

Enhancing the Institutional Capacity of Creative Industries: Handicrafts, Footwear and Leather, and Furniture

Comprehensive Institutional Assessment and Strategic Action Plans



Enhancing the Institutional Capacity of Creative Industries: Handicrafts, Footwear and Leather, and Furniture

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List of Abbreviations

B2B	Business to Business
CI	Creative Industry
CRM	Customer Relations Management
EU	European Union
GC	Global Communities
GCC	Gulf Cooperation Council
GIZ	German Corporation for International Cooperation
HR	Human Resources
IP	Internet protocol
ISO	International Standards Organization
IT	Information Technology
KPI	Key Performance Indicator
M&E	Monitoring and evaluation
MIND	Ministry of Industry
MoC	Ministry of Culture
MoEHE	Ministry of Education and Higher Education
MoL	Ministry of Labor
MoNE	Ministry of National Economy
MoTA	Ministry of Tourism and Antiquities
MoU	Memorandum of Understanding
MSME	Micro, Small, and Medium-sized Enterprises
NGO	Non-governmental Organization
PalTrade	The Palestine Trade Center
PCBS	Palestinian Central Bureau of Statistics
PFI	Palestinian Federations of Industries
PFLI	Palestinian Federation of Leather Industries
PFTTI	Palestinian Federation of Traditional and Tourism Industries
PWFI	Federation of Wood and Furniture Industries - Northern Governorates
R&D	Research and Development
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TVET	Technical and Vocational Education and Training
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNIDO	United Nations Industrial Development Organization
VTC	Vocational Training Centre

Executive Summary

This report presents a comprehensive institutional assessment of Palestinian federations representing the **handicraft, footwear and leather**, and **furniture** industries. These federations play a pivotal role in supporting micro, small, and medium-sized enterprises (MSMEs), while promoting cultural heritage and fostering economic growth. However, the assessment identifies several systemic challenges that limit their effectiveness:

- Outdated governance structures
- Inadequate financial resources and limited revenue diversification
- Low inclusion of women, youth, and informal enterprises
- Weak communication and stakeholder engagement mechanisms
- Lack of formal strategic planning processes

The assessment employed a mixed-methods approach, including literature reviews, stakeholder interviews, Strengths, Weaknesses, Opportunities, and Threats (SWOT) analyses, and sector-wide surveys (covering both federation members and non-members). Key findings reveal that financial instability, limited advocacy capacity, and unclear membership benefits are common issues for all federations.

To address these challenges, six priority areas have been identified for intervention, each supported by evidence-based, actionable recommendations:

1. Governance and Strategic Planning
 - Establish structured election procedures and clear governance frameworks
 - Develop and adopt three-year strategic plans for each federation
 - Provide regular training for board members on leadership and accountability
2. Financial Sustainability
 - Introduce tiered membership fees based on enterprise size and scope
 - Diversify revenue streams through fee-earning services (e.g., workshops, exhibitions)
 - Build fundraising capacity and establish partnerships with financial institutions
3. Inclusiveness
 - Set representative targets for women and youth in leadership positions
 - Provide subsidized membership and small grants to women- or youth-led MSMEs
 - Launch mentorship programs connecting experienced and new members
4. Digital Transformation
 - Develop integrated digital platforms (CRM, member portals, data dashboards)
 - Provide training in e-commerce, digital branding, and marketing
 - Digitize sectoral value chains to enhance coordination and market access
5. Advocacy and Stakeholder Engagement
 - Establish policy task forces to facilitate public-private dialogue
 - Conduct legal aid and intellectual property support initiatives regularly
 - Strengthen alliances with educational institutions and diaspora networks
6. Monitoring and Evaluation
 - Introduce performance tracking systems with defined key performance indicators (KPIs), such as:
 - Federation's annual membership growth
 - Increased participation of women and youth in governance
 - Policy and financial impact

Recommended Next Steps

- Organize validation workshops with federation stakeholders and members
- Recruit dedicated staff for digital transformation, as well as monitoring and evaluation (M&E)
- Launch pilot initiatives in capacity building and digital outreach
- Engage governmental bodies to enable legal reforms and fiscal support

Conclusion

The implementation of these strategic action plans allows Palestinian federations to become more inclusive, resilient, effective, and better positioned to lead creative industries to sustainable development and global competitiveness.

1. Introduction

Both the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) define Creative Industries (CIs) as “cycles of creation, production, and distribution of goods and services that utilize creativity and intellectual capital as primary inputs”. These activities constitute “a set of knowledge-based pursuits, focused on but not limited to the arts, potentially generating revenues from trade and intellectual property rights” (*De Beukelaer, 2014; Dellisanti, 2023*). Positioned “at the crossroads of the artisan, services, and industrial sectors,” CIs represent “a new dynamic sector in world trade”. (*Possessky, 2019*) Palestinian creative industries play a crucial role in economic development by providing employment opportunities and fostering cultural heritage. (*Sultan & van Dijk, 2023*) This study, conducted within the framework of the “Supporting MSMEs Competitiveness and Growth in Palestine Programme” (SMCGP), aims to enhance the institutional capacity of creative industries in the West Bank through institutional assessments and strategic planning, focusing on three key sectors: furniture, footwear and leather, and handicrafts. This initiative promotes diversity and inclusivity in the representation of industries in each targeted sector, by developing tailored, strategic action plans for representatives of these three sectors; as well as detailing required capacity-building support for advocacy and lobbying to empower sectoral representatives.

The strategic action plans emphasize enhancing four key areas to encourage the active participation of women, youth, and micro-enterprises in decision-making and leadership roles: governance, organizational strategy, communications strategy, and inclusiveness. These action plans are derived from a thorough institutional assessment, offering clear, actionable recommendations to improve governance, inclusiveness, and sectoral representation. Subsequently, the assessment explores capacity-building support for advocacy and communications that is required to implement these findings effectively.

The institutional assessment adopts a mixed-methods approach, combining qualitative and quantitative tools to analyze the institutional capacities of federations representing Palestine’s creative sectors (the handicrafts, footwear and leather, and furniture sectors), focusing on inclusivity, particularly the engagement of women, youth, and both member and non-member MSMEs.

On the qualitative side, the methodology commenced with a literature review of existing research to contextualize the challenges and opportunities in sectoral governance, as well as operational challenges facing each sector’s federation. Subsequently, semi-structured interviews were held with key stakeholders and representatives from major industrial bodies: the Palestine Federation of Industries, the Palestinian Federation of Leather Industries, the Palestinian Federation of Traditional and Tourism Industries (PFTTI), the Federation of Wood and Furniture Industries – Northern Governorates, and the Federation of Chambers of Commerce, Industry, and Agriculture (see Annex 1 for the list of interviewees). These interviews provided in-depth insights on sector-specific governance challenges, institutional bottlenecks and examples of emerging good practices.

To complement the interviews and provide internal self-assessment, a qualitative SWOT analysis was applied to each federation. Utilized during internal consultation sessions, this tool encouraged federation representatives to reflect on their governance structures, members’ engagement, inclusiveness, and organizational strategy. The SWOT analysis served to align internal perceptions with the broader external challenges identified in interviews and secondary data.

On the quantitative side, the research team designed and administered a structured survey to gather feedback from both federation members and non-members, covering 70 MSMEs operating in the three sectors (38 registered businesses and 32 non-registered businesses), to investigate the motivation and reasons behind business registration and barriers that hinder registration at official unions or chambers. The 70 respondents are distributed as follows:

Table 1: Distribution of MSME Survey Respondents

No.	Industry	Number	Registered (%)	Unregistered (%)
1.	Handicrafts	34	54.5	45.4
2.	Footwear and Leather	16	53.3	46.7
3.	Furniture	20	52.6	45.5

Table 2 below details profile information on the 70 survey respondents, as collected during the institutional assessment, outlining gender distribution, classification, and business experience:

Table 2: Profile Information on Survey Respondents

Category	Sub-category	Percentage (%)
Gender	Women	46.5
	Men	53.5
Respondent Type	Micro and small enterprises	49.3
	Young entrepreneurs	50.7
Business Experience	More than 5 years	43.7
	3–5 years	25.4
	1–3 years	23.9
	Less than 1 year	7.0

The survey data provides measurable data on common trends and challenges, helping to triangulate findings from interviews and the literature review. The primary challenges for non-registration - and the main motivations for registration - by industry are outlined in Table 3.

Table 3: Barriers to and Motives for Registration

	Handicrafts	Footwear and Leather	Furniture
Key Barriers	<ul style="list-style-type: none"> Unclear benefits for registration Bureaucratic processes 	<ul style="list-style-type: none"> High registration fees (USD 100) Limited awareness of benefits 	<ul style="list-style-type: none"> Complex registration procedures Perceived lack of added value
Primary Motivators	<ul style="list-style-type: none"> Access to exhibitions Access to finance and training Simplified procedures 	<ul style="list-style-type: none"> Access to training Reduced registration fees, or other incentives 	<ul style="list-style-type: none"> Simplified procedures Financial incentives Participation in exhibitions. To improve future exhibitions, the federation should develop a clear strategy, engage members, benchmark successful models, build partnerships, and integrate digital tools to ensure measurable impact and relevance.

When combined, interviews, SWOT analysis, and survey data provided a triangulated evidence base that informed the development of strategic action plans tailored to each federation that focused on improving governance, organizational strategy, inclusiveness, and communications. To ensure alignment with sector priorities and validate research findings, the team of Palestine Economic Policy Research Institute (MAS) organized a validation workshop engaging representatives from the three targeted creative industries. This ensured that the assessment reflected both institutional realities and the voices of sector stakeholders, while also highlighting under-represented perspectives, especially from women, youth and informal enterprises.

2. Desk Review

Creative Industries (CIs) are a significant source of revenue across multiple sectors. (Ericsson et al., 2024) They play an essential role in enhancing economic growth and creating job opportunities, particularly for women and youth. CIs require better organization and support to effectively address their needs and challenges, and to provide the necessary support for their development and sustainability, including enhanced data collection efforts (Van Laar et al., 2022).

Research shows that at least two targeted sectors have successfully undergone a clustering process. (Sultan & van Dijk, 2017) This research identifies key differences between clusters and highlights constraining factors, such as a lack of close collaboration among firms, insufficient innovation, and challenges in accessing bank financing. The growth and decline of these industries are highly influenced by external circumstances. For example, import liberalization and competition from international producers can result in slowed growth or even lead to a contraction of production. Stakeholders play a crucial role in the development of CIs. (Gustafsson & Lazzaro, 2021) When optimizing programs targeting CIs, it is essential to manage the diverse roles and interests of stakeholders effectively.

2.1 Legal Framework and Policy Environment

Palestinian CIs operate in a challenging business climate characterized by outdated legislation and a lack of a clear definition of industry (Sultan & van Dijk, 2017). Despite these challenges, CIs follow multiple laws related to intellectual property, tourism, taxation, and other regulatory areas. Several government agencies in Palestine, including the Ministry of Industry (MIND), the Ministry of National Economy (MoNE), the Ministry of Culture (MoC), and the Ministry of Tourism and Antiquities (MoTA), are responsible for carrying out these laws and policies.

MoNE has constructed a cultural heritage center in the village of Surda, located north of Ramallah, covering a total area of 1,850 square meters. The center is expected to open soon, thanks to generous support from the Government of India. The e-Souq platform remains operational. As recently as March 2025, MoNE reaffirmed its commitment to the platform, noting that e-Souq remains active in promoting women's homemade industrial products and facilitating online trade for local businesses.

The Law on the Palestinian Federation of Industries and Specialized Industrial Federations No. (11) of 2011 amends the original 2006 law governing the General Federation of Palestinian Industries and its specialized unions. It expands the Federation's role to support all industrial sectors, including handicrafts and traditional manufacturing, mandating all specialized unions to unify under a single umbrella organization. The Law strengthens governance by detailing election processes, board duties and membership structures. It introduces precise reporting requirements, licensing rules and exclusivity clauses to avoid fragmented representation. Overall, it aims to unify industrial representation, improve transparency and enhance coordination between the private sector and government institutions.

The Palestinian Chambers of Commerce and Industry serve as key facilitators and advocates for traditional sectors such as handicrafts, goods made of leather, shoes and furniture. They support these sectors by improving market access, organizing trade fairs, providing training, issuing certificates and advocating for business-friendly policies. Their cooperation with specialized unions strengthens the competitiveness and visibility of these sectors locally and internationally. This coordination is supported by Law No. (11) of 2011, which mandates unified representation of industrial unions. Additionally, the Law of the Federation of Chambers of Commerce and Industry outlines chambers' legal framework and responsibilities, as well as their role in representing the private sector in national economic development.

Moreover, the Palestine Trade Center (PalTrade) supports the handicraft, leather and furniture sectors by promoting exports, improving product quality, and connecting producers with international markets. It helps develop sector strategies and facilitates participation in trade fairs. Meanwhile, organizations

such as the Business Women Forum (BWF) empower women entrepreneurs in these sectors through training, networking, and financial support, particularly in handicrafts and leather. Together, they strengthen sectoral competitiveness and enable broader economic participation, especially for women.

