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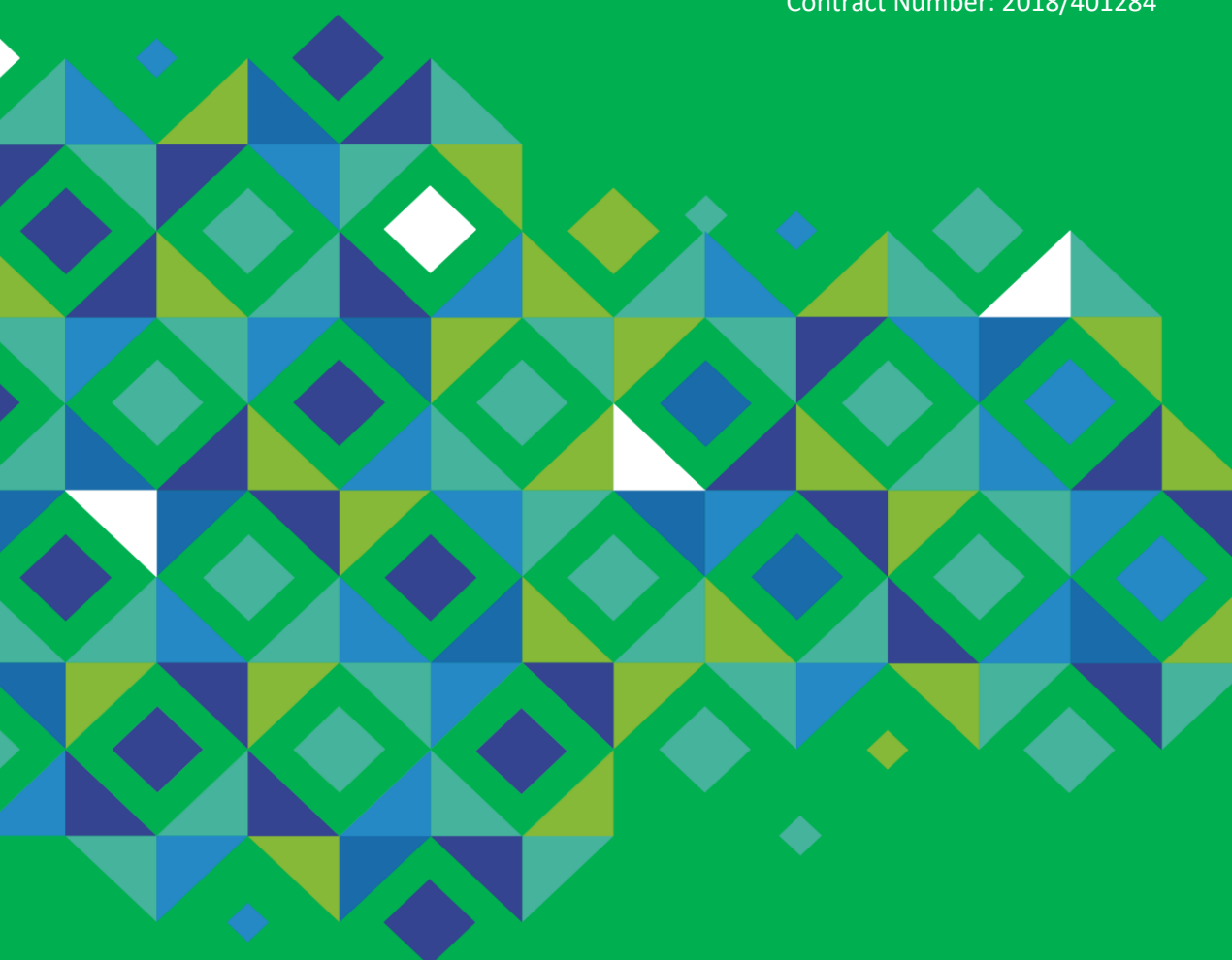


*Support to an Enabling Business Environment  
for MSMEs Development & Financial Inclusion*

## **Palestine - MSME Export Development Country Profile**

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## Introduction

The MED MSMEs Programme aims to support the Southern Neighbourhood countries of the EU in the implementation of the Small Business Act (SBA) for Europe, which constitutes the reference framework for the formulation of SME development policies and the establishment of the appropriate legislative and regulatory frameworks. In particular, the Programme intervenes in the areas of access to finance (principle 6 of the SBA) and the internationalisation of SMEs (principle 10 of the SBA).

Within this framework, the MED MSMEs Programme has carried out a comparative study of the policies and instruments supporting SME exports in the region with a view to identifying and promoting to policy makers the areas of improvement likely to increase the ability of SMEs to develop internationally. The aim was to enhance the level of available information on international market developments, discuss the adaptation of support policies and instruments and consolidate dialogue and coordination.

The study on Palestine focused on: i) an analysis of the structure and trend of exports and global value chain (GVC) integration, with, as much as possible, an emphasis on SMEs; ii) the key reported barriers to Palestine's trade development, iii) a review of policies, strategies, support programmes and relevant ecosystem actors; and iv) identification of proposed interventions and areas to be strengthened to support SME export development.

The results of the analysis and initial proposals for improvement were discussed at the meeting of the "SME internationalisation" Working Group on 28 December 2020. On the basis of the conclusions of this meeting, refinements were made to the list of proposed national priorities and further reviewed and discussed by the Working Group at the 6 April 2021 meeting. This final country brief integrates the country analysis, the national priority areas for SME internationalisation for Palestine, and detail on the two proposals from the MED MSMEs Programme for regional cooperation.

Thus, the roadmap for Palestine consists of two levels of intervention for strengthening SME exports:

- the first is based on the list of proposed priority interventions determined by the Working Group on SME Internationalisation to be critical to Palestine as part of its country (national) roadmap (see section 3).
- the second is based on the regional roadmap priorities to be supported by the MED MSMEs Programme over the coming 18 months (see section 4).

Within the context of the MED MSMEs Programme for 2021, the regional roadmap will consist of two areas of intervention to facilitate the export activity of MSMEs and their integration into global value chains. Members of several country-level working groups on the internationalisation of SMEs in the region have shown an interest in analysing these new opportunities for strengthening of the national SME ecosystems.

Both of these priorities were endorsed by the Palestine Working Group members meeting and align with the EU agenda to work collectively with MED South governments to speed up and harness the potential of the twin green and digital transitions<sup>1</sup>. They also align with the Palestine's priorities to upgrade SMEs to meet "green" standards, notably in the stone and marble sector, the

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<sup>1</sup> The EU's "Renewed Partnership with the Southern Neighbourhood" (2021) seeks to contribute to the long-term prosperity and stability of the region, based on common interests and challenges, especially in the social and economic recovery from the COVID-19 crisis. This new agenda draws on the full EU toolbox and proposes to work collectively with MED South governments to speed up and harness the potential of the twin green and digital transition (European Commission, 2021, "Renewed partnership with the Southern Neighbourhood: A new Agenda for the Mediterranean", SWD(2021) 23 final, 9 February, Brussels, [https://eeas.europa.eu/sites/eeas/files/joint\\_communication\\_renewed\\_partnership\\_southern\\_neighbourhood.pdf](https://eeas.europa.eu/sites/eeas/files/joint_communication_renewed_partnership_southern_neighbourhood.pdf)).

construction/building materials sector, and the agriculture sector, and its view that the greening of Palestine is a responsibility of all institutions and local authorities.

## Section 1: The State of Export Development in Palestine<sup>2</sup>

### 1.1. Assessment of export trends

Palestine has a small local market economy (population of around 5 million) with a limited amount of industrial and production activity. Although the state is geographically well positioned for export activities with direct access to the Mediterranean Sea and its proximity to the Gulf and EU markets, its export activity is limited due to strict border controls by Israel. Most Palestinian imports and exports pass through Israeli ports and incur security delays that can add significant costs to an average shipment of goods. Import and export business is also restricted due to the limited number of commercial crossings (locations, and opening hours) between the West Bank and Israel/Jordan, and Gaza and Israel, and in addition some items are prohibited.<sup>1</sup>

Palestinian exports, amounting to 19.9% of its GDP in 2018 (value of USD 1.2 billion<sup>2</sup>), are relatively low compared to the contribution of exports to GDP in the other seven countries in this project (see Annex 1). It is a relatively high import economy, the value of imports amounting to almost 60% of GDP (value of USD 5.21 billion). Of the eight countries in the MED-MSMEs project, all but Israel are running trade deficits; Palestine with the largest trade deficit (the value of imports 4.3 times the value of exports).

**The value of exports and imports as a share of GDP has not changed much over the 2015-2018 period**, vacillating between 75%-79%, and the export share of GDP hovering less than 20% of GDP (see Annex 1).

Palestine's trade policy is governed by the Paris Protocol. Independence remains a constraining challenge for Palestinians as trade flows are seriously impeded by restrictions on the cross-border mobility of goods and services imposed by Israel. Thus, trade activity is not very diversified. In fact, **Israel is Palestine's top trading partner, accounting for 81.3% of its goods exports in 2019 and 55.0% of its goods imports.**<sup>3</sup> Over half of the exports to Israel are re-exported. Following Israel, Jordan, the United Arab Emirates (UAE), Saudi Arabia, and the USA make up the top five export market destinations (5.9%, 2.2%, 1.8%, and 1.2% of Palestinian exports, respectively).<sup>4</sup> In 2019, only 0.6% of Palestine's exports were destined to EU27 markets. The top five import countries, after Israel, include: the EU27 (12.2% of Palestine's imports), Turkey (10.4%), China (6.3%) and Jordan (2.9%).<sup>5</sup>

Exports tend to be low value-added products in extractive and agriculture sectors. The top five export products in 2018 were: 1) building stone, 2) scrap iron, 3) "other furniture" (seats, mattresses), 4) plastic lids, and 5) pure olive oil.<sup>6</sup> Other significant export products include tropical fruits and vegetables (e.g. dates, cucumbers), foodstuffs, textile and leather footwear, chemical products (e.g. packaged medicaments, cleaning products, fertilizers), vehicle parts, machinery and electronics, etc.<sup>7</sup> According to the World Bank, Palestine has achieved global recognition in certain goods (e.g., stone and marble, food, soap, pharmaceuticals)<sup>8</sup>, with stone and marble, wooden furniture, and pharmaceuticals witnessing high export values or high growth rates in recent years<sup>9</sup>. However, exports are characterised by low levels of technological sophistication and the current basket of resource-based and low technology products do not generate high knowledge spillovers or linkages to other production.

