

PALESTINIAN TECHNICAL TEAM ON ISRAEL'S EVACUATION

ISRAEL'S UNILATERAL "DISENGAGEMENT": UPDATE ON ISRAEL'S COORDINATION

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Rafah Crossing Point/ Customs Envelope

Background: Israel maintains complete control over Palestinian movement (both people and goods) at this and every other entry and exit point. Only 700 people per day are allowed to leave the Gaza Strip (to Egypt) and the vast majority of Palestinians in Gaza are denied the ability to travel. (An estimated 90 percent of Palestinians in Gaza are routinely denied the ability to travel and Israel currently imposes travel restrictions on Palestinian males aged 16 to 35).

The Palestinian Authority and Israel currently maintain a customs arrangement regulating the movement of goods. The Paris Protocol, signed in 1994 and ratified in 1995, created one "customs envelope" in Israel and Occupied Palestinian Territory ("OPT"), whereby goods entering into the envelope are taxed only once and goods within the envelope are not taxed. For example, goods entering the Gaza Strip from Egypt are taxed upon entry but if transported to Israel or to the West Bank are not taxed again. The Paris Protocol also specified which goods could be imported into OPT. Owing to Israel's control over all border crossings, the Israel has maintained control over the Palestinian economy: Palestinian goods are often detained for weeks or months at Israeli crossing points and Israel denies the free import of goods (including those included in the Paris Protocol). Furthermore, Palestinian businesspeople have often resorted to using Israeli intermediaries to import and export goods. Accordingly, tariffs that would normally go to the Palestinian Authority go to Israel via the Israeli intermediary. Nonetheless, the Palestinian economy can immediately benefit from the Protocol's proper implementation: if Palestinian goods are allowed to move freely and if the Palestinian Authority receives the tariffs that are withheld by Israel international trade could be improved.

After the Israeli evacuation from the Gaza Strip, Israel wants to move the crossing point to Kerem Shalom, which is located at the southeast corner of the Gaza Strip, bordering both Egypt and Israel. It wants to maintain Israeli customs officers there to ensure that only specified goods are imported into Gaza. Otherwise, it has threatened to cancel the customs envelope.

Palestinian Position:

1. Palestinians should be granted complete freedom of movement, without interference by Israel.
2. The movement of the Rafah crossing point to Kerem Shalom will ensure Gaza's continued dependence on Israel, as Israel would continue to control Gaza's access to and from Egypt and also continue economic control over the area. Furthermore, the movement of the border crossing to Kerem Shalom is not logical: if Israeli customs

officials are present in Kerem Shalom, it casts doubt on Israel's claim that it will allow the Palestinians to freely operate a seaport, for Israeli official will also need to be present at the seaport, situated well within OPT. Therefore, if Israel wishes to maintain the customs union, it welcomes **a third party** to ensure smooth functioning and transfer of the Rafah crossing point to Palestinian control post evacuation and to monitor customs arrangements. This move would represent an important step towards Gaza's success.

Status: Israel has not yet agreed to the presence of a third party to monitor customs and continues to insist on the movement of the crossing point to Kerem Shalom.

Palestinian Airport

Background: The Palestinian International Airport was opened in 1998 by Presidents Clinton and Arafat and serviced Palestinians seeking to fly in and out of the Occupied Gaza Strip. The airport operated under the strict control of Israel. In 2000, the Israeli Army closed the airport and several months later destroyed the runway and control tower, with estimated damages exceeding more than USD \$8 million. It has remained closed.

Palestinian Position: The Palestinian Authority seeks to rebuild the airport immediately at an estimated cost of USD \$26 million. Following Israel's evacuation, the Palestinian Authority seeks to open the airport.

Status: Israel has indicated that it will allow the Palestinian Authority to rebuild the airport after its evacuation but it has not yet provided answers as to whether it will allow the Palestinian Authority to operate the airport following the evacuation. Under the terms of the "Disengagement Plan" Israel will retain complete control over Palestinian airspace.

