

ANNEX II
Agreement on Movement and Access (AMA)
BACKGROUND & UPDATE
August 2007

The AMA addresses primarily six specific issues: Rafah, other Crossing Points, the Link between Gaza and the West Bank, Movement within the West Bank, Gaza Seaport, and the Airport. The following is a detailed background note and update on the current status of the Rafah Crossing Point (RCP) and the crossing points with Israel as the other four issues have seen no movement since the conclusion of the AMA.

RAFAH

The Rafah agreement is one section of the AMA that has been elaborated on with a set of principles and protocols. It comes in the form of an additional statement of principles (the Agreed Principles for Rafah Crossing, or “APRC”), attached to the AMA and an integral part thereof, and its three operational protocols. The three protocols are in various stages of agreement: (1) the Agreed Arrangement on the European Union Border Assistance Mission (“EUBAM” – this was signed and agreed by the Government of Israel (“GoI”), the European Union, and the Palestinian side); (2) The Protocol on Security Implementation Procedures (“Security Protocol” – a US draft is the operational draft that both sides have agreed to use, despite significant comments and divergent interpretations by each); and (3) the Protocol on Customs Arrangements (“Customs Annex” – negotiated bilaterally and agreed in substance by both sides, although Israel continues to refuse to sign.). Collectively, these four documents are referred to as the “Rafah Agreement”.

There are several key elements of the Rafah Agreement:

➤ **Movement of people:**

1. ***All Palestinian ID holders can move.***

All Palestinian ID holders can move through Rafah.

- **Background:** The agreement allows for all Palestinian ID holders to move freely through Rafah. This category explicitly includes those ID holders currently outside the country. The definition of a Palestinian ID holder has been a contentious issue, as Israel often revokes or does not acknowledge IDs of some Palestinian ID holders, such as those who have been abroad for a significant period of time.
- **Process:** Although rarely problematic at the border, this issue has arisen through a provision in the agreement requiring Israel to give to the Palestinians sufficient information to update the Palestinian population registry (which is used at Rafah), *including information on Palestinian ID holders who are currently outside the country.* Israel, thus far, has given incomplete population registries to the

Palestinian side on two occasions (once to Mohammed Dahlan and once to Dr. Saeb Erekat). Although rarely an issue in practice, in principle this issue has security implications because absent a complete registry, Palestinians are forced to rely only on the physical ID shown at the crossing, without sufficient additional information to verify the ID of the person carrying the documentation.

“Persons of concern”

- **Background:** According to the Rafah Agreement, Israel does not have the ability to prohibit any Palestinian moving through the crossing. Israel does, however, have the ability to submit written information on “persons of concern”. Upon receipt of such information the PA shall consult with the GoI and the 3rd party prior to making a decision. This process shall not exceed 6 hours. This is, under no circumstances, to be taken as a “negative list” (i.e. an agreed list of people whom both parties decide to prohibit from movement – this was adamantly refused by the Palestinian side throughout the negotiations). Israel may relay its concerns about a particular person, but Palestinians always have the final word and are under no obligation to prohibit travel based on Israeli concerns. Ironically, despite Israeli complaints that such “persons of concern” pose a serious problem to their security (i.e. their claim that “Rafah allows terrorists to move freely”), Israel has *never* used this objection procedure.
 - **Process:** Practically, there was little movement on this issue as the file was supposed to be transferred to the National Security Advisor and his office for follow up on the Palestinian side but that did not happen. There was reluctance from the Palestinian side to engage in discussions with the Israelis over persons of concern when the internal situation in Gaza was escalating. Nonetheless, the USSC suggested creating a working group to discuss the specific procedures to be applied during the six-hour delay period allowed for in the Agreement. Although Israel continues to note this issue as a concern, and although they have asked that some resolution to this be included as an annex to the EUBAM mandate extension materials, to our knowledge, there has been no movement on this issue on the Israeli side whatsoever.
2. **Exceptional Categories:** In addition to all Palestinian ID holders, the agreement also allows for four exceptional categories of non-ID holders to move through the crossing.
- **Background:** These categories are: diplomats, foreign investors, foreign representatives of recognized international organizations and humanitarian cases. The process for such movement is that the person wishing to travel must submit a request 48 hours in advance to the PA, who will in turn notify the GoI. The GoI then has 24 hours to respond with any objections. The PA then makes the final decision regarding movement, after evaluating any objections and completing their own checks. This process has been suspended by Israel following the Shalit incident in June 2006 – since that time the Israeli side has refused to respond to any notifications from the Palestinian side. This, when combined with the lack of normalization of the operation of the crossing, has functionally halted movement of exceptional categories.