The International Trade Centre (ITC) Export Potential Map for Palestine outlines the top seven market destinations with untapped export potential for its products (see Annex 3). The products assessed as those with the greatest export potential from Palestine to the world are: fresh or dried dates; monumental/building stone; and virgin olive oil & fractions. The market destinations with the greatest potential for Palestine's exports are Jordan, the UAE, and Belarus (see Annex 4 for more detail).<sup>10</sup>

Although nearly half of all exports are in low value-added products (e.g. limestone and agricultural products), there is potential for export diversification through the emergence and continued growth of

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<sup>2</sup> This working document is for discussion purposes and does not represent the position of, nor is endorsed by the EU, nor the EU Delegation.

some high value-added sectors, such as pharmaceuticals, furniture, agribusiness, ICT services, energy, and call centres.<sup>11</sup>

With a global ranking of 54th (of 190 countries) on the World Bank Doing Business “trading across borders” indicator, Palestine performs better than the regional MENA average; however, this better performance is primarily due to the much lower time required (in number of hours) to deal with “border compliance” (e.g. customs clearance and inspections, handling) for both importing and exporting (only 6 hours).<sup>12</sup> The major deterring issue is the time required for “documentary compliance” (all documents required for transport, clearance, inspections and port or border handling), particularly in dealing with exports (72 hours versus the MENA average of 66.4 hours and average of 2.3 hours for high-income OECD countries).

### ***Trade facilitation restrictions impose barriers to import/export activity***

Palestine is in a precarious position relative to other countries in the MED South region with respect to control over certain aspects of the trade policy agenda. Since neither the West Bank nor Gaza has a functioning airport or seaport, the only outlets to foreign markets are through land crossings, also controlled by Israel, which places Palestine at a disadvantage in trade activities. This includes even trade to Jordan, where products are required to pass through Israeli security control.<sup>13</sup> Israeli authorities regulate key transport and logistics in and for Palestine, e.g. the Israel Airports Authority, which operates Palestine’s land border(s); and the Israel Customs Administration. A new initiative, the Logistics Zone, adjacent to the Jericho Industrial Park, is linked directly with Jordan and intended to facilitate trade access to the Jordanian market and bypass restrictions imposed by Israel. Land has been secured, but a road still needs to be constructed.

In addition, Palestinian customs brokers do not have access to the Israeli customs system and therefore can only act as subagents or intermediaries of Israeli customs brokers, which have direct access to the customs systems.<sup>14</sup> This increases costs for Palestinian users, as Israeli operators provide these services to Palestinian customers at a significantly higher price than those charged to Israeli customers.<sup>15</sup>

### ***“Dual use” goods restrictions imposed by Israel limit export potential of Palestinian businesses***

Stagnation of the Palestinian manufacturing sector over the last two decades has limited the ability of the economy to integrate with modern production chains in regional and international markets and increase its exports. In relative terms, the share of manufacturing in GDP has dropped from 19% in 1994 to around 10%<sup>16</sup>, attributed mainly to the system of Israeli restrictions on access to key production inputs and modern technology (e.g. deemed as “dual use”<sup>17</sup> goods, including various chemicals and machinery, such as communications equipment), which affects a number of industries, including pharmaceuticals, dairy, food sector, stone and marble, agriculture, and the ICT sector – reducing their efficiency, quality and profitability, increasing their costs, preventing modernisation and otherwise rendering them unable to compete regionally or internationally and pursue export opportunities.<sup>18</sup> The World Bank has made a number of recommendations to ease dual use restrictions on Palestinian businesses (e.g. procedures of transfer licensing, replace the blanket ban approach to managing the dual use list with a risk-based approach, following of international best practices in the management of trade in dual use goods), but these hinge on agreement by the Government of Israel, which has not been forthcoming.

### ***Large number of trade agreements, but able to reap only limited benefit***

The Palestinian Authority (PA) has trade agreements with Egypt, Jordan, Saudi Arabia, Morocco, Russia, Tunisia, Mercosur, Vietnam, and Germany, and is a member of the Greater Arab Free Trade Area (GAFTA). It is also eligible to benefit from the Free Trade Agreement between the United States and Israel. Trade agreements between the PA and the European Union, the European Free Trade Association, Canada, and Turkey have been signed but not implemented because these agreements have not been recognized by Israel.<sup>19</sup> Despite the high level of market access accorded by these various agreements, Palestinian companies have not been able to capitalise on export market opportunities due to complicated rules of origin in the free trade agreements (lack of recognition of Palestinian Certificates of Origin), impediments imposed by Israel on the movement of goods, and the lack of capacity of local producers, processors and exporters.<sup>20</sup>

The Palestinian Authority has expressed interest to become an observer at the World Trade Organisation (WTO) and has taken important steps towards meeting international standards in international trade as reflected in the WTO framework of Agreements, including WTO obligations on transparency, General Agreement on Trade in Services (GATS), Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and General Agreement on Tariffs and Trade (GATT).

### *The ICT sector offers opportunity for Palestine to increase trade in services*

The World Bank sees opportunities to develop the potential of IT-enabled businesses, as the digital economy sector is least dependent on physical infrastructure and physical import/export procedures, and best mitigates the restrictions on movement and access imposed by the Israeli government.<sup>21</sup> However, transformative potential of the ICT sector in Palestine is limited by the dual use restrictions imposed by the Israel government on the transfer of telecommunications equipment and any item with a communications function, which makes it very difficult for Palestinian companies to obtain import licenses for such equipment.<sup>22</sup>

On the other hand, the Palestinian Investment Promotion Agency (PIPA) sees the ICT sector as a target for investment promotion and attraction, offering an incentives package for ICT sector projects.<sup>23</sup> The integration of ICT by Palestinian institutions/governmental sectors would help to improve institutional and procedural transparency practices.

### *Limited official data on SME exports*

Palestine has limited official data on SME structural statistics and information about their contribution to the economy. The latest data on the SME sector (2017 Establishment Census) indicates that 88.6% of the 146,866 enterprises in Palestine are micro-enterprises with fewer than 5 employees, about 10% are medium-sized enterprises (5-19 employees), and only 1.4% of enterprises have more than 20 workers. Only about 1,500 enterprises have more than 49 workers, of which just more than 400 were in manufacturing, a small base of potential exporters of products. Despite the high potential of the MSME sector in Palestine, especially with respect to private sector employment, the sector has not been able to contribute significantly to GDP and exports. Although concrete information on the SME share in overall exports is lacking, those engaged in export activities exhibit a narrow export mix and are heavily dependent on Israel as the main outlet for their products. Export-oriented enterprises are mainly concentrated in the West Bank, with Bethlehem-based enterprises driving exports to non-Israeli partners, particularly Europe and the United States.

## **1.2. Assessment of trends in SME participation in global value chains (GVCs)**

There is very little available data on the participation of Palestinian SMEs in GVCs. The West Bank & Gaza/Palestine is not covered in the OECD/WTO Trade in Value Added (TiVA) database, which would provide some information on the extent of value chain integration and its nature (e.g. backward versus forward integration). The Palestine Industrial Estates & Free Zones Authority (PIEFZA) may be able to contribute information on SME linkages with enterprises located in the industrial estates and free zones and the extent to which exporting firms are making use of local SMEs as supplier of inputs. However, it is generally understood that the SME sector is dominated by small enterprises, focuses on local markets, and has weak backward and forward linkages with other sectors and large exporting firms. Development of backward linkages is hindered by the high cost of investment required for setting up operations in Palestine and the inherent investment risks, given the unstable political environment in the Occupied West Bank. The lack of a free and open border reduces opportunities for developing a robust, backward supply chain.<sup>24</sup>

## **1.3. Impact of COVID-19 crisis on Palestine's foreign trade**

In March 2020, the Palestinian Central Bureau of Statistics (PCBS) predicted the Palestinian economy would incur losses of USD 2.5 billion if the COVID-19 pandemic lasted for three months and that GDP would decline by 14% in 2020 compared to 2019.<sup>25</sup> It also predicted a decline in foreign trade due to closing of some factories or enterprises specialised in producing some goods in the partner countries, in addition to a decline in trade with Israel in particular, which is concentrated only on basic

goods. Compared to 2019, the PCSB predicted a 2% decline in gross exports, a 10.4% decline in net exports of goods and services, and a 7.8% drop in gross imports.<sup>26</sup>

By September 2020, UNCTAD estimated the economic cost of the pandemic in the range of 7% to 35% of GDP, depending on forecast assumptions about the severity and duration of the pandemic.<sup>27</sup> UNCTAD further stated that with no access to external borrowing, no national currency, no independent monetary policy and no fiscal space, the Palestinian National Authority (PNA) lacks the policy space and economic policy tools to deal with the massive challenge posed by the pandemic.

With funding support from the World Bank “Innovative Private Sector Development (IPSD) project, the Palestinian Central Bureau of Statistics (PCBS) conducted a COVID-19 Business Pulse Survey<sup>28</sup> to study the impact of the COVID-19 pandemic on businesses. This revealed, not surprisingly, that business establishments suffered from both demand and supply shocks and financial shocks as a result of the pandemic, which, forced establishments to take financial and administrative measures as well as to adopt digital solutions to respond to the impacts.<sup>29</sup> The IPSD project in partnership with the Finance for Jobs initiative subsequently launched a COVID-19 Rapid Response Programme to support affected innovative and technology-based start-ups, early-stage enterprises and SMEs with financial and non-financial assistance.

## **Section 2: Policies and Strategies Supporting the Export and Internationalisation Activity of SMEs**

### **2.1. Policy framework and existing support programmes**

A number of public and private institutions and trade-supporting actors are involved in the field of SME export promotion and development, with the Ministry of National Economy and PalTrade playing leading roles (see Annex 4 for the list of relevant ecosystem bodies, including public, private and donor organisations).

From a national policy perspective, the **National Policy Agenda 2017-2022** addresses international trade and exports under national priority 6, which aims to: rebuild Palestine’s productive sectors, focusing on manufacturing, agriculture, and tourism; attract domestic and foreign direct investment, focusing on construction, tourism, agriculture, and ICT sectors; and expand international trade and exports. One of the proposed actions is to launch a nation-wide campaign to promote national products that can accelerate import substitution now while building future export industries. The Agenda also underscores the importance of export readiness as a key policy component.

#### *National Export Strategy in need of review and updating*

The **National Export Strategy (NES) 2014-2018** set out the specific policy framework for boosting the export potential of the country, including sector priorities and the need to build capacity for innovation and value-added.<sup>30</sup> One of the goals of the NES was to diversify export destinations. The strategy outlined several challenges affecting SMEs (e.g. information on markets and rules of trade; red-tape in export licensing; logistics and trade facilitation; export skills; export financing gaps; cost of quality certifications; supply chain integration issues, etc.). The strategic objectives of the Strategy focused on:

- Supporting innovation and investment in the export sector (policy and regulatory environment);
- Building the capacity of the exporting sector to diversify and penetrate international markets;
- Enhancing export competitiveness to increase the contribution of exports to socio-economic development;
- Building and promoting Palestine’s image as a supplier of value-added quality products and services.

