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PAPER III, DELIVERABLE 4: ARRANGEMENTS AND PROCEDURES

INTRODUCTION

This paper provides a technical description of the arrangements and procedures involved in the export of Palestinian agricultural goods, with a particular focus on the stages that involve an interface with Israel, including: transport from the point of origin to the crossing point; processing and inspection at the crossing point, and; transit to and processing at the port of embarkation (in the case of exports through Israel). In providing this description, this paper has several interrelated aims: to map the major components influencing the current arrangements; to present a clear and comprehensive description of the steps, requirements and processes involved in exporting Palestinian goods in the absence of readily available official instructions, and; to provide a platform for identifying obstacles and shortcomings as well as suggested solutions and activities to improve Palestinian export procedures while not impinging upon necessary security precautions.

This paper begins with an initial background detailing how the rise in violence since the outbreak of the second intifada in September 2000, and the resulting Israeli measures, have produced some of the major features that influence the dynamics of the current system for exports. Following the background, the paper presents a detailed, step-by-step description of the current export arrangements, divided according to each stage in the export chain: administrative requirements for the shipment of agricultural exports; movement within the Palestinian territories to the crossing points; procedures at the crossing points, including specific information regarding individual crossing points, and; the procedures for Palestinian goods at Israeli air and seaports.

BACKGROUND & THE NEW MOVEMENT REGIME

Prior to the rise in violence with the second Intifada (September 2000), the transport of Palestinian export goods could be conducted with relative freedom of movement between different areas of the West Bank, between the West Bank and the Gaza Strip, and from the Palestinian territories to Israel and abroad.¹ Palestinian exports faced much less rigorous procedures in terms of the number and type of obstacles en-route to the crossing points, the number of crossings available for Palestinian cargo as well as the inspection and transfer procedures at the crossing points (the implementation of a stricter inspection and crossing regime occurred earlier in the Gaza Strip at the Karni terminal).

In the past, Palestinians could use almost all roads and crossing points within the West Bank. There were typically no scanners and drivers/transporters would either be allowed to continue

¹ This relative freedom of movement was enshrined in the Paris Protocol, where it states that, “[w]ithout derogating from Israel’s security powers and responsibilities . . . movement of people, vehicles, and goods in the West Bank, between cities, towns, villages and refugee camps, will be free and normal.”¹ See Paper I, page 6 for description and legal analysis of the Paris Protocol.

with Palestinian vehicles to their destination in Israel or would use loading ramps, where two trucks would transfer goods back to back by hand while undergoing visual and canine inspection by the IDF. After this, goods would be brought to Israeli markets, Israeli ports or into Jordan or Egypt. Additionally, between 1998 and 2000, the Palestinians began to develop their own export capacities with the operation of an airport and constriction of a seaport in Gaza.

However, with the rise of violence in September 2000—violence not only within Israel but including attacks on settlements and assaults on Israeli vehicles traveling on roads within the Palestinian territories—intensified Israeli security measures caused a gradual shift towards a more complex movement and access regime that has caused increased restrictions and delays of Palestinian exports. The central components of the new movement regime include: physical obstacles, prohibited/restricted bypass roads and tunnels, movement permits, and a new crossing regime.²

PHYSICAL OBSTACLES

An array of physical obstacles have been erected in the West Bank by Israel as a means of channeling and controlling internal Palestinian movement in the West Bank and from the West Bank to Israel or Jordan, and include: the Security Barrier, checkpoints, road blocks, earth mounds, trenches, barriers and gates. While Israel's expressed reason for these obstacles is security, they have had a major negative impact on Palestinian shippers' ability to efficiently travel between their origin and the relevant crossing point.

The Barrier

The Security/Separation Barrier (roughly 700 Km long, consisting of 90% sensitized fencing and 10% concrete wall in urban areas) was started in mid-2002, listed officially by Israel as a temporary measure to prevent the entrance of terrorists into Israel. According to the current barrier route (both completed and projected), 20% of the barrier runs along the Green Line while placing 10.7% of West Bank to the west of the barrier—known as the Seamzone (mainly in the Qalqiliya/Salfit, Jerusalem and Bethlehem regions—see map A).³ The barrier is anticipated to be completed around the end of 2007.⁴

The barrier has hampered agricultural development in areas of the West Bank and has complicated internal West Bank movement and access. In the Jenin, Tulkarm and Qalqiliya districts, with some of the highest levels of fertile land and water resources, and with roughly 37% of all cultivated land in the West Bank, the construction of the barrier and its related patrol and tracking roads has resulted in the confiscation/destruction of and estimated 84,000 dunams

² The Palestinian airport and initial constriction progress on the seaport were also subsequently destroyed.

³ "Preliminary Analysis of the Humanitarian Implications of the April 2006 Barrier Projections," *Office for the Coordination of Humanitarian Affairs* (OCHA), July, 2006; Summary of Data Regarding the Route of the Barrier as interpreted by the Israeli Attorney General for the Israeli Supreme Court, February 23, 2005.

⁴ Information from the Israeli Ministry of Defense, Security Fence site, <http://www.seamzone.mod.gov.il/Pages/ENG/default.htm>; The Wall: Fragmenting the Palestinian Fabric of Life in Jerusalem, *The International Peace and Cooperation Center, Jerusalem* (Jerusalem, 2007); Between Fences: The Enclaves Created by the Separation Barrier, *Bimkom* (Jerusalem, 2006).

of fruit trees, 615 dunams of irrigated land, water networks and wells.⁵ Once finished, sections of the barrier have limited access to some 136,000 dunams of cultivated land that are now located within the Seamzone.⁶ Additionally, fertile land confined within the Seamzone is limited in its capacities for further agricultural development.

In terms of internal movement issues, access to land located on the opposing side of the barrier is regulated by a series of agricultural gates (see map A) and limited to permit holders who can prove ownership over the land (detailed below). This has resulted in limiting the times farmers can reach the land and the number of people that can be brought to work the land as well. Additionally, the barrier has limited access to certain roads and cut off others, and has led to the creation of a limited number of crossing points Palestinians have access to.

Checkpoint and other Obstacles

The primary means for controlling and regulating internal Palestinian movement in the West Bank, (in addition to the use of bypass roads, discussed below), is the placement of physical obstacles such as checkpoints and other obstructions. Movement obstructions such as earth mounds, trenches and barriers are used to prevent access to specific areas or roads and to funnel Palestinian traffic to manned checkpoints where soldier can inspect the vehicles and travelers. As of April 2007, there were 537 obstacles in the West Bank.⁷

The results of the network of checkpoints and other obstructions, which varies per region, are increased travel times and delays as well as forcing Palestinians to use secondary, at times urban roads of lesser quality, resulting in greater costs in terms of gas and ware-and-tear on their vehicles.

BYPASS ROAD REGIME, ‘CONTINUOUS MOVEMENT PLAN’

Since the beginning of Israeli settlement activities in the West Bank, Israel has been gradually creating an extensive bypass road regime to service the military and the settlers, and which has further complicated the cultivation and shipment of Palestinian produce within the West Bank.

According to the “Settlement Master Plan for 1983-1986” and the “Road Plan 50” of 1984, the goal of the bypass roads were not only to provide access for Israeli military and settlers but to allow for bypassing Palestinian cities and regulating Palestinian movement and areas for Palestinian population growth and agricultural cultivation. Later during the Oslo period (1994-98) Israel initiated the creation of a separate transportation network of 100s of kilometers of

⁵ “The Economic Impact of Israel’s Separation Barrier: Extracts of a report of the Mission to the Humanitarian and Emergency Policy Group (HEPG) of the Local Aid Coordination Committee (LACC)” Palestine-Israel Journal of Politics, Economics and Culture, Vol.10 No.4 2003.

⁶ Ibid.

⁷ 71 checkpoints, 13 partial checkpoints, 93 road gates, 60 road blocks, 211 earth mounds, 16 earth walls, 12 trenches and 73 road barriers, see: OCHA Closure Update, OCHA report, April, 2007.

roads in the West Bank, allowing military personnel and settler's rapid movement within the territories while avoiding areas A and B.⁸

By creating better quality road system running both north-south and east-west throughout the West Bank, in a manner that at times obstructed the free flow of traffic on the older roads, the new roads developed into the primary transportation arteries for the West Bank. While the roads were built for Israelis, there were only few cases of Palestinians being restricted from using these roads (for example when the road's sole use was access to Israeli settlements or military areas). However, following the start of the second intifada, and even more so following Operation Defensive Shield in March 2002, Israel began to impose a complex system of prohibitions and restrictions on the bypass roads, preventing or regulating when and which Palestinians were able to use the roads.

While the policy remained un-official, not codified in military orders or official legislation, a system developed which created three basic categories of roads in the West Bank: Prohibited Roads (on which Palestinians are completely prevented from using); Restricted Roads (on which Palestinians can use if properly permitted to do so); Open Roads (on which there is free Palestinian access).⁹ As these roads bisected old road networks and became the primary roads system, limiting Palestinian use on these roads had a major impact on mobility and shipping patterns.

For example, the old route 60, the main north-south artery, had been fragmented and overtaken by the new route 60; by restricting access to the new route 60, Palestinians lost the main internal West Bank route and were forced to travel on secondary, mountainous and poor quality roads. In the Jordan Valley (one of the primary agricultural areas in the West Bank) Palestinians were restricted from using routes 80 and 90, the two major roads in the Valley. Traversing east-west became more difficult as well, as Palestinians were restricted and prevented from using the newly created Trans-Samarian highway (route 55); not only did this prevent Palestinians a convenient route to the West Bank-Israeli border, it also bisected existing north-south transportation routes.

Responding to pressures to ease the burden this new restricted road regime placed on the Palestinian population, in September 2004, then Prime Minister Ariel Sharon introduced the "Continuous Movement Plan" or the 'The Roads and Tunnels Plan'. The plan called for 24 tunnels and 56 roads to be build to facilitate Palestinian traffic as a result of restrictions on 'Israeli' road, but in effect institutionalized the separate, bypass road regime.

MOVEMENT PERMITS

In order to enforce movement regulations, Israel has also put in place a complex permit system for Palestinians. Prior to 2002, Palestinians did not need permits for internal West Bank travel (excluding entrance to East Jerusalem). Today, the IDF utilizes several types of permits to allow Palestinian travel through various areas of the West Bank, on certain roads and into Israel. Most Palestinians are eligible to apply for permits, but each person must undergo a security

⁸ Areas under PA security/civil and civil control respectively, areas A being primarily urban centers and area B surrounding localities (see Map).

⁹ This applies to Palestinian vehicles (white and green license plates of the Palestinian Authority).

background check by the Israeli General Intelligence Services. However, given the grassroots participant of Palestinians in both the first and second intifada, and the type of security screening used, many Palestinians, particularly those under 30, are denied permits, limiting the ability to work in Israel, enter Israel, drive or even leave certain areas (such as Nablus). For commercial shipping, this has resulted in the prevention of various Palestinians to acquire work as drivers and increases the costs for exporters to hire permitted drivers.

THE CROSSING REGIME, ‘*ANOTHER WAY*’

With the advanced construction of the separation barrier in 2005, the Ministry of Defense began planning for a new crossing regime between the West Bank, the barrier and Israel. The plan for the new regime, entitled “Another Way,” called for in plan created three main changes affecting the export of Palestinian goods: the constriction of designated crossing terminals that Palestinian goods and people would be required to use (Allenby, Bardallah, Jalame, Reikhan, Sha’ar Efraim, Beituniya, Crossing 300 and Tarqumiya); the implementation of back-to-back procedures for cargo transfers, and; the gradual privatization of crossing points to private Israeli firms.

Currently the Ministry of Defense is in the advanced stages of the plan ‘Another Way’; most of the new terminals designated for Palestinian goods are operational (except for Tarqumiya and the 300 crossing) and functioning according to back-to-back procedures—though there remain ways to bypass the system (explained below). Privatization has already occurred at a number of crossings (Jalame, Reikhan and Sha’ar Efraim). Existing inspections procedures include the use of back-to-back inspections including secured inspection cells/areas, sniffing dogs and/or cargo or pallet scanners. The use of these procedures has increased processing time and increased damage caused to produce due to extended delays and handling.

ARRANGEMENTS AND PROCEDURES

I. ADMINISTRATIVE REQUIREMENTS: LICENSES, PERMITS, CERTIFICATIONS

PERMITS

E. In order for a Palestinian to obtain a permit, they must first have a valid Magnetic ID card issued by the Israeli Civil Administration which confirms the applicant had undergone a security check with the Israeli GIS (though the GIS also conducts security checks on individuals requesting particular permits regardless of the existence of a valid magnetic ID card).

The Magnetic ID card: The magnetic ID card is a pre-requisite permit for Palestinians who wish to obtain specific movement permits (discussed below); they must first apply and be issued a magnetic ID before they may apply for other permits. New procedures were put in place in September 2004. According to the new procedures, each Palestinian must apply for the magnetic ID at their local DCL. There Palestinians must fill out a form, pay for Israeli stamps for the form and a processing fee (ranging from 30-100 NIS), and submit to a scan of the right hand and the left index finger and a photo taken of them. At certain DCLs, Palestinians can only apply or renew magnetic cards on specific days.

