and Mahmoud Ahmad Saied Ikhilil added three dunums each to the strawberry pilot project. The hanging systems for the two farms were installed and the seedlings process commenced with the seedlings planted.

FISHING

In the fish sector, **Al Salmi fish farm** is being supported with solar energy and aerators which were installed in April towards the goal of increasing the production quantity and quality (*photo below of owner of Al Salmi fish farm by the expansion tanks with aerators in action*).

The new aerators at Al Salmi are resulting in more feed provided to fish by 25% which will result in an increase of production by 20-30%. In April **Kuhail** supplies Fish Fresh with 6,500 fingerlings at a competitive price. Kuhail hired three additional workers, all youth, to support the farm and fingerlings lab.



Al Bahar is growing 200,000 fingerlings in the USAID supported expansion tanks. They have

successfully sold 2.25 tons in the local market at 40 NIS per kilo and exported 750 kilos to Hebron in the West Bank with each kilo selling for 38 NIS per kilo. The export of fish to the West Bank is a first for a Gazan onshore fish farm. Al Bahar followed in the steps of Kuhail Farms by establishing a fish hatchery to produce the key input of fish farms, fingerlings. This activity follows the successful results of Kuhail's fish hatchery lab established with USAID support which has proved valuable in securing fish farm inputs (fingerlings) and saving costs. Fish Fresh, supported with expansion tanks to reach a capacity of 350 tons has started selling Sea Bass, and by April the total sales reached 43.5 tons. The farm has hired 12 workers, all youth, to manage the increased workload.



Electricity regulators as part of a solar system installed at Al Salmi fish farm, which is expected to bring savings of \$1 000 per calendar month.

ICT

By the end of this reporting period, Compete has received 120 ICT applications for firm level assistance from Gaza. Thirty-two applications were assessed and 16 approved and signed LOA's. Sales of supported firms have reached over \$519,000 in Year 6 and generated 8 new jobs. The Project signed a grant with **Gaza Gateway** and conducted capacity building for the institution to enable them to become a platform for employment in Gaza especially in the areas of outsourcing and localization. Gaza Gateway has completed an internship program in Laos. **Netstream**, a company working as one of the Internet Service Providers in Gaza, reapplied for support to expand their call center. The Project will support them in the provision of a server and Customer Relationship Management (CRM) software. In addition, a solar system will be installed on a cost share basis. Items are expected to be delivered by June 2017. Netstream will be committing to the provision of furniture, equipment and training of staff. Previously, the Project approved to assist a new client, **Hawas Group**, specialized in animation production and comedy content. Their area of work spans a variety of activities that include – but are not limited to- comics production, design of prints on T-shirts, social and comedy short movies, psychosocial support education, life-skills curricula design, among other activities. Compete is supporting the provision of a Wacom drawing screen and one MacBook Pro, while Hawas Group will buy a UPS system to provide an additional power source. The procurement process is ongoing.

Computer Land, a specialized information technology training center will be supported to create a lab focusing on MAC tech and software – especially for IOS application creation. The procurement process for 6 MAC computers is underway with delivery pending CLA approval – the company will purchase an additional 6 MAC's as part of their cost-share. A purchase order was processed and delivery is expected in May 2017. **Modern Tech Company** is being supported by Compete as part of a 2nd round of FLAP assistance, for intellectual property registration, e-marketing, and paid internships, as well as a video series tutorial. Compete has approved **UnitOne**'s request through FLAP to hire offshore representatives in the northern European markets (Sweden and the Netherlands) and Compete cover 100% of the salaries in the first 3 months and 60% in the latter 3 months. The scope of work has been prepared and the representatives will be hired soon.

TOURISM

In the Gazan tourism sector, the Project received 44 applications. Forty-seven cases were rejected as they did not comply with FLAP requirements or their requests were beyond the scope of the Project. Nine LOAs were signed by the end of April 2017 with companies including Roots Hotel, Al Salam Restaurant, Castillo and Level Up. In March 2017, three LOAs were cancelled with Al Marsa, Tailandi and Oregano, as the clients do not comply with Compete's procurement procedures. Al Salam is in the process of finalizing the development of the new website as a follow on to Compete's previous support with e-restaurant software and hardware.

