

Sustainable Economic Development, Employment and Labour Market

Private Sector Development Programme

Background

The Private Sector Development Programme (PSDP), implemented by GIZ in cooperation with the Palestinian Ministry of National Economy (MoNE), seeks to strengthen the economic development in Palestine and to improve the framework conditions for Palestinian businesses with a special focus on micro-, small and medium-sized enterprises (MSMEs). The programme supports at least 250 MSMEs of which 23% are women-led companies and 100 are located in East Jerusalem.

As a new focus, PSDP added the EU co-financed project “Green Growth Palestine” to its scope that supports the transition of MSMEs towards green and inclusive business practices, builds capacities at the MoNE and supporting organizations and promotes the access to green finance.

Objectives

The main objective of PSDP is to increase the competitiveness and resilience of MSMEs in selected employment-oriented sectors. This comprises:

- Enhancing the Palestinian private sector by boosting revenues in key growth areas like ICT, Food Processing, Fair Trade, and Tourism.
- Empowering MSMEs through enhanced business advisory services, technological adoption, and innovation to boost competitiveness.
- Enhancing market intelligence and trade regulations to create a favorable environment for the private sector.
- Facilitating the transition to a Green Economy in Palestine via Green Growth Palestine, which involves capacity-building, improved access to green finance, regulatory enhancements, and tailored knowledge dissemination.



Project name	Private Sector Development Programme
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ), co-financed by the EU
Project region	West Bank, East Jerusalem, Gaza Strip
Partner	Ministry of National Economy (MoNE)
Duration	April 2018 – November 2026

Stakeholders

PSDP cooperates with 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, the Holy Land Incoming Tour Operators Association, and the Palestinian Federation of Industries.

Benefits

- Capacity building for improved management capabilities, technology transfer and adoption and better marketing strengthens the competitiveness of MSMEs.
- Improved competitiveness of MSMEs generates additional returns and creates more jobs.
- International matching facilitates new business contacts, greater sales, and information sharing.
- International quality standards are adopted in the food processing sector in Gaza and the West Bank to meet export criteria and expand the market share domestically.



Ceramic collection- BFTA in Bethlehem in 2023

Main Fields of Implementation

East Jerusalem Tourism Development Programme (EJTDP)

- The EJTDP supports tourism-related MSMEs and other business-focused entities as well as individual entrepreneurs both technically and financially to develop new touristic products & services, improve the sector's competitiveness and resilience, and create high quality, decent jobs in East Jerusalem.
- EJTDP supports 68 tourism projects and ideas, more than 100 Palestinian entrepreneurs and creative minds, and the development of more than 30 new products & services.
- EJTDP introduced state-of-the-art digital support systems benefiting the entire Palestinian tourism community. The digital support includes a "Digital Asset Management" system for professional Palestinian tourism marketing material.
- EJTDP operates the Tourism Innovation Hub in Jerusalem for business development, expert consultancy & capacity development and implements cross-sectoral workshops, masterclasses, and events including the "Jerusalem Tourism Talks".

Information and Communication Technologies

- 27 freelancing agencies have been established and trained by EDGE, with 12 of them receiving further support and financial grants. These agencies have generated over \$75,000 in revenue.
- Altogether, these agencies employ a total of 90 individuals.
- The 27 agencies were selected to participate in a 3-month training program provided by the digital training academy, which includes the updated Freelance Agency Model from LI.
- Over 500 participants have completed the training on the platform thus far. In addition to these agencies, EDGE is also supporting 4 Incubators that are expected to establish 20 startups, with 8 of them receiving third-party investments.
- In Gaza, 15 ICT companies, 122 start-ups and freelancers have concluded a total of 274 new contracts and recruited 105 new employees.
- 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.

Fairtrade

- Within the Fairtrade Sector, PSDP's main cooperation partner are the Bethlehem Fairtrade Artisans (BFTA), a Palestinian ethical Fairtrade certified umbrella exporter for over 50 cooperatives, carpenters, workshops, and disabled groups.
- BFTA sales within the last 5 years totaled an average of US \$ 400,000 annually comparing to 100,000 \$ prior our support, making them the largest exporter of Palestinian artisanal handicrafts.

Food Processing

- PSDP supported 33 MSMEs in the West Bank with quality standards, product development, branding and international marketing and logistics.
- As a result, these companies achieved combined exports of over US \$ 1 million and created over 110 new jobs.
- On this basis, the firms were able to obtain 25 new orders worth a total of USD 2 million.
- 37 processed food businesses as well as 14 women cooperatives have benefited from capacity development.



Green Growth Palestine

- Together with its co-financing partner, the European Union, PSDP is setting up a new component for supporting the Palestinian private sector on its way toward a Green Economy. The transformative intervention is part of the Team Europe Initiative (TEI) Sustainable Growth, Jobs, and Resilience for Palestine.
- By integrating eco-friendly practices, and renewable energy solutions, and promoting green technology advancements, we aim to drive economic development while safeguarding the Palestinian environment.
- PSDP is set to establish a pop-up Green Economy Hub; envisioned as the central platform for the Green Economy in Palestine, it will systematically build, facilitate, and coordinate expertise and knowledge among all relevant stakeholders.

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