Once the Palestinian has obtained a magnetic ID card, they must obtain permit from the Civil Administration DCL depending on the type of travel they plan on doing. There are five types of transit that the Civil Administration address requiring permits for Palestinian movement:

1. Travelling between various parts of the West Bank located on the eastern side of the Barrier:
 - *'Special Movement Permit at Internal Checkpoints in Judea and Samaria':* Implemented in January 2002, this permit is required for travel on certain restricted roads and access through certain checkpoints in the West Bank. This permit is required for roughly 245 kilometres of roads and is only valid during times of calm and not during heightened security risks. The applicant must request the permit from the local DCL, which costs 80 NIS. The applicant's information is forwarded to the Israeli GIS, who review their security profile and inform the DCL of their acceptance/rejection. If accepted, the DCL issues a permit and informs the applicant to come and pick up the permit. The permits used to be valid for six months; however, recently this has been reduced to three months. The permit is valid between 05:00 and 22:00. While the permit is nominally valid for the entire West Bank, recently Israeli soldiers in the Nablus region have not honored permits that were not issued at the Nablus DCL.
 - *Vehicle Permit:* Trucks transporting commercial goods through certain checkpoints and to the crossing points or buses running internal routes in the West Bank are also required to have a permit issued to the owner of the truck/bus by the DCL, which is affixed to the windshield of the vehicle. The permit is valid for one year and costs 2000 NIS.

- *Jordan Valley Permit*: Since October 2006, a permit is required for Palestinian access to the Jordan Valley, and is only issued to registered residents or for those working in the Jordan Valley. In April 2007, the IDF lifted the permit restriction, but only for pedestrian traffic and not vehicles.
 - *Nablus Permits*: All commercial trucks require a permit to enter/exit Nablus. Only 30 trucks are issued permits per/month.
2. Travelling from the eastern side of the Barrier to the Seamzone:
- *Seamzone Permit*: All Palestinians wishing to travel between the Seamzone and the West Bank are required to obtain a permit from the local DCL. Those seeking a permit must provide proof they live or own land within the Seamzone.
3. Travelling from the West Bank to Israel
- *BMC (businessmen)*: Any Palestinian business man wishing to enter Israel or travel via Israel to third party locations must apply for and receive a BMC, or Business Man Card, which permits them to stay in Israel for a period of time (typically a few days) and use the Ben-Gurion International Airport. Israel has limited the number of BMCs to 500 (300 from the West Bank and 200 from the Gaza Strip).

CERTIFICATIONS: PHYTOSANITARY TEST¹⁰

Palestinian agricultural products bound for export must pass a soil and water inspection, known as a phytosanitary test, to ensure products meet international health and safety standards and regulations. A valid phytosanitary certificate must be presented upon request at the crossing points with Israel. The exporter pays for the cost of the test (200 NIS). Test results take approximately one week. There are two accepted methods for conducting certifications:

At the crossing points: Inspectors from the Plant Protection and Inspection Services (PPIS) within the Israel Ministry of Agriculture will conduct random spot checks at the crossing points as the trucks are waiting in the queue. The inspector will go around to the trucks and take samples of their produce for inspection, documenting from which Palestinian producer they were taken from. The produce is then sent to a lab to be checked for phytosanitary certification as well as levels of metal residue and herbicide/pesticide residue. If the produce passes, notification is sent to the Israeli Ministry of Agriculture, who sends it to the PA Ministry of Agriculture, who then notifies the Palestinian producer. It is the producer that receives certification, not simply his produce.

From the exporter: The Palestinian PPIS is provided samples from the Palestinian farms and provides it to his Israeli counterpart at the crossing. Today, due to the policy of non-interaction with the PA, the Israeli MoA sends the permits directly to the crossing passage, where Palestinians can come and check a list to see if their permit arrived, and if so, they collect them directly at the crossing.

¹⁰ We have an EPPA rundown of Israeli sanitary and phytosanitary regulations, which should be included in an annex.

If the tests reports are okay, the Israeli Ministry of Agriculture determines the amount of boxes that can be exported to Israel per day for that particular farmer for the validity of the testing period (either for the length of the growing season or until a further inspection reveals a problem).

LICENSES

The producer will need to obtain an export license for agricultural products from the Palestinian Ministry of Agriculture, which is only valid for a single shipment (they must apply for each shipment) (**need to check this**).

They will also need to affix a Certificate of Origin on their goods in order to benefit from any beneficial tariff arrangements. The exporter will also want to prepare a packing list of the goods contained it the shipment (**need to check if required or preferred**)

II. INTERNAL PALESTINIAN MOVEMENT

Collection of Goods:

At the beginning of the export chain, Produce is first either bought from the farmers by a Palestinian middleman or exported directly by the farmer/producer. Palestinian drivers leave early in the morning or the night before to arrive at market in order to buy their produce from that market, or load goods directly from the producers' storage facilities, and then continue onward toward their destination (either another part of the West Bank or a crossing point). The exporter (the middleman or the farmer) will also hire/provide drivers to transport the produce to the crossing point.

For goods shipped to or via Israel, all commercial goods are required use one of the official crossing points designated by Israel (West Bank: Jalame, Sha'ar Efraim, Beituniya, Tarqumiya Bardallah or Reikhan, Gaza: Karni).

Packaging:

Palestinian goods are typically are packaged and shipped on pallets; at times, cargo containers will also be used. Each carton of produce for Israel has a sticker (in Hebrew and Arabic) which states Palestinian Authority, lists the area of production; the name of the Palestinian farm and its location and the name of the farmer affiliated with that farm/sticker and his ID number.

Transit to Crossing Points:

Shipments will be assigned to specific crossing points, depending on the type of goods and the destination from where they are coming. The Palestinian driver will have to choose his route to the crossing point, taking into consideration of settlements, the separation barrier, physical obstructions, checkpoints and Israeli police (present at certain checkpoints and issue traffic citations). Additionally, during time of heightened security alerts or concerns in Israel (holidays, special events), movement and access may be further restricted according to age, geographic region of travel, or prevented completely.

While official procedures exist regarding the overall approach to security inspections and behavior at the checkpoints, the Brigade Commander in each region determines the immediate procedures at the checkpoints in his region given his assessment of the security situation (in consultation with the GIS). When a vehicle approaches the checkpoint, the driver will show his license/permits to the soldier. The soldier can decide to allow the vehicle to pass or he can request that the vehicle pull off to the side to be searched (cargo shipments are often singled out for inspection). At times dogs are present to assist in the search. When a passenger is present, at times they will be requested to pass the checkpoint through the pedestrian crossing. A driver might encounter multiple checkpoints on his route to the crossing terminal.

By-passing the system: However today there are several ways to obfuscate this system. Palestinians can arrange with Israeli freighting companies to use Israeli plated vehicle with an

Arab-Israeli driver to enter the West Bank, load the goods at the market/warehouse, and through using Israeli only passages, bring their goods directly into Israeli without inspection (and therefore without delays or potential damage to goods in the handling process involved in back-to-back loading). Palestinian exporters/transporters have even been known to have their own trucks registered in Israel (with yellow plate) and contract with drivers to deliver their goods.

However, the IDF is aware of this pattern, and have sought to discourage it in favor of the sanctioned back-to-back method. As a result, it has become increasingly difficult for the drivers to pass, at times having to attempt access at several crossings before succeeding to enter Israel. Furthermore, with the anticipated completion of the separation barrier towards the end of 2007, the IDF will no longer allow this by-pass and all Palestinian goods will be forced to utilize the official crossings and back-to-back procedures only. (Karni crossing is a potential exception. Two 6 MEV container scanners that were purchased for the Karni terminal two years ago are ready, and the infrastructure is currently being built and is expected to be completed at the end of 2007. Once on-line, the scanners are anticipated to allow for the scanning of full containers and use door-to-door procedures through the use of cab-exchanges or similar methods—**need to check on the status of this**)

At times, Palestinians have also worked in cooperation with Israeli settlers, arranging to bring their goods to the settlement for them to bring into Israel.

The Palestinian driver has a permit with a number and the amount of cargo permitted (when applicable) issued by the DCL which is affixed to the front window of the cab.

III. THE CROSSING POINTS

OVERVIEW:

Management and Security: With the exception of Rafah,¹¹ Israel maintains control over the crossing points; however, at the Karni/al-Montar and Allenby terminals there is also a Palestinian side; however there has been no Palestinian presence at Allenby since the start of the second intifada. The Israeli terminals are managed and operated by either the IAA or a private security firm; however the IDF is responsible for smaller crossings and the Israeli police are responsible for crossings within the Jerusalem envelope. The managing agency is also in charge of internal security of the terminal. The IDF is responsible for perimeter security at the terminals. The Terrorist Prevention Unit (TPU, a division of the Israeli Police) receives information on security threats from the GIS and determines the specific inspection procedures.

Processing Procedures:

Opening the terminal: Before the terminal can be opened, the IDF must inspect and verify the security of the perimeter. The managing agency receives any security and inspection procedure updates from the TPU and notifies the staff as to the specific inspection procedures required.¹²

Receiving cargo trucks: Once the driver (either Israeli or Palestinian) arrives at the crossing, they will show their ID, permit and related tax/customs documentation and register their presence with the soldiers controlling the entrance to the terminal. The driver must wait until the partner truck has arrived opposing end of the terminal and an inspection station to be available before being permitted to enter. Once the soldiers have confirmed that both trucks have arrived, they are directed to the specific inspection station. Assuming that both drivers arrive early at the crossing point, around 8:30 or 9:00, there is usually little or no backlog for searches and he can enter right away for searching, and complete processing rather efficiently (at Karni, the process is different – explained below).

The inspection process: When the Israeli driver has arrived and there is space for security checks, the Palestinian driver is called to pull up to the entrance, leaves his ID at the window and enter the compound. First, he gets out of the truck cab, lifts his clothes, and goes through the human scanner. The driver waits in a room, away from the checking, until the searching procedures are completed and the goods are loaded onto the Israeli truck; then the driver is allowed to leave. Generally, the number of drivers processed at any one time can vary (1-3) depending upon how many inspection cells or scanning “bays” are available and/or being

¹¹ While part of the Agreement on Movement and Access (AMA) included the PA overtaking operational control of the Rafah crossing between Gaza and Egypt (*see generally Agreed Principles for the Rafah Crossing*), Israel still maintains unilateral control over the opening and closing of the crossing. Israel achieves this through its ability to bar the EU-BAM (the designated 3rd party monitors) from accessing the Rafah video feed at the liaison office at the Kerem Shalom crossing (which Israel can do based on a unilateral assertion of security needs). This creates serious problems for both the current and prospective viability of Rafah as an export gateway for Palestinian goods (see more specific discussion of the Rafah crossing below).

¹² For example, following the Hamas takeover of Gaza in June 2007, and the fear of increased efforts to execute terrorist attacks from the West Bank, Israel implemented noticeably more intensive security inspections at the crossing terminals.

utilized simultaneously, and if there are sufficient Israeli security personnel present to operate the terminal.

In certain crossing points, there is an “accounting room” in which the necessary papers are exchanged between the Palestinian and the Israeli drivers. The room has a glass window with a small opening at the bottom through which the documents are transferred. The Palestinian driver informs the Israeli driver of the amount of cargo so that the Israeli driver can correctly complete his paperwork.

There is a fee for the checking procedure. It varies depending upon the crossing point.

Inspection Procedures: Israel does not allow for the scanning of full containers for export to/via Israel (due to the capacity of the current scanners), and so all goods must be palletized or alternatively packaged. According to Israeli civil administration rules¹³ for three of the crossing points (Bardala, Beituniya, and Tulkarm) the following rules are applicable:

1. Cargo must be delivered on an intact pallet surface. (unbroken); It can be wood but preferably plastic
2. The pallet height can be no higher than 1.6 meters
3. Each pallet load must only include one type of product
4. On rainy days, pallets should be covered with plastic.
5. Circulated trailers can not be used at terminals
6. Ramssot¹⁴ could be exchanged at the Commercial Crossings
7. Traders are advised to use commercial vehicles (Trucks) rather than private ones. This minimizes the wait time.

If there is a canine unit, a dog comes and sniffs the truck and may climb into the cabin to sniff. If there is no cargo scanner, trucks will enter an enclosed area, where the goods will be unloaded, inspected, and reloaded by hand (typically Palestinians hired from surrounding villages/areas). If utilizing scanners at the crossing, some goods will still be unloaded by hand or forklift in inspection cells (particularly, tomatoes, potatoes, onions, olive oil and stone because the scanner cannot scan items with high liquid content or mass density).

At times palletized goods will be unloaded into cells to be inspected by pallet scanners. At times larger cargo scanners are used, unloading half the trucks products, scanning the first half, then unloading-reloading, and inspecting the second half. The truck and any personnel must leave the enclosed inspection area and have the area secured before the actual inspection takes place. Once inspections are successfully completed and the inspectors leave the secured area, the truck proceeds to the loading area to transfer its cargo to the Israeli truck.