The NES identified seven priority “product” sectors for export development: 1) Stone and marble; 2) Olive oil, 3) Agro-processed meat; 4) Fresh fruits, vegetables and herbs; 5) Textiles and garments; 6) Footwear and leather; and 7) Furniture; and two priority “services” sectors: tourism and ICT. The NES provided for four additional cross-sector strategies: 1) access to export finance; 2) better trade information; 3) quality management (i.e. quality infrastructure, standards, testing, certifications); and

4) improved trade facilitation and logistics services. The NES also proposed a “promising companies initiative” to incubate and build up the export potential and competitiveness of companies, such as pharmaceutical and metals enterprises<sup>31</sup>, through use of trade intelligence and advisory services to fill their knowledge and skill gaps.

The NES was well-crafted and comprehensive but was known to suffer from weak implementation on the ground, partly due to limited resources and insufficient support from the donor community. The Ministry of National Economy (MONE) is in the early process of taking stock of the implementation of the NES 2014-2018, with the objective of identifying gaps in proposed actions and outstanding priorities, and updating the strategy. One of the outstanding issues, for example, is harmonising Palestine’s national standards with international standards of the EU and Gulf countries. The Certificates of Origin process is also being examined.

Palestine has not had a national SME development strategy since 2017; however, several of the actions in the NES detailed Action Plan were specifically aimed at MSMEs. However, as far as can be ascertained, there has been no evaluation of the impact on exporting SMEs or the integration of SMEs in supply and value chains. Both the stock-taking and impact evaluation<sup>32</sup> would be necessary inputs to an updated and post-COVID National Export Strategy, the development of which, going forward, is seen by stakeholders as a priority for Palestine. In addition, formulating a new SME development strategy, with a pillar on access to export markets would be highly beneficial.

#### *Several programmes to support SME exporters – mostly donor-funded*

There are several instruments and programmes to support SME exporters and SMEs seeking to integrate as suppliers in value chains. These include export readiness assessments, export training and advisory services, B2B missions and match-making activities, and cluster support. Due to the limited budget availability of the State of Palestine, international and donor organisations play a major role in funding many of the support programmes. Examples of some of these donor-funded projects are highlighted under the “Donor” section at the end of Annex 4, such as the USAID “Enterprise Development for Global Competitiveness (EDGC) (Compete)” programme (2011-2018) and the World Bank-funded “Innovative Private Sector Development Project (IPSD) (2019-2023)”, both initiatives which support SME access to regional and international markets. The Private Sector Development Cluster Project (PSDCP) (2013-2017), funded by the French Development Agency, supported five sectoral cluster initiatives with the objective of strengthening the competitiveness of SMEs in order to increase their market share in the local market and explore new markets for export. The FPCCIA Leather shoe cluster project, for example, was a success and an approach that could be continued across sectors.<sup>33</sup> However, without proper funding (after project funding came to an end), the other four clusters were not able to maintain sustainability and ceased operation or became dormant.<sup>34</sup> The conclusion reached by the Palestine Economic Policy Research Institute (MAS) assessment of the cluster initiative was that the government should establish a legal framework for cluster development and a separate Cluster Coordination Agency as an independent public-private governing body charged with developing all clusters in Palestine.<sup>35</sup>

Business associations also support exporting activity of their members, and more broadly, the SME sector. For example, the Federation of Palestinian Chambers of Commerce, Industry, & Agriculture (FPCCIA) noted that packaging is a big issue for SME exporters and is alleviating this challenge by launching a Packaging Centre to help SMEs meet the external market requirements for exporting. This will include detailed information on the market requirements in other countries and their packaging preferences (e.g. glass versus plastic, etc.).

#### *Palestine lacks export credit and insurance schemes*

Palestine does not have specialised financial products and services for exporting firms, such as export credit and insurance schemes, instruments badly needed for Palestinian MSMEs to support and expand their exporting efforts and to promote trade relationships with other potential export markets, beyond Israel.<sup>36</sup> This includes the need for cost-effective longer-term financing for the production of tradeable goods (pre-shipment financing to fill export orders) and short-term post-shipment trade finance. Such export credit and insurance facilities should be created to cover the working capital costs of exporters



until the cargo has been shipped and payment is received from the buyer. A proposed option is to create an export credit and guarantee fund, under the supervision of the Palestinian Monetary Authority (PMA), from the existing guarantee funds through cooperation among donors and the government, e.g. the European Credit Guarantee Foundation, the Loan Guarantee Facility managed by the Middle East Investment Initiative (MEII), or the SIDA Guarantee Facility designed and managed by the MEII.<sup>37</sup>

### ***Transition to a digital economy would create new opportunities***

Transition to a digital economy would create new investment opportunities for local companies, including MSMEs, further enabling them to connect with global value chains and make foreign markets more accessible for domestic exports.<sup>38</sup> Developing the e-commerce and digital marketing capability of Palestinian SMEs, which would theoretically expand their customer base in other countries, is an important first step, but other limitations are equally essential to address. The Ministry of National Economy, the Palestinian Monetary Authority (PMA) and the Ministry of Telecommunications and Information Technology (MOTIT), in cooperation with local and international stakeholders, would have to expand efforts to develop comprehensive legislation on e-services and e-commerce to support export activity, which would include provision for an e-payments system and platform, and solutions to logistics and shipping challenges.<sup>39</sup>

Donor-funded projects can play a role in fostering digital economy development. For example, the World Bank-funded “Innovative Private Sector Development (IPSD) Project 2019-2023” in will focus in part on the digital economy. A component of this project is the “Building an Outsourcing Hub in Gaza Strip-Palestine” consultancy project, which included a TOR for the “Improving Gateway Digital Presence and Brand” project<sup>40</sup> - a new digital strategy, website development, digital content development and capacity building, - that will lead to the exporting of IT services.<sup>41</sup>

## **2.2. Interinstitutional coordination and public-private dialogue**

The establishment of the Palestine Exports Council (PEC) was predicated by the NES as a public-private platform to manage and monitor its implementation. Composed of representatives from the public and private sectors, academia, business associations, and employers’ organisations, and to be co-chaired by the Ministry of National Economy and PalTrade, it was to function in an advisory capacity to build collaboration across government institutions/agencies and private sector entities to ensure consistency in interventions to enhance exports.<sup>42</sup> The formation of this Council was well-structured and -intended, but has not remained active. In this regard, in mid-2019, the Minister of National Economy called for a re-activation of the PEC in order to enhance the exporting sector and raise the share of national products in external markets.<sup>43</sup>

However, in light of the ramifications of the COVID-19 pandemic on the Palestinian economy, the Palestinian Businessmen Association has called for launch of a more comprehensive national dialogue in which the private sector actively participates, in a regular and continuous manner, to result in new economic thought regarding policies to support economic development, provide a positive investment climate for the private sector, and encourage Palestinian exports of industry, agriculture and services.<sup>44</sup>

## **2.3. COVID-19 responses to support SME exporters**

The policy response of the State of Palestine to the impact of COVID-19 on MSMEs has been to help with their liquidity issues so their production can continue. These fiscal measures have been outlined in the MED-MSME programme complementary profile on the “Access to Finance Roadmap for Palestine”. In this regard, the government requested donors to re-orient their funding to help boost the economy.<sup>45</sup> Other policy responses exempted businesses from all business registration and licensing fees until the end of 2020, particularly related to tourism businesses.

The government is working on an economic recovery plan in concert with ministries, the private sector and civil society organisations, however, it has been difficult to identify concrete responses of the government to specifically target SME exporters impacted by the COVID-19 crisis. The Federation of Palestinian Chambers of Commerce, Industry & Agriculture (FPCCIA) has conducted a survey of SMEs (650 responses) to identify their major COVID-19 pandemic challenges; however, results of the

survey have not yet been made available and there is no indication of the percentage of exporting SMEs among the respondents.

Certain agencies have made adjustments in the way they do business to accommodate COVID-19-imposed restrictions. For example, the Palestinian Investment Promotion Agency (PIPA) developed online procedures for interacting with and better serving clients, which includes online registration and follow up, and a hotline tool to inform potential clients on procedures, guidance, and international best practices that is shared via PIPA’s portal and social media. The Ministry of National Economy also managed to make its services available online to ensure the fulfillment of transactions, especially import and export operations.

With encouragement from the Ministry of National Economy, some Palestinian manufacturing companies, such as in the garments and cosmetics industries, have repivoted their production lines to produce COVID-19 personal protective equipment, such as masks, medical face shields, gloves and surgical gowns (importing fabric and other materials from Israel) and sanitizers, catering predominantly, but not exclusively, to demand in Israel.<sup>46</sup>

The Palestinian Central Bureau of Statistics (PCBS) survey of business establishments in May 2020 reported that 12% of establishments started using or increased the use of digital solutions as a response to the COVID-19 outbreak.<sup>47</sup> This included use of the internet, online social media networks, specialised apps or digital platforms, mainly to facilitate marketing activity, sales, and administrative functions. This transition to digital solutions is a forerunner for government action to facilitate the digital economy. The Ministry of National Economy has been making considerable efforts to provide technical support and training to businesses on the requirements of shifting to online services and quality staffing to meet the needs. Accelerating the digitalisation of local firms, including SMEs, is key to enabling Palestinian enterprises to forge transactional relationships with trade and GVC partners and becoming more globally competitive. Building up the ICT sector is also seen as a vehicle to developing knowledge-intensive exportable business services.<sup>48</sup>

#### **2.4. Analysis of strengths, weaknesses, opportunities and threats (SWOT) of existing policies and programmes to support SME export activity**

The following table presents the key points of a SWOT analysis of the existing policy framework and SME export supports.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• A large number of trade agreements with countries and regions.</li> <li>• Presence of the Palestinian Export Council (PEC), as a multi-stakeholder coordinator of implementation of the NES 2014-2018 is basis for ongoing development of integrated export development approach for SMEs.</li> <li>• Small number of strong trade-supporting institutions, e.g. PalTrade, Palestinian Shippers’ Council, etc.</li> <li>• Experience and capacity in supporting development of export-oriented SME clusters across a number of sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• High dependence on Israeli market for imports, exports and sub-contracting arrangements.</li> <li>• Absence of export credit schemes for SME exporters.</li> <li>• SMEs lack the capacity to benefit from the trade agreements (SMEs make up 92% of all industrial product enterprises, 72% of these have fewer than 5 workers; only 1.3% have more than 20 workers<sup>49</sup>).</li> <li>• Lack of government budget capacity; creates dependency on international and donor organisations for programme interventions.</li> <li>• Lack of control over trade facilitation and logistics mechanisms (restrictions imposed by Israel).</li> <li>• Lack of a legal framework for clusters and an independent governing body to coordinate cluster initiatives across sectors, including development of innovation, networking, and project implementation.</li> </ul>