- Process: In the negotiations, Palestinians were able (with *much* difficulty) to include only the general categories to be included as “exceptional categories” without any further definition. In implementation, Israel has again attempted to open the issue of defining these “exceptional categories”. As a good will gesture, the Palestinian side agreed to hear Israeli and European concerns, and to take them into account in drafting a Palestinian definition of each category to be used at the crossing. The EUBAM has created a working group through which this information was to be exchanged. Palestinians, in December 2006, submitted their own definition of each category based on international law and best practice. The GoI kept stalling by failing to show up to meetings on the issue, despite repeated efforts by the EUBAM to convene a meeting. Nor did they send comments on the Palestinian draft to speed up the process. Finally, a couple of meetings were held which led to partial agreement on the definitions for “diplomats”, “foreign representatives of recognized international organizations” but not “humanitarian cases” and “foreign investors”. The source of the disagreement was the Israeli side’s misinterpretation of the agreement whereby they argued that only urgent humanitarian cases should go through RCP while the rest should use Kerem Shalom. The Palestinian side categorically refused to entertain the Israeli proposal because Kerem Shalom was never intended for passengers and was for a temporary period only until RCP can become fully operational for goods and people. It was agreed, therefore, that such a major difference in the interpretation of the Agreement could only be resolved at the political level. The events in Gaza, however, overran the discussions and there haven’t been any meetings on the issue since. The Palestinians continue to maintain that defining these categories is at their sole discretion.

3. *“Goods of Concern”/Weapons and Explosives*

- Background: The Agreement calls for the Palestinians to prevent the movement of weapons and explosives through the crossing. Israel is trying to expand this definition to include all “goods of concern”, which could be interpreted to include dual use materials (i.e. substances or equipment that has both civilian and potentially military uses), and other substances it deems a threat. Palestinians disagree with this broad interpretation, and consider “goods of concern” to mean only weapons and explosives. The Security Protocol calls for a working group to elaborate detailed procedures consistent with international standards to prevent the movement of weapons and explosives. [NOTE: this provision was one Palestinians objected to in the US draft of the Security Protocol. Despite this, all parties have agreed to use the US draft but the Palestinians and Israelis each noted their own reservations to it and stated in separate letters to the US that they would apply it each according to their own interpretation of it.]
- Process: Under the Security Working Group (“SWG” – described in more detail below), a sub-working group was created to address the definition of and procedures for “goods of concern”. This sub-working group was chaired by the United States Security Coordinator (“USSC”), and attended by the Palestinians, GoI, and EUBAM. In these meetings, the Palestinian side focused on ensuring

that any item included as a weapon or explosive can be detected using the technology and expertise available at the crossing (i.e. Palestinians will not agree to prohibit an item if they do not have the necessary capacity to detect or dispose of it). After several months of stalling, the Israelis provided a list of their specific concerns and the list was discussed. The Palestinian position was not to engage in detailed discussions regarding potential procedures until there was an agreed list of substances that includes only weapons and explosives, is reasonable, and conforms to international practice. The rationale behind this approach was that the Palestinians could not commit to specific procedures before first, arriving at a complete understanding of which weapons and explosives they are meant to detect, and receiving the necessary equipment for detecting those specific items and proper training on how to detect them.

4. *Procedures for Hazardous Materials*

- Background: The Security Protocol also calls for the PA to work with the EUBAM to establish and implement procedures for dealing with unidentifiable or potentially hazardous materials consistent with international standards and practices.
- Process: Palestinians have worked with EUBAM to develop general procedures, reporting back to the “Goods of Concern” sub-working group. The procedures were intended to remain generic, however, until the definitions of prohibited items are established and sufficient capacity (technology and training) are procured, as noted above.

