



IMPROVED ACCESS TO MARKETS FOR FRESH FRUITS AND VEGETABLE (FFV) SMALL SCALE PRODUCERS (MEN AND WOMEN) Occupied Palestinian territory



Halhul new grapes variety introduction. © Oxfam

Agriculture remains one of the main pillars of the Palestinian economy in light of its contribution to food security, employment and export revenues. Currently, the agricultural sector is reported to operate at a quarter of its potential: the main constraints to increase agricultural production in the occupied Palestinian territory (oPt) derive from the consequences of the Israeli-Palestinian conflict.

There are limitations in the access to land, water and markets. Lack of control over borders and restrictions on movements of people and goods between the West Bank and Gaza Strip result in higher transaction costs and in unpredictability of supply and exports. This severely affects the marketability of Palestinian products and it consolidates the Palestinian market dependency on Israel.

Under its commitment to a just and lasting peace between Israelis and Palestinians based on a negotiated two-state solution, Switzerland aims at contributing to the establishment of an independent, viable, contiguous and democratic Palestinian state. Within its Domain Agro-Economic Development, Switzerland has partnered with Oxfam International to contribute to build a resilient economy with equitable agri-

cultural growth, while protecting small scale producers' entitlements to natural resources and access to markets. This goal is aligned with the National Agriculture Sector Strategy "Resilience and Sustainable Development".

The project has identified specific value chains challenges from pre-production to post-harvest and from transformation to distribution and marketing. It aims at addressing these challenges to mitigate the further deterioration in the performance of the agriculture sector: fresh fruits and vegetables (such as wild cucumber), stone fruits, dates, and dairy products are identified as to be of high value. The modality of engagement is pro-poor and market system development where small-scale producers (including women-led agribusinesses) are incentivized to shift towards business modalities while working to improve and develop their operating environment. As a result, they will be able to expand their production and eventually retain access to their land. Under a market system approach, all concerned actors need to work in a synergetic manner. In the oPt, it is equally needed to increase consumers' confidence in local products and private sector's investment at different stages of the value chain. At the same time, the Palestinian Authority (PA) through the Ministry of Agriculture should accelerate the path of sectoral reforms by reviewing its policies, regulations and practices with a view of improving access to market and to protecting the Palestinian market during key times of the year. Moreover, the PA also needs to address key constraints with the Israeli Government.

This intervention focuses on vulnerable areas, mainly the Gaza Strip and Area C of the West Bank. It emphasizes women economic empowerment and integrates youth in the labor market by offering training modules for fresh graduates on modern farming, service and productivity optimization but also proposing investment support for the ones ready to start their own business.

PROJECT HIGHLIGHTS

- › For Switzerland, the project benefits from consolidated results of two previously supported projects in the Gaza Strip and the West Bank:
 - › A substantial shift from aid dependency towards business culture amongst the beneficiaries was observed: some selected value chains are currently able to function “independently”.
 - › The first women shareholder company (consisting of 41 women processors) for palm date products in Gaza still functions well, and is able to maintain the same level of job opportunities. It is even expected that the company will increase its production capacity in 2018 by 20%, and thus to reach a net profit of 20'000 CHF.
 - › The tax exemption law for Small Scale Producers was ratified thanks to advocacy efforts.
 - › The dairy production increased by 2% in 2018, mainly as a result of population and local demand growth. While 80% of the targeted dairy units maintained the production's level and market share reached at the end of 2017, the remaining 20% managed to increase their production and market share by 15%. In 2017, 36 new jobs were created in the sector, moreover and mainly due to crowing in initiative by new private sector investors.
 - › Positive trends in the date paste production have been confirmed for 2018: an expected increase of 15% (based on initial agreements with producers); a projected increase of 6% of the local market share (mainly due to quality improvement including packaging, labeling, etc.)
 - › In the West Bank, project beneficiaries in 2018 reported an increase of the farm gate price¹ of grapes by 30%, tomato paste by 5%. However, thyme farm gate price decreased by 15% due to the huge expansion of thyme production at country and regional levels.

Adel Fairtrade marketing support
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¹ price of the product when it leaves the farm



PROJECT IN BRIEF

PARTNERS

Oxfam International and its local partners, DANIDA, the Palestinian Ministry of Agriculture MoA; in coordination with other relevant projects in the sector: FAO, especially: a) the market reform (SDC supported), SPS (SDC supported) and the Canadian funded value chain projects; DAI, especially private sector support project and GIZ Local Economic Development program.

PROJECT OBJECTIVES

Market-based interventions and facilitation result in increased market share and improved quality; agriculture sector and its key subsectors attract and create more income opportunities and empowerment for women and youth; the internal and external operating environment becomes more conducive for agricultural sector, reducing barriers and creating opportunity.

TARGET GROUPS

Direct beneficiaries such as small scale producers (SSPs) - men and women; producer cooperatives/federations, startups (men or women lead); local NGOs, consumer protection association in West Bank and Gaza and business incubators and accelerators.

PHASE OF DURATION

December 2017 to November 2021

PHASE BUDGET

CHF 10'000'000.- from which CHF 3'900'000.- SDC funding

Other SDC co-financed projects in the domain of “agro-economic development”:

- a) The Sanitary and Phytosanitary (SPS) programme, implemented by the Ministry of Agriculture with the support of the Food and Agriculture Organisation (FAO) of the United Nations, which aims at enhancing trust and demand in local products and enabling small-scale producers to fulfill standards requirements;
- b) Multi-donor Agro-business Programme Reform and Development of Markets, Value Chains and Producers' Organisations (MAP) implemented by the Ministry of Agriculture with the support of FAO which focuses on promoting private sector investments and reforms in the sector.

Imprint

Swiss Agency for Development and Cooperation;
Cooperation Office Gaza & West Bank

Link to SDC's strategy in the oPt:

<http://www.swiss-cooperation.admin.ch/gazaandwestbank/>