	<ul style="list-style-type: none"> <li>• Lack of “green” and technical assistance interventions among Palestine’s value chains.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Diversification of export markets beyond Israel.</li> <li>• Transition to diversified and higher value-added products to meet market demands in other countries.</li> <li>• Easing of restrictions of the Israeli government on “dual use” items for legitimate businesses would bring additional cumulative growth of 6% to the West Bank economy by 2025, with a larger impact of about 11% in Gaza compared to scenario of continued restrictions.<sup>50</sup></li> <li>• Large Palestinian diaspora (approximately 6 million live outside the Palestinian territories) could be encouraged to conduct productive investment, act as mentors for Palestinian SME exporters, facilitate business/trade linkages.</li> <li>• Rapidly growing ICT sector could be generator of future exports, plus provider of local sourcing from SMEs.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing COVID-19 related travel restrictions.</li> <li>• Israeli veto power over Palestine trade policy.</li> <li>• Israeli control over all of Palestine’s external borders (barriers and checkpoints).</li> <li>• Lack of control over vital infrastructure covering roads, ports, and ICT/telecommunications. This negatively impacts and limits several service sectors, including tourism, transportation, telecommunications, and energy services.</li> <li>• Continuing reluctance of the Israeli government to ease restrictions on “dual use” goods used by Palestinian businesses in production.</li> <li>• Declining budget support from donors (the donor budget support fell from a high 32% of GDP in 2008 to 3.5% in 2019, and in 2020 is expected to fall to about USD 266 million, the lowest in more than a decade<sup>51</sup>).</li> </ul>

### Section 3. Proposals for the national roadmap

On the basis of the preliminary analysis and discussion with the Working Group members on 28 December 2020, five of a list of eight proposed national priorities were identified as possible proposals for the national roadmap to strengthen the export-driven activity of Palestinian MSMEs. Feedback from the 6 April 2021 Working Group on these proposals, and the reinstatement of an additional priority (to do with export credit facility) are incorporated in the revised list of national priorities below.

<p><b>1. Update the National Export Strategy 2014-2018.</b></p>	<p>Updating of the National Export Strategy (NES) is accorded high priority by the Working Group, but it has been experiencing delays. The new strategy will need to take into consideration actions to propel a post-COVID-19 economic recovery (e.g. digitalisation of exporters and export/trade services), as well as engage the EU and other international organisations and donors in its preparation and support for its implementation. In light of the COVID pandemic as well as the new opportunities created in the EU market (EU Green Deal, new industrial strategy), an updated strategy will address issues of increasing export and value chain integration activity, diversifying export market destinations, and diversifying exportable (and higher value-added) products and services. These may include:</p> <ul style="list-style-type: none"> <li>• renewed focus on SMEs in terms of products and markets,</li> <li>• export and digital skills (scaling-up export-readiness and ICT-readiness and practices of SMEs),</li> <li>• supply chain and export credit financing,</li> <li>• logistics and trade facilitation issues (greater adoption of electronic export/import procedures and processes),</li> </ul>
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	<ul style="list-style-type: none"> <li>• quality and standards certifications,</li> <li>• harmonising Palestine’s national standards with international standards of the EU and Gulf countries, examining the certificates of Origin process,</li> <li>• supply chain integration,</li> <li>• coordinated efforts to support the development of exports, including taking into account the opportunities and challenges of priority sector value chains (e.g. agriculture, stone &amp; marble, textiles and garments; footwear and leather, tourism and ICT).</li> </ul> <p>Members of the Working Group present at the 6 April 2021 Working Group meeting suggested that assisting the MONE with updating the NES could be a focus on the EU-Palestine Programme.</p>
<p><b>2. Access to more diversified, new export markets with a renewed emphasis on penetration into the EU markets.</b></p>	<p>Palestine is highly dependent on the Israeli market for both exports and imports. It currently has underexploited export potential in a number of other countries, including a large untapped opportunity for expanding Palestinian exports within the EU and integration of SMEs in European value chains. These opportunities should be examined and strategies developed for approaching these markets with value-added products and services meeting international standards.</p> <p>The proposed MED MSMEs Programme regional projects on digitalisation and “green” recovery will contribute positively to better integration in EU markets (see section 4 below), but further actions might include: i) identifying market opportunities for Palestinian products/ services, greater promotion of these opportunities to SMEs (e.g. making booklets available), improving the quality of Palestinian products to meet EU standards, and creating more opportunities for business-matching between Palestinian suppliers and EU buyers (searchable databases, virtual forums).</p> <p>Also, greater access to Arab markets with greater sensitivity to Palestine could be examined.</p>
<p><b>3. Create an enabling environment for “green” value chains.</b></p>	<p>Supporting the development of exportable Palestinian products through efforts to upgrade production to meet “green” standards is seen as a priority. This could entail implementation of an eco-management programme for SMEs, aimed at bringing SMEs to the level of "green" or eco-labeling standards required by buyers looking for eco-compliant sellers, including assessment of the most frequent requirements and standards, followed by the offer of individual company-level coaching.</p> <p>This activity is closely linked to action # 2 of the MED MSMEs programme roadmap (see section 4.3) and could be implemented following the sensitisation of ecosystem actors on the opportunities created by the "Green Deal", supported by the MED MSMEs programme.</p> <p>Sustainable cluster initiatives could also be promoted and strengthened to improve export and GVC integration opportunities. Actions to underpin this could include development of a legal framework for cluster development to</p>

	<p>enhance cluster initiatives and establishing a separate Cluster Coordination Agency as an independent public-private governing body charged with developing all clusters in Palestine, as recommended by MAS.</p> <p>This priority could also build on donor-supported cluster projects to address market failures, “greening” challenges and increase exports and value chain integration through an intensive targeted programme to provide business and technical assistance across cluster sectors.</p> <p>Of a particular priority sector, the Working Group stressed the need for support in implementation of the Union of Stone &amp; Marble Industry in Palestine project to “Develop stone and marble competitiveness and reducing its impact on climate”, which is considered important to maintaining the market share of this sector in Palestine’s exports, which otherwise could be expected to decline.<sup>3</sup></p>
<p><b>4. Strengthen policy coordination in the area of export and value chain development and effectiveness of the Local Area Coordination Secretariat in coordinating donor projects.</b></p>	<p>Policy coordination in the area of export development and value chain development is one of the top priorities in Palestine (reinforced by the SME Internationalisation Working Group at the 28 December 2020 meeting). Options for strengthening the policy coordination need to be explored and activated.</p> <p>For example, in its advisory capacity function, the Palestine Exports Council (PEC) could be an instrument to strengthen collaboration across government institutions/agencies and private sector entities on post-COVID-19 economic recovery actions to enhance exports and raise the share of national products in external markets. In the meantime, the MONE has also taken steps to strengthen coordination by establishing a working group on foreign trade to discuss all elements of trade development, including the participation of public institutions, the private sector, and the EU Delegation.</p> <p>In light of the ramifications of the COVID-19 pandemic on the Palestinian economy, a more comprehensive national dialogue process could be also launched, one in which the private sector actively participates, in a regular and continuous manner, to provide input on policies needed to support economic development, provide a positive investment climate for the private sector, and encourage Palestinian exports of industry, agriculture and services.</p> <p>Further, the Local Aid Coordination Secretariat could establish a process leading to a more coordinated, integrated response of the donors active in Palestine to the actions required in implementing a COVID-19 economic recovery plan focused on support for increasing SME exports and integration in GVCs. Helpful in this regard may be the upcoming initiative of the EU Delegation to launch a Forum on Trade to share information on what donors are</p>

<sup>3</sup> Stone and material account for 20% of Palestine’s exports (PCBS). If the sector does not make investments in environmental and green investments, it will lose competitiveness and market share in the international marketplace (exports and value chain integration) with negative effects on the Palestine economy (jobs, etc.).

	doing (input from the EU Delegation representative at the 6 April Working Group meeting).
<b>5. Assist the tourism sector with COVID-19 economic recovery.</b>	Inbound tourism is considered one of the most important Palestinian exports. This sector has been severely impacted by the COVID-19 crisis. Working Group members (28 December 2020 meeting) stressed the importance of including this in the list of national priorities. In responding, the public-private sector tourism-related ecosystem stakeholders could be mobilised to develop a COVID-19 economic recovery strategy and action plan for the tourism sector, in conjunction with the international donors active in Palestine. A suggested component may be development of ecotourism as a policy priority, with a particular emphasis on increasing the number of international tourism visitors and activities.
<b>6. Establish an export credit, guarantee and insurance facility.</b>	An export credit facility does not exist in Palestine, but common in many countries around the world. Establishing such a facility in Palestine would provide SMEs with access to finance for foreign trade and be a vital component to support Palestinian exporters to increase their share of existing markets and their ability to explore and cater to new and higher risk export markets.

In addition to the six national priorities related to SME internationalisation, the MONE advocates strongly for development of a SME support strategy and an effective implementation plan to help strengthen the SME sector generally and help SMEs diversify their products and expand their exports (as per input from the 6 April 2021 Working Group meeting). Finalising the definition of “SMEs”, currently in the end stages, will be a basis for formulating a new national strategy, the process for which the MONE will be in need of technical support from international donor organisations.

The MED MSMEs Programme does not have a specific budget to support the further analysis of or implementation of the projects to address the national priorities. However, the Programme will organise a webinar with donors active in Palestine, including the EU Delegation, to present the national action priorities and identify possibilities for providing funding support for these priorities within the context of existing or future programmes. The Working Group members stressed the vital importance of identifying and mobilising funding support for specific interventions.

#### **Section 4. Regional roadmap activities**

Two regional project priorities have been determined for support by the MED MSMEs Programme as part of the regional roadmap to strengthen the instruments and services supporting SME exports in a post-COVID-19 environment:

- a) Strengthening the supply of services to exporting SMEs, particularly through digitalisation of the ecosystem actors and its use in helping SMEs capturing new trade opportunities.
- b) Informing and raising awareness of public and private sector organisations in charge of the internationalisation of Palestinian MSMEs on the opportunities related to the post-COVID-19 reorganisation/restructuring of regional and global value chains and the new EU Industrial Policy and “Green Deal”.

The selection of the two areas of intervention retained by the MED MSMEs Programme was based on the following criteria:

- (1) **Focus on MSMEs**
- (2) **Contribution to the post-COVID-19 recovery**

- (3) **Added value of a regional perspective:** interventions that were mentioned by working groups in a number of the countries, and also during the regional stock-taking seminar of the MED MSMEs Programme with the EU on 3 December 2020
- (4) **Duration of impact** (maximum 18 months, which is the remaining duration of the MED MSMEs Programme)
- (5) **Complementarity with EU bilateral initiatives:** level of complementarity of proposed roadmap activities to other donors' initiatives and programmes already underway, or that could positively support their impact through regional interventions.

The selected activity areas aim at strengthening the instruments and services supporting the exports of Palestinian MSMEs in the following areas:

- a. The digital ecosystem for SME internationalisation
- b. Developments in global and regional value chains

The rationale for the choice of these two activity areas follows.