5. *Crisis Management*

- Background: The EU BAM expressed concern with respect to dealing with crises at the RCP (most often caused by the continual Israeli closure of the crossing – i.e. the lack of normalization, but also caused by the minimal coordination of the Egyptians with the Palestinian side at the crossing). The EU member states expressed concern about such crises, stating the need to ensure that the European head of mission is able to withdraw EUBAM monitors should their safety be compromised. The Palestinians, however, are the only party under the agreement with the authority to close or suspend operations at the crossing (except in the event of a technical malfunction for which special procedures are outlined in the agreement).
- Process: As a result of the above, Palestinians have agreed to develop a crisis management mechanism. Israel is NOT included in the development of this mechanism. Palestinians have agreed to head a working group on “Crisis Management” to address this issue, and has called for a working group meeting with the Egyptians. To date, the Egyptian interlocutor has not received a response from Cairo on whether or not they have permission to engage with Palestinians on this issue, their preferred approach, and to what extent they will become involved. Therefore, the progress of the working group is suspended until a response from

Cairo has been received. Once clarity is reached, Palestinians will include the EU in the discussions.

➤ **Exports through Rafah:**

1. Background: The agreement allows for exports to or through Egypt to pass through Rafah. For exports to leave Gaza through Rafah little to no infrastructure is needed on the Palestinian side of the crossing. Although there has been political agreement by Omar Suleiman and President Mubarak on allowing exports through, this agreement has never been translated into operational reality -- despite continual efforts by the Palestinians and the US. Practically, exports have been allowed through by Egypt only once, in 2005. At that time three trucks destined for a trade fair in Cairo (that was to occur very near the time President Abbas was to visit) were allowed to pass using the back-to-back system on the Palestinian side of the crossing. The process went very smoothly.
2. Process: The World Bank completed a comprehensive report looking at the economic aspects of trade through Rafah, which they marketed heavily. The EU also expressed willingness to press the issue with Egypt, and visited Egypt to pursue the issue. The Palestinian side and the USSC also continually raised the issue at a political level. In June 2007, a Palestinian delegation travelled to Cairo and met with Egyptian customs, intelligence and military officials and agreed on procedures for allowing exports through RCP. The parties agreed that Egyptian trucks would cross into the Palestinian terminal for loading, and then transport the goods either to Egypt or to a transit port for export to other markets in accordance with Egyptian customs law and the existing Arab League Transit Agreement. However, due to events in Gaza, this agreement has not yet been formally adopted by the two parties.

➤ **Imports through Kerem Shalom from/through Egypt (only):**

1. Background: Palestinians agreed, as a temporary measure, to allow for imports coming from or through Egypt to use Kerem Shalom. This was agreed for two reasons: (1) Israel was concerned that Palestinians would not properly implement the Paris Protocol and maintain the quasi-customs union at Rafah, and insisted on monitoring the movement of trade coming in (exports do not implicate the customs union). If Palestinians did not agree, Israel threatened to abrogate the customs union with respect to the Gaza Strip, which would have resulted in a different economic policy being applied to the Gaza Strip as is applied to the West Bank (e.g. all goods coming into or out of Gaza would be subject to import taxes and quotas), which would have a devastating effect on the Gazan economy, and further separate the two parts of the occupied Palestinian territory. (2) Palestinians wanted to explicitly limit Israeli ability to interfere at Rafah, in order to preserve the ability to fully exercise sovereignty over the crossing in the future. As a result, an arrangement was reached where imports from Egypt would come in through Kerem Shalom, cleared by Palestinian customs agents who would be supervised by Israeli customs officials. Israel would perform the security checks. After 12 months (Nov

2006) the 3rd party was to review the PA's customs capacity. If the EUBAM (the 3rd party) issued a positive report, it was expected that imports would be moved to Rafah, which would graduate into a fully functional independently operated international crossing.