Movement Regime Between OPT and Israel

Background: Currently, Israel exercises complete control over the Palestinian economy by controlling the movement of Palestinians and their goods. In the Occupied West Bank, for example, Israel maintains hundreds of checkpoints and barriers designed to fragment Palestinian communities. Palestinian goods are subject to a "back-to-back" system of movement, wherein Palestinian goods are unloaded and reloaded onto different trucks several times before reaching their final destination. For example, goods originating from Hebron (in the Occupied West Bank) destined for Nablus (also in the Occupied West Bank) must be unloaded and reloaded an estimated seven times. Obviously this increases transportation costs and the time for which goods reach their destination.

Furthermore, Israel does not maintain systematized rules or procedures for the movement of Palestinian goods, thereby increasing risk and uncertainty among investors. In the Karni terminal (the sole terminal for the movement of Palestinian goods from the Occupied Gaza Strip), rules for the movement of goods are frequently changed by the Israelis. Today, a mere 50 trucks per day of Palestinian goods are allowed to leave the terminal, owing to the onerous and unpredictable searches. Israeli goods, which do not have to go through any security procedures are shipped in daily on more

than 300 trucks. Accordingly, Israeli goods are often less expensive to Palestinians and Palestinian reliance upon such goods is increased.

Palestinian Position: Israel can easily improve the economy by simply removing its barriers and checkpoints and by allowing Palestinian goods to move based on international principles of "door-to-door" wherein Palestinian goods are freely allowed to move without onerous security searches that are not imposed on Israeli goods. By creating certainty among investors, the economy of the Gaza Strip can be revitalized and improved. The World Bank is in agreement with this conclusion: "Palestinian economic recovery depends on a radical easing of internal closures throughout the West Bank [and Gaza] the opening of Palestinian external borders to commodity trade, and sustaining a reasonable flow of Palestinian labor into Israel." See *Disengagement, The Palestinian Economy and the Settlements*", the World Bank, June 15, 2004.

Status: Israeli Minister of Defense, Mofaz, agreed on the "door-to-door" system of movement of goods in the presence of Quartet Special Envoy James Wolfensohn but in later technical discussion expressed that it is impossible to implement as Israel has put forward such high security specifications for any scanner that would be used at crossing points – so high that not a single scanner in the world exists that meets these specifications. International experts do not support the Israeli position.

Seaport

Background: In 1999, in the Sharm el-Sheikh Agreement between the PLO and Israel, it was agreed that a seaport would be opened in Gaza for exclusive Palestinian use. In July 2000, construction began on the seaport but this construction was unilaterally halted by Israel in October 2000, as Israel refused to facilitate the movement of needed construction materials. The seaport will take an estimated 2 years to build.

Palestinian Position: The Palestinian Authority seeks to build and operate the seaport in order to improve the Palestinian economy and reduce reliance upon Israel's ports.

Status: While Israel has agreed to the construction of the seaport, it has not yet provided details as to how it will facilitate the construction of the port, as the materials need to be brought into the Gaza Strip from the West Bank and elsewhere.

Safe Passage and Freedom of Movement

Background: Currently, Palestinians require Israeli permits to travel: (1) within the Occupied West Bank; (2) between the Occupied West Bank and the Occupied Gaza Strip and (3) to Israel. Palestinians in the Gaza Strip also require Israeli permission to cross international boundaries to visit other countries. Such permits are granted rarely (less than 30 percent of the Palestinian population receives such permits) and in the Occupied Gaza Strip, approximately 90 percent of the Palestinian population are denied the ability to travel.

Under the Oslo Agreements, Israel was supposed to have instituted a "safe passage" between the Occupied West Bank and Gaza Strip to ensure freedom of movement for Palestinians within Occupied Palestinian Territory. Passage through the "safe passage"

remained subject to strict Israeli control and in 2000 Israel closed the safe passage route thereby isolating the Occupied Gaza Strip from the rest of Occupied Palestinian Territory.