2.1.1 Overview of the Legal Framework

The federations representing these sectors derive their authority from several key regulations:

- **Palestinian Companies Law (2021):** The new law aims to unify company regulations in Palestine, replacing the Jordanian Companies Law No. (12) of 1964 in the West Bank and the Egyptian Companies Law No. (19) of 1930 in Gaza.
- **Palestinian Labor Law (2000):** This law regulates employment conditions, workers' rights, and the federation's responsibilities.
- **Palestinian Copyright Law (2012):** This law provides protection for intellectual property, particularly for creators in the handicrafts, footwear and leather, and furniture industries.
- **Law on the Palestinian Federation of Industries and Specialized Industrial Federations (2006, 2011):** This law establishes the General Federation's primary role in qualifying and training members, effectively representing their interests and defending their rights, while developing effective policies to promote the industrial sector and stimulate the local economy. To be officially recognized and registered with the federations, a business must:
 - Be registered with MIND
 - Operate primarily in related industries
 - Actively engage in industrial activities relevant to the federation's scope

In addition to these regulations, several key government policies have been introduced to support CI federations, including:

- **National Industrial Policy Framework (2024-2029):** Endorsed at the ministerial level by the Palestinian cabinet in 2023, this framework recognizes the role of federations in fostering innovation and economic growth.
- **Industrial Sector Development Plan (2025-2027):** This plan recognizes the role of federations in fostering innovation, creating jobs, and promoting economic growth.
- **State of Palestine National Export Strategy (2014-2018):** This four-year roadmap worked to increase Palestinian exports.

The following regulations have an impact on the operations of federations, their governance, financial management, and overall decision-making processes:

1. Governance and Organizational Structure

- **The Law on the Palestinian Federation of Industries and Specialized Industrial Federations (2006, 2011):** defines the legal status and role of specialized industrial federations. It requires federations to have a General Assembly and a Board of Directors, outlining their election procedures and powers. It also establishes federations as independent legal entities capable of representing industry interests.
- **The Palestinian Companies Law (2021):** standardizes corporate regulations, replacing older laws from the West Bank and Gaza. This impacts federation members, particularly regarding registration and financial reporting.
- **The Palestinian Labor Law (2000):** regulates employment conditions, workers' rights, and union activities, influencing how federations address labor issues.

2. Financial Management and Sustainability

Federations largely depend on membership fees as their primary source of income, though government and donor funding are often inconsistent and project-based, which limits long-term sustainability.

3. *Advocacy and Policy Engagement*

The National Industrial Policy Framework (2024-2029) acknowledges the role of federations in promoting innovation, job creation, and economic growth, encouraging them to participate in shaping industrial policies.

4. *Intellectual Property and Market Protection*

The Palestinian Copyright Law (2012) protects intellectual property, including traditional handicrafts and designs. However, enforcement is weak, leaving artisans and small enterprises vulnerable to counterfeit products.

2.1.2 Challenges to Effective Operation

Despite these regulatory frameworks, federations face several challenges that hinder their ability to operate effectively:

1. *Outdated or Inconsistent Legislation*

The legal framework does not clearly define CIs, resulting in ambiguities regarding policy support and funding eligibility **and a lack of sector-specific legislation**. There is no comprehensive legal framework governing key industries such as handicrafts, furniture, footwear and leather, **weakening advocacy efforts**.

2. *Bureaucratic and Institutional Barriers*

Micro and small enterprises often operate informally due to burdensome registration requirements. The high costs and delays in obtaining business licenses discourage small businesses from joining federations. Additionally, existing policies are poorly enforced, and government institutions responsible for implementing industrial policies lack technical capacity and coordination. As a result, advocacy efforts by federations are slow in achieving tangible policy changes.

3. *Financial and Funding Constraints*

The federations struggle with financial instability due to inconsistent government support, weak membership fee structures, and limited access to alternative revenue sources. Additionally, many federations lack sufficient technical staff and expertise required for grant writing, financial planning and fundraising.

4. *Limited Digital Transformation and Data Collection*

Most federations do not utilize modern IT infrastructure or data-driven decision-making tools. They have weak market research and inadequate trade data systems, and they struggle to collect, analyze, and leverage industry data to advocate for policy change or market expansion.

5. *Gender and Inclusivity Challenges*

Federations suffer from low participation of women and youth, with many federations being male-dominated and offering limited representation of women and young people in governance structures. Furthermore, legal incentives to promote inclusivity in federation leadership are lacking.

Palestinian federations function within a structured yet outdated and restrictive legal framework. While existing laws establish a basic governance system, gaps in regulation, financial instability, and bureaucratic inefficiencies hinder their overall effectiveness. To improve their operations, it is critical to implement policy reforms, streamline business regulations, strengthen financial models, and initiate digital transformation efforts. Overcoming these challenges will enable federations to better represent their industries and advocate for favorable policies, thereby contributing to Palestine's economic growth.

2.2 Organizational Structures and Governance Models

Each sectoral federation has a structured governance model that includes:

- Board of directors: Typically elected by members to oversee policy implementation.
- Election and appointment mechanisms: Board members serve fixed terms, although representation of youth and women is often limited.

- Internal systems: All industrial federations follow unified internal systems endorsed by the Palestine Investment Fund.

According to the Law on the Palestinian Federation of Industries and Specialized Industrial Federations (2006, 2011), specialized federations can be established as independent legal entities with legal authority to ensure the achievement of their goals.

The general assembly of a specialized federation consists of representatives from the industrial facilities affiliated with the federation and operating within the same industrial sector. The internal bylaws of specialized federations specify the election process for their boards and outline their powers and mandate.

Membership in specialized federations is voluntary, provided that the applying facilities meet the following criteria:

- They must be registered with MIND.
- The facility's main activity should be industrial and aligned with the federation's sector.
- The industrial facility must actively engage in the specified industrial activity.

Across all federations, the registration process is governed by the Law on the Palestinian Federation of Industries and Specialized Industrial Federations of (2006, 2011). While the structure is broadly similar, each federation applies the following general conditions:

Common Registration Requirements:

- Official business registration. The enterprise must be legally registered with MIND.
- Sector alignment. The business's core activity must align with the specific industry represented by the federation (e.g., handicrafts, leather, or furniture).
- Active engagement. The enterprise must be actively operating within the industrial sector in question.
- Membership fees.

Challenges in the Registration Process:

- Complex bureaucratic procedures: Lengthy and unclear procedures discourage small and informal enterprises.
- Limited awareness of benefits: Numerous MSMEs do not perceive added value in registering.
- Financial barriers: Even modest annual fees can be burdensome for micro or informal businesses.
- Lack of outreach: Federations do not actively promote registration or assist businesses in formalizing.

A simplified registration procedure should be introduced, offering digital sign-up options, tiered membership fees, and targeted outreach campaigns, especially for informal, women- and youth-led businesses.

The decision-making processes within federations are organized through governing bodies, including the General Assembly and the Board of Directors. However, the level of inclusivity, transparency, and efficiency in decision-making varies significantly across federations.

2.2.1 Governance and Decision-Making Structure

Each federation follows a hierarchical governance model, typically consisting of:

1. General Assembly

The highest decision-making body, composed of all registered members of the federation.

- Voting rights:
 - Each member normally has one vote per enterprise, with the possibility of re-election.
 - Micro-enterprises often have limited influence due to low membership rates in some federations.

2. Board of Directors

Elected by the General Assembly, serves fixed terms of three to four years and typically includes 9 to 11 members, including positions such as Chairman, Vice-Chairman, Treasurer, and Secretary.

- Decision-Making:
 - The board makes decisions through majority voting during board meetings.
 - The Chairman holds significant influence but is not authorized to override board decisions.
- Meeting Frequency:
 - Meetings are typically held monthly, although some federations meet less frequently due to financial and logistical constraints.

3. Executive Management

Some federations, such as the Palestinian Federation of Leather Industries (PFLI), employ management staff (e.g., a manager and an accountant), who are responsible for day-to-day operations and report directly to the Board of Directors. Other federations lack dedicated staff, resulting in delays in the implementation of board decisions.

2.2.2 Transparency and Inclusivity

Levels of transparency and inclusivity vary significantly across federations:

- Palestinian Federation of Leather Industries (PFLI) (Leather industry): Administratively, PFLI is more organized, featuring regular reporting and financial transparency.
- Palestinian Federation of Traditional and Tourism Industries (PFTTI) (Handicrafts industry): Transparency is weak, largely due to financial instability and the absence of formalized governance structures.
- Federation of Wood and Furniture Industries (PWFI) (Furniture industry): Decision-making is concentrated among a small group, with limited communication to the broader membership.

While federations follow structured governance models, decision-making is often centralized, lacks transparency, and excludes key groups, including women, youth, and micro-enterprises. Strengthening governance frameworks, improving financial stability, and enhancing inclusivity are essential steps to improve the effectiveness of federations. Addressing these issues would enable federations to serve their industries more effectively and advocate for favorable policies, while contributing more meaningfully to Palestine's economic development.

2.3 Status of Industrial Federations

A recent 2023 study entitled *Market System Analysis Study for the Creative Industries Sector in Palestine*, carried out by Global Communities (GC) in partnership with MAS, summarizes the current status of federations as follows:

2.3.1 Operational Challenges

Federations face several barriers that impact their functionality:

- Staffing shortages: Many federations lack the technical personnel necessary for effective operations.
- Empowerment constraints: Limited financial resources restrict service expansion and advocacy efforts.
- ICT and infrastructural gaps: Outdated digital tools hinder communication and efficiency.
- Lack of documented, strategic plans.

2.3.2 Financial Sustainability and Budgeting

A review of the financial models used by the federations reveals:

- **Membership Fees:** The primary source of income, though often insufficient. Estimated annual revenues from membership fees are USD 6,000 for PFTTI (120 members x USD 50/member); USD 24,500 for PFLI (245 members x USD 100/member); and USD 22,000 for PWI (220 members x USD 100/member).
- PFTTI (handicrafts) charges USD 50 per year per member.
- PFLI (leather) and PWFI (furniture) charge USD 100 per year per member.
- Government and donor support: Funding is often inconsistent and project-based.
- Revenue-generating activities: To generate income, federations rely on training programs, consultancy services, and trade fair participation fees.
- Financial risks: There are concerns regarding sustainability, given an over-reliance on external funding.

2.3.3 Service Provision and Inclusiveness

Federations provide essential services, and there are opportunities for improvement in several areas:

- Advocacy and policy representation: Federations engage with policymakers to shape sectoral regulations.
- Networking and collaboration: Better-structured industry partnerships could enhance competitiveness.
- Communication strategies: The primary communication tools used by federations include social media, newsletters, and in-person meetings.
- Training and building capacity: Limited outreach and scarce resources hinder the effectiveness of training programs.

Strengths of Existing Training Programs

- Targeted technical training
- Industry exposure (handicrafts and leather industries)
- Networking and capacity-building workshops

Key Weaknesses and Gaps in Training Programs

- Lack of Structured and Continuous Training
 - Financial and Human Resource Constraints
 - Low Participation from Women, Youth, and Micro-Enterprises
 - Minimal Adoption of Digital Training and E-Learning
- Gaps in inclusivity: MSMEs, women, and youth-led businesses face structural barriers to joining federations. Representation remains low, with leadership roles predominantly occupied by men. Inclusiveness within federations is limited, as women, youth, and informal enterprises are significantly underrepresented. Several structural, financial, and cultural barriers contribute to this exclusion, reducing federations' effectiveness and diversity.

▪ **Barriers to Inclusiveness**

1. Membership Fees and Requirements

Federations impose membership fees and formal business registration requirements. These financial and administrative barriers disproportionately affect women, youth, and informal businesses: Most federations lack tiered membership models to accommodate different business sizes, complicating entry for micro-enterprises and informal businesses.

2. *Strict Business Registration Rules*

Numerous women and youth entrepreneurs operate in informal sectors, given complex registration processes, high taxes, and bureaucratic delays. Unregistered businesses cannot join federations, cutting them off from advocacy, funding, and market opportunities.

3. *Cultural and Social Factors*

The leather, footwear, and furniture industries are traditionally male-dominated, which discourages women from joining federations. Women make up only 1% of the leather industry workforce, and the PWFI (furniture) has no female board members. Although women are more involved in handicrafts, only two out of 11 board members of PFTTI are women, underscoring limited leadership representation.

4. *Perception of Federations as "Old Guard" Institutions*

Many federations are led by older, well-established, male business-owners. Young entrepreneurs feel disconnected from federation leadership, viewing it as a space primarily for older generations. Federations also lack mentorship and networking programs to integrate young professionals and women into leadership roles.

5. *Weak Outreach to Informal Enterprises*

Informal businesses often lack awareness of federation benefits and may fear additional taxation or legal scrutiny if they formalize. Federations rarely recruit or accommodate informal businesses, leaving them outside advocacy and support networks. As a result, federations mainly serve medium and large enterprises, offering services that do not meet the needs of small, informal businesses.

3. Institutional Assessment

3.1 Handicrafts Industry

3.1.1 General Overview

The handicrafts industry in Palestine is crucial to the country's cultural and economic landscape. It encompasses various traditional crafts, including embroidery, ceramics, olive wood carving, glassblowing, and metalwork. These crafts are deeply rooted in Palestinian heritage and are recognized both locally and internationally for their artistic and historical significance. (Saleh, 2023; Sharabati, 2022) The estimated number of handicraft establishments stands at approximately 1,100, employing approximately 4,400 individuals (Interview with M. Abu Farha, February 5, 2025).

The sector is primarily composed of MSMEs, many of which operate as informal, family-owned businesses passed down through generations. Despite its potential, the industry faces several challenges, including limited access to raw materials, market fluctuations, and competition from mass-produced goods. Additionally, weak intellectual property protection threatens the livelihoods of artisans. (Saleh, 2023).

The sector provides employment opportunities for thousands of Palestinians, particularly among women and marginalized communities. Women play a significant role in embroidery and textile crafts, offering financial independence while preserving Palestinian identity and heritage. (Interview with M. Abu Farha, February 5, 2025) However, the sector's lack of formal training programs and industry-wide standardization continues to hinder growth. (Interview with S. Hazboun, February 5, 2025).

PFTTI in Beit Sahour serves as the leading representative body for artisans and craft workers. The Federation promotes local crafts, advocates for artisans, and enhances market access through regional and international exhibitions. However, the PFTTI's performance has been poor, particularly in advocacy efforts to finalize and enforce the Palestinian Handicrafts Quality Charter. The lack of financial resources, human resources, and institutional capacity has significantly weakened its ability to fulfill its mandate. Many firms in this sector have withdrawn from - or are reluctant to join - PFTTI due to its inability to provide value to members, exacerbating its financial instability. (GC & MAS, 2023) Financial sustainability remains a concern, as many craft enterprises struggle to maintain profitability due to high production costs and limited government support. (Interview with M. Abu Farha, February 5, 2025).