#### 4.1. The digital ecosystem for SME internationalisation

Digitalisation and the rise of the platform economy are rapidly changing the way companies do business. This trend is reflected in the EU's new Industrial Strategy, the SME Strategy for a Sustainable and Digital Europe. This megatrend has only become more pronounced with the COVID-19 pandemic, which has led to a rapid increase in the digitisation of procedures, service provision and the way of doing business. This trend concerns e-commerce, which now enables SMEs, even from remote locations, to find buyers via B2B or B2C platforms and thus to export or integrate into global value chains. But it also concerns the way in which conventional trade is facilitated by digital access to services and the digitisation of business procedures, which generally reduce the time and cost of acquiring information and carrying out the necessary procedures. This reduction in cost and time is particularly important for SMEs that do not have the resources to manage the associated processes, from the identification of buyers to paper-based customs procedures and the necessary travel involved. On the other hand, there is a risk that SMEs that are not electronically ready and that exist in an ecosystem that is not capable of supporting their businesses will be further marginalised. This is why it is important to put in place policies, regulations and instruments that are aligned with international good practice and that help SMEs to benefit from digitisation rather than being left behind. This ecosystem is particularly important for SMEs, as small businesses tend to have less control over their business environment (**focus on MSMEs**).

In the current COVID-19 crisis, adapting to digital means and exploiting new opportunities created by e-commerce are essential for the survival of SMEs. In the post-Covid-19 environment too, there will be no alternative to going digital. Around the world, the pandemic has seen people increasingly turning to e-commerce platforms for services or to order goods. This trend towards e-commerce has therefore been exacerbated by the crisis, both for domestic and cross-border trade. A recent UNCTAD survey of digital entrepreneurs and e-commerce platforms highlighted several major obstacles that developing countries faced during the COVID-19 crisis. In addition to the general disruptions in supply chains and trade logistics, respondents expressed the need to improve e-commerce policies in response to the pandemic and challenges regarding the availability and reliability of electronic payment solutions (**contribution to the post-COVID-19 recovery**).

The regional perspective can offer the advantage of mutual learning and inspiration, but in the case of e-commerce, it goes even further: The regional perspective is in fact imperative because coherence in policymaking on digital trade, as emphasised by UNCTAD, is not only essential in general, but also essential to encourage intra-regional digital trade. Where regulations are contradictory and mutually accepted payment systems are lacking, e-commerce within the region is hampered. This activity can therefore benefit enormously from a regional perspective (**added value of the regional perspective**). Moreover, the regional perspective is a crucial complement to the many national donor initiatives currently underway in the field of e-commerce.

Palestine shows potential in ICT technology, has taken important steps to facilitate e-commerce, and different initiatives are currently ongoing or about to be launched, supported by international donors.

These experiences and approaches can be shared at the regional level so that other countries can benefit from the Palestinian experience and Palestinian partners can in turn learn from initiatives underway in other countries.

More details on the proposed activity are presented in section 4.1.

#### 4.2. Developments in global and regional value chains

Two aspects were discussed with the working group concerning the integration of Palestinian MSMEs into value chains and access to emerging markets: (a) the analysis of the opportunities created by the reorganisation of certain value chains following the COVID-19 crisis and the implementation of the EU “Green deal”, and (b) measures facilitating the access of Palestinian MSMEs to diversified markets, especially within the EU.

Concerning the first aspect (a), in view of the resources programmed by the EU over the next 7 years (2021-2027) to support the green and digital transition, it is expected that the public and private sector actors will be called upon to:

- o invest in environmentally friendly technologies
- o support the industry to innovate
- o deploy cleaner, cheaper and healthier forms of private and public transport
- o decarbonise the energy sector
- o ensure that buildings are more energy efficient
- o work with international partners to improve global environmental standards.

The use of environmentally friendly technologies and production offers a potential opportunity for the integration of Palestinian MSMEs in value chains, whether in organic and sustainable production in the agro-food industry, the stone and marble sector or in the supply of components/services for the renewable energy sector or other "green" technologies. As a result, innovation and support programmes would be needed to enable SMEs to adapt and improve their products and production processes, comply with sustainability standards and create business linkages with value chain leaders.

Also, following the COVID-19 crisis, European businesses are confronted with the need to review their value chains (e.g. health products, logistics/transport) through reshoring and nearshoring activities. Due to its proximity to the EU market, the Southern Mediterranean region could therefore benefit from this trend, for which perspective analyses could prove useful to accompany the decision-making process in terms of a development strategy for SMEs.

#### 4.3. Detail on the regional support actions

In 2021, the MED MSMEs Programme plans to support regional implementation of two actions, in which Palestine may participate.

Action # 1	<b>Better use of digital technology to seize internationalisation opportunities</b>
Overall Objective	Strengthen the digital ecosystem in order to enable Palestinian MSMEs to seize opportunities on international markets.
Specific Objective	<ul style="list-style-type: none"> <li>i) Raise awareness of the target group (ecosystem actors) on good practices of digital ecosystems accompanying the internationalisation of MSMEs.</li> <li>ii) Identify the policies and measures necessary to support the digital transition in the field of export and integration of Palestinian MSMEs into GVCs;</li> <li>iii) Strengthen the digital ecosystem of MSMEs in Palestine.</li> </ul>
Expected results	- The target group is made aware of the policies and best practices of digital platforms for business internationalisation services.



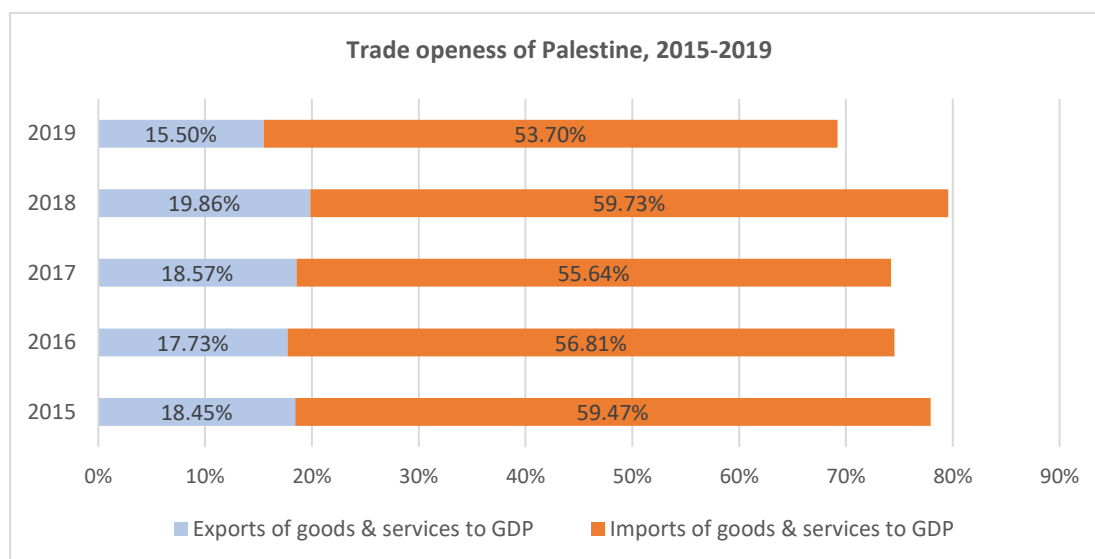
	<ul style="list-style-type: none"> <li>- The national dialogue on the strengthening of policies and digital services to support the internationalisation of Palestinian MSMEs is supported by the Programme.</li> <li>- Support aimed at strengthening the skills, organisation and/or the legislative and regulatory framework of the digital ecosystem of Palestinian provided by the Programme.</li> </ul>
Partners (national and regional)	Staff of the Ministry of National Economy, PalTrade, Palestinian Shippers' Council (PSC), Palestinian Investment Promotion Agency (PIPA), Palestine Industrial Estates & Free Zones Authority (PIEFZA), Federation of Industries (PFI), Federation of Palestinian Chambers of Commerce, Industry & Agriculture (FPCCIA), the Ministry of Telecommunications and Information Technology (MoTIT), etc.
Indicative actions	<ol style="list-style-type: none"> <li>a. Organisation of a regional webinar on digital service platforms for export development. Case studies will be developed in order to highlight the key success factors of these new digital services in terms of infrastructure and equipment, organisation, skills, regulatory aspects, etc.</li> <li>b. Rapid analysis of the degree of digitisation of services related to the internationalisation of SMEs in Palestine. Identification of priority area(s) of intervention and quick impact technical assistance/capacity building actions. Ideally, these support actions will consolidate national initiatives in the field of the digital economy.</li> <li>c. Implementation of targeted support aimed at improving the digital ecosystem for the internationalisation of SMEs (e.g. capacity building actions at national / regional level, technical assistance for the updating of regulations relating to e-commerce, electronic payment, for the development of new digital services, the creation or strengthening of digital platforms, training of executives of government agencies and heads of business associations/federations in different areas of the digital transition of the economy and SMEs).</li> <li>d. Organisation of a regional conference aimed at exchanging experiences in the above-mentioned areas</li> </ol>
Description	<p>The national SBA coordinator will play a central role in mobilising the members of the working group and other organisations involved in the digital services value chain for business internationalisation. Given the interconnection between infrastructural, regulatory, productive, financial and commercial aspects, it will be necessary for the success of this activity to ensure as much cross-cutting participation as possible. As well as coordination with the other national and international instruments supporting the digital ecosystem of companies in Palestine.</p> <p>To do this, the MED MSMEs Programme will:</p> <ul style="list-style-type: none"> <li>- Mobilise ad-hoc expertise to support the SBA Coordinator in the implementation of the above-mentioned support actions.</li> <li>- Mobilise specific expertise for: i) the elaboration of case studies and the facilitation of a regional webinar; ii) the elaboration of a questionnaire and for conducting a rapid analysis of the digital ecosystem for the internationalisation of enterprises, including the identification and formulation of the support necessary for its consolidation; iii) for the implementation of some support (at regional and/or national level) and iv) for the facilitation of the regional conference on the exchange of experiences.</li> </ul> <p>In Palestine, specific interest was expressed in the topic of electronic payment solutions and the programme could highlight the many</p>

	initiatives for e-commerce and particularly women traders that are currently being implemented with the support of donors and multinational tech companies.
Time frame	<ul style="list-style-type: none"> <li>- Support action (a): March/April 2021</li> <li>- Support action (b): May/August 2021</li> <li>- Support action (c): September/November 2021</li> <li>- Support action (d) : December 2021</li> </ul>
Outputs	<ul style="list-style-type: none"> <li>- Case studies and webinar on digital platforms for export development (at least 15 participants from the target group)</li> <li>- A survey on the digitisation of the international activities of SMEs</li> <li>- At least 1 meeting of the working group aiming to enrich the national dialogue on the digitalisation of services to SMEs.</li> <li>- At least 1 support action for capacity building/organizational strengthening of the digital ecosystem for SME internationalization carried out at national or regional level.</li> <li>- Palestine's contribution to the regional conference on the exchange of experiences on digital services for the internationalisation of SMEs</li> </ul>

