

Sustainable Economic Development, Employment and Labour Market

Private Sector Development Programme

Background and Objectives

The Private Sector Development Programme (PSDP), implemented by GIZ in cooperation with the Palestinian Ministry of National Economy (MNE), seeks to strengthen the economic development in the Palestinian Territories, and to improve the framework conditions for Palestinian businesses with a special focus on small and medium-sized enterprises (SMEs).

“The Palestinian Territories, as a main destination in the Holy Land, found a strong partner in the GIZ private sector development program, to jointly advance the true Palestinian image to the world. Thanks to PSDP we managed to achieve good results in establishing ourselves in the Tourism sphere as an organization and tour operators.”

Ihab Jabari, Executive Director of HLITOA, Holy Land Incoming Tour Operators

With the objective to increase the competitiveness of SMEs, PSDP works in two priority areas:

- 1) Improved Framework Conditions: PSDP supports the MNE in the implementation of its Action Plan for market regulation, market surveillance and consumer protection.
- 2) Increased Competitiveness of Microenterprises and SMEs and in the Information and Communication Technology (ICT), Food processing (Gaza and West Bank), Fair Trade, and Tourism sectors (West Bank):

Project name	Private Sector Development Programme
Commissioned by	The German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Palestinian Territories (West Bank, East Jerusalem, Gaza Strip)
Partners	Ministry of National Economy (MNE)
Duration	April 2018 – March 2021

- The potential for boosting exports and expanding markets nationally and internationally is explored.
- Through capacity building and incubation, PSDP supports the entrepreneurial spirit of young businesses. International matchmaking enables new business contacts, increased sales, and knowledge exchange at a local and international level.
- In order to address the needs of foreign markets, PSDP supports product development and innovation, particularly in the areas of tourism and fair trade.
- International quality standards are implemented in the food processing sector in Gaza and the West Bank to meet export requirements and increase the market share locally.

Partners

While the MNE is the programme’s political partner, PSDP cooperates with a number of business service providers and sector associations in the four target sectors, e.g. the Palestinian Information Technology Association, the Palestinian Food Industry Union, Bethlehem Fair Trade Artisans (BFTA), and Holy Land Incoming Tour Operators Association (HLITOA).



Women Cooperative in Gaza 2019

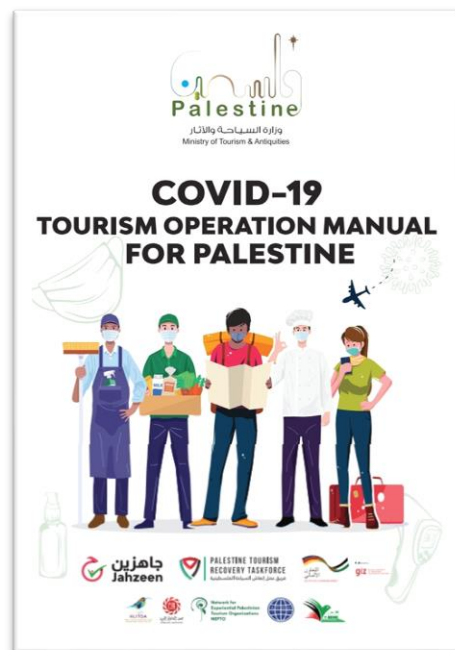


Selected achievements

- The programme has made a particular contribution to strengthening the ICT, food processing and tourism sectors. 73% of SMEs supported by PSDP confirm an improvement in their competitiveness. Altogether, over 580 MSMEs have benefited from PSDP between 2015 and 2019.
- In cooperation with HLITOA, a new marketing and sales strategy has been developed and implemented in the tourism sector with a result of over 20.000 increased bookings for Palestinian tour operators.
- HLITOA has confirmed significant growth of interest in the Palestinian Territories as a destination and average growth in tourist traffic by 20%.
- In Gaza, 20 ICT companies, 122 start-ups and freelancers have concluded a total of 274 new contracts and recruited 105 new employees as a result.
- In total, ICT firms supported by PSDP in Gaza report that they were able to acquire new contracts of a sum of approx. US\$ 1,25 million in total.
- With the objective of export promotion, PSDP has assisted five food processing companies in Gaza in obtaining an ISO certificate. On this basis, the firms were able to obtain 25 new orders worth a total of EUR 1.8 million. 37 Processed food businesses as well as 14 women cooperatives have benefited from various capacity development trainings.
- New markets in Europe and the US were explored for Palestinian Fair-Trade products, sold through BFTA.
- In total, SMEs supported by PSDP between 2015 and 2019 reported 1.694 new or improved jobs.

Covid-19 Response

PSDP supports the public-private Palestine Tourism Recovery Taskforce to develop solutions for the recovery of the sector: The below depicted "COVID-19 Tourism Operations Manual for Palestine" defines mandatory policies allowing a resumption of tourism during COVID-19. Furthermore the [JAHZEEN.ps](https://jahzeen.ps) e-learning portal offers trainings on the new guidelines tailored to tourism employees in their individual sectors and work routines.



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