3.1.2 Governance Structure

The PFTTI's general assembly consists of 120 craft establishments, representing nearly 11% of the total number of such establishments. The board of directors includes 11 members: six from Beit Sahour, one from Bethlehem, two from Hebron, and two from the Gaza Strip. Among the 11 directors, nine are male and two are female, with all board members over the age of 50 years, highlighting a lack of youth representation. Additionally, the board is heavily concentrated in the Bethlehem district. Furthermore, the Federation charges USD 50 for annual membership, resulting in annual revenue insufficient to cover staff salaries or operational costs. (Interview with M. Abu Farha, February 5, 2025).

Despite its role as the governing body, PFTTI board suffers from inefficient communication and an unclear division of responsibilities among members. This lack of clarity in decision-making processes and strategic planning hampers the Federation's ability to develop and implement coherent policies. (GC & MAS, 2023) Furthermore, the Federation is currently inactive, with its office closed and no management personnel in place. Each month, the Chairman holds virtual meetings with the board of directors, but without dedicated staff to perform tasks, policy implementation remains weak.

The responsibilities of the PFTTI's general assembly include:

- Electing the board of directors
- Formulating general policies
- Preparing internal bylaws
- Endorsing the budget
- Appointing the accounts' auditor

The roles and responsibilities of the board of directors include:

- Implementing general policies and decisions issued by general assembly.
- Preparing the budget.
- Submitting annual administrative and financial reports, along with plans and projects, to the general assembly and the PFI.
- Appointing the general manager, and accepting his/her resignation when the occasion requires.

However, the Federation's ability to carry out these functions is severely hindered by governance inefficiencies and financial limitations, as the performance of both the Federation and its board of directors has been modest. The services offered are somewhat limited, reflecting the small number of members. (*Interview with M. Abu Farha, February 5, 2025*)

3.1.3 Organizational Strategy

The Federation does not have a documented strategic plan (*interview with M. Abu Farha, February 5, 2025*), leading to challenges in prioritizing goals, inconsistent performance, inefficient resource use, and poor time management. Additionally, without a strategic plan, providers will face greater difficulty in adapting to changes in their industry or market. Without clear strategic goals and objectives, the Federation may struggle to attract members, secure funding, and effectively advocate for artisans' needs. The absence of a strategic framework also limits engagement with international markets, vocational institutions, and skilled labor networks, all of which are essential for sectoral growth.

3.1.4 Inclusiveness

Handicraft establishments are primarily in Hebron, Bethlehem, Nablus, Gaza, and Ramallah, with 80% of these businesses family-owned, 10% individually owned, and a further 10% organized as cooperatives. The sizes of PFTTI members are categorized as MSMEs (*Sultan & Sultan, 2020*), comprising 43% classified as micro, 35% small, 15% medium, and 7% large. Notably, 90% of the Federation's member establishments are male-owned.

As previously mentioned, the PFTTI board of directors consists of 11 members - six from Beit Sahour, one from Bethlehem, two from Hebron, and two from the Gaza Strip. Of these directors, nine are male and two are female. All board members are over 50 years old, with most from the Bethlehem district. Although the board represents different geographical areas and includes female participation, as well as covering small, medium, and large enterprises, it is important to note that seven out of the 11 directors are from the Bethlehem district, indicating low female participation and a lack of representation for micro-enterprises. (*Interview with M. Abu Farha, February 5, 2025*) This results in limited engagement from women-led and youth-led MSMEs, further restricting diversity within the Federation.

3.1.5 Communications Strategy

The board of directors relies on informal communication methods, holding monthly virtual meetings with the Federation's general assembly via WhatsApp, limiting the effective engagement of members and stakeholders. (*Interview with M. Abu Farha, February 5, 2025*) However, without proper message planning or a structured communication strategy, information dissemination remains inconsistent, reducing member participation and engagement. Therefore, the Federation must carefully plan the content of its messages before sending them to the recipient.

3.1.6 SWOT Analysis

The table below outlines the SWOT analysis for PFTTI, based on data collected from the desk review and interviews.

Table 4: SWOT Analysis for PFTTI

<p><u>Strengths (S)</u></p> <ul style="list-style-type: none"> • The Federations operate under the Law of the Palestinian Federation of Industries and Specialized Industrial Federations (2006, 2011) providing a clear legal mandate and structural legitimacy. • The board comprises experienced members who contribute institutional knowledge and sector-specific expertise. • A well-established operational network with designated focal points within various line ministries. • The Federation delivers selected support services cost-effectively, particularly in training and market access. • The PFTTI enjoys a strong reputation among key stakeholders, including the MoTA, as well as cultural institutions and NGOs engaged in heritage preservation and artisan support. • Strong relationships with the Palestine Polytechnic University, the Hebron Chamber of Commerce and Industry, and the Palestine Standards Institute. 	<p><u>Weaknesses (W)</u></p> <ul style="list-style-type: none"> • Low membership rates, limiting the Federation's representativeness and financial base. • Insufficient technical staff, hindering effective service delivery and project implementation. • Financial instability, with over-reliance on external funding and a weak membership fee structure. • A limited core budget restricts the Federation's ability to pursue large-scale contracts or long-term initiatives. • Low adoption of digital tools, reducing operational efficiency and market connectivity. • Weak internal communication, particularly among members of the general assembly. • Inadequate infrastructure for training, research, and innovation activities. • Deficient data collection and analysis capabilities, impairing evidence-based planning and advocacy. • Limited fundraising capacity, with staff lacking skills in proposal development and donor engagement. • Insufficient lobbying power, restricting the Federation's ability to influence national industrial and trade policies
<p><u>Opportunities (O)</u></p> <ul style="list-style-type: none"> • Fostering relationships with national, regional, and international stakeholders. • Potential for formalizing informal enterprises through tailored membership models. • Regulating the handicrafts sector through the Craft Village project. • Implementing projects that support the handicrafts sector. • Integrating women into the handicrafts industry. • Creating opportunities for partnerships with international fair-trade organizations. • Strengthening financial sustainability through tiered membership fees and revenue-generating services. • Expanding e-commerce platforms and social media for marketing purposes. • Providing digital training to artisans to enhance visibility. 	<p><u>Threats (T)</u></p> <ul style="list-style-type: none"> • Political and economic instability due to the Gaza War reduces consumer purchasing power. • Fluctuations in tourism reduce members' incomes. • Delayed subscription contributions from members undermines operations. • Industries generally lack organization at the national level. • Insufficient governmental financial support and sector policies, particularly regarding labor issues. • Weak data collection and market analysis systems. • Declining youth interest in handicrafts due to limited modernization.

3.2 Leather and Footwear Industry

3.2.1 General Overview

Historically, the Palestinian footwear and leather industry has been a significant contributor to the local economy, especially in cities like Hebron, which is considered the center of Palestinian shoe production. This sector specializes in manufacturing leather shoes, bags, belts, and other leather goods, with craftsmanship passed down through generations (*Hoja & Yu, 2022*).

The Palestinian Federation of Leather Industries (PFLI), based in Hebron, represents this sector. There are approximately 400 establishments within the industry, of which 245 are registered with PFLI. This includes 130 micro-enterprises, 87 small, 24 medium, and five large. Most registered establishments (244) are located mainly in Hebron, with one in the northern West Bank and another in the Gaza Strip. The industry employs around 4,000 workers, though female participation is low, at only 1%. (*Interview with A. Arafah, February 4, 2025*)

The industry predominantly consists of informal small and medium-sized enterprises (SMEs), many of which are family-owned businesses. Despite its historical significance, the sector faces various challenges, including (*interview with A. Arafah, February 4, 2025*):

- Competition from imports: The surge of cheaper imported footwear, especially from China and Turkey, has considerably diminished the local market share.
- High production costs: The expense of raw materials, mainly imported leather, is high, reducing the profitability of local manufacturers.
- Lack of modern technology: Numerous workshops still rely on outdated machinery, restricting efficiency and output quality
- Limited export opportunities: Restrictions on movement and other trade barriers hinder expansion into international markets.

3.2.2 Governance Structure

The PFLI's general assembly covers 246 establishments, representing nearly 61% of all leather establishments.

The responsibilities of the general assembly include:

- Electing the board of directors.
- Formulating general policies.
- Preparing internal bylaws.
- Endorsing the budget.
- Appointing an accounts auditor.

Located in Hebron, the PFLI is one of the most active federations in Palestine, with two managerial staff: a manager and an accountant. The Federation's Chairman meets with the board of directors on a monthly basis.

Board membership and responsibilities:

- Implementing the general policies and decisions of the PFLI's general assembly.
- Preparing the PFLI's budget.
- Submitting annual administrative and financial reports, as well as plans and projects, to the general assembly and the PFI.
- Appointing the general manager, and accepting his/her resignation when the occasion requires.

The performance of the Federation and its board of directors is over and above that of other industrial federations. Offered services vary, including design, training, and quality control. The Federation collects USD 100 in membership fees annually. This subscription income, along with other revenue sources, covers operational costs but not developmental activities.

PFLI's primary services include the following (*Interview with A. Arafah, February 4, 2025*):

- Conduct market studies to boost sector exports.
- Facilitate networking with potential foreign buyers.
- Build partnerships with Arab and international institutions and organizations.
- Perform laboratory tests on leather and footwear products.
- Provide design services for shoes and leather products.
- Organize the sector within a dedicated industrial zone (craft village).
- Provide specialized vocational training (shoe sewing, design, etc.).
- Deliver developmental training for companies (e-marketing, export strategies, etc.).
- Collaborate on development projects with donors.
- Participate in international exhibitions.
- Address challenges faced by sector companies with government agencies and other entities.
- Promote women's integration into the shoes manufacturing industry.

3.2.3 Organizational Strategy

The Federation does not have a documented strategic plan. (*Interview with A. Arafah, February 4, 2025*) Without clear strategic goals and objectives, the Federation may struggle to set priorities, resulting in confusion, inconsistent performance, inefficient resource utilization, and weak time management. Providers are also less prepared to adapt to changes in their industry or market without such a plan. Moreover, the leather cluster does not have a documented strategic plan.

3.2.4 Inclusiveness

Leather businesses are primarily located in Hebron and Gaza. The members of PFLI are family-owned MSMEs, and all members of the Federation are male. As noted earlier, the PFLI's board of directors consists of 11 male members, including the Chairman, Deputy Chairman, Treasurer, Secretary, tanners' representative, and Gaza Strip representative, as well as five members from the Hebron area. Four directors are aged between 40 and 49, while seven are over the age of 50. (*Interview with A. Arafah, February 4, 2025*)

The board primarily encompasses Hebron, where leather industries are concentrated, and it does not have a single female member, as the sector remains male-dominated. Board members represent small, medium, and large enterprises, while the representation of micro-enterprises is ambiguous.

3.2.5 Communications Strategy

The board of directors meets regularly, typically on a monthly basis. (*Interview with A. Arafah, February 4, 2025*) The Chairman communicates with the board and general assembly through WhatsApp messages and phone calls. However, there is room for improvement in the communications strategy.

3.2.6 SWOT Analysis

The table below outlines the SWOT analysis for the PFLI, based on data collected from the desk review and interviews.

Table 5: SWOT Analysis for the PFLI

<p style="text-align: center;"><u>Strengths (S)</u></p> <ul style="list-style-type: none"> • The Federation is governed by the Law of the Palestinian Federation of Industries and Specialized Industrial Federations (2006, 2011) • Providing cost-effective and essential services, such as quality control and design labs. • Robust and effective leadership and management. • The leather and shoes cluster has 100 members. • The Hebron Shoe Shop has 18 partners. • Access to raw materials through local tanneries. • Strong operational networks with focal points at relevant ministries. • Enhanced image and reputation among key stakeholders. • Strong connections between universities, the PFLI, the Hebron Chamber of Commerce and Industry, and Hebron Municipality. • Strong ties with regional and international organizations. • Potential for export growth due to unique craftsmanship. 	<p style="text-align: center;"><u>Weaknesses (W)</u></p> <ul style="list-style-type: none"> • Heavy reliance on contracted expert staff. • Technical staff are overburdened. • Limited core budget limits the ability to secure large contracts. • Financial instability, over-reliance on external funding, and weak membership fees' structure. • Staff shortages in essential areas such as fundraising, public relations, project design, and implementation. • Insufficient ICT hardware and software. • Minimal communications between most members. • Low participation of women and youth in the industry. • Absence of infrastructure to support training, research, and development. • Unsuitable data collection and analysis systems.
<p style="text-align: center;"><u>Opportunities (O)</u></p> <ul style="list-style-type: none"> • Increased government interest in supporting value addition in the leather industry. • Enhanced interest from leather establishments in paying membership subscriptions. • Strengthening relationships with national, regional, and international stakeholders. • Regulating the sector through the craft village project for the footwear and leather industry. • Potential to integrate women in the leather and footwear sector. • Growing international sympathy for Palestine, along with support for Palestinian products. 	<p style="text-align: center;"><u>Threats (T)</u></p> <ul style="list-style-type: none"> • Political and economic uncertainty creates risks. • Delayed subscription contributions from members could undermine PFLI's operations. • The majority of tanneries exhibit little incentive to upgrade their facilities, technology, and operations. • Low levels of government procurement of locally manufactured products. • Regulatory constraints on leather tanning due to environmental concerns. • Industries are generally not organized at the national level. • Inadequate financial support from the government for the sector. • Lack of sector-specific policies.