Security Threats: When there is a perceived security problem by the Israeli operators, the terminal will either not be opened; if already operational, all of the doors and gates are closed at the crossing and the Palestinians are detained inside of the compound and are required to

¹³ Civil Administration – “To Drivers of Trucks and Traders”.

¹⁴ A cargo truck where the flat-bed of the cargo platform can be removed (loaded with cargo) from truck to truck through the use of a forklift.

wait, sometimes outside in inclement weather (Jalame and check if procedure same for rest of crossings). Official terminals (Karni, Allenby, Jalame, Sha'ar Efraim & Tarqumiya) can only be fully closed by the Minister of Defense. According to a decision of the government, the Minister of Defense can close a terminal after having consulted the Ministry of Transportation (which does not necessarily happen de facto). Additionally, the security agency on the ground or the terminal's manager can *partially* close the terminal in order to fulfill the instructions of the Israeli police terror unit. Smaller crossings can be closed at the request of that region's Brigade Commander.

The Minister of Defense is the sole authority authorized to close and open the terminals.

THE KARNI/AL-MONTAR CROSSING: GAZA

Location:	North-east Gaza <i>Palestinian side of Greenline</i>
Designation:	Cargo
Procedures:	Back-to-Back
Operating hours:	Sun-Sat. 08:00 – 24:00 <i>(scheduled)</i>
Type of goods:	- Agriculture (33%) - Garments (17%) - Furniture (14%)
Operator:	Israeli Airport Authority
Average volume:	100 – 350 per/day <i>(30-90 export, 50 – 400 import)</i> <i>*(due to security and closures)*</i>
Capacity:	
Scanning equipment:	- x1 4.5 MEV container scanner - x? pallet scanners
Average processing time:	
Maximum processing time:	
Fee:	

Overview

The Karni/Al-Montar crossing is currently the sole terminal for commercial goods entering and exiting the Gaza Strip and the primary and main terminal for humanitarian goods.¹⁵ As such, the crossing is very important for the stability and development of Gaza. The terminal is also the largest West Bank/Gaza terminal, handling the highest volume of traffic.

The layout and operations at Karni are also unique from other crossing passages; at Karni there are two sides to the terminal, one controlled by the PA (under the authority of the office of the president) and one controlled by Israel. The Palestinian side is responsible for security in their area and prioritization of import/export goods. Israel is responsible for overall security of the terminal and its staff, scheduling shipments, reviewing driver and shipment documentation, inspecting cargo as well as the overall administration and maintenance of the terminal.

The terminal is also unique in the increased security concerns of exports from Gaza and security threats at the terminal itself (the terminal has been the target of terrorist attacks on multiple occasions, leading to the death of several Israeli civilian staff).

Alternative Overview

¹⁵ Humanitarian goods are also permitted to cross through the Erez, Sufa and Kerem Shalom crossings during times of heightened alert and/or closing of the Karni terminal.

The Karni crossing remains the primary commercial transit site for the Gaza strip. Despite efforts to promote trade between Palestine and neighboring countries and Europe, Israel is and, by most accounts, will remain the primary consumer of Palestinian agricultural production. As such, Karni will most probably remain the critical gateway for Gaza and the vital gateway link with the West Bank.

Despite this high utility to the Palestinian economy, Karni has, since its inception, never operated with an appropriate, clear or practical border management system either by design or operationally. Multiple actors on the Palestinian side divide up responsibility for security, prioritization and management of the terminal. A cursory survey of literature finds numerous academic, technical, and political discussions of Karni's role and operations. Almost without exception, such examinations recommend reform of the processes and logistics management of the site.

One World Bank study stated that Karni represents a “complex, haphazard and unsafe facility. Physically and procedurally, Karni is a culmination of ad hoc responses to specific incidents and policy shifts. Remedying today's dysfunctionality requires through going procedural and physical reform.” The lack of transparent and effective systems promotes corruption on both sides of the border crossing. “The problems at Karni are related first and foremost to management and process. It follows, therefore, that purchase of additional scanners and other equipment (e.g. cranes) will not remedy the current situation unless they are deployed within a full-managed system...Karni should be rebuilt as a modern, secure cargo terminal, on the basis of a differentiated, managed system of cargo handling.”¹⁶ Written in 2005, the same statement applies today.

In 2003, the Minister of Finance removed all “formal” fees for logistics management services on the Palestinian side of Karni. Despite this legal prohibition, the fees to the security services, representatives of the General Administration for Crossings and Borders (GACB) and the Ministry of National Economy continued as a practical yet “informal” means of paying for requisite services at the transit site as well as for prioritization of the queue of trucks wanting passage.

Prior to the recent upheaval and assertion of power by Hamas in Gaza, the situation changed significantly. A negotiated agreement facilitated by General Dayton allowed for the introduction of the Presidential Guard to provide security and some coordination with Israeli authorities and the donors. The GACB continued to assume primary responsibility for the coordination and logistics management services. During this time, the formal fees decreased significantly to anywhere between 500 to 2,000 NIS per truck. This was also a period that saw the traffic increase and the waiting period drop. For the past year, the team headed by General Dayton also put forth numerous suggested improvements for operating Karni, security protocols, and upgrading fixed assets, including opening a separate “industrial” line.

The Ministry of National Economy and representatives of the private sector deployed a new system to organize the queue. In sum, exporters submit a list of cargo, trucks and requested priorities to the committee comprised of representatives from the chamber, business association, Pal Trade, industrial zone, and chaired by the Deputy Minister of Economy, Nasser Al Sarraj. The applications are accepted by an office in the Chamber of Commerce. This new process, in effect, eliminated the formal fees for prioritization in the queue. While this was greeted with tremendous enthusiasm from the private sector and donor community, the informal fees, albeit significantly reduced, still had to be paid to the General Administration

¹⁶ *An assessment of Progress in Improving Passages and Trade Facilitation*, World Bank 19 June 2005.

for Crossings and Borders (GACB) for administration and, to a lesser degree, the security forces (then the Presidential Guard) for facilitation and coordination. Although the introduction of the Presidential Guard made for a more effective and consistent system, conflicting arguments over the legal roles of the Guard in relation to the General Administration for Crossings and Borders were never solved.

A further complicating factor is that the American representative, General Dayton and his office primarily liaise only with the Presidential Guard. In effect, this undermines the role the Ministry of National Economy seeks to play and makes the activities of the General Administration for Crossings and Borders more nebulous. Three different PA ministries liaise with the Israeli authorities. There remains no single clearing and coordination/information sharing system.

During this period, the Palestinian Negotiations Affairs department, directed by Dr. Saeb Erakat asserted itself in negotiating and facilitating transit through Karni. Reportedly, Dr. Erakat was actively exploring tendering a contract for a private company to assume the management of the commercial activities of the site¹⁷ following the assertion of power by Hamas. More recently, Prime Minister, Dr. Salam Fayyad formed a “Supreme Commission for Crossings,” headed by Minister of National Economy, Kamal Hassouneh. The stated mission of this new ministerial committee will be responsible for all crossings, and liaise with Israeli and European authorities, primarily involving the transport of humanitarian aid to Gaza. It is unclear if this committee will involve itself in purely commercial activities, such as agribusiness. It remains to be seen if this new committee will seek to assume some of the responsibilities previously held by the GACB or representatives of the security services.

The Ministry of Agriculture plays a key role in agribusiness in general, as discussed in other sections of this paper. For example, the Protection and Inspection Services of the Ministry of agriculture checks the agriculture production for public health concerns, pesticides, microbes, and controlled cargo.

However, the Ministry maintains a limited presence at Karni with no dedicated monitoring functions. This is largely due to the fact that the agricultural and farming associations are non-governmental organizations, and due to the absence of a dedicated bilateral mechanism to share related data with the Government of Israel¹⁸

One result of the lack of monitoring is the credible allegation that some Palestinian and Israeli businesspeople are cooperating on smuggling meat, poultry and agricultural products. The marketing department in the Ministry of Agriculture does collect some fees for licenses/approval and agriculture – related services. (However, there seems to be a loophole in the Basic Law that states fees and taxes cannot be collected unless there is a clear text in a bill about the fees or taxes. The Agricultural bill does not mention the collection of fees.¹⁹

¹⁷ The Deputy Minister of National Economy in Gaza stated a position against any such “privatization” at this time. He feels that introducing another player into the process would increasingly complicate an already complicated coordination and facilitation process. In fact, his position is that all coordination and facilitation responsibilities, including that currently undertaken by the Border Crossings Department, should be placed under the mandate of the Ministry of Economy. The Ministry should be responsible for administration of all operations, including clearing cargo, drivers, etc. Such an increased mandate would help eliminate the corruption and further streamline the process. Note, the Ministry does not charge fees or alter the queue put forth by the Committee.

¹⁸ Reportedly, the Ministry of Agriculture has proposed placing Palestinian monitors from the Ministry of Agriculture at the Israeli side of the Karni.

¹⁹ For a more complete discussion of the legal issues surrounding the collection of fees by the Ministry of Agriculture, please see section XXX in this paper.

The issue of “commercialization” or “privatization” of the logistics management facilities at Karni has been longstanding. For example, in August 2003, the PA Council of Ministers issued a decree to appoint a special tender committee to issue a tender for a private contract to manage the Karni crossing. The process stalled due to a number of reasons, including the inability to clearly identify or effectively circumscribe the roles of the security forces and, separately, the Border Crossing departments as far as the role in management or oversight at Karni.

Export Procedures for Palestinian Businesspeople:

1. Agreement/contract with importing and exporting parties
2. Make arrangements with Israeli middlemen for onward transport.
3. Submit application to the Ministry of Agriculture.
4. Receive approval from Ministry of Agriculture usually 7-14 days. A certificate of origin signed by the Ministry of Agriculture must be ratified by the Ministry of National Economy. (Note, the Ministry of National Economy does not collect fees.)
5. Once agricultural goods are loaded on a truck, the cargo becomes commercial goods, subject to the procedures and agreements of the Ministry of national Economy, not the Ministry of Agriculture.
6. The Ministries of National Economy and Agriculture work together to negotiate with Israeli authorities on the issues of quotas and general facilitation.
7. Submit application to the General Administration for Crossings and Borders (for coordination)
8. Obtain specification and quality control certification from the Ministry of Agriculture.
9. Place VAT Invoice (14.5A%)
10. Determine a date for Security investigation from the Government of Israel
11. Apply to the Palestinian committee to establish priority and a place in the queue.
12. Arrange payment for truck from Israeli side to load goods (official fee of 350 NIS)
13. Arrange storage, packaging and other needed on-site terminal processes with security forces.
14. A coalition of trade associations and the Ministry of National Economy and the General Administration for Crossings and Borders have, to a degree, instituted a system to inspect the cargo and monitoring packing before entry to Karni.
15. Pay informal fees for loading and unloading to representatives of the Palestinian security forces, Presidential Guard, General Administration for Crossings and Borders.

The logistics management system consists of off-loading all cargo which is then passed through the border wall or cleared through designated rooms before being reloaded on the other side of the border. Goods are not separated by cargo type or other cargo specific requirements, resulting in potential or real contamination of agricultural production.

The assertion of Hamas as the de facto authority in Gaza obviously significantly changed the operations of Karni. The coordination with Hamas is problematic. Israel and the donors refuse to communicate with Hamas. The sanctions regime also forced Karni into more of a transit site “humanitarian” goods rather than a development zone focusing on commercial

cargo, at least for the near and mid-term. The issue of security and political control on the Palestinian side will remain the paramount issue affecting Karni for the near term.

During the past two years, the United States Security Coordinator and the PA have worked closely together to improve border management systems at Karni. However, the lack of a clear operating and management structure on the Palestinian side remains a critical impediment.

Recommendations:

1. Clarify legal mandate for operational procedures for General Administration for Crossings and Borders, Presidential Guard and other security services.
2. Remove security services from any role in the commercial logistics management of the crossing point
3. Create a separate export-import section for agribusiness
4. The agricultural development company established by the PIF and supported by PIPA in 2005 showed the drawbacks of artificially inserting government, non-market driven institutions into a free trade system.
5. The PA also believed that any commercial dispute resolution mechanism should lead to binding arbitration of intractable disputes.
6. Establish a single clearing, and coordination/information sharing system based in the Ministry of National Economy.
7. Eliminate “commercial” services provided by any security services, including Presidential Guard.
8. Construct new cold storage facilities at Karni. The lack of an effective supply chain for perishable cargo is an on-going concern.

General Administration for Crossings and Borders:

GACB asserted itself in 2003 when the PA Council of Ministers took action to “privatize” the logistics management facility at Karni and remove the Preventive Security Services from providing commercial services, such as loading and off-loading. GACB operates in a comparatively opaque manner and reports directly to the President’s office, rather than through a Ministry. Reportedly, there seems to be only a limited organizational structure and payroll list with no clear legal of budget mandate. Most of the employees come from the Preventive Security Services in Gaza. Israel and the donors refuse to liaise with GACP representatives. Businessmen report that their dealings with GACB for services at Karni were largely based upon the concentration of authority in the director of GACB.