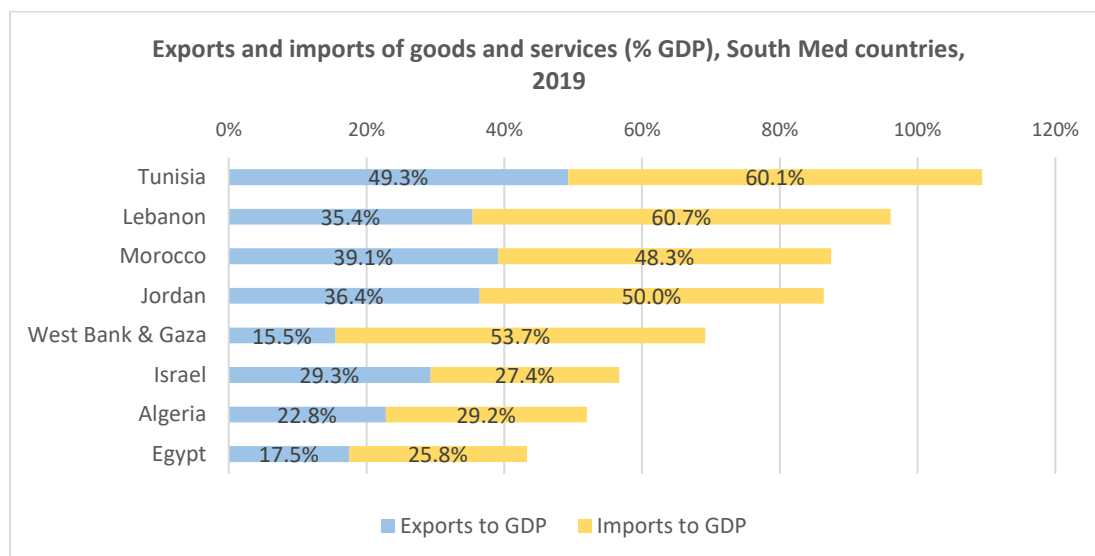
<b>Action # 2</b>	<b>Participation of Palestinian MSMEs in the evolution of global and regional value chains</b>
Overall Objective	Improve the rate of integration of Palestinian MSMEs into global and regional VCs through targeted policies
Specific Objective	Raise awareness of the target group on: <ul style="list-style-type: none"> <li>i) The evolution of global/regional value chains following the effects of the COVID crisis 19 and</li> <li>(ii) The opportunities linked to the deployment of the Green Deal and the new EU industrial policy.</li> </ul>
Expected results	<ul style="list-style-type: none"> <li>- The current developments and prospects of global and regional VCs arising from the COVID-19 crisis and new EU policies were discussed in depth with the target group, with a view to identifying opportunities for Palestinian MSMEs.</li> <li>- The target group is familiar with the purpose, modalities of operation and spin-offs of the circular economy projects.</li> </ul>
Partners (national and regional)	Staff of the Ministry of National Economy, Federation of Industries (and relevant sectors – Food Industries Union, Renewable Energy Industries, Textiles Industries Union, Leather Industries Union, Stone & Marble Industries Union, etc.), Federation of Palestinian Chambers of Commerce, Industry & Agriculture (FPCCIA), Ministry of Agriculture, etc.
Indicative actions	<p>a. Organisation of two regional webinars on:</p> <ul style="list-style-type: none"> <li>- The reorganisation of certain strategic EU value chains following the COVID-19 crisis. The objective of the first webinar is to illustrate trends in the reorganisation of certain value chains, to present the strategies of certain EU Member States in this area (e.g. France's recovery plan) and to discuss the potential impact on the region's productive sector.</li> <li>- The Green Deal and the new EU industrial policy. The objective of this webinar is to identify the products/services of Palestinian MSMEs likely to contribute to the implementation of these policies, on the one hand, and to set up measures for a sustainable development of Palestinian MSMEs, on the other hand.</li> </ul> <p>b. Organisation of a study visit on circular economy projects in the EU.</p>
Description	The SBA coordinator will play a central role in mobilising the target group for participation in the webinars and organising the working group meetings

	<p>aimed at fueling dialogue around the opportunities for Palestinian MSMEs arising from developments in the global and regional VCs.  The SBA coordinator will also contribute to the organisation of the study tour.  The MED MSMES Programme will:</p> <ul style="list-style-type: none"> <li>- Mobilise ad-hoc expertise to support the SBA coordinator in the implementation of the above activities.</li> <li>- Mobilise specific expertise for: i) the elaboration of case studies and the facilitation of the 2 webinars mentioned above; ii) identify and organise the study tour of some circular economy projects in an EU country.</li> </ul>
Time frame	<ul style="list-style-type: none"> <li>- Support action (a): April/September 2021</li> <li>- Support action (b): October 2021</li> </ul>
Outputs	<ul style="list-style-type: none"> <li>- Policy papers and 2 webinars (at least 15 participants from the target group in each webinar)</li> <li>- At least 1 working group meeting to support the national dialogue on the integration of Palestinian MSMEs in global and regional VCs</li> <li>- Participation of the Palestinian delegation in the study visit of circular economy projects in the EU</li> <li>- Report of the study visit</li> </ul>

## Annex 1. Regional comparison of trade openness (% to GDP)

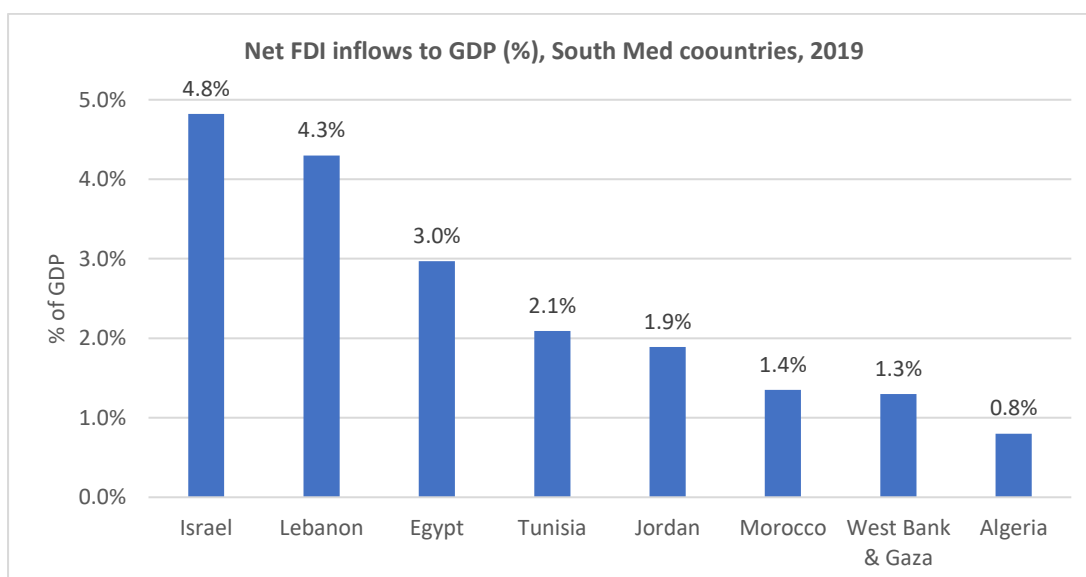
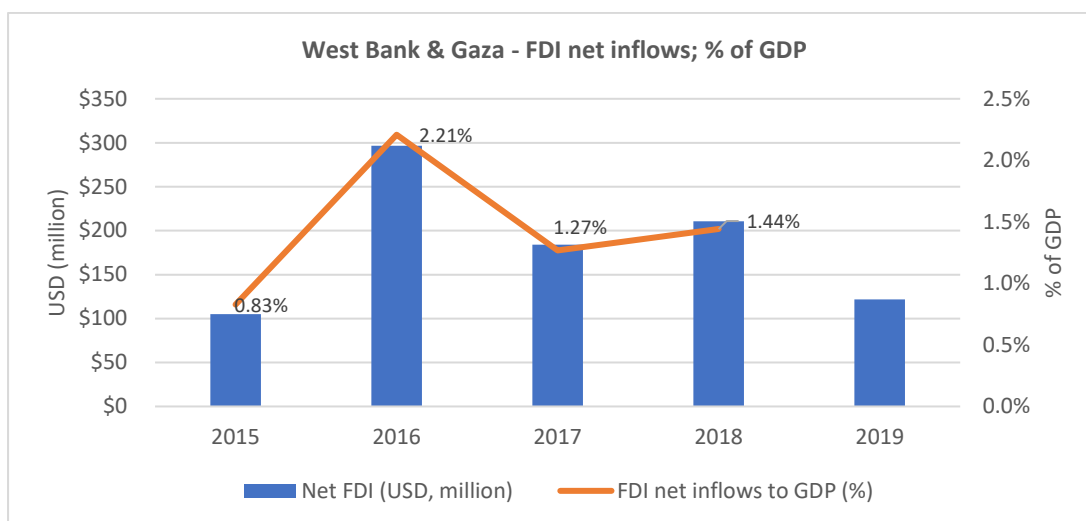


Source: World Development Indicators (WDI) database, accessed 21 December 2020.



Source: World Development Indicators (WDI) database, accessed 21 December 2020.

## Annex 2. FDI net inflows, FDI share of GDP



Notes: Data for West Bank & Gaza is 2018.

Source: World Development Indicators (WDI) database.

### Annex 3. Export opportunities for trade development - top 7 destinations for Palestine

Export destination	Actual exports (USD)	Export potential (USD)	Untapped potential in individual products (USD)	Products with greatest export potential
Jordan	22.1 million	17.2 million	6.0 million	Monumental/building stone; Fresh or dried dates and Calcareous stone.
UAE	17.0 million	15.0 million	5.0 million	Dates; Monumental/building stone; and Setts.
Belarus	4.3 million	9.0 million	8.6 million	Monumental/building stone; Dates, fresh or dried, and fresh Leeks, scallion, chives.
Saudi Arabia	10.0 million	7.7 million	3.4 million	Monumental/building stone; Virgin olive oil & fractions, and Spices.
USA	3.8 million	7.4 million	5.8 million	Virgin olive oil & fractions, Olive oil (excl virgin) & fractions, not solvent-extracted, and Worked monumental/building stone.
Netherlands	2.6 million	4.2 million	3.6 million	Dates; Meat or offal of turkey, and Setts; and Medicaments consisting of two or more constituents mixed together.
United Kingdom	4.3 million	5.1 million	2.9 million	Fresh or dried dates; Meat or offal of fowls of the species; Prepared meat or offal of bovine animals.