3.3 Furniture Industry

3.3.1 General Overview

The furniture industry in Palestine contributes significantly to the local economy, particularly in cities such as Nablus, Hebron and Gaza. Palestinian furniture manufacturers are renowned for their craftsmanship and the use of high-quality materials. Numerous businesses specialize in custom-made furniture for homes, offices, and commerce. (Habbas, 2024)

This industry is primarily composed of MSMEs, many of which are family-owned and have been in operation for generations. The main product lines are home furniture, office and commercial furniture, custom-made and handcrafted pieces, outdoor and garden furniture, and upholstered designs. The sector benefits from strong domestic demand for high-quality furniture and has the potential for export growth, particularly in regional markets. However, it faces several challenges, including (*interview with R. Marie, February 10, 2025*):

- Dependence on imported raw materials: Most wood, fabric, and metal components used in furniture production are imported, increasing costs and making manufacturers vulnerable to market fluctuations.
- Limited access to financing: Many small businesses struggle to secure funding to modernize production facilities and expand operations.
- High production costs: Rising energy costs, transportation fees, and material shortages reduce manufacturers' profitability.
- Restricted market access: Trade restrictions and export challenges hinder industry growth.

The Palestinian Federation of Wood and Furniture Industries (PWFI) represents this sector, advocating for improved market access, funding opportunities and technical training programs. However, PWFI's institutional capacity is weak, primarily due to low membership rates, informality within the sector, and inadequate lobbying skills. (*GC & MAS, 2023*) The estimated number of establishments in the industry exceeds 600, yet only 220 are registered with the PWFI. Many small workshops remain unregistered, further restricting the sector's representation and access to institutional support. (*Interview with R. Marie, February 10, 2025*) The breakdown of these establishments is as follows: 42% micro, 33% small, 17% medium, and 8% large. (*Interview with R. Marie, February 10, 2025*) Currently, only 4% of furniture firms in the West Bank are active members, severely limiting the Federation's ability to generate revenue through membership fees, hire human resources, or undertake advocacy and training initiatives. (*GC & MAS, 2023*)

3.3.2 Governance Structure

The PWFI's general assembly includes 200 establishments, representing nearly 2% of total furniture establishments. (*Interview with R. Marie, February 10, 2025*)

The responsibilities of the general assembly include:

- Electing the board of directors
- Formulating general policies
- Preparing internal bylaws
- Endorsing the budget
- Appointing an accounts auditor.

The PWFI was once active in Palestine but now faces significant operational challenges, including the absence of both an office in Salfit and hired staff. The Federation's Chairman meets with the board of directors monthly, but without dedicated personnel to manage programs and coordinate activities, the organization struggles to execute its mandate effectively.

Board membership and responsibilities:

- Implementing PWFI's general policies and decisions, as issued by the general assembly.
- Preparing the PWFI's budget.
- Submitting annual administrative and financial reports, plans, and projects to the general assembly and the PFI.
- Appointing the general manager and accepting his/her resignation when the occasion requires.

The performance of the Federation and its board of directors is above average compared to other industrial federations. The Federation collects USD 100 in annual membership fees; these subscription

fees and other income streams cover operational costs but not developmental activities. (*Interview with R. Marie, February 10, 2025*) The low rate of firm subscription to the Federation further restricts its ability to advocate for industry-wide reforms and provide value-added services to members.

3.3.3 Organizational Strategy

The Federation does not have a formal strategic plan. (*Interview with R. Marie, February 10, 2025*) Without clear goals and objectives, the Federation may struggle to set priorities, leading to confusion, inconsistent performance, and the ineffective utilization of resources and time. Furthermore, providers are less equipped to manage changes in their industry or market without a strategic plan. Nevertheless, there is a documented strategic plan for the furniture cluster.

3.3.4 Inclusiveness

Furniture manufacturing establishments are primarily located in Salfit, Nablus, Ramallah, Hebron, and Gaza. The PWFI's members are family-owned MSMEs, and all are male-owned, with not one female-owned business registered as a PWFI member. As mentioned, the PWFI's board of directors comprises nine male directors (three from Salfit, two from Nablus, two from Ramallah, one from Bethlehem, and one from Hebron). The majority of the directors are over 50 years old. The board structure is concentrated on the West Bank and does not include female directors, as the sector is predominantly male-oriented. The directors represent small, medium, and large enterprises, while micro-enterprises remain undefined, limiting the ability of smaller manufacturers to benefit from the Federation's services. (*Interview with R. Marie, February 10, 2025*) The absence of inclusive membership policies and outreach programs prevents women, youth, and small-scale producers from engaging with the Federation's activities.

3.3.5 Communications Strategy

The board of directors holds virtual meetings monthly and uses a WhatsApp group to communicate with the Federation's general assembly. (*Interview with R. Marie, February 10, 2025*) While these tools allow for rapid exchanges of information, they lack structured messaging and formal outreach mechanisms, thereby weakening stakeholder engagement. Therefore, the Federation must meticulously plan the content of its messages before sharing them with recipients.

3.3.6 SWOT Analysis

The table below outlines the SWOT analysis for PWFI, based on data collected from the desk review and interviews.

Table 6: SWOT Analysis for the PWFI

<p style="text-align: center;"><u>Strengths (S)</u></p> <ul style="list-style-type: none"> • The Federation operates under the Law of the Palestinian Federation of Industries and Specialized Industrial Federations of (2006, 2011), ensuring legal recognition and institutional legitimacy. • Demonstrates strong leadership through broad representation and an active role in policy advocacy. • Maintains a reliable operational network via focal points at relevant ministries. • Provides cost-effective services in training and market facilitation. • Holds strong institutional linkages with universities and vocational training centers. • Benefits from established industry clusters, including the prominent furniture cluster in Salfit, which fosters local collaboration and value chain growth. 	<p style="text-align: center;"><u>Weaknesses (W)</u></p> <ul style="list-style-type: none"> • High dependency on contracted experts, due to the lack of permanent technical staff. • Absence of dedicated technical personnel limits the Federation's ability to implement and manage development programs. • A weak core budget reduces the Federation's ability to compete for and manage large-scale contracts. • Insufficient ICT infrastructure, leading to poor integration of digital tools for marketing, sales, and communication. • Limited internal communication among members, reducing engagement and collective participation. • Lack of physical infrastructure to support training, innovation, and sector-specific research and development. • Underdeveloped data systems, hindering the Federation's ability to conduct market analysis or support evidence-based advocacy. • Low membership rates, weakening the Federation's legitimacy and revenue base. • Financial instability, with heavy reliance on external funding and a fragile membership fee structure.
<p style="text-align: center;"><u>Opportunities (O)</u></p> <ul style="list-style-type: none"> • Public-private collaboration could establish dedicated vocational training programs for furniture craftsmanship. • Collaborating with universities and technical institutions to improve workforce skills. • Partnering with regional and international furniture industry associations. • Implementing ICT applications and expanding online sales platforms to access new markets. • Strengthening cluster development to boost supply chain efficiency. 	<p style="text-align: center;"><u>Threats (T)</u></p> <ul style="list-style-type: none"> • Political and economic uncertainty reduces consumer spending on durable goods. • Delayed membership subscriptions that threaten PWFI's operations. • Industries are generally not organized at the national level. • Inadequate government financial support and absence of sector policies.

4. Capacity Gaps and Training Needs

This institutional assessment identifies capacity gaps and training needs for each federation under study.

4.1 PFTTI - Handicrafts Industry

Capacity gaps and training needs for the PFTTI are detailed in Table 7 below:

Table 7: The PFTTI's Capacity Gaps and Training Needs

Clause	Capacity Gap	Training Needs
Institutional Governance	Lack of a formalized governance structure, resulting in an unclear management structure. There is a need to hire staff to address this issue.	Training board members and executives on transparent governance, accountability, and decision-making processes is essential. This training should not only provide theoretical knowledge but also facilitate the development of the Federation bylaws.
Strategic Planning	There is no written strategic plan, which makes it difficult to set long-term objectives and effectively manage resources.	Training on leadership development and strategic decision-making is required to equip Federation leaders with the skills to draft and implement an actionable roadmap for institutional growth. The training should focus on membership expansion strategies, financial sustainability, and sector representation.
Financial Sustainability	The PFTTI does not have financial sustainability, relying heavily on membership fees and donor funding.	Training in business model innovation, financial risk management, and alternative financing (strategies and options).
Advocacy and Policy Engagement	The PFTTI's board tries to engage in advocacy with the help of the PFI.	Improving the Federation's capacity to engage with members, government agencies and external partners, by training board members in effective advocacy, lobbying techniques, and stakeholder engagement.
Human Resources Development	There are no staff in place.	The Federation must recruit dedicated staff to strengthen its operational capacity, prioritizing personnel with expertise in financial planning, grant writing, and fundraising diversification. Additionally, staff should receive training in industry research, market trend analysis, and data utilization to support evidence-based decision-making and strategic development.
Digital Transformation	Utilizing key technologies.	Training members to help adapt to modern technology in administration, communications, and service delivery.
Strategic Communications	Utilizing key communications technologies	Improving the Federation's capacity to engage with members, government agencies, and external partners.
Limited Inclusion	Limited participation of women- and youth-led enterprises in the Federation's activities. Lack of access to market linkages, financial resources, and mentorship for young artisans and women-led enterprises.	Business development training tailored to women- and youth-led craft enterprises. Further training in digital marketing skills and access to cooperative financing.

4.2 PFLI - Footwear and Leather Industry

Capacity gaps and training needs for the PFLI are detailed in Table 8 below:

Table 8: PFLI's Capacity Gaps and Training Needs

Clause	Capacity Gap	Training Needs
Institutional Governance	Very basic governance framework. Requires a better-structured hierarchy and transparent decision-making processes.	Training in transparent governance, accountability, institutional restructuring and decision-making processes, targeting board members and executives.
Strategic Planning	A written strategic plan does not exist.	Training in leadership development and strategic decision-making, focusing on developing strategic plans, with clear objectives for membership growth, financial stability, and export facilitation.
Financial Sustainability	The PFLI operates at break-even point, lacking a diversified funding model.	Training in financial planning, proposal writing, and fundraising strategies to access alternative income sources.
Advocacy and Policy Engagement	The PFLI is active in this domain.	Assess existing advocacy and policy engagement efforts. Training on structured advocacy planning, public-private partnerships, and effective communication with policymakers.
Human Resources Development	The PFLI employs two staff members (manager and accountant).	Training in project implementation.
Digital Transformation	The PFLI uses basic technologies	Training on modern technologies for administration and communications. Leveraging digital marketing tools for member engagement.
Strategic Communications	The PFLI is active in this regard, but there is room for more.	Improve the Federation's capacity to engage with members, government agencies, and external partners.
Limited Inclusion	Insufficient inclusion of women- and youth-led enterprises in leather clusters.	Technical skills in leather processing and financial literacy programs. Leadership training for women and youth.

4.3 PWFI - Furniture Industry

Capacity gaps and training needs for the PWFI are detailed in Table 9 below:

Table 9: PWFI's Capacity Gaps and Training Needs

Clause	Capacity Gap	Training Needs
Institutional Governance	The Federation lacks a clear management structure, with the need to hire staff.	Training for board members and executives on leadership development, transparent governance, accountability, and decision-making processes.
Strategic Planning	The Federation does not have a written strategic plan.	Training on leadership development and strategic decision-making, focusing on developing a long-term strategy that aligns with industry trends, membership growth, and financial sustainability.
Financial Sustainability	The PWFI's finances are unsustainable, as the Federation lacks structured funding mechanisms beyond membership fees and donor contributions.	Training in business model innovation, financial risk management, and alternative financing options.
Advocacy and Policy Engagement	The board tries to engage in advocacy with the help of the PFI.	Improve the federation's capacity to engage with members, government agencies, and external partners.
Human Resources Development	There are no staff in place.	The Federation must recruit dedicated staff to strengthen its operational capacity, prioritizing personnel with expertise in financial planning, grant writing, and fundraising diversification. Additionally, staff should receive training in industry research, market trend analysis, and data utilization to support evidence-based decision-making and strategic development.
Digital Transformation	Utilizing key technologies.	Training on the adoption of modern technology in administration, communications, and member services.
Strategic Communication	Utilizing key communications technologies.	Improving the Federation's capacity to engage with members, government agencies, and external partners.
Limited Inclusion	Limited exposure to modern manufacturing techniques and sustainable sourcing strategies.	Skills training on sustainable wood sourcing and product innovation, as well as access to grants or cooperative funding mechanisms.

5. Strategic Recommendations

This section outlines each sub-sector's vision, mission, core values, and strategic goals for 2025-2027.

5.1 Handicrafts Industry

Vision

"To serve as the national hub for promoting and preserving Palestinian traditional handicrafts as a vital cultural and economic driver."

Mission

"To empower artisans, enhance market accessibility, and ensure the sustainability of Palestinian handicrafts through global outreach, education, and innovation."

Core Values

- Integrity: Upholding the highest ethical standards while being open, honest, transparent, courteous, and inclusive with all stakeholders.
- Innovation: Adopting new designs and modern production techniques.
- Inclusivity: Encouraging the participation of women, youth, and marginalized communities.
- Internationalization: Taking a global approach to equip institutions, businesses, and partners with the tools they need to succeed internationally.
- Commitment: Providing high-quality services that foster the prosperity of our institutions, businesses, and partners.
- Transformative: Creating a sustainable impact on the continent's handicraft industry by developing a just, equitable, and environmentally sustainable economic and social framework.

Strategic Objectives

SO1	Enhance the PFTTI's capacity to share best practices and strengthen value chain networks.
SO2	Develop the services provided to better align with the aspirations of the members.
SO3	Improve inclusiveness by promoting the participation of women, youth, and the disabled in the handicrafts sector.

5.2 Footwear and Leather Industry

Vision

"To be the world's leading federation of excellence for a competitive leather industry in Palestine."

Mission

"To assist federation members and connect partners, companies, and organizations for value addition, sustainability, and competitiveness in the leather sector through knowledge and idea sharing."