Most legal observers conclude that the GACB has no formal authority to assign fees at Karni. That said, GACB levies “informal” fees for coordination and facilitation on an ad hoc basis that lends itself to opaque and arbitrary practices. Reportedly, since January 2006, the informal fees collected by GACB have diminished. However, these fees were not transferred to the government treasury.

The Palestinian Negotiating Unit began to take up the issue of the GACB following Gaza disengagement. This effort reportedly sought to fold the GACB into a larger border authority with a more clearly defined decision making process and role in providing coordination and commercial services. (In 2005, a Ministerial Committee was formed to examine this issue in coordination with General Dayton and the World Bank. This effort stalled after the 2006 parliamentary elections. More recently, the NSU has initiated

discussions to replace the security services and GACB with a private company, as a stop-gap measure. President Abbas also issued two decrees confirming the Director General of the GACB, its responsibilities and maintaining the agency as a direct report to the President. Further complicating the situation, a Crossing and Steering Committee was formed in October 2005 with cross-over responsibilities with the GACB. Dr. Saeb Erakat of the NSU chairs the Crossing and Steering Committee.

The Committee maintains a subcommittee which assumed responsibility for prioritizing the queue at Karni. Headed by the Deputy Minister of National Economy with representatives of the private sector, the Committee was, by all accounts, extremely effective in reducing informal fees and instituting a more transparent system of prioritizing cargo for transit through Karni. Despite this improvement, the GACB continued to facilitate clearances and charge informal fees in order to access Karni.

Overview of Gazan Export Chain to Karni Crossing

Gazan agricultural exports (primarily cherry tomatoes, strawberries and carnations) are packaged at the relevant transit center²⁰ (some exceptions are made for strawberries and cherry tomatoes, which may be packaged by the farmers themselves and transported independently). Once arriving at the transit centers, the goods are sorted (by ripeness and weight), placed on pallets, and the Palestinian Ministry of Agriculture inspects the goods and grants the certificate of quality for export.²¹ This process is usually completed the same day the goods arrive at the transit center from the grower, and the goods are then held for one night at the transit center (under refrigeration). The produce will generally spend no more than 48 hours at the transit center before being sent to Karni.

The next morning the goods are transported by truck to Karni.²² Once arriving at Karni, the trucks are emptied into a large holding area, which lacks any refrigeration facilities, but is covered to protect the goods from direct sunlight.²³ The goods remain in the holding area for five to seven hours²⁴ while they are subjected to Israeli security checks. After these checks, they are placed on the conveyor belts to the Israeli side of the terminal, before being

²⁰PAPA currently operates 4 transit centers in the Gaza Strip.

²¹ Certificates are either Class 1 (for export) or Class 2 (for local consumption, which includes consumption in Israel). The transit centers are equipped to ensure satisfaction of the relevant industry requirements (e.g., EUREP-GAP or BRC packaging requirements). However, individual Palestinian growers are generally unaware of the importance of satisfying such specialized requirements, and of the general importance of maintaining the cold chain for exports.

²² The trucks are refrigerated, but rarely turned on because of the high cost of diesel and because there is no door to door or back to back before going to the airport where it goes into refrigeration.

²³ Israel refuses to allow the installation of cold storage facilities within the Karni “security zone,” alleging that proper security inspections cannot be conducted while the produce is in cold storage. Israel has expressed a willingness to allow cold storage facilities outside the security zone, but this would not alleviate the problem of the cold chain being broken while the produce sits in the holding area at Karni.

²⁴ This level of exposure to the sun reduces the shelf life of strawberries and tomatoes by approximately one week. This exposure may also cause the goods to fail quality requirements once arriving at the importing country. This can in turn have serious detrimental effects, both financially (losing the income from the rejected shipment) and in terms of decreased confidence in the producer (affecting the future availability of markets for the goods).

loaded onto Israeli trucks heading for points of export.²⁵ At this point the goods may be subject to further delays.²⁶

Farmers must cover the cost of inputs²⁷ and equipment required for export. The growing association charges \$100 to facilitate the transport of one truck (about 17 tons of produce), and the total cost per truck (including labor, packaging and sorting) is approximately \$700. The Palestinian Ministry of Finance charges each truck crossing fees of NIS 360. Additionally, Israeli security requirements mandate that the pallets used for export of goods be between 1.40 and 1.60 cm in height (based on the limitations of the scanning equipment). Pallets of this size are more expensive than the more common 2.4 cm-high pallets. The Palestinian farmers must bear the additional cost of using these special, smaller pallets for exports through Karni.

Layout and Procedures on Palestinian side of Karni / Al Montar

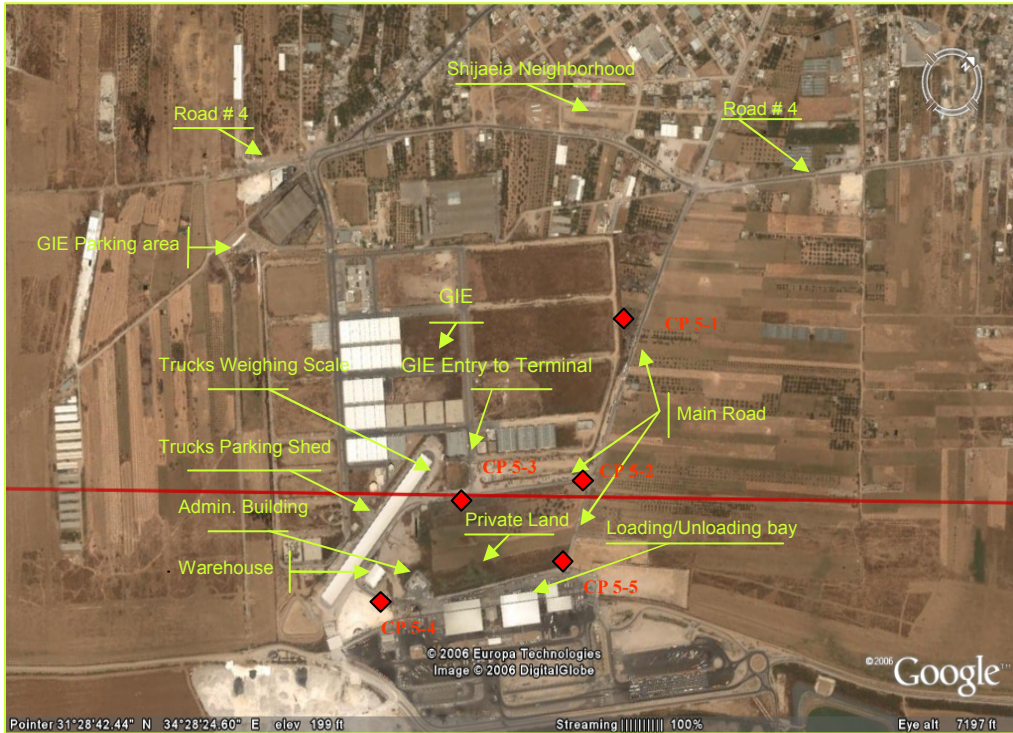
Karni/al-Mintar Terminal is located 3 km east of Gaza City, adjacent to the Armistice Line between Gaza and Israel. The Gaza Industrial Estate (GIE) adjoins the Terminal on the west side and separates it from the Shijaeia neighborhood (a Gaza City quarter). The Terminal is approximately 120 dunums in size (including roads) and consists of the following facilities:

Main Road: The main road connects the Terminal with the Eastern Road (Known also as road Number 4) that links the south and the north of Gaza. The main road, which is used as the entry and exit passage to the Terminal, is narrow and surrounded by private land that is owned by numerous families and individuals. The main road leads directly to the Terminal loading/unloading bay, and encircles the private land through the trucks parking area, and rejoins the main entry road again. The Map is found below:

²⁵ ARE THE GOODS SUBJECT TO MULTIPLE SETS OF SECURITY INSPECTIONS AT KARNI: ONE WHEN ARRIVING IN THE HOLDING AREA, AND ANOTHER AFTER BEING PLACED ON THE CONVEYOR BELTS AND SENT TO THE ISRAELI SIDE?

²⁶ For example, Palestinian exports are subject to a mandatory, 24 hour security quarantine at Ben Gurion airport before being sent abroad (on the orders of Shabbak). The exporter must also reserve a place in the queue for their exports before-hand, or risk an even longer delay at the airport.

²⁷ Farmers purchase seeds primarily from Gazan sellers or from Israeli businesses (often on credit), such as Agrexco. However, Dutch donors coordinated with PARC last growing season to provide Gazan farmers with inputs for both strawberries and carnations, and to facilitate the movement of the final goods through Karni for the entire season's produce.



Private Land: This land lies in the middle of the Terminal around which roads circulate. Information provided by the General Agency of Crossings and Borders (GACB) personnel, as well as the Palestinian Industrial Estate Free Zone Authority (PIEFZA) employees indicate that the size of the land is over 75,000 square meters, and is owned by the Abu Al-Gumbuz family consisting of more than 70 individuals who are individually land-titled private shareholders. The land is currently uncultivated but used to have olive trees, and owners can access it but are prohibited from using it for agricultural purposes due to security reasons.

In an attempt to gather more specific information on the identity and deed parameters, the assessment team attempted to review records at the Palestinian land authority, but specifics were not available as the land authority is on strike.

Security Installations: There are five check points (CP) and an inspection area in the trucks' parking area (the shed):

1. Checkpoint 5-1: Consists of a one room, two story building (see picture below). Its main function is to check the documents and passes of trucks and people.
2. Checkpoint 5-2: Consists of a container and has a small shed in front of it. It organizes traffic moving to the Terminal and inspects trucks from the GIE.
3. Checkpoint 5-3: Consists of a small concrete room. Checks the exit documents and organizes incoming traffic for containers and gravel/aggregates (as they don't go through the loading/unloading bay).
4. Checkpoint 5-4: Consists of a container with a small shed, which allows trucks to leave the loading/unloading bay.



5. Checkpoint 5-5: Consists of a very small concrete room with a shed. It controls the entry of loaded or empty trucks to the loading/unloading bay.

In addition to the CPs there is a special security area under the parking shed for trucks. Those trucks loaded with garment products that are destined for Israel (mainly for consolidation of garment shipments), as well as some trucks with imported goods to Gaza are subject to a secondary security check (except for trucks loaded with dairy, frozen, fruits and vegetables)

that use to be under control of the Preventive Security forces until December 14, 2006 when the Presidential Guards (PGs) took complete control of the security aspects of the Terminal. Trucks with goods destined for Gaza are not permitted to leave before they obtain the approval of the Preventive Security Force (now the PGs), and thus the security officers determine the type of inspection (unloading, visual inspection, inspection of boxes).

Trucks Parking Shed and PA Registration Office: Located in the south side of the Terminal, and consist of a long shed (the old *back-to-back* area) - two small buildings that house the PA Ministries and Agencies: MoF; MoNE; MOA, MoT, GACB and Preventive Security – now the PGs). The Parking shed is around 390 meters long and 30 meters wide, and the PA offices are made of two, concrete pre-cast one storey buildings, with around 200 sq. meters for each building.

Administration Building: A concrete two-story ‘V’-shaped building (around 600 sq. meters) that houses the management agencies of the Terminal, including the GACB, the Preventive Security, Presidential Guards, and the Civil Affairs Department (the former Ministry of Civil Affairs and now a part of the Ministry of Interior). Additionally, the building houses a branch of the Bank of Palestine.

Cafeteria: A small cafeteria exists next to the PA agencies building, that serves both the Terminal and the GIE. The cafeteria is a 250 sq. meters concrete structure.

Warehouse: A small warehouse building (around 1,100 sq. meters) that contains cold storage facilities exists next to the trucks parking shed. The cold storage facilities consist of 3 rooms: one for fruits and vegetables (140 sq. meters), one for dairy products (60 sq. meters) and one for frozen meat (60 sq. meters). The warehouse also contains a stand by generator (capacity is unknown).

Loading/Unloading Bay: The bay is the operational heart of the Terminal where the transfer of goods takes place. The bay is a long strip of land with a wall on the east side that separates it from the Israeli side. On the Palestinian side, the wall has access gates that open to the Israeli exchange cells and X-ray machines. These gates are operated electrically by the Israeli side, and have varying widths of 1.6, 2.5, and 4 meters. The bay is physically divided into a north and south area separated by a joint meeting building on the Israeli side, with an

access door from the PA side (currently closed). Both the north and south areas consist of a number of gates (to the rooms on the Israeli side) that are used to transfer goods. Generally, there are three types of systems (methods) to transfer the goods to and from Gaza:

- **Pallet Scanners:** There are eight pallet scanners in the Terminal with gate numbers 10-13 on the north side and 20-23 on the south side. The pallets are used for export goods (see photograph).
- **Direct Cells:** There are 12 cells in the Terminal that are used for exports and imports. For imports the cells are used for varying goods from fruits and vegetables to industrial products. The rooms are also used for exports in the case of citrus products, tomatoes, cucumbers, rattan furniture, scrap metal, and tiles. The assessment team was quoted two sizes for these rooms, 15 x 30 meters and 30 x 30 meters (see photograph).



