Meeting Minutes Customs Arrangements at Rafah Jerusalem 9/10/2005 Enbal Hotel 8:30 – 23:30

Participants:

Internationals:

Christian Burger – EU [CB] Richard Guilford – EU [RG] Nigel Roberts – Wolfinson team [NR] Robert Aten – USAID [RA]

Israelis:

General Amos Gelad [AG]
Einat Wilf – Peres office [EW]
Elan Ohad – Israeli Customs [EO]
Baruch Persky – IDF [BP]
Legal Adviser – IDF
Representative of the Ministry of Agriculture

Palestinians:

Hatem Yousef [HY] Mesyef Mesyef [MM] Basem Mousa – Gaza customs [BM] Bader Rock [BR]

Minutes:

CB: Last Thursday we had a joint Israeli – Palestinian meeting and agreed on a number of principles: (1) there will be only one crossing point along the border between Gaza and Egypt (2) The crossing will be open according to mutual agreement between both sides; (3) There will be information exchange both on security an customs; (4) The custom envelope must be preserved and the same regime applied at the WB and Gaza. The purpose of our meeting today is to discuss the technical custom arrangements that will apply at Rafah and 3rd party role

HY: Thanked every one for their participation and efforts and introduced the Palestinian custom preparations and procedures that will be applied at Rafah for Passengers:

• The customs system (ASYCUDA) was designed with the help of the EU and UNCTAD and is ready to operate for passengers and commercial.

- The Israeli customs were consulted on the compatibility of the system to the Israeli import/export policy, tariff and legislation in order to preserve the customs envelope.
- All procedures were designed to meet WCO standards.
- To install the system we need permits for the Palestinian team to travel to Gaza from the WB. HY passed a list with the names and ID numbers of the Palestinian technicians to Mrs. Einat Wilf.
- The Palestinian side is welling to give the Israeli side a read only access in real time to the ASYCUDA system and to have a 3rd party for monitoring and capacity building.
- A Palestinian team of 50 people were trained to operate the ASYCUDA system and 30 of them were chosen to work in Rafah.
- There is a need for information sharing from the Israeli side to include immediate update of the import/export policy and tariffs.

HY then passed to the Israeli side and the 3rd parties a document and presentation specifying the custom procedures that will apply for passengers at Rafah.

AG: We agreed that Rafah will be open for passengers and that goods will go through Kerm Shalom. Our Palestinian counterpart requested to allow exports through Rafah and we are considering this. The official date for opening Rafah is on the 15/1/2006 but we are ready to open it by the end of December 2005 if the custom and security arrangements will be ready. We are sensitive to the Haj season and elections and we already agreed to open Rafah for the Omra. The government decided today that the Prime Minister Peres will replace Minister Mofaz and his team will take over from now and will be headed by Mrs. Einat Wilf for the customs arrangements.

EW: Because of the shift in responsibility our team is not ready today to comment on the Palestinian presentation. However Mr. Peres requested that the meeting today be basic and we will move forward as soon as possible. We admit that this is one step backwards but we promise that it is only to go forward expediently.

MM: Introduced the technical aspects of the ASYCUDA system and the way that it will be operated at Rafah.

BM and BR: Presented the infrastructure readiness at Rafah and answered questions to the needed equipment relevant to customs and emphasized that the equipment in Rafah is sufficient to start immediate operation; however, more equipment is needed to facilitate the movement of passengers.

EO: Kerem Shalom is ready to operate for passengers and it will take 1 month to finish the preparations for the commercial terminal. For the meanwhile goods can go through Netsana. We didn't agree to allow exports through Rafah yet.

CB: Asked HY to elaborate on the need to share information and training staff in Israel.

HY: The immediate need is an update of the Israeli procedures and tariffs. Training will take place in Jerusalem immediately after Ramadan and will include 15 staff from Gaza for the first course and another 15 staff for a second course. We will pay for the training from our budget. We also agreed with the Israeli chamber of commerce to have a training course for custom Agents.

HY, MM, BM and BR then answered questions presented by the Israeli team.

EO: Presented the Israeli needs:

- Preventing smuggling not only in the terminal but also along the border between Egypt and the PA.
- To have the PA customs officers in the terminal when ever it is open.
- Operation must be according to the same envelope and according to international rules and the Paris Protocol.
- Customs officers must be trained and tested and Israel is willing to help.
- We need to receive more information on the sanctions for smuggling. The PA must convey to us every violation and the response.
- Need to agree on the limits for baggage size and weight and other relevant standards.
- All custom payments must be done through a BANK and we need a copy of the banks records of payment.
- We need to discuss the role of the 3rd party.
- We need to install measures to monitor the work your doing on customs.
- There is a need for an Israeli Palestinian Egyptian meeting to discuss and agree procedures.
- We agree on the need for immediate exchange of information.
- Need to agree on a forum for dispute settlement.

Representative of the Israeli Ministry of Agriculture: explained the Israeli fear from importing any fresh products from Egypt or Africa in general. Requested that there will be no import of fresh agriculture products through Rafah for the mean while to prevent the need for strict SPS measures at Karni.

HY: Responded that the Palestinian side has the same interests and therefore passengers will not be allowed to import any fresh agricultural products through Rafah.

CB: Requested both sides position on the 3rd party.

HY: Explained that the Palestinian side is interested in having the 3rd party for capacity building and monitoring. However the scope of their power to intervene must be decided by the political levels.

EW: We agreed for a 3rd party role in Rafah and next meeting we will be willing to discuss the scope of its responsibility.

CB: summarized the main points discussed in the meeting and requested the Israeli team to prepare answers for the Palestinian proposal and 3rd party role for the coming meeting.