It should be noted that Kerem Shalom is not, and under no circumstances will be, agreed as a commercial crossing between Gaza and Israel, or as an alternative passenger crossing to Rafah. Israel has consistently tried to impose this, but the Palestinian decision-makers have constantly refused. The primary concern is that Israel is attempting to slowly transform Kerem Shalom into a permanent crossing, in the anticipation that it will control the Gaza-Egypt border in the future (eventually replacing Rafah). In addition, it should also be noted that the import capacity of Kerem Shalom is very small (8-15 trucks per day), even for imports coming from or through Egypt. However, Palestinians have allowed for the use of Kerem Shalom for humanitarian aid coming from the Israeli side.

2. Process: The APRC (Agreed Principles on Rafah Crossing) calls for an implementation protocol on customs to have been signed prior to the opening of Rafah. This protocol (the Customs Annex) has been bilaterally negotiated and technically agreed by the Palestinians and the Israelis, but Israel has thus far refused to sign it, despite repeated promises. The reason for the refusal was political, the results of the Palestinian elections, but Israel claims that the political change raises new concerns that were not present with the former Palestinian government. Nonetheless, the Palestinians addressed each of the Israeli concerns, although irrelevant and outside the scope of the agreement, including the transfer of custom revenues to a designated bank account under the President's Office, the secondment of the head of the customs department to the NAD, and the unofficial imposition of limitations on the transfer of money on the Egyptian side of Rafah. The Israeli obligation to sign the Customs Annex had been raised in almost every meeting with Israelis in the forums noted below, as well as in any other forums available. Israel's signature is a prerequisite for operating Kerem Shalom for its sole purpose of importing goods coming from or through Egypt and that is why Palestinians were pressing for it.

➤ **Additional issues:**

1. EU BAM monitors

- *Mandate*: The current mandate of EUBAM includes monitoring, capacity building, and evaluation of Palestinian performance at the crossing. It does not include the authority to implement law or regulations nor to suspend or shut down the crossing. The only exception to that is when there is a technical malfunction in which case the EUBAM can suspend until the malfunction is fixed.
- *Extension*: The EUBAM mission was extended in May 2007 for a year. The EU has taken a position that it expects the RCP operation will be normalized (i.e. 7 days a week). After the events in Gaza, the crossing was closed and the EUBAM has since reduced the size of the mission. Brussels is currently considering

whether to keep the reduced numbers on stand by, modify their mandate to do other tasks (namely capacity building), or end the mission altogether.

- *Location:* EUBAM is currently housed in Ashkelon. This gave Israel the *de facto* ability to force the crossing to close by denying the EU monitors access to Rafah through Kerem Shalom despite the fact that that was in direct contravention of the agreement. Proposals to relocate the mission to the Gaza Strip or Egypt did not succeed.

2. *United States Security Coordinator (“USSC”):*

- The US government took responsibility for implementation of all AMA provisions. That being said, in general very little has been done by the US in terms of pushing forward implementation of most provisions of the AMA.
- The USSC understands his mandate to extend to any aspect of the AMA with security implications. This has come to fruition with respect to Rafah, as noted above, and with the Karni crossing, as noted below. The USSC role has accounted for the majority of US involvement on the AMA in recent months.

3. *Border Security*

- *Perimeter security:* All parts of the Egypt-Gaza border except the actual Rafah and Kerem Shalom crossings are excluded from the AMA. That being said, the EU and the Palestinians are seeking the National Security Force (or other Palestinian security) presence along the Philadelphi corridor to secure their movement, as well as to ensure that the equipment installed between the Liaison Office and Rafah is not stolen or damaged again.
- *Smuggling:* Smuggling and tunnels, except as the issue pertains to the Rafah crossing itself, are also excluded from the AMA.

➤ **Implementation mechanisms:**

1. *Liaison Office*

- *Function:* The Liaison Office is where Palestinian, Israeli, and EUBAM officers monitor RCP operations through the provision of real time camera feed and data on crossing passengers. It is located at Kerem Shalom and its purpose is to deal with day-to-day operational problems as they arise at the crossing. It is also the centralized location where all communication between the parties is meant to pass. It is the only venue at which Israel can observe what is happening at Rafah and raise concerns.
- *Personnel:* The EU, GoI and the General Administration for Crossings and Borders (GACB) each have a representative at the crossing. Currently, representatives from the Presidential Guard and Egypt have both been invited, but

these invitations have not yet been accepted by the Palestinian side and the Egyptian side, respectively.