Organization and Staffing on the Palestinian Side of Karni

There are 8 different PA bodies working at Karni/al-Mintar. Some of these agencies play a major role in the daily management (GACB and the PGs) of the crossing, while other bodies play their intended technical roles (i.e. MoT, MoF).

The organizational structure of the Terminal’s management consists of three main posts:

- 1- The Terminal Manager (Officially a GACB employee)
- 2- The Deputy Manager (From the Presidential Guards)
- 3- The Administration Manager (GACB)

The Administration Manager has a deputy and six major departments as follows:

Division	# Employees	Duties
D/Administration Manager	1	In charge of personnel and administration matters
Monitors	10	Monitor commercial activities of Terminal and data collection.
Registration office	4	Registering documents for exiting trucks

Drivers & workers	32 FL Drivers 83 Workers	Workers are for loading, unloading, cleaning
Archive	1	Archiving all paper documents
Warehouse	1	Manage the warehouse
Information	1	Data entry and analysis

Note: The number of employees is based on a 2 shift system.

The Palestinian agencies working in the Terminal and their respective roles are as follows:

- The General Agency for Crossings and Borders (GACB): Their role is to provide general administration services at the Crossing, as well as data recording of imports and exports through the Crossing. At present, the GACB has 133 employees working on data collection, forklift drivers, cleaning, and maintenance services for the Crossing.
- Presidential Guards: When the Presidential Guard first entered Karni/al-Mintar their role was limited to conducting security checks at the external check points of the Terminal. Recently, on December 14, 2006, the Presidential Guard have expanded their area of control to include all check points as well as the export and import rooms and the inspection area. Currently there exist around 80 PGs (final numbers were not given to us by the PGs Commander). Roughly 40 PGs work on the loading/unloading bay monitoring goods transfer. Around 25 PGs work on the CPs and on the security inspection area. The remaining PGs work on administration issues.
- Civil Affairs: This division is comprised of 16 employees tasked with coordinating all activities (entry and exit of goods) with the Israeli side. In the past, the Civil Affairs personnel were working under the umbrella of GACB, and when the Civil Affairs became an independent Ministry, its role at Karni/al-Mintar became independent of GACB. At present, Civil Affairs is a department within the Ministry of Interior; it is unclear whether they work independently or under the GACB.
- Ministry of Finance: The employees of the MoF, numbering 22 employees, are in charge of registration of invoices (for tax reasons) for income tax and VAT purposes, and for ensuring that businesses are complying with the MOF regulations.
- Ministry of Agriculture: The MoA employs 32 staff at the Crossing with three major tasks: 1) veterinary services and inspection, 2) inspection and permits of agricultural products, and 3) coordination and facilitation of exported products.
- Ministry of National Economy: The MoNE has 22 employees working at the Crossing with the following responsibilities: inspecting basic food items, protecting commercial agencies, organizing the export process in cooperation with the Federation of Industries, and recording imports and exports.
- Ministry of Transportation: The MoT has four employees working at the Crossing. Their role is to inspect vehicles spare parts and import permits.

- **Preventive Security:** The number of Preventive Security employees was 17 security officers. The Preventive Security was previously in charge of the overall security of the Terminal, including inspection of trucks, goods for exports and imported goods, and issuing passes for truck drivers and businessmen to enter the Terminal. The actual role of the Preventive Security was diminished when the Presidential Guard began to take over the security of the Terminal. On December 14, 2006, the Preventive Security ceased to operate the Terminal.

Note: All the numbers provided for the number of employees is based on a 2 shift system. The organizational structure of Ministries is based on an officer in charge and employees.

Export Procedures On the Palestinian Side of Karni

The entry and exit information and forms are based, to some extent, on the type of goods being exported, which in turn correlate to the loading/unloading systems and methods.

1. Exporters inform the concerned ministries of their intention of exporting goods. The relevant ministry prepares a scheduling sheet (2-3 days in advance) that contains the relevant information (exporter, driver, quantity, type of goods, etc.) for each day. The sheet is sent to the Israeli side of the crossing through the Civil Affairs Department.
2. Once the export date is confirmed, the exporter contacts a truck driver to make the transfer arrangements on both sides (in many cases the Palestinian truck driver makes the arrangements with the driver on the Israeli side, on behalf of the exporter).
3. On the designated day for the export, the truck driver arrives at CP 5-1, where his/her documents are checked. Once the Israeli truck arrives on the other side, the Israeli side informs the civil affairs officer to let the truck in, and gives instructions concerning the gate number. The truck driver drives through the first CP 5-1, and then through CP 5-2 and to CP 5-5. The truck driver parks opposite to the designated gate and the fork lift starts unloading the truck (into the scanner or the export cell). The Israeli Customs Department stamps the invoice and the GACB registers the exports.
4. The truck driver exits the Terminal through CPs 5-4 and 5-3 to the outside.

Prioritization of goods: The Palestinian's authorities of Al-Montar coordinate with the IAA the prioritization of the goods based on the needs of the various sectors in Gaza. At this stage, the prioritization is made to a particular sector (textile, construction, humanitarian goods, food) not to a particular supplier. On the basis of this information (sector prioritized and capacity), the Ordering Center of the IAA is in charge of scheduling the flow of the supplier's trucks who submitted a request for unloading goods.

Regulation of the Flow of Trucks and Scheduling: According to the capacity of the terminal on (human resources, number of inspection cells, equipment, instructions from the IP), the IAA determines the quantity of goods that can transit through the terminal on a specific day based

on the list of prioritized goods provided by their Palestinian counterparts. At times this amount is determined according to the amount per driver.

Future upgrades: Since the conclusion of the AMA (November 2005), the team of the United States Security Coordinator has been working to develop and implement a plan for improving the security infrastructure and arrangements at the Karni terminal to improve the efficiency of procedures and meet the processing volume goals laid out in the AMA while ensuring each sides security interests are met. The multi-million upgrade project included additions to perimeter security (fences, walls, and dividers), internal monitoring (lights, CC TVs), improving/expanding roads and truck waiting areas and new scanning equipment.

Additionally, new scanning equipment is planned for the terminal. Two 6 MEV container scanners that were purchased two years ago for the Karni terminal arrive earlier this year; the infrastructure is currently being build. USAID has purchased 2 new 5.5 MEV pallet scanners (1.5—1 meters) for the terminal, and are expected to be ready 2008 sometime.

Operating hours: Starting April 12th, a new pilot program for extended operating hours for sections of the Karni terminal was put in place, extending opening hours to two shifts, from 08:00 to 24:00 each day. However, since initiating the program, Karni has not yet operated at the 16 hours per/day planned in the pilot program; between April 12th to May 31st, the terminals hours only reached 12 hours per/day on five different days, with the average operating hours are between 6 to 7 hours.²⁸ The limited extension of hours has been due to closures and partial work days, initiated at times both by the Israelis and the Palestinians and due to holidays.

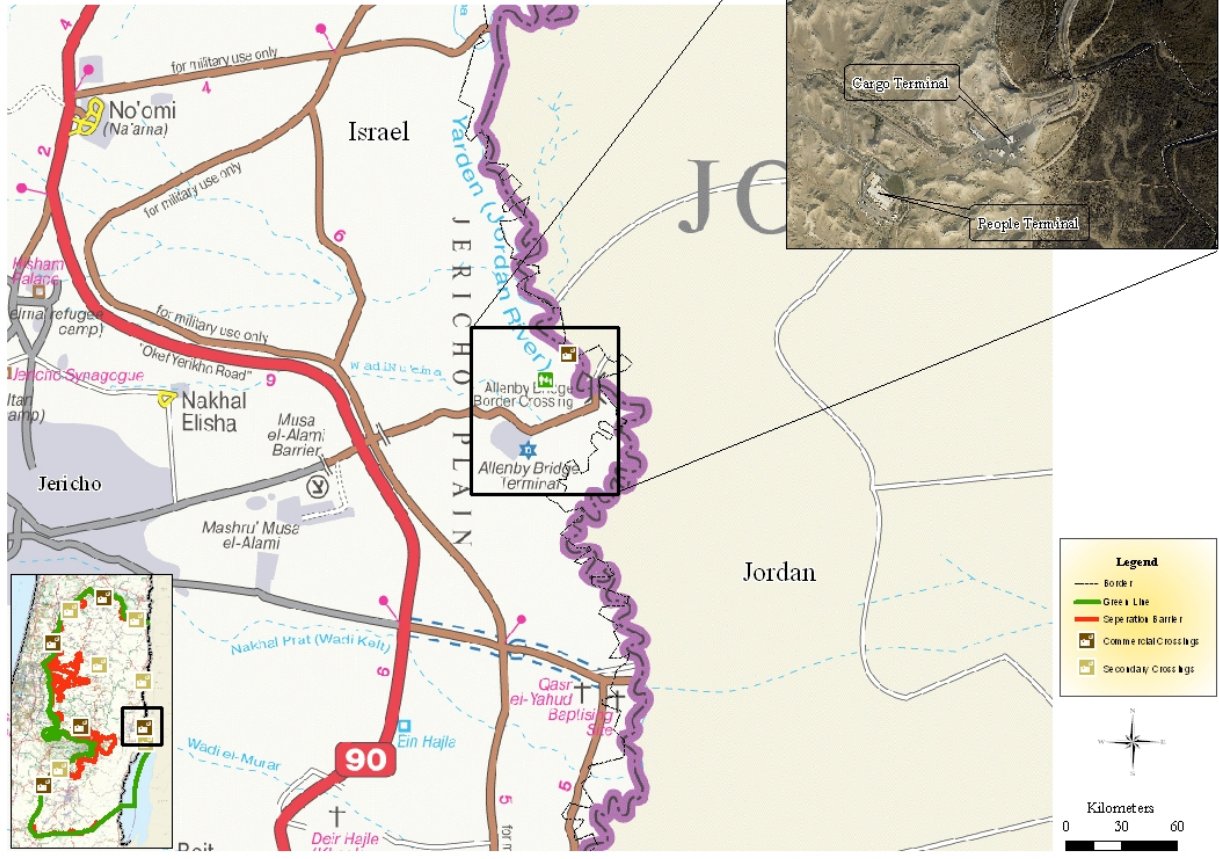
²⁸ PalTrade.

ALLENBY/KARAMEH/KING HUSSEIN BRIDGE CROSSING: JORDAN VALLEY, WEST BANK

Development of the Agricultural Sector: Movement, Crossings and Trade Arrangements

The Allenby Bridge Crossing

June 2007



Location:	Central West Bank - West Bank/Jordanian border <i>Palestinian side</i>
Designation:	Cargo & Pedestrian
Procedure:	Back-to-Back
Operating hours:	Sun-Thur: 08:00-24:00 Sat-Sun: 08:00-15:00 closed on Yom Kippur.
Operator:	- Israeli Airport Authority - Palestinian Authority (<i>no current presence</i>)
Type of goods:	- Agriculture (27%) - Stone/Marble (20%) - Processed foods (16%) - Chemicals (20%) - Metals (5%) - Other (10%)

Average volume:	30-40 trucks per/day
Capacity:	100 trucks per/day
Inspection rooms:	1 scanning bay
Scanning equipment:	1 pallet scanner
Average processing time:	
Maximum processing time:	
Fee:	150 NIS

Overview

The Allenby/Karameh Bridge Crossing is the only operational crossing point between the West Bank and Jordan and is the only terminal for processing commercial traffic.²⁹ As the primary crossing between the West Bank and a third party country, Allenby is important to all parties: for the Palestinians, the crossing represents a symbol of sovereignty, provides freedom of movement of both people and goods, and creates continuity to the Arab World; for Jordan, the crossing facilitates economic and social relations with the Palestinians; and for the Israelis, there is a clear security interest in preventing the free entrance of militants and weapons into the West Bank.

Allenby in the Oslo Agreement

As a result of the Oslo Agreements, the Allenby Bridge (along with the Rafah crossing) was designated to have shared, Palestinian-Israeli roles in operating the crossing. Annex I of the Israeli-Palestinian Interim Agreement of 1995 defined the shared structural and procedural arrangements for the crossing, establishing Israeli and Palestinian wings for the terminal. Israel was to remain overall responsibility for security, “throughout the passage, including for the terminal,”³⁰ and the terminal’s director-general. However, the director-general has two deputies, one Israeli who manages the Israeli wing, and one Palestinian, who manages the Palestinian wing.

The Palestinian wing was responsible for Palestinian residents and visitors to the West Bank, with police, customs officials and administrators conducting personal inspections and the checking of documents in the presence of Israeli officials and administrative arrangements. The agreement called for the creation of “special arrangements” for the passage of goods, buses and private vehicles.