Core Values

- Integrity: Upholding the highest ethical standards while being open, honest, transparent, courteous, and inclusive with all stakeholders.
- Knowledge ability: Increasing PFLI employees' ability to provide knowledgeable resources to improve stakeholders' competitiveness.
- Internationalization: Adopting an international approach to provide institutions, businesses, and partners with the tools they need to succeed globally.
- Commitment: Delivering high-quality services that promote the prosperity of our institutions, businesses, and partners.

- Transformative: Creating a sustainable impact on the continent's leather industry by creating an economic and social structure that is just, equitable, accountable, and environmentally sustainable.

Strategic Objectives

SO1	Enhance the PFLI's capacity to share best practices and strengthen value chain networks.
SO2	Enhance value addition through the Craft Village and cluster development.
SO3	Develop the services provided to better align with the aspirations of members.
SO4	Improve inclusiveness by promoting the participation of women, youth and the disabled in the footwear and leather sector.

5.3 Furniture Industry

Vision

"To lead the Palestinian furniture industry, an innovative and competitive sector that combines modern production methods with traditional craftsmanship."

Mission

"To promote skill development, technology adoption, market expansion, and sustainable practices to assist Palestinian furniture industry artisans, manufacturers, and entrepreneurs."

Core Values

- Craftsmanship: Preserving and promoting traditional furniture-making skills.
- Innovation: Integrating modern technologies to enhance production quality.
- Sustainability: Encouraging eco-friendly and sustainable production methods.
- Market Competitiveness: Strengthening Palestinian furniture's presence in local and international markets.
- Inclusivity: Enhancing women and youth participation in the industry.

Strategic Objectives

SO1	Enhance the PWFI's capacity to share best practices and strengthen value chain networks.
SO2	Enhance value addition through cluster development.
SO3	Provide technical and financial assistance to members.
SO4	Improve inclusiveness by promoting the participation of women, youth, and the disabled in the furniture sector.

6. Strategic Action Plans

The strategic action plan outlines a roadmap for strengthening the institutional capacity of creative industry federations and fostering sectoral growth. It is designed to be actionable, results-oriented, and inclusive, ensuring that all key stakeholders (government, federations, and private sector partners) play a critical role in advancing the sector.

For the plan to be effective and sustainable, each stakeholder must take specific and coordinated actions that address governance challenges and inclusiveness, as well as organizational and communications strategies.

Role of Government: Enabling Policy and Financial Support

The government plays a significant role in creating a supportive business environment for federations and MSMEs. Its responsibilities include:

- Strengthening legal and policy frameworks that empower federations to operate effectively by creating or enhancing laws, regulations, and policies that support their functioning and independence.
- Providing financial incentives and funding for inclusive programs, ensuring equitable participation of women, youth, and marginalized groups. Designing and implementing inclusive programs that recruit and support women, youth, and marginalized groups as members or leaders, while developing training, mentorship, or leadership pathways for underrepresented individuals.
- Streamlining business registration and formalization processes to help MSMEs and informal enterprises integrate into the economy.
- Introducing tax incentives and grants to encourage gender-inclusive business practices and investment in sector innovation. For example, corporate tax deductions may be available for businesses that maintain a certain percentage of women in leadership roles and provide on-site childcare or flexible work arrangements.
- Effective execution and supervision are essential to prevent misuse, inefficiency, or inequality.

Role of the Private Sector: Investing in Growth and Innovation

The private sector plays an essential role in terms of investing in capacity-building, financing MSMEs, and actively participating in federation-led initiatives. Its key contributions include:

- Investing in sector innovation and capacity-building programs, supporting digital transformation, and enabling technology adoption across creative industries. This includes funding and supporting new ideas, business models, and products in CIs.
- Establishing financing schemes that facilitate access to capital for MSMEs, particularly women- and youth-led enterprises.
- Providing internship and apprenticeship opportunities to nurture industry talent and equip the workforce with essential skills.
- Participating in governance structures and mentorship programs to strengthen collaborations between businesses and federations. Mechanisms to strengthen collaborations between businesses and federations include joint governance bodies, advisory councils, formal partnership agreements, structured mentorship frameworks, co-funded innovation and training hubs, as well as participation incentives.

Role of Federations: Strengthening Governance and Industry Representation

Federations serve as the backbone of sectoral coordination, improve service delivery, advocate for favorable policies, and foster inclusiveness and communication with their members. Their responsibilities include:

- Implementing governance and strategic reforms to enhance transparency, accountability, and leadership effectiveness. These initiatives require institutionalizing transparent decision-making, establishing accountability structures, implementing a strategic planning and monitoring system, while enhancing community and stakeholder engagement.
- Developing and executing sector-specific training programs to upskill MSMEs and enhance competitiveness.
- Advocating favorable policies and securing financial support. This includes aligning policies with industry needs, securing funding, implementing advocacy mechanisms, and building strategic alliances.
- Establishing and managing mentorship and networking initiatives for industry professionals, business associations and chambers, universities, and development partners.
- Facilitating collaborations between industry, government, financial institutions, and development partners for market linkages.
- Ensuring equitable representation of women, youth, and MSMEs in leadership structures and decision-making processes through quotas and an inclusive policy framework, as well as capacity building and training, combined with targeted outreach opportunities.

While the collective responsibilities of the government, private sector, and federations create an enabling environment for sectoral development, each CI sub-sectoral federation has distinct challenges and opportunities that require tailored interventions. The following sections present strategic action plans for industry federations in the handicrafts, footwear and leather, and furniture sectors. These targeted strategies aim to strengthen governance structures, enhance organizational strategies, promote inclusiveness, and improve communications strategies within each federation. By addressing these key areas, action plans support federations in becoming more effective, financially sustainable, and responsive to the needs of MSMEs and underrepresented groups.

6.1 Handicrafts Industry Federation

PFTTI plays a vital role in representing artisans and small-scale craft producers. However, the federation faces significant challenges, including weak governance structures, financial instability, limited advocacy influence, and low engagement from informal artisans. To address these challenges and ensure the federation's growth, the following intervention provides a structured roadmap aimed at strengthening capacity, services, and inclusiveness in the PFTTI.

This strategic action plan expands on the stated strategic objectives for the handicrafts federation, with actions aligned across four key focus areas: Governance, Organizational Strategy, Inclusiveness, and Communications Strategy. Additionally, the plan further details the communications strategy and M&E framework, essential for ensuring effective implementation and continuous improvement. Together, these actions aim to transform the PFTTI into a stronger, more responsive, and financially sustainable institution, capable of advancing the handicrafts industry in Palestine.

6.1.1 Strategic Interventions

Below are the interventions associated with each strategic objective:

Strategic Objective 1 (SO1): Enhance the PFTTI's capacity to share best practices and strengthen value chain networks

Organizational Endorsement and Alignment

- Facilitate board approval and formal endorsement of the new strategic plan.
- Align internal operations with the endorsed strategy through clear KPIs and milestones.

IT Infrastructure Assessment

- Conduct technical needs assessment for current IT systems.

- Procure essential hardware and software to improve workflow, data management and communications.

Staff Recruitment

- Hire skilled professionals in key areas (operations, communication, industry outreach).
- Define roles for implementation of the strategic plan.

Capacity Building for Governance

- Train board and staff in fundraising, stakeholder engagement and lobbying.
- Develop communications and media toolkits to enhance public visibility.

Organizational Structuring

- Implement and refine the proposed structure based on operational needs and performance feedback. For the handicrafts federation (PFTTI), the middle and lower levels urgently need structural change, while the higher level requires targeted reforms.
- Establish performance appraisal systems and departmental accountability.

Advanced Capacity Development

- Launch ongoing leadership development programs for board and senior staff.
- Build partnerships with international industry federations for benchmarking and shared learning, focusing on areas such as:
 - Governance and institutional best practices
 - Inclusive membership models (youth, women, informal MSMEs)
 - Digital transformation and e-commerce adoption
 - Product design innovation and quality standards
 - Export readiness and international market access strategies.

Digital Transformation

- Build an integrated digital platform for stakeholder engagement, member services, and data analytics.
- Provide internal IT training to ensure full utilization of systems.

Strategic Objective 2 (SO2): Develop the services provided to better align with members' aspirations.

Market Access and Business Development

- Launch export readiness workshops and assist members in complying with export requirements.
- Facilitate member participation in national trade fairs and regional exhibitions.
- Initiate digital branding campaigns to promote Palestinian handicrafts and touristic goods.

Skills Development and Training

- Identify sectoral needs through a comprehensive survey.
- Design and deliver technical training programs in partnership with vocational institutions.
- Pilot empowerment initiatives targeting women and youth, facilitating their entry into traditional industries.
- Offer short courses on sustainable practices and eco-friendly production methods.

Financial Access and Support

- Connect members to affordable loans and donor-funded grants.
- Establish a pilot, cooperative financing model to encourage group lending and purchasing.

Policy Advocacy and Legal Aid

- Run a campaign to formalize informal handicrafts businesses, while providing legal support.

- Launch workshops and one-on-one sessions for intellectual property (IP) registration support.
- Commence training on basic employment rights and promote fair-trade awareness among producers.

Digital Transformation

- Support at least 20 members in setting up basic e-commerce channels.
- Train artisans on digital storytelling, social media content creation, and influencer engagement.

Market Expansion and Trade Linkages

- Secure regional and global partnerships to export Palestinian traditional products.
- Create a permanent national showroom or virtual platform for PFTTI members.
- Support members' participation in government tenders.
- Support the development of members' export capabilities.

Inclusive and Specialized Training

- Institutionalize training programs for women and youth across governorates.
- Offer advanced certifications in eco-production and compliance with quality standards.

Financing Infrastructure

- Advocate for the creation of sector-specific loan products, in partnership with local banks.
- Scale cooperative finance into regional clusters supported by policy incentives.

Legal Framework Reform

- Review relevant laws and regulations with the necessity of mandatory membership.
- Collaborate with legal institutions to strengthen IP enforcement, judicial awareness and capacity.
- Push for fair-trade policy reform and worker representation in relevant labor forums.
- Apply specifications and standards.

Smart Tech and Manufacturing Integration

- Implement digital tools for inventory, supply chain tracking, and CRM in larger enterprises.
- Facilitate access to smart machinery and digital production aids for qualified MSMEs.

Strategic Objective 3 (SO3): Improve inclusiveness by promoting the participation of women, youth, and the disabled in the handicrafts sector

- Enable group registration through associations or cooperatives.
- Offer small grants (tools, materials) to newly registered artisans. Develop clear eligibility criteria and ensure transparent access to information through multiple channels (e.g., website, social media, Federation offices).
- Set up craft-focused, pop-up markets exclusive to registered members.
- Introduce tiered membership models. Implement scaled fees based on business size and formality.
- Initiate leadership and mentorship program. Match experienced artisans with women and youth learners.
- Deliver tailored training for women and youth. Skills' development in digital marketing, pricing and product design.
- Establish fee support mechanisms. Provide temporary fee waivers or donor-subsidized membership.
- Institutionalize a national registry and e-marketplace for registered artisans. Digitally list artisans and their products.
- Develop branded labels specifically for registered producers (e.g., "Certified Palestinian Handicrafts"). Promote quality assurance and export credibility.
- Build artisan hubs with shared tools, funded by associated federations or donors. Institute co-working workshops with shared tools and digital access.

Below is the PFTTI's strategic implementation plan.

Table 10: The PFTTI's Strategic Implementation Plan

Intervention	Responsible Actor(s)	Key Partners	Timeline
Strategic Objective 1 (SO1): Enhance the PFTTI's capacity to share best practices and strengthen value chain networks			
Organizational Endorsement and Alignment	PFTTI Board	MIND	Q1–Q2
IT Infrastructure Assessment	PFTTI ICT Unit	Local IT Firms, Donors	Q1–Q2
Staff Recruitment	PFTTI Executive Team	Local HR firms	Q1–Q3
Capacity Building for Governance	PFTTI + Trainers	MAS, PFI	Q2–Q4
Organizational Structuring	PFTTI + External Consultant	MAS, PFI	Year 1–2
Advanced Capacity Development	PFTTI + Board	UNIDO	Year 1–3
Digital Transformation	PFTTI ICT Officer	Donor, Local tech hubs	Year 1–3
Strategic Objective 2 (SO2): Develop the services provided to better align with the aspirations of the members.			
Market Access and Business Development	PFTTI Marketing Lead	Chambers of Commerce, MIND	Q2–Q4
Skills Development and Training	PFTTI + VTCs	Vocational Centers, NGOs	Q2–Q4
Financial Access and Support	PFTTI Finance Officer	Local Banks, Donors	Q2–Q4
Policy Advocacy and Legal Aid	PFTTI Advocacy Unit	Legal Aid Clinics, IP Registry	Q2–Q4
Digital Transformation	PFTTI Digital Advisor	Digital Palestine Initiative	Q3–Q4
Market Expansion and Linkages	PFTTI Export Desk	Trade Attaches, PalTrade	Year 1–3
Inclusive and Specialized Training	PFTTI + NGOs	UN Women, MoL	Year 1–3
Financing Infrastructure	PFTTI Finance Unit	Banks, Microfinance Institutions	Year 2–3
Legal Framework Reform	PFTTI + Legal Taskforce	Ministry of Justice, NGOs	Year 2–3
Smart Tech Integration	PFTTI Innovation Unit	Tech providers, Donors	Year 2–3
Strategic Objective 3 (SO3): Improve inclusiveness by promoting the participation of women, youth, and the disabled in the handicrafts sector			
Group Registrations	PFTTI Outreach Officer	MIND	Q1–Q2
Small Grants for Artisans	PFTTI Grants Manager	UN Women	Q2–Q4
Pop-up Markets	PFTTI Events Team	Municipalities, Tourism Boards	Q2–Q4
Tiered Membership	PFTTI Membership Unit	Advisory Consultants	Q2
Mentorship Program	PFTTI HR + NGOs	Local Women/Youth Orgs	Q2–Q4
Tailored Training for Inclusion	PFTTI Training Unit	VTCs, NGOs	Q2–Q4
Fee Support Mechanisms	PFTTI Finance Unit	Donors	Q1–Q4
Registry and E-marketplace	PFTTI ICT Unit	MIND	Year 1–2
Branded Labels	PFTTI QA Unit	Fair Trade Palestine	Year 1–2
Artisan Hubs	PFTTI Infrastructure Team	Donors, Municipalities	Year 2–3

6.1.2 Communications Strategy

To ensure effective outreach and engagement, the PFTTI's communications strategy is categorized into internal and external groups. Internal groups include the board of directors and members, while external groups comprise handicrafts establishments, government institutions, and other federations. Thus, primary target audiences include:

- Federation members: Artisans, entrepreneurs, cooperatives, and MSMEs active in CIs.
- Government institutions: Policymakers, regulators, and funding agencies relevant to industry development and support.
- Market actors: Buyers, retailers, exporters, and potential investors.
- Community stakeholders: Local organizations, women's groups, youth, and cultural custodians.
- International partners: NGOs, development agencies, and diaspora networks involved in cultural and economic empowerment.