2. *Coordination and Evaluation Committee (“CEC”):*

- Purpose: The CEC has been led by Gen Pistolese on behalf of EUBAM (with the EU observing), and includes the GoI (usually represented by Haggai Alon and Oded Hermann), the Palestinians (represented by Dr. Erekat, supported by the NSU) and the US (represented by Gen. Dayton with observers from the Embassy and the Consulate). The purpose of the CEC is to deal with technical and operational issues that cannot be dealt with at the Liaison Office, and need to be addressed at a more senior level. Meetings were held monthly.
- Status: The last meeting of the CEC was on May 7, 2007. The CEC has provided a good platform where Palestinian concerns are frequently discussed. However, very little has been accomplished due to Israeli refusal to engage meaningfully on the majority of the issues.

3. *Security Working Group (“SWG”):*

- Purpose: The SWG is led by the USSC (Gen Dayton with the Embassy and the Consulate observing), and includes the EUBAM (Gen Pistolese leading with EU observing), the Palestinians (Dr. Erekat) and the Egyptians. The SWG is meant to deal only with unresolved issues pertaining to security but has de facto taken a larger role to deal with any difficult or unresolved “policy” issues and occasionally with issues that were not resolved in the CEC. The USSC is attempting to give the SWG a dispute resolution function, but this effort is based on another provision of the Security Protocol that Palestinians protested, which states that the US (in consultation with the EUBAM and the other members of the SWG) is to resolve any disputes which cannot be resolved in the Liaison Office or by the EUBAM. Palestinians maintain that Israel, who is a member of the SWG, should have no say over the resolution of disputes at Rafah. The SWG met fairly regularly, approximately once every two months.
- Status: The last meeting of the SWG was on April 15, 2007. The SWG has been useful in pushing forward difficult issues, and in formally including the Egyptians in the process.

4. *Sub working groups on Rafah (all described above):*

- Goods of Concern
- Procedures for hazardous materials
- Exceptional Categories
- Crisis Management

- Persons of Concern

5. *Crossing Steering Committee (“CSC”) (Palestinian):*

- Purpose: The purpose of this committee was to create a centralized body for all Palestinian parties with any responsibility or role in the operation or use of the crossings. By creating one address, the CSC was meant to ensure that all actions and positions are coordinated, policy decisions regarding crossings get input from all relevant parties and to create a system of oversight. The mandate of the CSC extends to *all* crossings, and not only Rafah. The CSC was led by NAD, and included the GACB, the Presidential Guard, the President’s Office (Dr. Mohamed Mustafa and Dr. Rafiq Husseini), Customs (Hatem Yusef, seconded to NAD), Trade (Nasser Sarraj, also seconded to NAD), and representatives of the private sector from both the West Bank and Gaza Strip. The NSU was an observer/secretariat to the CSC. In the last meeting, held on March 20, 2007, a member of the Economic Committee of the PLC was invited to observe the CSC and report back to the PLC.
- Status: This group used to meet regularly and was key to dividing work, providing oversight over all involved parties, and providing a body for decision making and coordination on all crossings issues. Basically it was the interface between the GACB and the President under whose authority the crossings are. With the decision to move the crossings file from NAD to the prime minister’s office, the CSC has been disbanded and the ministerial committee on crossings should take over.

CROSSING POINTS

*Proper implementation of the AMA provisions relating to crossings is key to the economic survival of the Gaza Strip. To demonstrate their importance, economic losses due to Israeli closure of the external crossings and reduction of Palestinian employment in Israel was estimated to be \$750 million for 2005 which is equivalent to **58% of the total aid of \$1.3 billion** provided to the Palestinian Authority that year. Despite their obvious importance, the agreed provisions regarding crossing points have not been implemented by Israel.*