The agreement also established a Joint Liaison Bureau to, “to deal with matters arising regarding passengers passing through the Palestinian Wing, issues regarding coordination, and

²⁹ There are two additional bridges between the West Bank and Jordan: the Damiyah and the Abdullah bridges. However, the Damiyah bridge requires extensive repairs and the Abdullah bridge was destroyed in 1967 and has not been rebuilt.

³⁰ Section 2, Article VIII, Annex I, “The Israeli Palestinian Interim Agreement,” Documents from the Israeli Ministry of Foreign Affairs, 28 September 1995.

differences regarding the implementation of these agreements. Without derogating from Israel's responsibility for security, the bureau will also deal with incidents."³¹

Current Arrangements

The shared operation of the Allenby crossing proceeded successfully (except for the use of Palestinian customs agents, which was never implemented) from 1995, but collapse following the outbreak of the second intifada in September 2000. With the start of the intifada, all shared operations at the Allenby crossing ceased to function, with Israel retaining sole control of security and operations at and around the terminal.

Procedures

Palestinian exporters must first obtain the required security clearances (for both the vehicle and the driver) from Israel, allowing them to travel through the West Bank to the Allenby / Karamah Bridge crossing. The exporter must also provide to the Israelis a pro forma invoice and documentation specifying whether the goods are for 1) local consumption, 2) re-export with Jordanian certificate of origin, or 3) transit. It takes a minimum of 2 days (though often up to 5 working days) to obtain the security clearance. Once the trucks are en route to the bridge, the Palestinian exporter will contact his counterparts on the Jordanian side to send trucks to meet the goods. The cargo terminal opens at 8:30am, and only 10 trucks can enter at any given time.³²

All trucks arriving at the Allenby / Karamah terminal are unloaded into a large, secured holding area (enclosed from direct sunlight, but not refrigerated), controlled by the Israelis. The terminal is operated "double-blind," meaning that there is no true back-to-back procedure.³³ Goods are unloaded from the respective side into the holding area,³⁴ and are subject to security checks on the ground.³⁵ The driver along then has to interface with the security authorities (on whichever side), to certify the goods, the driver and the truck, before entering and exiting the holding area.³⁶ At that point his counterpart from the other side will be allowed to enter the holding area from the other side and load the goods. Because of the conditions and procedures at the Allenby / Karamah crossing, only limited numbers of Palestinian agricultural goods are currently sent through it, either for transit to third party countries, or for consumption in Jordanian markets.

The current situation at the Allenby / Karamah crossing presents a number of problems:

1. There is no cool warehouse for storing perishables. Because Israeli security checks can be time-consuming (which can be particularly irksome since the goods are LEAVING

³¹ Ibid.

³² This requires drivers wishing to ensure their place in the queue on either side to leave for the terminal as early as 4:30 in the morning.

³³ Truck drivers from the Palestinian and Jordanian sides, respectively, are not allowed to interface at the terminal in any way, adding an extra layer of procedure to the already cumbersome back-to-back method.

³⁴ Only the individual truck driver is allowed to enter the holding area with the goods.

³⁵ This process increases the risk of both exposure to the elements and damage as a result of the loading / unloading procedure.

³⁶ The paperwork required to enter the cargo terminal from the Jordanian side can take anywhere between two and six hours to complete.

the West Bank) and the Jordan Valley is hot in the summertime, it is very difficult to export agricultural goods via Allenby in the summer.³⁷ Sometimes only a few of the trucks carrying a shipment will make it through the border before it closes to commercial traffic at 1400. When that happens, the Jordanians sometimes refuse to process the second half of the shipment arriving the next day on the ground that it does not comport with the certificates of origin. They demand new documents for it and sometimes even impose fines.

2. There is nowhere at the crossing where traders may consult relevant trade regulations or receive guidance about how to comply.
3. Costs for security checks are high -- and are borne by the Palestinian exporter. He must pay 500 NIS for a manifest from Israeli customs; \$8 per pallet for security checks (running around \$160/truck); and \$6 per pallet for use of a forklift when transferring pallets back-to-back.

The Palestinian agricultural sector faces other problems, too:

1. It is weak and disorganized, lacking a proper union that assesses market demands and helps farmers to tailor their production to them. The goods frequently don't get out on time (because of closure).
2. In addition, there is no packaging institute or company to help farmers package their products in ways that will assure they are admitted by other countries and are marketable. For example, bananas are exported to Jordan without labels, in white boxes. If Israeli packagers are used, the goods run into trouble in Arab countries that don't deal with Israel -- particularly if Hebrew lettering appears anywhere on the products.

³⁷ This is one of the reasons why stone and marble are primary Palestinian exports to Jordan: they will not rot in the heat while sitting at the border crossing.

RAFAH CROSSING: SOUTHERN GAZA

Location:	South Gaza – Gaza/Egyptian border <i>Palestinian-Egyptian sides</i>
Designation:	Pedestrian & cargo exports (not yet implemented)
Procedure:	N/A
Operating hours:	
Operator:	<ul style="list-style-type: none"> • PA • EUBAM (monitoring)
Type of goods:	N/A
Average volume:	N/A
Capacity:	N/A
Scanning equipment:	
Average processing time	
Maximum processing time	
Fee	N/A

Overview**Rafah in the AMA Agreement**

A major achievement of The Agreement on Movement and Access (AMA), brokered by Secretary Rice on November 15, 2005, was establishing a trade route through the Rafah border crossing to and from Egypt, under full Palestinian control. The operational provisions for Rafah were codified in the AMA annex: Agreed Principles for Rafah Crossing (APRC) and in the two attached protocols on Security and Customsⁱ. Another achievement of the AMA was to maintain Gaza within the Customs Union (CU) established under the Paris Protocol. There were strong Israeli pressures to drop Gaza from the CU but the PA, Wolfensohn team and the international community convinced GoI to maintain Gaza within the CUⁱⁱ.

Key provisions as follows:

- The PA will establish clear operating procedures
- A third party (EU) would supervise the implementation of Customs regulations and standards by the PA Customs officials.
- GoI and PA will continue to apply the customs provisions of the Paris Protocol of April 29, 1994
- The EU will establish a liaison office at Kerem Shalom. It will receive real time video and data feed of the activities in Rafah.
- Rafah would be the only crossing point between Gaza and Egypt, except for the use of Kerem Shalom, on an exceptional basis, for the agreed period
- Movement of Palestinian ID holders and others under agreed categories.
- Cars can go in and out of Rafah under camera real feed once the EU evaluates the capacity of the PA to inspect cars to its satisfaction.

- Movement of exports to Egypt. This flow of trade was to start immediately (end November 2005)
- Imports from Egypt will initially come through Kerem Shalom where they would be cleared by PA customs agents under the supervision of Israeli customs agents
- The EU will review the PA's custom capacity in twelve months and make recommendations. A Border Management Assistance program (EU-BAM) was set up by the EU to provide monitors and training
- Should the EU deem the PA customs procedures to be satisfactory, imports from Egypt would shift to Rafah
- The EU will have the authority to ensure that the PA complies with all applicable rules and regulations concerning the Rafah crossing point.
- The EU will assist the PA to build capacity-training, equipment and technical assistance- on border management and customs.

How it actually works

Continuing Israeli Control: While the AMA sought to create a legal and jurisdictional framework for transitioning to full Palestinian control over their side of the Rafah crossing, in practice the GoI has yet to cede any meaningful control, to either the Palestinians or the designated third party monitors (EU-BAM). In order to monitor implementation (and to pacify Israeli security concerns), a liaison office was established at Kerem Shalom to provide a live video feed of the Rafah crossing (for use by both the EU and the GoI).³⁸ By denying the EU-BAM access to the liaison office, the GoI can unilaterally ensure that the Rafah crossing remains inoperable. The uncertainty bred by this closure practice seriously undermines, *inter alia*, any confidence in the operation of the crossing. This will have inevitable detrimental effects on existing or future attempts to use Rafah as an exit point for Palestinian exports (particularly agricultural exports, which are more sensitive than other goods closures).

Passengers: On November 25, 2005—after two months of virtual closure by GoI due to Gaza disengagement-- passengers started going in and out of Rafah under PA operation, supervised by EU observers. The daily average number of travelers increased from 580, during the first six months of 2005 to 1400 during the same period in 2006. This level of crossings was meeting demand and no delays were incurred. The crossing operated efficiently and security and customs related incidents were dealt with, in line with agreed proceduresⁱⁱⁱ. The General Administration for Crossings and Borders (GACB) managed the Rafah terminal on the Palestinian side and the Presidential Guard provided security. However, following the abduction of an Israeli soldier on June 25, 2006, the Rafah crossing has been only open 10 % of the time.

Exports: No commercial exports have been allowed to go through Rafah by the Egyptian authorities, although, goods destined to trade fairs were allowed to go through. For these exports to be acceptable to Israel a back to back system was put in place. Egyptian trucks would come to the Palestinian side under EU monitor and camera supervision. They would then be loaded from the Palestinian trucks

³⁸ See generally, Agreed Principles for Rafah Crossing, November 15, 2005.

Vehicles: Provisions for allowing vehicles to go in and out of Rafah were not implemented. Inspection procedures were not put in place. Vehicles can leave Rafah but can only come back to Gaza through Kerem Shalom where they would be inspected by Israeli custom and security agents.

Imports: The import provisions of the APRC have not been implemented. PA custom agents have not been clearing imports through Kerem Shalom for the agreed period nor has there been any training provided by EU-BAM monitors for PA custom agents.

Custom procedures and training: The Palestinian Customs Department introduced electronic customs reporting (ASYCUDA++ used by 80 countries) for goods carried in passengers baggage. This information was transmitted live to the liaison office in Kerem Shalom. However, the training of Palestinian customs agents by the EU fell behind with frequent closure of Rafah and with the lack of implementation on imports from Egypt to Gaza through Kerem Shalom to Gaza

JALAME CROSSING – NORTHERN WEST BANK

Location:	Northern West Bank <i>Straddles Greenline</i>
Designation:	Cargo & Pedestrian
Procedure:	Back-to-Back
Operating hours:	Sun-Mon 09:00 – 24:00 Sat – Closed
Operator:	Private Israeli Firm
Type of goods:	- Vegetables - Textiles - Stone - Furniture - Food
Average export volume:	140 trucks per/day (60 export, 80 import)
Capacity:	180 per/day
Inspection rooms:	- 1 scanning bay - 4 inspection cells - 4 Ramps (<i>not in use</i>)
Scanning equipment:	1 4.5 MEV cargo scanner
Average processing time	45 minutes – 1 hour
Maximum processing time	3 hours

The Jalame crossing typically serves those from the areas of Jenin and Tubas. The names of registered drivers (registered to use this crossing) are listed at the crossing rather than the supplier/exporters name.

When goods are being inspected by the scanner, Israel only permits half-loaded cargo trucks to be scanned; this requires that half the goods be unloaded, the first half scanned and unloaded before the second half can be reloaded and scanned. Goods inspected through the use of inspection cells entail both visual and canine inspection. There are ramps at the crossing, but there are not utilized.

SHA'AR EFRIAM/TAYBEH – NORTH-WEST WEST BANK

Location:	North-west West Bank <i>Straddles Greenline</i>
Designation:	Cargo & Pedestrian
Procedure:	Back-to-Back
Operating hours:	Sun-Thur: 08:00 -
Operator:	Israeli private company (<i>since January 2006</i>)
Type of goods:	- Agriculture (<i>cucumbers, tomatoes, green beans, peppers, squash, meat, eggs, oil</i>) - Textiles - Stone
Average volume:	80 trucks per/day
Capacity:	200
Inspection rooms	1 scanning bay 2 inspection cells 3 Ramps
Scanning equipment:	x1 4.5 MEV cargo scanner
Average processing time:	45 minutes – 1.5 hours
Maximum processing time:	4 hours
Fee:	

This crossing is designated to be primarily for agricultural goods, though many other types of goods pass through this crossing. Palestinian Products from the northern West Bank going to Gaza passing through this checkpoint, including oil and eggs. For example, the Islamic Meat Company (from Tulkarm) sends meat and the Nasser Company sends Zaatar to Gaza.

When goods are being inspected through the use of scanners, cargo trucks at Sha'ar Efraim must also unload half their cargo before undergoing scanning. However, the Sha'ar Efraim crossing maintains a extra cargo truck on the premises that can be used in order to reload the second half of the goods and scan them without waiting for the first half to be scanned and unloaded and for the truck to return to scan the second half.