Notes: Definitions ( <http://exportpotential.intracen.org/en/about>): Export Potential Indicator identifies the potential export value for any exporter in a given product and target market based on an economic model that combines the exporter's supply with the target market's demand, market access conditions and the bilateral links between the two countries. For existing export products, supply is measured through historical information on export performance. Potential export values can be compared with actual export values to find exporters, products and markets with room for growth.

Source: ITC Export Potential Map, <https://exportpotential.intracen.org/en/markets/gap-chart?fromMarker=i&exporter=275&toMarker=j&whatMarker=a&what=a>, accessed 6 December 2020.

#### Annex 4. List of organisations in the SME export development ecosystem

Organisation	Brief description
<b>Public sector</b>	
Ministry of National Economy (MNE)	Lead on the National Export Strategy; carries out various trade facilitation and logistics functions, e.g., import licenses, resolution of border crossing issues, issuance of certificate of origins, and issuance of certified exporter certificates.
Palestinian Investment Promotion Agency (PIPA)	Responsible for investment attraction, promotes Palestine's advantages to investors. Link to SMEs may be creating supply chain opportunities as local suppliers to the foreign-invested firms locating in the West Bank/Gaza.
Palestine Industrial Estates & Free Zones Authority (PIEFZA) <i>(By Presidential decree in early 2021, PIEFZA is in the process of being merged with PIPA.)</i>	Aim to attract domestic and foreign investment. Three main drivers: 1) develop and improve manufacturing industries in a specific area, 2) encourage the creation of new industries, the development of existing ones, and backward linkages between existing industries with new industries, and 3) provide industrial sites to gather dispersed industries and businesses facing expansion difficulties, especially small and medium industrial enterprises. Includes: Gaza Industrial Estate, Jericho Agro-Industrial Park, Jenin Industrial Free Zone, Bethlehem Industrial Estate, Tarqumiya Industrial Zone. Operates one-stop shops (OSSs) in each IEFZ - serves as the focal point between the investors in the industrial estates and the government institutions; provides the investors with information and clarification on the main steps to conduct an industrial project and assists them to obtain the licenses and official certificates required to operate their projects; PIEFZA coordinates with the ministries and licensing bodies to receive the licenses avoiding unnecessary bureaucracy. Offers incentives to industrial enterprises locating in the parks: customs duties exemption on imported machinery, materials, vehicles for use in industrial products; exemptions from taxes for local goods and products supplied to the free zone; exemptions from taxes on exports.
Palestine Standards Institution (PSI)	Facilitates trade and investment in Palestine by meeting the metrology, standards, testing, and quality-related needs of the business community, while ensuring consumer and environmental safety. Focal point for participation of Palestine in the global system of harmonised standards. Issues licenses to companies to manufacture products.
Palestinian Monetary Authority (PMA)	Responsible for fiscal and financial policies.
<b>Private sector</b>	
Palestinian Trade Centre (PalTrade)	Goals to increase the number and export capability of Palestinian exporting businesses; increase exports to new and existing markets; and convert international market opportunities into sustainable Palestinian exports. Offers services to potential and existing exporters. Provides trade and market information (including market studies, factsheets, etc.); performs <b>Export Readiness Assessments; uses PalTrade Certified Trade Advisors; exporter directory, virtual exhibitions</b> , etc.
Palestinian Shippers' Council (PSC)	Represents shippers, importers and exporters, local industries as the end-users of maritime shipping, air freight and land transportation, and the Palestinian institutions that are attentive to trade facilitation issue. Provides services related to: logistical and technical support; legal services and consultancy; training; and awareness raising. <b>Provides a specialized diploma on "Supply Chain Management"</b> , in cooperation with the Continuing Education Center at Birzeit University. Developed the <b>Palestinian Trade Portal</b> , which aggregates trade information from

	various sources (Palestinian and Israeli) to inform Palestinian businesses, enables Palestinian traders to access information regarding the requirements, and regulations on the processes of import and export of goods, and to keep track of changes in these requirements and regulations.
Palestinian Businessmen Association (PBA)	Encourages investment partnerships and promotes Palestinian trade on a regional and international level by strengthening commercial contacts through meetings and missions.
Palestinian Federation of Industries (PFI)	Represents the Palestinian industrial sector through its federated associations. Plays a role in trade facilitation and logistics by guiding exporters through the various procedures.
Palestinian Businesswomen Association (ASALA)	Contributes to women's economic empowerment by supporting its beneficiaries in the areas of capacity building, access to markets, and advocacy and lobbying for women's economic and social rights. Operates a micro-credit fund.
Federation of Palestinian Chambers of Commerce, Industry, & Agriculture (FPCCIA)	Maintains strong links to global markets and works with SMEs to improve their performance, focusing on market access, quality, and costing. Partner with the Ministry of National Economy in implementation of the “Private Sector Development cluster Project (PSDCP)”, funded by the French Development Agency.  The FPCCIA is <b>launching a “packaging Centre” to help SMEs meet external market requirements.</b>
Business Women Forum-Palestine	Operates a Business Development Centre and a high-tech incubator for women. Implements a project supported by the Cherie Blair Foundation to reinforce the role of women entrepreneurs and build their capacity and competencies to compete locally and internationally.
<b>Donors and International Organisations</b>	
European Union	Funded development of the National Export Strategy 2014-2018.  <b>EU-Palestine Interim Association Agreement on Trade and Cooperation</b> provides duty-free access to EU markets for Palestinian industrial goods, and a phase-out of tariffs on EU exports to Palestine.
French Development Agency (AFD)	<b>Private Sector Development Cluster Project (PSDCP)</b> - implemented by Ministry of National Economy in partnership with Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) (EUR 5 million, 2013-2017). Focused on five sectors: Furniture cluster in Salfit; Tourism and Creative Arts cluster in East Jerusalem; Stone and Marble cluster in North Hebron and Bethlehem; Leather and Shoe making cluster in Hebron; and Date and Palm cluster in Gaza Strip.
GiZ	e.g. Private Sector Promotion Programme (2014-2017) – supported the IT sector and the shoe and textile industries with measures designed to internationalise enterprises and boost their exports (e.g. facilitating participation at trade exhibitions, encouraging B2B contact with businesses in Germany and elsewhere in Europe.
International Trade Centre (ITC)	ITC (2014) launched a joint project with UNDP to support Palestinian women businesses to reach the regional and international markets (“ <b>Enhancing Women SME Development in the State of Palestine</b> ”).
UKAID	1. The Department for International Development [DfID] has provided about £21m [\$28.5m] in the past five years to improve capacity building in key industries, especially within Palestine’s emerging ICT sector. 2. “ <b>Improving Trade Facilitation and Customs in the Occupied Palestinian Territories</b> ” project 2020-2023 (GBP 15 million). Objective to improve trade performance and customs in the OPTs by expediting the



	<p>movement of goods and reducing transaction costs; improving the capacity of Palestinian trade-related institutions and the trade-enabling environment; strengthening the competitiveness of the private sector to export and create jobs; improving Palestine’s customs capacity and revenue collection from trade-related taxes.</p> <p>3. Agreement between DfID and PalTrade - <b>Palestinian Market Development Programme (PMDP)</b> aiming to support PalTrade in implementing activities related to the NES (2016) to increase Palestinian exports, and the competitiveness of the Palestinian products to open new markets – i.e. to include supporting the establishing a One-Stop-Shop for export procedures, designing a strategic framework towards branding in Palestine, and developing a monitoring system to differentiate local handicraft products from imported ones as a pilot. The PMDP also offers grants to cover technical assistance to firms to improve their ability to enter new markets, develop and improve new products and expand their current market share (e.g. may cover consulting fees; purchase of databases, market information and specialised software, including installation and training; quality standards training; testing and Certification; and overseas travel to exhibitions/fairs associated with a strategic export marketing plan).</p>
UNCTAD	Several technical cooperation, training and advisory services to develop Palestinian trade facilitation capacity.
UNDP	<p><b>Palestinian AgriTech summit (September 2020) to encourage young entrepreneurs to explore digital solutions in the agricultural sector</b> (in line with the Government’s strategy to support the agricultural sector and the ICT clusters and to foster exports).</p> <p>Previous activity: Export development project (2012) focused on the provision of high-quality export support services to meet the needs of Palestinian firms and enable them to export successfully, including women-owned firms.</p>
USAID	Carried out the USD 76.3 million <b>Enterprise Development for Global Competitiveness (EDGC) (COMPETE) programme</b> (2011-2018).
World Bank	<p><b>Innovative Private Sector Development Project (IPSD) – 2019-2023</b> (USD 13 million) – with Ministry of National Economy.</p> <ul style="list-style-type: none"> <li>- <b>Market Access Service:</b> Project component to provide market access services to support approximately 100 individual firms, which are export-oriented, and have attracted investors’ attention at the B2B events. Includes: marketing and communication strategies, including branding strategies and social media/digital strategies; production process improvement and/or technology upgrade; Intellectual Property (IP) plans, diversification and product/service innovation and development; identification of new markets, sector analysis and market development, export strategy, including compliance with foreign laws and regulations; and investor/ supplier visits, participation in promotional/ networking events.</li> <li>- <b>Improving GGateway Digital Presence and Brand project</b> (new digital strategy, website development, digital content development and capacity building). In line with World Bank’s objectives to alleviate market failures related to gaps and binding constraints in the entrepreneurship ecosystem of the digital economy including in human capital, financing, product markets, enabling policies, institutional support and connectivity.</li> </ul>

## ENDNOTES

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<sup>1</sup> PIPA (2016), « Invest in Palestine 2016”,

<http://www.pipa.ps/files/file/Value%20Proposition/All%20Sector%20Value.pdf>

<sup>2</sup> Observatory of Economic Complexity, <https://oec.world/en/profile/country/pse/>

<sup>3</sup> Palestinian Central Bureau of Statistics (2020), Registered Foreign Trade Statistics - Goods and Services, 2019: Main Results, October, Ramallah.

<sup>4</sup> European Commission (2020), “European Union, Trade in goods with Occupied Palestinian Territory”, Directorate-General for Trade, European Union, Brussels, p. 8, [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_occupied-palestinian-territory\\_en.pdf/](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_occupied-palestinian-territory_en.pdf/)

<sup>5</sup> European Commission, 2020, p. 8 (*op.cit.*).

<sup>6</sup> Observatory of Economic Complexity, <https://oec.world/en/profile/country/pse/>

<sup>7</sup> Observatory of Economic Complexity, [https://oec.world/en/visualize/tree\\_map/hs92/export/pse/all/show/2018/](https://oec.world/en/visualize/tree_map/hs92/export/pse/all/show/2018/)

<sup>8</sup> World Bank (2018), “Project appraisal document on a proposed grant in the amount of US\$13 million from the Trust Fund for Gaza and West Bank to the Palestinian Liberation Organization (for the benefit of the Palestinian Authority) for an innovative private sector development project”, May 10, Report No: PAD2835, World Bank, Washington, DC, <http://documents1.worldbank.org/curated/en/479751528083037454/pdf/PAD-05152018.pdf/>

<sup>9</sup> Ministry of National Economy/International Trade Centre/European Union/PalTrade, 2018, *The State of Palestine National Export Strategy 2014-2018*, p. 88.