➤ **Key elements of the agreement:**

1. ***The AMA pertains to all crossings; Karni is a model:***

- a. Background: The AMA is meant to deal with all crossings between Israel and Palestine. Karni was chosen as a model for two reasons: (1) it is currently the most inefficient crossing and acts as a huge barrier to the economic well-being of the Gaza Strip, and (2) it is one of the few currently operational crossings that is on the 1967 border and is agreed and therefore Palestinian engagement on it does not prejudice political positions vis-à-vis the border issue. Israel has attempted to unilaterally create an international border regime along the Wall. Part of this

attempt has included the construction of checkpoints in a manner which mimics international border crossings, although most of these terminals are constructed without Palestinian input or approval, and are often deep inside the West Bank. Several examples of these checkpoints (with their estimated distance from the 1967 border in parentheses) are the Qalandia Checkpoint Terminal (6.5km), the Betuniya Checkpoint Terminal (7km), the Bethlehem checkpoint Terminal (1.5km) and the Tarkumiya Checkpoint Terminal (1.5km – it should be noted that throughout the AMA discussions Israel repeatedly assured the Palestinians and the international community that this crossing specifically would be constructed on the 1967 border). For further information read “Israeli Checkpoint Terminals: Status of Construction (14 December 2006)” found at <http://www.nad-plo.org/pmg/special/PMG.Checkpoint.Terminals.14.12.06.pdf> or <http://www.nad-plo.org/ar/pmg/special/PMG.Checkpoint.Terminals.ARABIC.14.12.06.pdf>.

- b. Status: Israel continues to unilaterally build “crossings” without Palestinian cooperation or agreement. There is currently some level of discussion with respect to the Tulkarem crossing in the West Bank, which is built *straddling* the 1967 border, although the discussions have yet to bear any fruit. Internally, this work was delegated to a working group headed by Dr. Mohamed Mustafa. Three major projects are being discussed in the working group:
 - i. Creating a petroleum transfer facility near Tulkarem. This is substantially agreed, except for a technical issue which is still being resolved within the Palestinian team regarding the necessary storage capacity. There were preliminary discussion among members of the CSC over the issuance of a bid on engineering plans for the petroleum storage facility. An agreement on the transfer of petroleum with the Israeli side was easier to conclude than the other issues related to the crossings because there is no border dispute regarding the location of the facility -- Israeli part is to be constructed on the Israeli side of the 1967 borders. (Note: The Palestinian side also received confirmation from the Israeli side that the planned petroleum transfer facility in Tarqumia is also to be built on the Israeli side of the 1967 borders, despite the current location of the commercial crossing well within the West Bank. Because both of the planned petroleum transfer facilities respect the 1967 border, Palestinians are prepared to fully engage on the petroleum transfer issues. This is particularly the case because the facilities are not part of the crossing themselves (agreement on which is more difficult and contentious), but happen to be constructed close to the planned crossings.
 - ii. Constructing a Palestinian side of the Tulkarem crossing. Currently the NSU has put together a paper outlining the common management principles to be applied at the crossing at Dr. Mustafa’s request, based on previous Palestinian positions and World Bank papers. Discussions are ongoing on the Palestinian side regarding the development of engineering plans, as this is contingent on the agreed management regime. In addition, there was some preliminary discussion in the CSC over whether to issue a competitive bid for the development of the plan, or whether there is sufficient capacity to complete it internally.

- iii. Working with the international community to complete a needs assessment determining the best locations for future crossings between the West Bank and Israel. It is expected that this work would also help to prioritize crossings on which to engage in discussions with Israel.

2. *Continuous operation:*

- a. Background: The AMA calls for continuous operation of the crossings. This is understood to encompass two major principles: (1) any crossing should not be closed unless there is a specific and material threat to that crossing that cannot otherwise be mitigated or contained; and (2) in such a rare case (or in the case of technical malfunction or other such emergency) both lane and terminal redundancy should be implemented, as appropriate (that is that an alternative lane or alternative crossing would be opened). This is meant to ensure that there is never a drop in available capacity, even if part or all of the crossing must be closed for a short period of time until the threat or emergency can be contained or remedied.
- b. Status: This has not been implemented.

3. *Common Management System:*

- a. Background: A large part of the problem at the crossings, particularly at Karni, is caused by the lack of an efficient and transparent management system that is cooperative between both sides of the crossing. As a result, much of the negotiations on the AMA focused on this issue.
- b. Status: This has not been implemented.