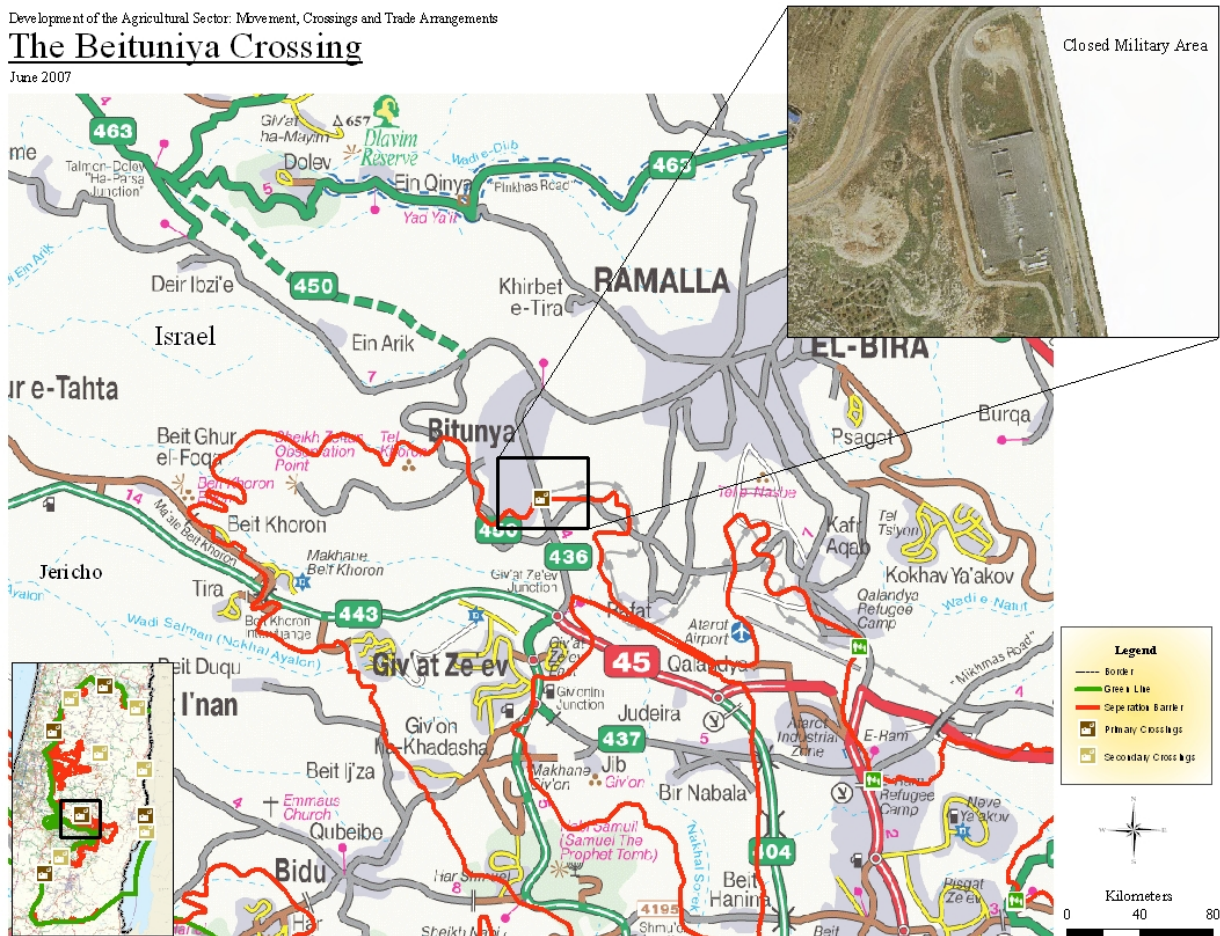
There are a set of three ramps located at the crossing which are utilized for back-to-back transfers for smaller volume goods, such as personal vans/trucks with textiles or agricultural goods after undergoing inspection in one of the secured inspection cells.

BEITUNIYA – CENTRAL WEST BANK

Development of the Agricultural Sector: Movement, Crossings and Trade Arrangements

The Beituniya Crossing

June 2007



Location:	Central West Bank <i>Inside West Bank – at Separation Barrier</i>
Designation:	Cargo Terminal
Procedure	Back-to-Back
Operating hours:	Sun – Thurs: 07:30 – 21:00 Sat: Closed
Operator:	Israeli Police
Type of goods:	- Agriculture - Construction materials - Textiles
Average volume:	100-120 trucks per/day
Capacity:	200 trucks per/day
Inspection areas:	- x11 ramps - x3 inspection cells
Scanning equipment:	N/A
Average processing time:	1 hour

Maximum processing time:	6 hours
Fee:	45 NIS (<i>additions include unloading/reloading by hand, 50 NIS, or by forklift, 160 NIS</i>)

Drivers do not need to register in advance to use the Beituniya terminal. Due to the fact that much of the cargo being transferred at Beituniya is destined for Israel, often drivers have to secure the necessary documentation from the Israeli Ministry of Health (at Beit El) and the relevant tax form. Once their goods have been inspected, drivers will have their documentation checked and stamped. There is also a NIS 45 border fee.

Back-to-Back: All Palestinian trucks have to undergo back-to-back procedures. Goods that must be unloaded/reloaded by forklift (stone, construction materials) will use the inspection cells; goods that can be unloaded/reloaded by hand, or priority (humanitarian) goods will be processed at the ramps. Security inspections include the use of forklifts, sniffing dogs and visual inspection; currently there is no scanner at the terminal. Palestinian drivers have been told that pallets can not be higher than 150 cm so that the dogs can sniff them.

Israeli trucks: At Beituniya, Israeli plated trucks must also have a section of their cargo inspected before they can continue into Israel. Once they enter the inspection area, some of the goods are unloaded so that dogs can sniff them (which often then get thrown away). There are four rooms for checking (but only one used at a time);

Planned upgrades: In conjunction with the MoD's new crossing regime and the increased volume of traffic at the Beituniya crossing, the Crossing Directorate is planning several upgrades to the terminal:

- Increased staff: there are plans to hire more workers to assist in the unloading/loading process;
- Scanner: Crossing officials plan to install and operate a scanner at the terminal in the coming months;
- More Forklifts: Currently there are only two forklifts at the terminal. In the coming months they expect to have purchased and be operating an additional 3-4 forklifts;
- Infrastructure: Israel has already begun widening the approaching roads to the terminal.

TARQUMIYA CROSSING POINT:

Location:	South-west West Bank <i>Inside West Bank – at Separation Barrier</i>
Designation:	Cargo & Pedestrian
Procedure	Back-to-Back
Operating hours:	Sun – Thurs: 07:00 – 17:00 Fri: 07:00 – 12:00 Sat: Closed
Operator:	IDF (<i>scheduled for eventual privatization</i>)
Type of goods:	N/A
Average volume:	N/A
Capacity:	N/A
Inspection areas:	N/A
Scanning equipment:	- x1 4.5 MEV cargo scanner -
Average processing time:	
Maximum processing time:	3 hours
Fee:	NIS 5 per/pallet or NIS 400 per/truck

Tarqumiya is the only crossing available to Palestinians in the southern West Bank. Currently, the main terminal is still under construction; a temporary area is currently being used during the interim period. The Crossing Directive plans to have the new terminal operational in the coming months.

The current structure: The current temporary structure has open space and checking is done mainly by hand and the use of forklifts; currently there is no scanner. Additionally, yellow plated trucks continue to be allowed to pass through the temporary terminal, though the IDF has begun to announce that this will no longer be permitted in the future. Yellow trucks enter West Bank at Tarqumiya but exit the West Bank through the Gush Etzion settlement area.

The new terminal: The opening of the new terminal was scheduled to become operational by April 2007 (most recently), but been delayed on several occasions; recently the terminal was but has been delayed due to financial complications. There are several outstanding issues towards to completion of the new terminal:

- Infrastructure:
- Budget:
- Privatization:
- Scanner:
- Gas:

BARDALA/WADI GHOR CROSSING: - JORDAN VALLEY

Location:	North-west West Bank <i>Israeli side of Greenline</i>
Designation:	Agricultural exports
Procedure	Back-to-Back
Operating hours:	<ul style="list-style-type: none"> • Sunday – Thursday: 10:00 – 18:00 • Weekend – (Friday open) Saturday - closed.
Operator:	IDF
Average volume:	60 trucks per/day
Type of goods:	Agriculture
Capacity:	
Inspection rooms	1 inspection cell
Scanning equipment:	none
Average processing time:	1.5 hours
Maximum processing time:	
Fee:	

Located in the northwest corner of the West Bank, this crossing point is limited solely to the export of Palestinian agriculture into Israel, and has been promoted as an alternative to the Jalame crossing when that terminal is not operational. However, use of this crossing point is restricted to those with residency permits in the Jordan Valley. At times, Palestinian farmers in the area will bring their goods to Israeli settlements in the Jordan Valley, and through the settlers they will export their goods with fewer impediments through and out of the West Bank.

Currently there is no scanner at the crossing, and all inspections are done through visual and canine checks in the inspection cells; the IDF is considering purchasing a scanner for the crossing.

The crossing usually gets busy after 14:00 pm as prior to that time, the traders/drivers are busy processing and collecting all of the produce ³⁹

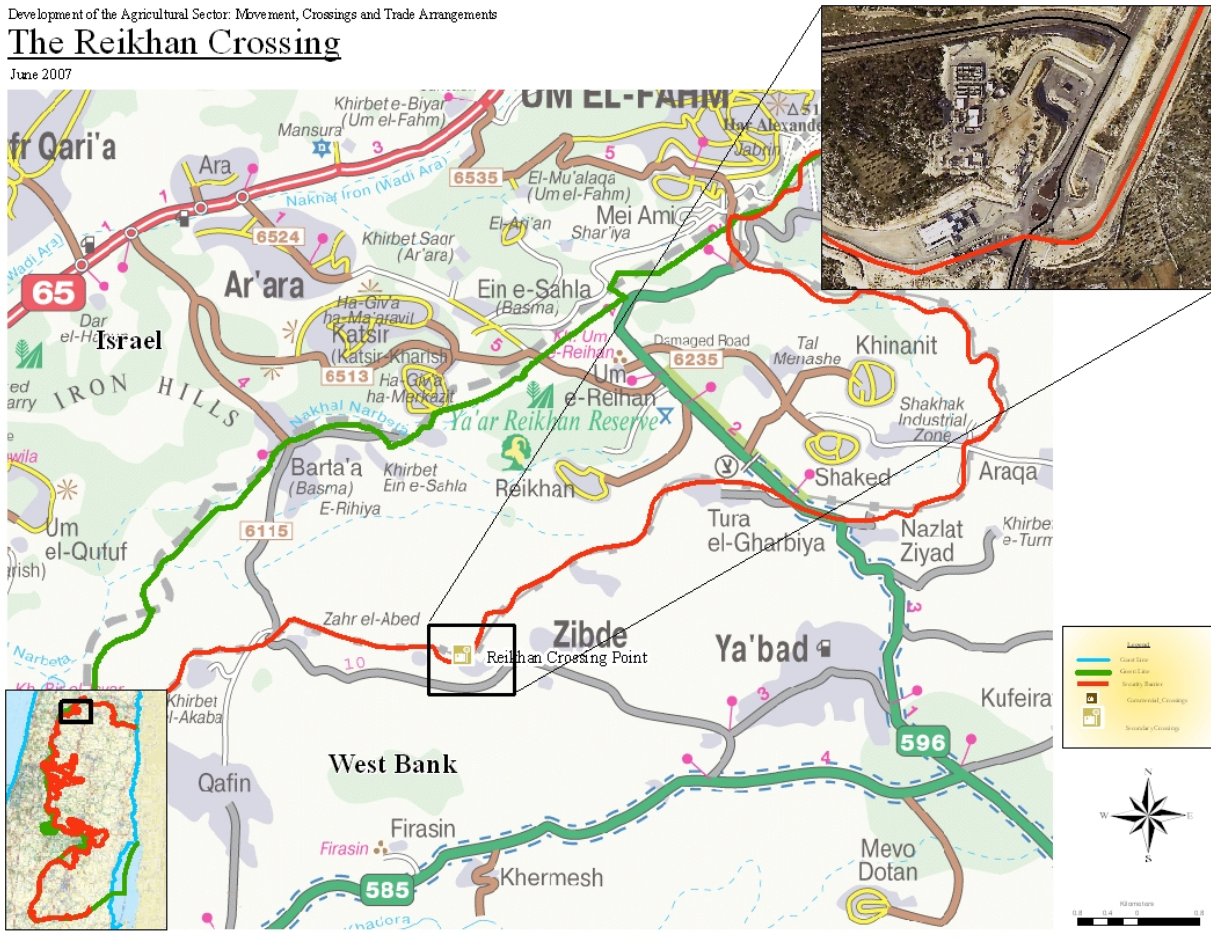
³⁹ Interviews with farmers and workers.