The analysis shows notable heterogeneity in members' profiles:

- Size and maturity: Ranging from individual artisans and start-ups to established cooperatives and exporting businesses.
- Skills and formality: Some are highly skilled but informal; others are formally registered and integrated into value chains.
- Needs and interests: While some seek funding and training, others prioritize market access, regulatory support, or export channels.

Additionally, there is some segmentation strategy evident, influenced by:

- Geographic factors: Rural and urban MSMEs are targeted differently, especially regarding infrastructural support and market access.
- Cultural relevance: Handicrafts' federations often align outreach with local traditions and heritage, targeting groups with specific cultural skills.
- Demographic targeting: Special focus on women and youth as priority groups for employment and empowerment.

While there is no formal visual activity map, the report provides a structured communications and outreach approach, categorized by target groups (internal vs. external) and specific outreach activities. This functions as an implicit activity map, outlining planned engagements, tools, frequency and responsible parties. Outreach channels and activities are detailed in the table below:

Table 11: PFTTI's Communications and Outreach

Target group	Communications Method	Frequency	Responsibility
Internal	Active listening	Continuous	Chairman
	Regular feedback sessions	Bi-Monthly	Chairman
	Educational workshops and seminars	Bi-Monthly	Manager
	Interactive platform	Continuous	Manager
	Newsletters	Monthly	Manager
External	Interactive platform	Continuous	Manager
	Newsletters	Monthly	Manager
	Google Ads	Continuous	Manager

Specific numeric targets are not defined. However, outreach frequencies and responsibilities are outlined clearly, utilizing a structured, qualitative, and targeted approach. To measure the effectiveness of the communications strategy, the following activities are recommended:

- Feedback sessions: Internal group feedback loops help assess satisfaction with communications and the relevance of their content.
- Engagement metrics:
 - Participation rates at workshops
 - Volume of digital interaction
 - Open rates/click-through on newsletters
 - Reach and conversion rates from Google Ads

6.1.3 Monitoring and Evaluation (M&E)

An M&E plan is required to assess the implementation of the PFTTI's interventions in governance, strategic planning, and inclusiveness. Success relies on achieving KPIs by 2027. Below are the proposed KPIs, along with parties responsible for tracking progress and ensuring accountability across key performance areas:

Table 12: PFTTI's M&E Framework

KPI	Baseline	Target	Responsible	Frequency
Governance Reform	No governance system	Transparent governance system in place (structured elections, term limits, governance training program for board members)	Board, MIND	Biannual
Organizational Strategy Development	No strategic plan	Endorsed strategic plan	Board, MIND	Annual with quarterly review
Capacity Development	No capacity-building programs	Training on fundraising, networking, lobbying, and communications skills	Board	Quarterly
Inclusiveness Improvement	0 micro board members 2 female board members 0 youth board members	2 micro representatives 4 female board members 2 youth board members	MIND, PFI, general assembly	Annual
Higher membership rate	11%	20%	Board, MIND	Biannual

6.2 Footwear and Leather Industry Federation

The Palestinian Federation of Leather Industries (PFLI) is responsible for representing and supporting MSMEs within this sector. Despite its strategic importance, the Federation faces governance inefficiencies, fluctuating financial resources, and other weaknesses, as outlined in previous sections. To address these challenges and ensure the Federation's growth, the following interventions outline specific, targeted actions for its empowerment, allowing it to provide meaningful support to MSMEs while positioning itself as a leading institution in this industry.

This strategic action plan expands on the stated strategic objectives for the Federation, with actions aligned across four key areas of focus: Governance, Organizational Strategy, Inclusiveness, and Communications Strategy. Additionally, the plan further details the communications strategy and M&E framework, essential for ensuring effective implementation and continuous improvement. Together, these actions aim to transform the PFLI into a stronger, more responsive, and financially sustainable institution, capable of advancing the handicrafts industry in Palestine.

6.2.1 Strategic Interventions

Below are the interventions for each strategic objective:

Strategic Objective 1 (SO1): Enhance the PFLI's capacity to share best practices and strengthen value chain networks

Organizational Restructuring

- Redesign the organizational structure to align with strategic priorities.
- Clarify roles, responsibilities, and reporting lines for all staff.

Capacity Building

- Conduct immediate training workshops to boost staff's technical and operational skills.
- Partner with training institutions for short courses tailored to the leather industry.

IT Infrastructure Assessment

- Perform a technical audit of current IT systems.
- Procure and install essential hardware and software based on identified gaps.

Stakeholder Mapping

- Identify key national institutions related to leather production, its trade, and support services.
- Create a visual map of actors in the leather ecosystem's value chain.

Training Program Design

- Develop a curriculum for industry-specific skills (e.g., tanning, finishing, quality).
- Pilot the program with selected MSMEs, adjusting based on feedback.

Advanced Capacity Development

- Establish a continuous professional development program for PFLI staff.
- Recruit new talent where internal skills remain unmet.

Data Systems and Market Intelligence

- Design and implement a comprehensive data collection and reporting system.
- Collaborate with national statistics offices to track production and trade flows.

MSME Market Integration

- Launch support programs to help MSMEs register and export in compliance with regulatory standards.
- Facilitate MSMEs' participation in international trade fairs and B2B pairing. To facilitate artisans' participation in international trade fairs and B2B matchmaking, the Federation will provide targeted support, including assistance with export documentation, as well as quality control training aligned with international standards and combined with branding support, such as product catalogs and digital profiles.

Institutional Partnerships

- Formalize cooperation agreements (MoUs) with identified institutions.
- Develop joint initiatives (e.g., innovation hubs, export consortia) with sector stakeholders. Other initiatives may include shared production facilities, training and certification centers, and cooperative procurement programs to reduce raw material costs, as well as digital marketing alliances to boost international visibility. Partnerships can also facilitate policy advocacy coalitions and joint research and development projects, enhancing product design and competitiveness.

Strategic Objective 2 (SO2): Enhance value addition through the Craft Village and cluster development.

Roadmap and Cluster Support

- Identify a mechanism to register the cluster legally.
- Design a practical roadmap for value addition, tailored to local context and adoption.
- Provide immediate technical and financial support to strengthen the existing leather cluster's operations. The selection of the targeted cluster must be based on clear criteria, including: (1) concentration of active MSMEs, (2) presence of baseline infrastructure or industry association, (3) readiness and commitment of local stakeholders, (4) potential for export or value addition, and (5) inclusion of underrepresented groups such as women and youth. Priority will be given to clusters that demonstrate a collaborative spirit and a clear plan for scaling impact across the value chain.

Training and Capacity Building

- Organize and execute a training program for 200 MSME representatives and officials on cluster development and management. The program could cover core areas such as cluster governance models, joint marketing strategies, quality assurance systems, value chain coordination, and collective procurement. Additional modules include digital transformation, financial planning, environmental compliance, and stakeholder engagement.
- Partner with national training centers or universities for delivery.

Visibility and Promotion

- Register and coordinate the participation of local producers in national exhibitions.
- Launch a digital campaign to increase awareness of local leather products, targeting three primary audiences: domestic consumers, regional and international buyers, and young Palestinians. The campaign highlights craftsmanship, authenticity, and the economic importance of supporting Palestinian-made leather goods through engaging visuals, storytelling, and influencer partnerships.

Supply Chain Enhancement

- Identify and connect local providers of raw material with leather producers.
- Facilitate contracts or agreements to boost domestic sourcing by linking leather producers with local tanneries and raw material suppliers. Given physical mobility restrictions and logistical barriers, the Federation can also develop or utilize a digital sourcing platform to enable virtual negotiations and access to supplier directories, as well as order tracking. This hybrid approach - combining in-person coordination in accessible zones with digital facilitation - aims to overcome fragmentation in the value chain and reduce reliance on imports.

Tannery Modernization

- Develop and pilot a model tannery modernization project, showcasing sustainable, efficient processes.
- Promote adoption through technical assistance and financing mechanisms.

Cluster Innovation and R&D

- Establish collaboration platforms between MSMEs, universities, and R&D institutions.
- Fund small-scale innovation grants for product design and material enhancement.

Exhibition Expansion

- Support participation in regional and international exhibitions, targeting GCC, EU, and Asian markets.
- Build export-readiness of selected firms through coaching and branding support.

Public Procurement Integration

- Design a transparent and competitive procurement system for leather goods and footwear.
- Advocate for policy changes that enable local producers to access government contracts.

Strategic Objective 3 (SO3): Develop the services provided to better align with the aspirations of members.

Market Access and Business Development

- Facilitate the participation of PFLI members in local trade fairs and exhibitions.
- Launch digital marketing campaigns promoting leather branding.
- Initiate introductory meetings with potential trade partners.
- The Federation supports its members' participation in government tenders.
- The Federation promotes the development of its members' export capabilities.

Skills Development and Training

- Identify the sector needs through a comprehensive survey.
- Roll out basic technical training and eco-friendly production workshops.
- Launch empowerment pilot programs for youth and women.
- Partner with local vocational institutions for skills training delivery.

Financial Access

- Connect members to available affordable loans and donor-supported grants.
- Begin forming cooperatives or groups for pooled financing initiatives.

Policy Advocacy and Legal Support

- Start formalization drives for unregistered leather businesses.
- Offer legal aid workshops on intellectual property and fair-trade practices.

Digital Transformation

- Support the setup of e-commerce platforms for at least 10 MSMEs in the leather sector.
- Launch training sessions on social media and influencer marketing basics.

Market Expansion

- Secure representation at international trade fairs and provide export readiness coaching.
- Establish long-term trade agreements with regional and global buyers.

Advanced Training and Inclusion

- Develop certified technical training programs tailored to industry needs.
- Scale-up women and youth empowerment programs across all PFLI regions.

Financial Infrastructure

- Advocate for long-term financing instruments with local banks for the benefit of MSMEs in the leather sector.
- Establish a cooperative financing model, backed by policy and donor support.

Policy Reform and Worker Rights

- Review relevant laws and regulations while enforcing membership as mandatory.
- Implement mandatory technical instructions for the footwear sector.
- Push for national policy reforms supporting intellectual property in traditional industries.
- Advocate for standards in workers' rights, aligned with fair-trade certification.
- Apply specifications and standards.

Deep Tech and Smart Manufacturing

- Introduce smart manufacturing tools in pilot factories.
- Provide grants and support for digital transformation (automation, inventory tools, CRM systems).

Strategic Objective 4 (SO4): Improve inclusiveness by promoting the participation of women, youth, and the disabled in the footwear and leather sector.

- Provide membership fee waivers (between 50% and 100%) for new businesses that are less than five years old. Such waivers can be processed through a fast-track system, managed by PFLI and subsidized by donor partners.
- Organize sector-specific orientation sessions. Provide targeted onboarding for informal women and youth producers on how to access federation services, legal registration, and funding tools. Establish legal support desks and live guided sessions on the registration process.
- Launch peer-led “Why I Registered” campaigns. Offer modest speaking stipends and support federation-backed video production to amplify authentic voices.
- Introduce mentorship and leadership training programs for women and youth. Deliver structured training in governance, negotiations, export planning, and public speaking.
- Implement a formalization program for home-based and informal enterprises. Provide mobile outreach and legal support to home-based women producers, helping them navigate tax, licensing, and social security requirements. Incorporate bundled services: a one-stop shop for registration, subsidized product labeling, and cooperative membership options.
- Establish a sector development fund to support registered businesses. Distribute small grants and equipment to formally registered women- and youth-led MSMEs, prioritizing those located in underserved areas.
- Formulate a public–private partnership platform for policy advocacy. Build a coalition to discuss tax incentives, government procurement quotas, and more streamlined home-business licensing.
- Introduce ‘craftsmanship certification’ linked to business registration for added credibility. Award a formal quality label to businesses meeting technical standards, ethical sourcing requirements, and social inclusion benchmarks.
- Establish inclusive governance quotas by allocating reserved seats for women, youth, and micro-enterprises.

Below is the PFLI’s strategic implementation plan.