<sup>10</sup> ITC Export Potential Map, <https://exportpotential.intracen.org/en/markets/geo-map?fromMarker=i&exporter=275&toMarker=j&whatMarker=a&what=a>

<sup>11</sup> ILO (2018), “The Occupied Palestinian Territory: An Employment Diagnostic Study”, Regional Office for Arab States, International Labour Organization, Beirut, p. 28.

<sup>12</sup> World Bank (2020), *Doing Business 2020: Economy Profile of West Bank and Gaza*, World Bank, Washington, DC, p. 45. For the “trading across borders” indicator for the West Bank and Gaza, the World Bank uses the time and cost to export products with comparative advantage and import auto parts.

<sup>13</sup> USAID (2017), *West Bank and Gaza Inclusive Growth Diagnostic*, Washington, DC, p. 15, [https://www.usaid.gov/sites/default/files/documents/1865/West\\_Bank\\_and\\_Gaza\\_IGD\\_2017\\_v9a.pdf/](https://www.usaid.gov/sites/default/files/documents/1865/West_Bank_and_Gaza_IGD_2017_v9a.pdf/)

<sup>14</sup> Private Palestinian enterprises are not permitted to provide logistics and customs broker services. JICA (Japan International Cooperation Agency) (2018), “Data Collection Survey on Trade and Logistics in Jordan, Palestine and Region: Final Report”, p. 4-14, <https://openjicareport.jica.go.jp/pdf/12320149.pdf/>

<sup>15</sup> *Ibid*, JICA, 2018.

<sup>16</sup> World Bank (2019), “Economic Monitoring Report to the Ad Hoc Liaison Committee”, 30 April, <http://documents1.worldbank.org/curated/en/942481555340123420/pdf/Economic-Monitoring-Report-to-the-Ad-Hoc-Liaison-Committee.pdf/>

<sup>17</sup> According to the World Bank, the control of dual use items derives from a general international obligation to counter the proliferation of weapons of mass destruction, however, the list imposed by the Government of Israel on the Palestinian territories contains broad categories of products going well beyond internationally established best practices (World Bank, 2019, “Economic Monitoring Report to the Ad Hoc Liaison Committee”, p. 27).

<sup>18</sup> World Bank (2019), “Economic Monitoring Report to the Ad Hoc Liaison Committee”.

<sup>19</sup> U.S. Department of State (2020), “2020 Investment Climate Statements: West Bank and Gaza”, <https://www.state.gov/reports/2020-investment-climate-statements/west-bank-and-gaza/>

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- <sup>20</sup> *The State of Palestine National Export Strategy 2014-2018*.
- <sup>21</sup> World Bank (2018), “West Bank and Gaza - Innovative Private Sector Development Project (English)”, World Bank Group, Washington, DC, <http://documents.worldbank.org/curated/en/479751528083037454/West-Bank-and-Gaza-Innovative-Private-Sector-Development-Project/>
- <sup>22</sup> These difficulties and the implications are discussed in World Bank (2019), “Economic Monitoring Report to the Ad Hoc Liaison Committee”, pp. 23-24. The dual use list includes simple items, such as ethernet cables, printers, toners, and more sophisticated items, such as servers, network switches and UPS battery back-ups – license approval to import these products from/through Israel require advance payments and could be held up for months or longer.
- <sup>23</sup> PIPA (2018), “Building a Better Future, ICT Sector”, PowerPoint slides, [http://www.pipa.ps/files/file/Value%20Proposition/EN/ICT\\_en.pdf/](http://www.pipa.ps/files/file/Value%20Proposition/EN/ICT_en.pdf/)
- <sup>24</sup> Wilson, P. (2020), “Opportunities and Challenges in Implementing a Cluster-Based Economic Development Strategy in the Palestinian Context, in Light of International Experiences and National Development Priorities”, Palestine Economic Policy Research Institute (MAS), Ramallah, p. 66, [http://www.mas.ps/files/server/2020/Clusters%202020.pdf?fbclid=IwAR3uYQlrgl8PwwUGH5T1DnsV86egN71sldkQ\\_0TeqFN4fLQJWNVPe6kNO\\_k/](http://www.mas.ps/files/server/2020/Clusters%202020.pdf?fbclid=IwAR3uYQlrgl8PwwUGH5T1DnsV86egN71sldkQ_0TeqFN4fLQJWNVPe6kNO_k/)
- <sup>25</sup> PCBS, “Economic Forecasts for the Year 2020, in Light of the Current Coronavirus Pandemic”, 23 April 2020, <http://www.pcbs.gov.ps/>
- <sup>26</sup> PCBS, “Economic Forecasts for the Year 2020, in Light of the Current Coronavirus Pandemic”, 23 April 2020 (*op.cit.*).
- <sup>27</sup> UNCTAD (2020), “COVID-19 devastates Palestine’s shattered economy” 8 September, <https://unctad.org/news/covid-19-devastates-palestines-shattered-economy/>
- <sup>28</sup> COVID-19 Business Pulse Survey, PCBS, [http://pcbs.gov.ps/Portals/Rainbow/Documents/questionnaire\\_corona-en-21-6-2020.pdf/](http://pcbs.gov.ps/Portals/Rainbow/Documents/questionnaire_corona-en-21-6-2020.pdf/)
- <sup>29</sup> “MONE & PCBS: Issue A Joint Press Release On The Impact Of Coronavirus (COVID-19) Pandemic On Economic/Business Establishments During (5/3/2020 – 31)”, <http://pcbs.gov.ps/site/512/default.aspx?lang=en&ItemID=3852/>.
- <sup>30</sup> Development of the NES was supported by the Trade Diversification and Competitiveness Enhancement Project of the European Union. The projected budget for implementation of the NES over five years was USD 130 million, to come from the government budget and donor support (*The State of Palestine National Export Strategy 2014-2018*, p. 109).
- <sup>31</sup> *The State of Palestine National Export Strategy 2014-2018*, p. 88.
- <sup>32</sup> Over five years, the implementation of the National Export Strategy was to generate an overall growth of 67% in export sectors (annual growth rate of 13%), a reduced trade deficit, and a reduced dependence on the Israeli market as the main destination for Palestinian exports. While there has been a slight decrease in the percentage of exports to Israel, the annual growth rate in overall exports has not been achieved.
- <sup>33</sup> FPCCIA input from SME Exports Working Group meeting, 29 September 2020.
- <sup>34</sup> Wilson, P. (2020), “Opportunities and Challenges in Implementing a Cluster-Based Economic Development Strategy in the Palestinian Context, in Light of International Experiences and National Development Priorities”, MAS, p. 81.
- <sup>35</sup> Wilson, P. (2020), “Opportunities and Challenges in Implementing a Cluster-Based Economic Development Strategy in the Palestinian Context, in Light of International Experiences and National Development Priorities”, MAS, p. 99.
- <sup>36</sup> Makhtoub, S. (2017), “Pre-Feasibility Study to Establish an Export Finance Facility for Palestine”, Enhancement of the Business Environment in the Southern Mediterranean (EBESM), December, GIZ, Brussels.
- <sup>37</sup> Makhtoub, S. (2017), “Pre-Feasibility Study to Establish an Export Finance Facility for Palestine”, p. 32.
- <sup>38</sup> MAS (Palestine Economic Policy Research Institute) (2018), “Palestinian Innovation System and Digital Economy: Challenges and Opportunities”, prepared for Swiss Development Cooperation (SDC), December, MAS, Ramallah.

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<sup>39</sup> 7amleh (Arab Center for the Advancement of Social Media) (2020), “Access Denied – E-Commerce in Palestine”, Haifa, <https://7amleh.org/wp-content/uploads/2020/02/Ecommerce-Research.pdf/>

<sup>40</sup> <https://www.ggateway.tech/2020/03/01/ggateway-kicks-off-online-freelancing-training-program/>

<sup>41</sup> GGateway is a women-led social enterprise, established in 2016, that maintains a high level of female beneficiaries; among other services, offers training in the provision of online freelance services by building skills in digital marketing, translation, graphic design, virtual assistant, WordPress development. It aims to become a regional outsourcing hub, supported and funded by IPSD, and the primary gateway to Gaza’s IT talent and IT ecosystem (with both English and Arabic content), including techniques to manage GGateway on the B2B online platforms. The Improving GGateway Digital Presence and Brand TOR was to be completed from September 2020 to January 2021.

<sup>42</sup> As laid out in the *National Export Strategy*, pp. 106-108.

<sup>43</sup> “Official: We will work on reactivating Palestinian Exports Council”, *Gaza Post*, 23 June 2019, <https://thegazapost.com/en/post/51527/Official:-We-will-work-on-reactivating-Palestinian-Exports-Council/>

<sup>44</sup> Palestinian Businessmen Association Press statement, 2 September 2020, “The vision of the Federation of Palestinian Businessmen Associations on ways out of the economic and financial crisis”, <http://www.pba.ps/contents/2079.html/>

<sup>45</sup> As a result, an SME Loan Fund was launched to provide soft loans to SMEs to cushion their liquidity, a USD 25 million Palestinian Investment Fund will benefit 2,500 enterprises and a World Bank employment-related project will inject USD 300 million into the enterprise sector.

<sup>46</sup> “Gaza factories crank out masks, gowns for Israeli market”, Associated Press, 25 April 2020, <https://www.cp24.com/world/gaza-factories-crank-out-masks-gowns-for-israeli-market-1.4911640?cache=yes%3FclipId%3D104069/>

<sup>47</sup> “MONE & PCBS: issue a joint press release on the impact of Coronavirus (COVID-19) pandemic on economic/business establishments during 5/3/2020 - 31/”, Palestinian Central Bureau of Statistics (PCBS), <http://pcbs.gov.ps/site/512/default.aspx?lang=en&ItemID=3852/>

<sup>48</sup> MAS (2018), “Palestinian Innovation System and Digital Economy: Challenges and Opportunities”, prepared for Swiss Development Cooperation (SDC).

<sup>49</sup> State of Palestine (2018), “Palestinian National Voluntary Review on the Implementation of the 2030 Agenda”, June, Ramallah, p. 66.

<sup>50</sup> World Bank (2019), “Economic Monitoring Report to the Ad Hoc Liaison Committee”, 30 April, p. 25.

<sup>51</sup> UNCTAD (2020), “COVID-19 devastates Palestine’s shattered economy” 8 September, <https://unctad.org/news/covid-19-devastates-palestines-shattered-economy/>