

## **Programme for Cooperation with Emerging Markets PSOM/Palestine**

- Established PSOM to stimulate investment and commercial cooperation Between Dutch companies and companies in several countries.
- PSOM offers financial support to entrepreneurs who are planning to invest in emerging markets in Eastern Europe, Africa, Asia and Latin America. The programme entails pilot investments of Dutch companies, who set up a new business venture together with a local company in one of the selected countries.
- Dutch applicants and local partner form a consortium to start a project which will be judged on five main criteria: strategic interest, project and business plan financial aspects and capacity additional and development effects.
- Projects are selected by an open tender procedure. For the least developed countries PSOM contribution is fixed at 60% of the project cost and for the other countries it is fixed at 50 % of the project cost.
- The maximum of the total project cost for the least developed countries is set at 850,000 Euro for other countries maximum is set at 1,500,000.

### **PSOM: Procedure**

Twice a year EVD invites companies to submit project proposals. The proposals are written according to the pending tender instructions. When a tender is open, you can download these instructions on this website [www.evd.nl/psom](http://www.evd.nl/psom) .

### **Preparing a project proposal**

As the preparation for a project proposal can be time consuming and requires a lot of effort, it is possible to consult a PSOM project officer about concrete project ideas. In individual meetings project officers advice on the eligibility of the project idea with regard to the requirements of PSOM. Besides individual meetings companies can also participate in the workshop 'How to Write a Project Proposal' which EVD organizes on a regular basis?

To apply for an individual meeting or to register for a workshop, please fill in the intake form, which you can download from the web.

### **PSOM: Objectives**

The objective of PSOM is to stimulate sustainable economic development in emerging markets. The programme generates employment, income and knowledge and contributes to strengthening the local private sector. The Ministry of Foreign Affairs (Development Cooperation) values PSOM, because it contributes to sustainable poverty alleviation.

- The programme aims at supporting private sector development by promoting and supporting economic cooperation between Palestinian business sector and the Dutch one on the basis of equal partnership and mutual benefit with focus on private sector investment.
- Support is provided to initiatives of the business communities of the Netherlands and the Palestinian Territories in setting up joint innovative pilot-projects in specific sectors, making use of international and local know-how, goods and services.
- It is expected that successful try-outs will be continued and/or duplicated by the private sector.
- The business projects are expected to contribute to poverty alleviation. Projects creating substantial local employment, transferring knowledge, making extensive use of local SMEs in the supply chain, operating in geographically disadvantaged regions, generating income for a substantial group of beneficiaries and/or contributing in other ways substantially to poverty alleviation will receive priority in the selection process. Projects however have to be at all times sound business proposals that lead to a sustainable business relation.

### **Budget**

- Official Development Assistance will be provided by the Government of the Netherlands to provide support to joint Netherlands - Palestinian business projects starting from 2004 under the Programme for Cooperation with Emerging Markets (PSOM).
- The total budget of the PSOM programme is currently euro 48 million per year for 42 countries. The average PSOM contribution per project being in the order of 500,000 euro allows for an average 2-3 investment projects per country per year.
- The actual number of projects that can be approved for the Palestinian Territories will depend on the quality of the proposals received for the Palestinian Territories.
- If for the Palestinian Territories more than two proposals qualify per year, the third, fourth etc. ranked proposals will compete with demand from other countries.
- The programme will be operational for at least two years and may be extended thereafter, if both Signatories consider the programme to be beneficial, through an exchange.

### **PSOM in Palestinian Authority**

Percentage contributed by PSOM	50 percent
Maximum total project costs	1,500,000 euro
Funded by	Ministry of Foreign Affairs, Development Cooperation
Tender opportunities	In 2005 deadline for submitting project proposals will be August 15th, 3 PM.
Project advisor	<b>Neera van der Geest</b> , tel. +31 70 778 8568

## **Submission of proposals**

- EVD will invite at least once a year (consortia of) companies to submit proposals for projects with special emphasis on the sectors and/or region(s).
- Every consortium will contain at least one Dutch and one partner from the Palestinian Territories.
- The Dutch partner in the consortium will make the application to EVD and serve as the contact point with EVD.
- The PSOM agreement between the Dutch Ministry of Foreign Affairs and EVD contains the detailed procedures through which PSOM proposals will be selected and funds are allocated.
- EVD will inform the Ministry of National Economy about the proposals that are awarded financial contributions under PSOM

## **Monitoring**

EVD will monitor the projects and report half-yearly about the progress made to the Netherlands Representative Office in Ramallah and the Ministry of National Economy.

Staff. from the Netherlands Representative Office and staff of the Ministry of National Economy will meet at least once a year to discuss the progress of project implementation.

## **Taxes**

All taxes (import duty and other direct and indirect taxes) will be paid normally by the beneficiaries of the Programme. Investors will however benefit from any general privileges provided by the Palestinian Authority to encourage foreign and local investments.