Table 13: PFLI's Strategic Implementation Plan

Intervention	Responsible Actor(s)	Key Partners	Timeline
Strategic Objective 1 (SO1): Enhance the PFLI's capacity to share best practices and strengthen value chain networks			
Organizational Restructuring	PFLI Board and HR	MAS, Local HR consultants	Q1–Q2
Capacity Building	PFLI Training Coordinator	Vocational Institutes, UNIDO	Q1–Q3
IT Infrastructure Assessment	PFLI ICT Officer	Local IT firms	Q1–Q2
Stakeholder Mapping	PFLI Strategy Unit	MIND, Donors	Q2
Training Program Design	PFLI + Industry Experts	TVETs, Donors	Q2–Q3
Advanced Capacity Development	PFLI + MAS	International Federations	Year 1–3
Data and Market Systems	PFLI M&E Officer	Palestine Statistics Bureau	Year 2
MSME Market Integration	PFLI Export Desk	PalTrade, Chambers	Year 2–3
Institutional Partnerships	PFLI Director	MoUs with Universities, NGOs	Year 1–3
Strategic Objective 2 (SO2): Enhance value addition through the Craft Village and cluster development			
Cluster Roadmap and Support	PFLI Cluster Manager	Chambers, Local Municipalities	Q2–Q4
Cluster Training	PFLI Training Lead	Universities, MIND	Q2–Q4
Exhibitions and Promotion	PFLI Events Unit	Marketing Agencies	Q3–Q4
Supply Chain Enhancement	PFLI Procurement Lead	Local Tanneries, Suppliers	Q3–Q4
Tannery Modernization	PFLI Technical Team	UNIDO, MIND	Year 2
Clustered R&D Platforms	PFLI + Universities	R&D Institutions	Year 2–3
Exhibition Expansion	PFLI Export Unit	Trade Missions	Year 2–3
Public Procurement Advocacy	PFLI Advocacy Team	MIND, Donors	Year 3
Strategic Objective 3 (SO3): Develop the services provided to better align with the aspirations of members			
Trade Fair Access	PFLI Business Development Unit	Chambers of Commerce	Q2–Q4
Basic Technical Training	PFLI + Vocational Centers	UN Women, VTCs	Q2–Q4
Financial Access and Cooperatives	PFLI Finance Team	MFIs, Donors	Q2–Q4
Policy and Legal Workshops	PFLI Legal Advisor	Legal Clinics, Bar Association	Q3–Q4
Digital Tools for MSMEs	PFLI ICT Unit	Local Digital Startups	Q3–Q4
Export Readiness Coaching	PFLI Export Team	Branding Experts	Year 1–3
Advanced Training Programs	PFLI + Universities	Donors	Year 1–3
Cooperative Finance Model	PFLI Finance Advisor	Banks, PFI	Year 2–3
Fair Trade Policy Reform	PFLI + MoNE	Fair Trade Palestine	Year 2–3
Smart Manufacturing Pilots	PFLI Innovation Lead	Tech Vendors, Donors	Year 2–3
Strategic Objective 4 (SO4): Improve inclusiveness by promoting the participation of women, youth and the disabled in the footwear and leather sector			
Fee Waivers for New MSMEs	PFLI Administration Office	Donors, MIND	Q1–Q2
Orientation for Informal Groups	PFLI Outreach Unit	Chambers	Q2–Q4
'Why I Registered' Campaign	PFLI Communications' Team	Media Houses	Q2–Q4
Mentorship for Women and Youth	PFLI Gender Officer	NGOs, Alumni Artisans	Q2–Q4
Formalization Program	PFLI + MoNE	Legal Clinics, Municipal Units	Q2–Q4

Intervention	Responsible Actor(s)	Key Partners	Timeline
Sector Development Fund	PFLI + Donors	Local Banks	Year 2–3
PPP Advocacy Platform	PFLI + Private Sector Council	MIND, Donors	Year 2–3
Craftsmanship Certification	PFLI QA Department	Fair Trade Palestine	Year 2–3
Inclusive Quotas in Governance	PFLI Board	General Assembly	Year 1

6.2.2 Communications Strategy

To ensure effective outreach and engagement, PFLI's communications strategy is categorized into internal and external groups. Internal groups include the board of directors and the Federation's members, while the external groups comprise companies, government institutions, and other federations. Thus, the primary target audiences include:

- Federation members: Artisans, entrepreneurs, cooperatives, and MSMEs active in CIs.
- Government institutions: Policymakers, regulators, and funding agencies relevant to industry development and support.
- Market actors: Buyers, retailers, exporters, and potential investors.
- Community stakeholders: Local organizations, women's groups, youth, and cultural custodians.
- International partners: NGOs, development agencies, and diaspora networks involved in cultural and economic empowerment.

The analysis shows notable heterogeneity in members' profiles:

- Size and maturity: Ranging from individual artisans and start-ups to exporting businesses.
- Skills and formality: Some are highly skilled but informal; others are formally registered and integrated into value chains.
- Needs and interests: While some seek funding and training, others prioritize market access, regulatory support, or export channels.

Additionally, there is some segmentation strategy evident, influenced by:

- Geographic factors: Rural and urban MSMEs are targeted differently, especially regarding infrastructural support and market access.
- Demographic targeting: Special focus on women and youth as priority groups for employment and empowerment.

While there is no formal visual activity map, the document outlines a structured communications and outreach approach, categorized by target groups (internal vs. external) and specific outreach activities. This functions as an implicit activity map, outlining planned engagements, tools, frequency, and responsible parties. Outreach channels and activities are detailed in the table below:

Table 14: PFLI's Communications and Outreach

Target group	Communications' Method	Frequency	Responsibility
Internal group	Active listening	Continuous	Chairman
	Regular feedback sessions	Bi-Monthly	Chairman
	Educational workshops and seminars	Bi-Monthly	Manager
	Interactive platform	Continuous	Manager
	Newsletters	Monthly	Manager
External Group	Interactive platform	Continuous	Manager
	Newsletters	Monthly	Manager
	Google Ads	Continuous	Manager

Specific numeric targets are not defined. However, outreach frequencies and responsibilities are outlined clearly, utilizing a structured but qualitative target approach. To measure the effectiveness of the communications strategy, the following activities are recommended:

- Feedback sessions: Internal group feedback loops help assess satisfaction with communications and the relevance of their content.
- Engagement metrics:
 - Participation rates at workshops
 - Volume of digital interaction
 - Open rates/click-through on newsletters
 - Reach and conversion rates from Google Ads

6.2.3 Monitoring and Evaluation (M&E)

An M&E plan is required to assess the implementation of the PFLI's interventions in governance, strategic plan, and inclusiveness. Success relies on achieving KPIs by 2027. Below are the proposed KPIs, along with the parties responsible for tracking progress and ensuring accountability across key performance areas:

Table 15: PFLI's M&E Framework

KPI	Baseline	Target	Responsible	Frequency
Governance Reform	2 staff	2 additional technical staff	Board, MIND	Biannual
Organizational Strategy Development	No strategic plan	Endorsed strategic plan	Board, MIND	Annual with quarterly review
Capacity Development	No capacity-building programs	Training on fundraising, networking and lobbying, and communications' skills	Board	Quarterly
Inclusiveness Improvement	0 micro board members 0 female board members 0 youth board members	2 micro representatives 2 female board members 2 youth board members	MIND, PFI, general assembly	Annual
Higher Membership Rate	61%	80%	Board, MIND	Biannual

6.3 Furniture Industry Federation

The Palestinian Wood and Furniture Industries Union (PWFI) represents businesses in one of Palestine's key industrial sectors. However, the Federation struggles with low membership engagement, financial constraints, and the absence of structured governance. To address these challenges and ensure the Federation's growth, the following targeted reforms can help PWFI evolve into a more dynamic and effective federation, providing its members with the institutional support needed to navigate industry challenges and drive long-term growth.

This strategic action plan expands on the stated strategic objectives for PWFI, with actions aligned across four key focus areas: Governance, Organizational Strategy, Inclusiveness, and Communications Strategy. Additionally, the plan further details the communications strategy and M&E framework, essential for ensuring effective implementation and continuous improvement. Together, these actions aim to transform PWFI into a stronger, more responsive, and financially sustainable institution, capable of advancing the handicrafts industry in Palestine.

6.3.1 Strategic Interventions

Below are the interventions associated with each strategic objective:

Strategic Objective 1 (SO1): Enhance the PWFI's capacity to share best practices and strengthen value chain networks

Organizational Setup

- Finalize new organizational structure.
- Hire key technical and administrative staff (e.g., value chain expert, IT officer).

IT Needs Assessment

- Audit existing hardware/software.
- Procure essential upgrades.

Training Programs

- Design 1–2 pilot training modules for MSMEs (e.g., digital marketing, product quality).

Market Integration

- Identify and pilot the entry of 3–5 MSMEs in local or regional markets.

Stakeholder Mapping

- Create a national map of institutions relevant to the furniture value chain.

Scale-up HR Capacity

- Build a fully professional team (industry liaison officers, data analysts, etc.).

Digital Infrastructure

- Implement integrated IT systems (CRM, value-chain data dashboards).

Advanced Training Programs

- Develop industry-accredited training for export readiness, design, and standards.

Market Expansion

- Facilitate MSME's participation in 2–3 regional/international trade events annually.

Data System

- Launch a national data collection and sharing platform in partnership with public and private stakeholders. In order to strengthen decision-making and support MSMEs, a national data collection and sharing platform will be launched in partnership with public and private stakeholders. The platform will gather key sectoral data, including enterprise demographics (size, location, registration status, and ownership by gender and age) and production capacity, as well as labor force characteristics, market access patterns, financial inclusion, and training needs.

Strategic Objective 2 (SO2): Enhance value addition through cluster development

Roadmap and Planning

- Draft and validate a cluster development roadmap with stakeholders.

Cluster Expansion

- Finding a mechanism to register the cluster legally.
- Identify and support 1–2 pilot furniture clusters with immediate growth potential.

Training and Capacity Building

- Launch training for 100–120 stakeholders (instructional workshops and online modules).

Visibility and Branding

- Secure booths at 2–3 regional exhibitions to showcase local products.

Supply Chain Assessment

- Map local suppliers and logistical gaps within the existing value chain.

Policy Engagement

- Start dialogue with ministries for tax breaks or incentives for clusters and industrial zones where they operate.

Cluster Deepening

- Establish permanent cluster support centers (shared R&D, design hubs).

Integrated Supply Chains

- Incentivize local sourcing and build partnerships with logistics providers.

Innovation and R&D

- Partner with universities and innovation labs to co-create eco-friendly product lines.

Sustainability

- Develop sustainability standards and support MSMEs in meeting them.

Policy Advocacy

- Push for legislation supporting cluster-based procurement and subsidies.

Market Research Unit

- Set up a dedicated team for ongoing trend and demand analysis.

Strategic Objective 3 (SO3): Provide technical and financial assistance to members.

Market Access and Branding

- Enroll 10+ MSMEs in export readiness programs.
- Subsidize booths in 1–2 international exhibitions.
- Launch social media campaigns and a brand identity toolkit for furniture products.

Skills Development

- Identify sectoral needs through a comprehensive survey.
- Offer 3 short courses on:
 - Digital design tools
 - Packaging and labeling for export
 - Product finishing techniques
- Pilot a mentorship program targeting women and youth.

Financial Access

- Partner with one bank to launch a credit guarantee pilot for MSMEs.
- Design a grant scheme for women- and youth-led businesses.

Legal and Policy Support

- Run awareness sessions on business formalization and IP registration.
- Develop a sector policy brief on fair-trade and workers' rights.

- The necessity of applying specifications and standards.

Digital Transformation

- Provide digital onboarding support to 20 MSMEs' e-commerce platforms.
- Host a seminar on smart manufacturing technologies.

Market Expansion

- Establish a permanent export facilitation desk.
- Develop a national, online furniture marketplace.
- Support members' participation in government tenders.
- Supports the development of members' export capabilities.

Workforce Upskilling

- Create a training center for continuous learning in eco-friendly, high-tech production.
- Mainstream programs targeting women and youth as formal, certified training initiatives.

Sustainable Finance

- Institutionalize MSME credit guarantee programs.
- Launch cooperative financing models with trade unions.

Legal Reform

- Review relevant laws and regulations, while making membership mandatory.
- Lobby for national-level reforms for IP and fair-trade legislation in the furniture sector.
- Apply specifications and standards.

Tech Integration

- Co-develop smart manufacturing prototypes with industry players.
- Develop influencer partnerships and performance-based digital marketing models.

Strategic Objective 4 (SO4): Improve inclusiveness by promoting the participation of women, youth and the disabled in the furniture sector

- Launch mobile registration units in industrial zones. Mobile teams assist marginalized furniture producers (particularly youth and women) with on-site registration, offering one-on-one support and translation where needed.
- Simplify paperwork with pre-filled forms via SMS or WhatsApp. Deliver mobile-ready forms to unregistered businesses, after which responses can be verified by local field agents.
- Invite unregistered businesses to local exhibitions with conditional registration. Allow informal businesses (especially women- and youth-led) to exhibit on condition that they agree to register during (or after) the event. Offer fast-track booths and mentorship pairing at such exhibitions.
- Mentorship and leadership programs for women and youth. Launch a six-month mentorship program pairing young or female artisans with experienced Federation members.
- Formalization clinics for marginalized groups. Organize periodic 'formalization days' offering bundled services: business registration, social security onboarding, tax support, and digital ID setup, targeted at women, youth, and businesses operating informally.
- Establish a digital portal for registration, licensing, and renewal. Create a low-data access portal for rural and low-income users, including resources such as business templates, grants information, and e-learning.
- Incentivize inclusive business practices. Develop a points-based membership benefits system for businesses that hire women or youth, adopt accessible workspaces, or complete leadership training. Allow access to grants, discounts, and priority services.

- Integrate furniture SMEs into government procurement programs. Lobby the government to reserve tenders for SMEs from underrepresented groups. Provide training on how to bid on such contracts.
- Institutionalize governance representation mechanisms, with reserved seats for women and youth.

Below is the PWFI's strategic implementation plan.