Palestinian Position: In order to ensure that Palestinians are not enclosed in a large prison, freedom of movement must be guaranteed. Yet, while Israel asserts that it wants to "disengage" from the Occupied Gaza Strip, it wants to retain control over Palestinians and their economy by denying freedom of movement.

Status: Israel has yet to respond to whether freedom of movement for Palestinians will be guaranteed: whether Palestinians will be able to travel to the rest of Occupied Palestinian Territory; whether Palestinians will continue to require Israeli permission to leave the Gaza Strip and whether Palestinians will be able to freely travel throughout the Occupied West Bank. While many discussions have taken place on the mode for transportation (sunken road, railroad, convoy), these discussions remain inconclusive.

Rubble

Background: Throughout its 38 years of military occupation, Israel constructed approximately 2,500 settler houses (housing 7,300 Israeli settlers) on approximately 20 percent of the land of the Occupied Gaza Strip. The Strip, a mere 365 km², has an estimated Palestinian population of 1.3 million, living on 55 km² of built-up land, making the Occupied Gaza Strip the most densely populated place on earth. Israel unilaterally decided to demolish the houses in the colonies. Some of these houses were built using asbestos and other harmful materials and cannot be reclaimed. The demolition may result in an estimated 80,000 tonnes of rubble.

Palestinian Position: For environmental reasons, the rubble must be disposed of in a manner that is not hazardous. The PA insists that the rubble cannot be stored in Gaza (for environmental, health and space reasons) and therefore it must be transported out of the Gaza Strip. The PA furthers demands, in accordance with international law, that Israel pay for the demolition and removal of any rubble.

Status: Israel will demolish the houses, remove any hazardous materials and arrange for the disposal of that rubble which cannot be reused either in Israel or in another country. The Palestinian Authority will clear the rubble and Israel will pay for its clearance. The rubble will not remain in the Occupied Gaza Strip.

Greenhouses

Background: The greenhouses in the colonies produce "organic" food that is exported to European markets. The greenhouses are heavily subsidized by the Israeli government and water is shipped in from Israel owing to the polluted nature of the Gaza coastal aquifer. The greenhouses currently employ approximately 4,000 Palestinians. Israeli settlers have received compensation from the Israeli government for businesses operating in the colonies and are demanded further compensation from the international community.

Palestinian Position: While, on face level, it may seem like a good idea for these greenhouses to be maintained, unless the free movement of the goods produced in these greenhouses can be guaranteed and unless the subsidies can be maintained, the

greenhouses will be worthless. Furthermore, pursuant to international law, the Palestinian Authority will not compensate the settlers and it will oppose any efforts by the international community to compensate settlers. The Palestinian cabinet passed a decision on 19 July 2005 calling on the Ministry of Finance to create a company to manage any assets that remain once the settlers leave.

Status: Israeli settlers continue to seek compensation. The PA remains opposed to the payment of compensation by the international community.

Status of Area to be Evacuated

Background: Under the Oslo Agreements, Israel divided the Occupied West Bank into three areas:

- Area A – **This area consists of approximately 17.2% of the Occupied West Bank, divided into 13 separate, non-contiguous areas.** The Palestinian Authority has responsibility for internal security and has wide civil powers.
- Area B – The area consists of **23.8%** of the West Bank. The Palestinian Authority has civil control over the area, but overall security control rests with Israel. **For all practical purposes, since September 2000, Area B has functionally ceased to exist and has been under full Israeli control.**
- Area C – This area consists of **59%** of the Occupied West Bank. Israel has full security and civil responsibility over these areas. This is the only contiguous area in the Occupied West Bank; it surrounds and divides Areas A and B.

Palestinian Position: Given that Israel will leave the area and dismantle its colonies there, the evacuated areas should become "Area A" and therefore fall within the complete control of the Palestinian Authority.

Status: Israel wants keep the area under full Israeli control – "Area C" and will only allow access to the area with "coordination." In other words, Israel wishes to maintain complete control over the area, despite its statements to the contrary.