REIKHAN – NORTH-WEST WEST BANK

Development of the Agricultural Sector: Movement, Crossings and Trade Arrangements

The Reikhan Crossing

June 2007



Location:	North-west West Bank <i>Inside West Bank – at Separation Barrier</i>
Designation:	Cargo & Pedestrian (<i>from Barta</i>)
Procedure	Door-to-Door (<i>goods not permitted to enter Israel</i>)
Operating hours:	Sun – Thurs: 06:00 – 21:00
Operator:	Private Israeli company
Type of goods:	
Average volume:	25 drivers per/day (fixed daily amount—registered drivers)
Capacity:	70+ trucks per/day
Scanning equipment:	N/A
Average processing time:	45 minutes – 1 hour
Maximum processing time:	3 hours
Fee	

Background: The Reikhan crossing is located in the north-west West Bank, at the Barta enclave (created by the separation barrier within the West Bank). The crossing was created especially for the use of the residents of Barta who were cut off from social and commercial connections from the rest of the West Bank by the route of the security barrier.

Palestinians will travel from Barta to the market in Qabatiya south of Jenin to bring goods back to the market in Barta. The IDF allows 25 (was 34) designated drivers from Barta to enter the West Bank to purchase goods to bring to the market in Barta – they may utilize the crossing once per/day. (The IDF informed the Palestinians; local PA officials provided the information of 25 drivers that were chosen, which is posted at the crossing point). Additionally, the amount of goods per-truck is limited (with eggs for example, a single driver can only bring through 100 cartons per/trip);

The crossing is manned by between 5-8 people, soldiers and 4 Palestinians from the surrounding villages who load/unload goods from trucks being inspected (working in two shifts). There is no scanner at the crossing, all inspections are done through the use of visual and canine checks in a inspection cell. Only one commercial vehicle can be inspected at a time.

Operating hours: The enforcement of operating hours is strict. If a truck does not succeed to cross during operating hours, they are forced to abandon/store their goods in the West Bank or remain in the West Bank until the following day. Since the drivers are only provided 24 hour permits, if they remain in the West Bank, they face complications the following day.

The following goods are not permitted: tobacco, wood, aluminum, sheep, poultry, steel⁴⁰

⁴⁰ Though often times Palestinians will bring restricted goods to the surrounding settlements of Mevo Dotan and Hermesh, paying the settlers to bring the goods through the crossing.

Damiyah/Adam – eastern West Bank

Development of the Agricultural Sector: Movement, Crossings and Trade Arrangements

The Damiyah Bridge Crossing

June 2007



Location:	Eastern West Bank West Bank/Jordanian border <i>Palestinian side</i>
Designation:	N/A
Procedure:	N/A
Operating hours:	N/A
Operator:	N/A
Average volume:	N/A
Capacity:	N/A
Scanning equipment:	N/A
Average processing time:	N/A
Maximum processing time:	N/A

The Damiyah Bridge Crossing, once an alternative Palestinian crossing between the West Bank and Jordan, has remained in-operational since 2005 due to structural deficiencies. Many

obstacles and considerations remain as to the importance of, and necessary steps for, re-establishing this crossing as an additional crossing between the West Bank and Jordan.

Background: Damiyah is a historical location for bridges spanning the Jordan River.⁴¹ Prior to the 1967 War, the Damiyah Bridge (or the Prince Hussien Bridge, as it is known on the Jordanian side) was used as a commercial crossing between the West Bank and Jordan, particularly for the Masri family's soap industry in Nablus area. The bridge was destroyed in the war, and subsequently replaced by a new bridge, built by the IDF. Israel designated the bridge a military crossing to provide an alternative under changing security conditions and times of threat, but continued to be used for the passage of goods under the supervision of the DCL (the Israeli District Coordination and Liaison Office).

In 1994, Annex I of the Gaza-Jericho Agreement (Oslo I or the Cairo Agreement) list the Damiyah Bridge as one of the passages covered by the arrangements outlined in this agreement. Palestinian traders with Jordan from the Jenin, Tubas, Nablus and northern Jordan Valley would cross at the Damiyah Bridge. Procedures included the use of circulated trailer trucks⁴² that had been stripped down of excess paneling to allow for inspection of the cab. Trucks would approach the ramps above the bridge and the driver would enter the facilities to process their paperwork. Once the partnering truck on the opposing side of the ramps arrived, the goods would be transferred from one truck to the other while being inspected by the IDF. If the bed of the truck was being exchanged, the goods would be inspected (unloading a percentage of the cargo), after which the bed would be transferred to the new cab.

The bridge remained operational until mid-2005 when the Israeli Civil Administration uncovered structural problems and closed the bridge.

Current Status: Since the Damiyah bridge complex was closed in 2005, no repairs have been conducted, and the bridge and associated facilities have remained in-operational. Recently there has been an expressed interest on the part of Palestinians, supported also by Jordanian and international actors, to use this crossing as an alternative commercial passage to the Allenby crossing between the West Bank and Jordan. Israel has not ruled out the reopening



⁴¹ The Romans built the first bridge in this area, associated with the biblical town of Adam. There is also historical record of in 1266 of Sultan Bibars commissioning the building of a bridge there. A subsequent bridge was also recorded as being destroyed in the 1927 earthquake. The bridge was also one of the 11 bridges destroyed by the Haganah on July 17, 1946 during operation, "Night of the Bridges," against the British Mandate authorities.

⁴² Trucks that allow you to easily disconnect the bed from the cab to allow for the switching of beds between cabs.

of the Damiyah passage, but has raised questions as to the source of financing for renovations and continued operations at the crossing, as well as security and the actors that would be involved.

Structural problems:

- a. *The Bridge:* The existing bridge was built by the IDF in 1967 as a military crossing. Since then, the bridge has fallen into disrepair and is no longer capable of withstanding the load of constant traffic. Additionally, the existing bridge, a military, ‘bailey bridge’⁴³ is not capable of bearing the load of commercial traffic, which would necessitate the construction of an entirely new bridge;
- b. *The Facilities:* The Damiyah Bridge complex includes some basic facilities for servicing commercial traffic, such as roads, cargo ramps and customs and administrative facilities. However, the infrastructure and facilities are in poor condition and would require significant repairs. Additionally, these facilities are rudimentary and would limit the volume the crossing could handle (for example, there is no cargo scanner), requiring not only repairing the existing structures, but expanding the entire crossing complex.

Security Issues: Operating the Damiyah Crossing would also require not only security upgrades to the complex and a presence of a security agency, but updated security understandings, including what actors would be involved (Israel, the PA, Jordanians, internationals) the division of responsibilities, and actual security protocols would also have to be concluded. The current security situation further complicates efforts to address this issue.

Financial/Personnel issues: Making the crossing operational would first require funding to renovate the crossing. Beyond this, funds would also have to be allocated for the duration of the crossings operations for maintenance, staffing and upgrades for the crossing. While international actors might be found to finance immediate renovations of the bridge and facilities, the burden of operating the crossing, in terms of personnel and administrative costs, would likely fall on the actors involved, requiring the location of additional budgetary funding.

Limited added value: The use of the Damiyah Bridge would only provide a limited advantage to trade facilitation between the West Bank and Jordan. Currently there is only a limited volume of trade between the West Bank and Jordan, and notwithstanding recommended improvements to the Allenby crossing, this existing crossing is capable of handling an increased volume of traffic, can be easily expanded, and is well placed along major trade routes. Furthermore, the Damiyah Bridge is only a 32 kilometer drive from the Allenby crossing, diminishing any geographic advantage it might offer in reducing travel times.

⁴³ A bailey bridge is a classic military design dating back to World War II. They are made of preexisting iron trusses that can be easily transported and assembled without heavy equipment.

Sufa – south-east Gaza

Location:	South-east Gaza <i>Israeli side of Greenline</i>
Designation:	Aggregates - import
Procedure:	Back-to-Back
Operating hours:	
Operator:	
Average volume:	
Capacity:	
Scanning equipment:	None
Average processing time:	
Maximum processing time:	

IV. ISRAELI PORTS OF EMBARKATION

Palestinians do not have control over their international borders (except for the Rafah Crossing) and that they lack an operational seaport or airport, and so most of Palestinian imports and exports transit today via Israel's seaport (Ashdod and Haifa) and airport (Ben Gurion). (The two Palestinian airports that were located in Gaza and Qalandia have been closed by Israeli authorities when the Intifada erupted—**did the Palestinians use the Qalandia airport?**).

TRANSIT PROCEDURES FROM CROSSING POINT TO PORT

Palestinians are not allowed transporting their goods within Israeli territories on Palestinian trucks, and so Palestinian traders outsource logistic functions to Israeli logistic companies that are in charge of handling cargos from Israeli crossing points to the ports and external markets and handle custom procedure with Israeli authorities. While most of the Palestinian companies use individual logistic services (mostly transportation, customs), big Palestinian importers and exporters partner with Israeli logistic providers that provide them with integrated logistic services in order to handle their cargos from the point of production, including transportation, delivery, custom and security checking. These integrated services are provided by Israeli freight forwarders. Smaller Palestinian companies cannot afford them. Whether they use integrated or individual services, Palestinian businessmen highly benefit from these kinds of partnership with Israeli logistic providers since they have the required expertise to deal with the complex import/export procedure in terms of documentation and authorizations. This partnership is today the key element that enable Palestinian exporters and importers the handling of Palestinian cargos from Israeli airport and seaport.

SHIPPING PROCEDURES AT PORTS

If using an Israeli logistics provider, this provider will be responsible for all procedures related to the cargo reaching the port and the handling of the cargo at the port, including the inspection of required export documents and storage. Agrexco is the main Israeli company providing logistic and freight handling for Palestinian agricultural goods.

Palestinian goods must reach the ports 48 to 72 hours before the planned shipping date for processing and security inspections. Agrexco offers 10 days free storage on exports. The goods can arrive at the port either in containers or on pallets.

There are no customs or tariff fees charged on Palestinian exports. Security inspections are not as through as they are for imports.

The majority of Palestinian agricultural exports are shipped through Israel's international airport, Ben-Gurion International.

HANDLING CARGO: ISRAELI AIRPORT

Ben Gurion International Airport (BGIA) is the only Israeli cargo terminal that offers international airfreight in Israel.

Most of the Palestinian companies that use Israeli airport facilities are large companies that export agriculture products. Most of these companies choose to outsource their logistic requirements to Israeli logistic providers.

Considering the fact that sea freight is significantly cheaper than airfreight, the type of goods exported through Ben Gurion are mostly highly sensitive goods, small volume of shipment (e.g. high tech), and perishable goods (agriculture goods exported by Agrexco and Arava). At least, 60% of the agricultural exportation is by air.

Operators - The operators of the airport facilities for cargo handling are Maman and Agrexco. Maman is a monopoly on non-agriculture cargo handling while Agrexco handles agricultural goods.

When using Israeli logistics companies, there is no distinction in the checking of Palestinian goods and other. The distinction made is between well-known logistic companies and others. Well-know logistic providers are said to be treated with more confidence and not submitted necessarily to full scanning. However, Palestinian goods cannot be exported on Passenger flights.

HANDLING CARGO: ISRAELI SEAPORTS

Due to the higher cost of airfreight, most of Palestinian goods are imported and exported to the Palestinian territories via Israeli seaport. Given that most of the Palestinian exports are agriculture goods, the majority of Palestinian traders use Israeli seaports solely for imports. The port is also the main artery for humanitarian goods and materials brought by the donor community.

Opening hours: unlike BGIA and Maman, Ashdod Port is closed on Friday afternoons and Saturday and work 21.5 hours a day. Haifa Port is open 24 hrs a day and 7 days a week (however custom authorities and private agent operate only 8 hours a day in both ports).

PROCEDURE

Security and customs - Once unloaded, the shipment is transferred to the custom authorities for documentation check and security check. Palestinian shipments that enter the port are scanned (shipment that are not intended to Palestinian importers are not scanned). Most of the scanned containers are opened if something suspicious has being detected by the scan (de facto, most of the containers are opened). Therefore, unlike in BGIA, there is a distinction between Palestinian shipment and others.

According to cargo handling services working in Ashdod Port, the entire procedure takes in general between 36 and 48 hrs when the importers provide without difficulty required documentation.

Fate of non-authorized shipment - The decision not to release a shipment for security reasons or standard reason is made by the custom authority. Unlike in the airport, authorizations are not required at the exporting country, but only once the shipment arrived at the importing country.

V. CONCLUSION

The accumulative impact of these factors on agricultural exports in the West Bank has been considerable: they have limited access to and development of fertile lands; lengthened travel routes, the use of poorer quality roads and limited crossing points has increased shipping costs and reducing the number of shipments possible per/day; back-to-back security procedures at the crossing points as caused delays and creating uncertainty in delivery, and; increased travel times and delays have had an adverse effect on the quality and longevity of the produce due to extended exposure to the natural elements (particularly during the hot summer months).

ⁱ Agreement on Movement and Access, Nov. 15 2005; Agreed Principles for Rafah crossing, protocol on Security Implementation Procedures; Protocol on Customs Procedures, November 24, 2005, www.worldbank.org. Neither the protocol on Security nor the one on Customs were signed by Israel.

ⁱⁱ See Gaza's Trade Regime in the Wake of Disengagement, Karim Nashashibi, International Monetary Fund, June 28, 2005

ⁱⁱⁱ An Update on Palestinian Movement, Access and Trade in the West Bank and Gaza, World Bank, August 2006.