Following the completion of the institutional assessment conducted for Palestinian Committee for Hotel, Restaurant and Touristic Services, and based on the results and recommendation, Compete supported PCHRTS with their website as well as the installation of accounting and membership software. Training on the system is complete. The Project completed the activity through equipping and furnishing their office and customizing the associations' internal control manual. The union completed development of their strategies, governance policies and procedures.

TEXTILE AND GARMENT

The Project received 136 applications to date. The Project has so far signed fourteen (14) technical LOAs supporting companies with new technology and workforce development. The Project is also supporting the companies in an advisory capacity to reconnect clients with their historical markets and support the development of their internal operational environment. **Ashour Company**, supported with machinery and an electricity generator, has saved \$2000 per month on electricity bills due to the electricity generator. The Project signed one LOA with **Nofal Company** in January to support the wedding dress and traditional wear producer with an embroidery machine – set to be delivered in May 2017. **Farhan Abu Mezied**, a producer of winter jackets, overalls and bags will be supported with a new generator to support their new investment in specialized machines – activity is pending CLA approval.



Some of the many new products exhibited at local shops which are produced by Gazan garment producers using advanced equipment provided by USAID.

Hassan Shihadeh also hired a designer as a consultant in addition to hiring four full-time employees.

Hadeel Company is set to hire 30 apprentices for a short term period – to date 14 apprentices have been hired. Al Hadeel Company is planning to increase the numbers of employees in order to increase the production capacity and to be able to deliver the requested quantities by Israeli companies on time - as the company has succeeded to export to Israel after 10 years of restrictions. CLA approval for a plotter machine and OptiTex system was received and the machines are expected to be delivered to Hadeel by May 2017.

Oun Taha Company is a jeans wear producer which will be supported with a solar system that is currently in the procurement process and is expected to be delivered in June 2017. **Bashir Abu Al Ouf** and **Odeh Textile Company** will be supported by the Project with LOAs signed in March 2017. Support to the companies includes a generator in order to operate new specialized equipment purchased by the companies as part of their cost-share. Finally, two embroidery machines were delivered to **Jaber Brothers** Company.

FURNITURE

On the institutional level, an assessment of WIU has been completed. The purpose of this assessment was to obtain baseline information on the unions' operating environment, identify the strategic and operational challenges facing the union and eventually enable the Project to determine the type of technical assistance and capacity building support needed for the unions. Compete will support the WIU in revising the union strategic plans, governance policies operational plan, monitoring system as well as the accounting system. Compete supported the hiring of one accountant to manage the system for a three month period. The development of a website for the union has been completed and the management system will be completed in April 2017.

ANNEX A: UPCOMING EVENTS MAY 2017

May 2017						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9 Visit to Tourism, Agro and Stone Activities in Southern West Bank	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	Notes: Agribusiness - Tourism - ICT - Stone and Marble		

ANNEX B: THE PROJECT IN THE MEDIA

Aljazeera Report on Gazan Fresh Herbs Exports March 29th, 2017:

<https://youtu.be/erTi-fGtMLU>

Sana Jalamneh featured on Arab24.com news on the April 4th, 2017:

<http://arab24.com/portal/index.php/ar/%D9%82%D8%B5%D8%B5-%D9%88%D9%85%D9%88%D8%A7%D8%B6%D9%8A%D8%B9-%D9%85%D9%82%D8%AA%D8%B1%D8%AD%D8%A9%D9%81%D9%84%D8%B3%D8%B7%D9%8A%D9%86/item/6000-2017-04-04-09-10-55>

DaraghmeH Micro Herbs Opening Features USAID Contribution to Sector in Raya Online News on April 5th, 2017:

<http://www.raya.ps/ar/news/964129.html>

Video Report on DaraghmeH on April 8th, 2017:

<https://www.youtube.com/watch?v=D-Gicv4IGas>