Table 16: PWFI's Strategic Implementation Plan

Intervention	Responsible Actor(s)	Key Partners	Timeline
Strategic Objective 1 (SO1): Enhance the PWFI's capacity to share best practices and strengthen value chain networks			
Organizational Setup	PWFI Board & HR Team	MIND, MAS	Q1–Q2
IT Needs Assessment	PWFI IT Officer	Local IT firms, GIZ	Q1–Q2
Pilot Training Modules	PWFI Training Coordinator	Vocational Centers	Q2–Q3
MSME Market Integration Pilot	PWFI Market Linkages Unit	PalTrade, Chambers	Q3–Q4
Stakeholder Mapping	PWFI Strategy Unit	Industry Federations, MIND	Q2
Scale HR Capacity	PWFI Executive Director	Donor HR Programs	Year 1–2
Integrated Digital Systems	PWFI IT Unit	Local Startups	Year 1–3
Industry Training Programs	PWFI + Industry Experts	VTCs, UNIDO	Year 1–3
Trade Event Facilitation	PWFI Export Desk	Trade Missions	Year 1–3
Data Collection Platform	PWFI M&E Officer	PCBS	Year 1–3
Strategic Objective 2 (SO2): Enhance value addition through cluster development			
Cluster Roadmap	PWFI Cluster Dev. Officer	Local Stakeholders, MIND	Q1–Q2
Pilot Cluster Support	PWFI Field Team	Chambers, Municipalities	Q2–Q4
Cluster Training	PWFI Capacity Lead	Universities, VTCs	Q2–Q4
Exhibition Branding	PWFI Marketing Team	Event Organizers, Media	Q2–Q4
Supply Chain Mapping	PWFI Logistics Officer	Local Suppliers	Q3–Q4
Policy Dialogue Launch	PWFI Policy Team	Relevant Ministries	Q3–Q4
Cluster Centers Setup	PWFI Infra Team	Donors, Local Universities	Year 1–3
Supply Chain Partnerships	PWFI Procurement Officer	Transport and Logistics Companies	Year 1–3
Innovation and R&D	PWFI R&D Lead	Labs, Universities	Year 2–3
Sustainability Support	PWFI Green Program Lead	Donors, ISO Experts	Year 2–3
Policy Advocacy	PWFI Legal and Advocacy Unit	Federations, Parliament Liaisons	Year 2–3
Strategic Objective 3 (SO3): Provide technical and financial assistance to members			
Market Research Team	PWFI Strategy and Insights Unit	MAS, Trade Experts	Year 2–3
Export Readiness Programs	PWFI Export Desk	PalTrade	Q2–Q4
International Exhibitions	PWFI Business Dev. Unit	Fairtrade Agencies	Q2–Q4
Furniture Branding Toolkit	PWFI Branding Team	Marketing Firms	Q3
Skills Short Courses	PWFI Training Unit	VTCs, Industry Experts	Q2–Q4

Intervention	Responsible Actor(s)	Key Partners	Timeline
Mentorship for Youth/Women	PWFI Gender Unit	NGOs, Alumni MSMEs	Q3–Q4
Credit Guarantee Pilot	PWFI Finance Officer	Local Banks	Q3–Q4
Grant Scheme Design	PWFI Grants Unit	UN Women, Donors	Q3–Q4
Legal Awareness Campaigns	PWFI Legal Advisor	IP Office, Legal Clinics	Q3–Q4
Policy Brief Development	PWFI Policy Analyst	MIND	Q4
Digital Onboarding	PWFI Digital Unit	E-commerce Partners	Q3–Q4
Smart Manufacturing Seminar	PWFI Innovation Lead	Technology Providers	Q4
Export Facilitation Desk	PWFI Export Division	Donors, MoNE	Year 1–3
Online Marketplace	PWFI Digital Division	Local Tech Startups	Year 2
Eco-Production Training Center	PWFI Academy Team	Donors, Universities	Year 1–3
Certification Initiatives	PWFI Gender Program	MoEHE, MoL	Year 2–3
Credit Guarantee System	PWFI Finance & Risk Officer	Banks	Year 2–3
Cooperative Financing	PWFI + Unions	Labor Unions	Year 2–3
Fair Trade Reform	PWFI Legal Affairs	Parliament Committees	Year 2–3
Smart Tech Co-Development	PWFI Tech Innovation Lead	Furniture Associations	Year 2–3

Strategic Objective 4 (SO4): Improve inclusiveness by promoting the participation of women, youth, and the disabled in the furniture sector

Influencer Partnerships	PWFI Marketing Team	Media Agencies	Year 2–3
Mobile Registration Units	PWFI Outreach Unit	Municipalities, Donors	Q1–Q2
Pre-filled Forms (SMS/WhatsApp)	PWFI Digital Engagement Officer	Telecoms	Q1–Q2
Conditional Expo Invitations	PWFI Events Unit	Exhibition Organizers	Q2–Q4
Mentorship and Leadership	PWFI Inclusion Officer	Experienced Members	Q2–Q4
Formalization Clinics	PWFI Legal & Admin Unit	MIND, Municipalities	Q2–Q4
Digital Portal for Services	PWFI ICT Team	Government IT Units	Year 1–2
Inclusive Business Incentives	PWFI Membership Officer	MoL, Donors	Year 2–3
Public Procurement Access	PWFI Policy Lead	Government Procurement Units	Year 2–3
Reserved Governance Seats	PWFI Board	General Assembly	Year 1

6.3.2 Communication Strategy

To ensure effective outreach and engagement, PWFI’s communications strategy is categorized into internal and external groups. Internal groups include the board of directors and the Federation’s members, while external groups comprise companies, government institutions, and other federations. Thus, primary target audiences include:

- Federation members: Artisans, entrepreneurs, cooperatives, and MSMEs active in CIs.
- Government institutions: Policymakers, regulators, and funding agencies relevant to industry development and support.
- Market actors: Buyers, retailers, exporters, and potential investors.
- Community stakeholders: Local organizations, women's groups, youth, and cultural custodians.
- International partners: NGOs, development agencies, and diaspora networks involved in cultural and economic empowerment.

The analysis shows notable heterogeneity in members' profiles:

- Size and maturity: Ranging from individual artisans and start-ups to exporting businesses.
- Skills and Formality: Some are highly skilled but informal; others are formally registered and integrated into value chains.
- Needs and Interests: While some seek funding and training, others prioritize market access, regulatory support, or export channels.

Additionally, there is some segmentation strategy evident, influenced by:

- Geographic factors: Rural vs. urban MSMEs are targeted differently, especially regarding infrastructure support and market access.
- Demographic targeting: Special focus on women and youth as priority groups for employment and empowerment.
- While there is no formal visual activity map, the report provides a structured communications and outreach approach, categorized by target groups (internal vs. external) and specific outreach activities. This functions as an implicit activity map, outlining planned engagements, tools, frequency, and responsible parties. Outreach channels and activities are detailed in the table below:

Table 17: PWFI's Communications and Outreach

Target group	Communications' Method	Frequency	Responsibility
Internal group	Active listening	Continuous	Chairman
	Regular feedback sessions	Bi-Monthly	Chairman
	Educational workshops and seminars	Bi-Monthly	Manager
	Interactive platform	Continuous	Manager
	Newsletters	Monthly	Manager
External Group	Interactive platform	Continuous	Manager
	Newsletters	Monthly	Manager
	Google Ads	Continuous	Manager

Specific numeric targets are not defined. However, outreach frequencies and responsibilities are outlined clearly, utilizing a structured, qualitative, and targeted approach. To measure the effectiveness of the communications strategy, the following activities are recommended:

- Feedback sessions: Internal group feedback loops help assess satisfaction with communications and the relevance of their content.
- Engagement metrics:
 - Participation rates at workshops
 - Volume of digital interaction
 - Open rates/click-through on newsletters
 - Reach and conversion rates from Google Ads

6.3.3 Monitoring and Evaluation (M&E)

An M&E plan is required to assess the implementation of the PWFI's interventions in governance, strategic planning and inclusiveness. Success relies on achieving KPIs by 2027. Below are the proposed KPIs, along with parties responsible for tracking progress and ensuring accountability across key performance areas:

Table 18: PWFI's M&E Framework

KPIs	Baseline	Target	Responsibility	Frequency
Governance Reform	0 staff	2 technical staff	Board, MIND	Biannual
Organizational Strategy Development	No strategic plan	Endorsed strategic plan	Board, MIND	Annual with quarterly review
Capacity Development	No capacity-building programs	Training on fundraising, networking and lobbying, and communications' skills	Board	Quarterly
Inclusiveness Improvement	0 micro board members 0 female board members 0 youth board members	2 micro representatives 2 female board members 2 youth board members	MIND, PFI, general assembly	Annual
Higher Membership Rate	2%	Increase by 5% annually	Board, MIND	Biannual

7. Conclusions and Next Steps

7.1 Conclusions

Palestinian CIs hold immense economic growth, job creation, and cultural preservation potential. However, several institutional challenges hinder the effectiveness of federations representing these industries, such as governance and strategic planning gaps, financial instability, inadequate human resources, and limited digital adaptation. Strengthening institutional capacity is crucial to ensuring that the federations can effectively advocate for their members, promote sectoral development, and adapt to an evolving economic landscape. Addressing these challenges necessitates strategic interventions in governance, financial sustainability, stakeholder engagement, and capacity-building initiatives.

7.2 Next Steps

The recommended interventions are as follows:

1. Evidence-Based Capacity-Building Programs

Design and deliver tailored training modules grounded in diagnostic assessments, focusing on:

- Financial governance and transparency.
- Strategic leadership and succession planning.
- Fundraising and donor engagement.
- Digital transformation and innovation adoption.

2. Institutionalized Policy Advocacy Mechanism

Establish structured dialogue platforms between federations and key public-sector stakeholders to:

- Review relevant laws and regulations, while making membership mandatory.
- Build partnerships among national institutions, including government, the private sector, universities, and labor unions.
- Advocate for enabling legislation, tax reforms, and public procurement inclusion for MSMEs.
- Advocate for the formalization of informal enterprises and the protection of traditional industries.
- Develop joint policy agendas backed by evidence, with feedback from both members and non-members.
- Apply specifications and standards.
- Support members' participation in government tenders.
- Support the development of members' export capabilities.

3. Sustainable and Diversified Funding Framework

Move beyond donor dependency by exploring:

- Public–private co-financing schemes.
- Tiered, inclusive, membership-based revenue models.
- Collaboration with diaspora and philanthropic channels.
- The establishment of a bank concerned with export development, while providing incentives to exporters.

4. Inclusive Leadership and Representation

Mainstream gender and youth participation by:

- Establishing inclusion benchmarks and leadership quotas.
- Offering tailored empowerment processes for underrepresented groups.

- Mapping and removing systemic barriers, particularly for informal and home-based producers.

5. Digital Transformation Acceleration

Build federations' digital infrastructure and member engagement through:

- Sector-specific digital platforms (e.g. B2B marketplaces, e-learning hubs).
- CRM systems for member tracking and communications.
- Use of data analytics to inform decision-making and services.

By implementing these next steps, federations can bolster their internal performance, increase representation, and drive sustainable development across Palestine's creative sub-sectors, ensuring long-term sustainability and competitiveness in both local and international markets.

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Annex 1: List of Interviewees

Institution	Interviewee Name
Palestinian Federation of Leather Industries	Mr. Amer Arafah
Palestinian Federation of Traditional and Tourism Industries	Mr. Majed Abu Farha
Federation of Wood and Furniture Industries – Northern Governorates	Mr. Riziq Marie
Bethlehem Chamber of Commerce and Industry	Dr. Samir Hazboun
Federation of Palestinian Chambers of Commerce, Industry, and Agriculture	Mr. Mousa Salameh

Annex 2: Survey Questionnaire - Obstacles to registration at specialized chambers or unions

Section One: General Information

1. Project Type: ☐ Footwear and Leather ☐ Handicrafts ☐ Furniture
2. Gender: ☐ Male ☐ Female
3. Are you: ☐ Young (18-35 years old) Entrepreneur ☐ Micro/Small Business Owner (***)
4. Number of Years in Operation: ☐ Less than 1 year ☐ 1–3 years ☐ 3–5 years ☐ More than 5 years
5. Have you registered your project with a chamber of commerce or professional association? ☐ Yes
☐ No

Section Two: For those who have not registered their project

6. What are the main reasons that prevented you from registering? (You may select more than one option)
☐ Lack of information
☐ High registration costs
☐ Complex procedures
☐ Lack of clear benefits
☐ Lack of trust in institutions
☐ Social or cultural barriers
☐ Other: _____
7. Have you tried to obtain information or support regarding registration?
☐ Yes ☐ No
If yes, from where? _____
8. What might encourage you to register? (You may select more than one option)
☐ Simplifying procedures
☐ Reducing costs or offering incentives
☐ Awareness campaigns
☐ Support from peers or mentors
☐ Access to funding or training
☐ Government initiatives
☐ Other: _____

Section Three: For Registered Individuals

9. What motivated you to register? (You may select more than one option)
☐ Legal compliance
☐ Access to markets or contracts
☐ Enhanced project credibility
☐ Training or financing opportunities
☐ Encouragement from others
☐ Other: _____
10. What benefits did you receive after registering?
☐ Access to business support services
☐ Networking opportunities

- ☐ Facilitated access to finance
- ☐ Increased visibility
- ☐ I do not know of any benefits
- ☐ Other: _____

11. What challenges did you face during or after registration?

12. Would you advise women, young entrepreneurs, or owners of micro or small enterprises to register? ☐ Yes ☐ No
Why? _____

(***)

Young Entrepreneurs Definition

Young entrepreneurs in Palestine are individuals aged 18 to 35 who have initiated or currently manage a business venture, regardless of its size, legal status, or formality. They are distinguished not by the scale of their enterprise, but by their age and role as founders or active decision-makers.

Micro and Small Enterprises (MSEs) definition

- Micro Enterprises: Businesses that employ fewer than five workers, often informally operated and typically family-run, with limited capital and market access.
- Small Enterprises: Businesses that employ five to 19 workers, are usually registered, have modest capital, formal operations, and potential for gradual growth.