4. *Service Standards:*

- a. Background: The AMA calls *unconditionally* for at least 150 export truck loads per day to be allowed through Karni by December of 2005, and 400 export trucks by the end of 2006, *in addition to agricultural produce*. This was meant to lead to a time per truck service standard (that is that checking a truck would take x amount of time) that would ensure that each crossing functioned to full capacity and to meet market demand. Currently, because no such standards are applied, the economy of Gaza has shrunk to reflect the amount of trade allowed through the borders. Practically, the crossing functions as a gauge that controls the size of Gaza's economy.
- b. Status: This has not been implemented. Current movement is estimated at approximately 45 truckloads per day, comparable to the pre-AMA period, and well below the 400 truckload per day minimum in the AMA.

5. *Agriculture:*

- a. Background: Agriculture was one sector expected to flourish after the Israeli evacuation from the Gaza Strip. As a result, agriculture was given special consideration in the AMA, but to little avail. The economic loss due to the unjustifiable closure of Karni alone during the 2005 agricultural season was estimated by the World Bank at over \$600,000 loss *per day*, almost half of which

was attributable to lost agricultural exports. The agriculture sector has suffered considerably from the closure.

- b. Status: Currently, there is a renewed focus on the movement of agriculture, particularly through the Karni crossing due to the need to enforce the EUROGAP standards during this coming agriculture season. As a result, there is preliminary discussion with the Dutch (who are interested in funding the project) and the USSC about instituting a system of segregated, covered, and cooled lanes at the Karni crossing dedicated to the movement of agriculture.

6. *Technology*:

- a. Background: Originally, the Palestinian side agreed to the integration of new technology in order to work towards the eventual goal of door-to-door movement of Palestinian trucks, with the scanning of full containers as a first step. Despite the procurement of several scanners by USAID to facilitate movement at the crossings, much of the new technology has not been used effectively or for the purposes intended for in the agreement. In fact, one of the scanners procured by the US to clear imports from Egypt at Kerem Shalom as part of the assistance package to the Palestinians has been relocated to Nitzana, a bilateral crossing between Israel and Egypt. Regardless, the Palestinian position, as well as that of the World Bank, has been and remains that any improvements in technology at the crossings will not suffice if there is not a significant improvement in the management of the crossings.
- b. Status: Israel still unloads containers and subjects them to the back-to-back system even after using technology to scan entire containers. In general, technology at the crossings are not used to full capacity or for their designated purposes.

7. *Palestinian side of the crossing*:

- a. Background: The AMA calls for the PA to:
 - i. Establish a unified system of border management,
 - ii. Ensure that the passages will be protected on the Palestinian side of the border, and
 - iii. Train and upgrade the management of all crossings to ensure efficiency and effectiveness.
- b. Status: The PA is making efforts on each of these fronts.
 - i. In the CSC, the PA has advanced a great deal in creating one centralized source of authority for all crossings. In addition, there are specific projects currently underway to outline job descriptions and division of authority within the GACB and among the various institutions involved in the operations of the crossings.
 - ii. The USSC and the Palestinian side have developed a security plan for the improvement of security on the Palestinian side of the Karni crossing. This project has yet to receive sufficient funding to proceed fully. However, Palestinians have themselves funded several immediate improvements to increase security in the meantime. In addition,

Palestinians have expropriated a large olive grove located in the center of the crossing essential to the new design.

- iii. The USSC and others have provided a significant amount of assistance in training and upgrading the Presidential Guard's ability to secure the crossings, and is in the early stages of contributing to a project for the institutionalization of the GACB. A Canadian team charged with doing a needs assessment of the current structure leading to a bigger project towards complete institutionalization of the GACB was supposed to arrive in May/June but then the events in Gaza put the project on hold. Subsequently, the project was canceled.

➤ **Tracks of current work with examples (all described above):**

1. *Crossings Steering Committee:*

- a. Job descriptions
- b. West Bank crossings
- c. Immediate improvements at Karni

2. *Dayton/USSC:*

- a. Karni Project
- b. Upgrade of the GACB
- c. Support for Presidential Guard