

Clearance Process for the
Import of Commodities
to the
Occupied Palestinian Territories

The following summarizes the procedures to ensure the successful import of items to the West Bank and Gaza. It was derived through review of relevant portions of the Interim Agreements on the West Bank and Gaza, Protocol on Economic Relations, and through discussions with USAID representative Fouad Salman.

The overarching requirement to ensure successful import of 'any' items destined for the Palestinian Authority, is obtaining Government of Israel (GOI) approval. For routine items this multi-step process takes approximately two weeks, but for unusual or sensitive items, approval from policy level officials will require more time. Mr. Salman is not aware of a published pre-approved list of items for import but noted that each request is handled on its own merit. To prevent cargo being "frustrated" at the port and incurring costly customs delays, GOI approval must be obtained before any item leaves its point of origin.

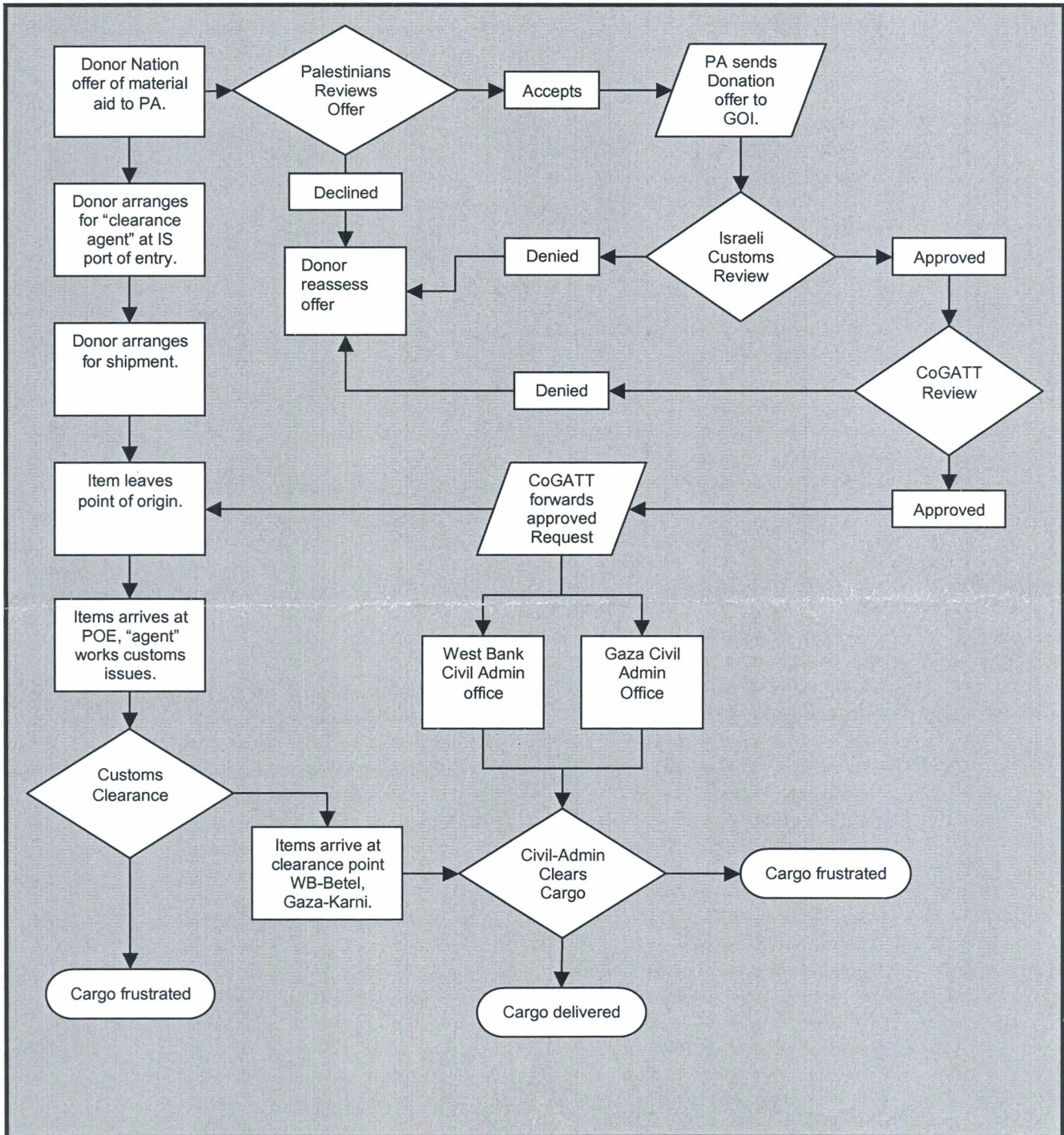
The first practical step is to secure a "clearance agent" to handle the port clearance for the commodities when they arrive at the port of entry (Ashod, Ben Gurion). This agent is required for both private and government donations to the Palestinians.

The second step involves securing GOI approval and involves three actions. First a donation letter and control number is obtained from the appropriate PA agency or ministry. This letter is then sent through the Department of Customs and VAT, Coordination Liaison to the Palestinian Authority. Mr. Eli Mor is the POC with offices in Jerusalem and his office then forwards the PA request to the Israeli Defense Forces, Coordination for Government Activities in the Territories (CoGAT) for approval. The head of CoGAT is MG Yossef Mishlev and he has approval for routine request. It is unclear at this point what defense items would be approved at his level (i.e. uniforms, radios, vehicles etc.). It is already clear that weapon systems will only be approved at the political level.

Once the CoGAT approves an import, the third step is the approved request is sent to the regional clearance office for the West Bank or Gaza. For shipments destined for the West Bank, the local clearance is coordinated at the Betel IDF Civil Administration offices in Jerusalem and for Gaza shipments the clearance is coordinated at Erez offices. This paper work is then used by the "clearance agent" to ensure delivery of the shipment to the recipient.

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DONOR IMPORT PROCESS

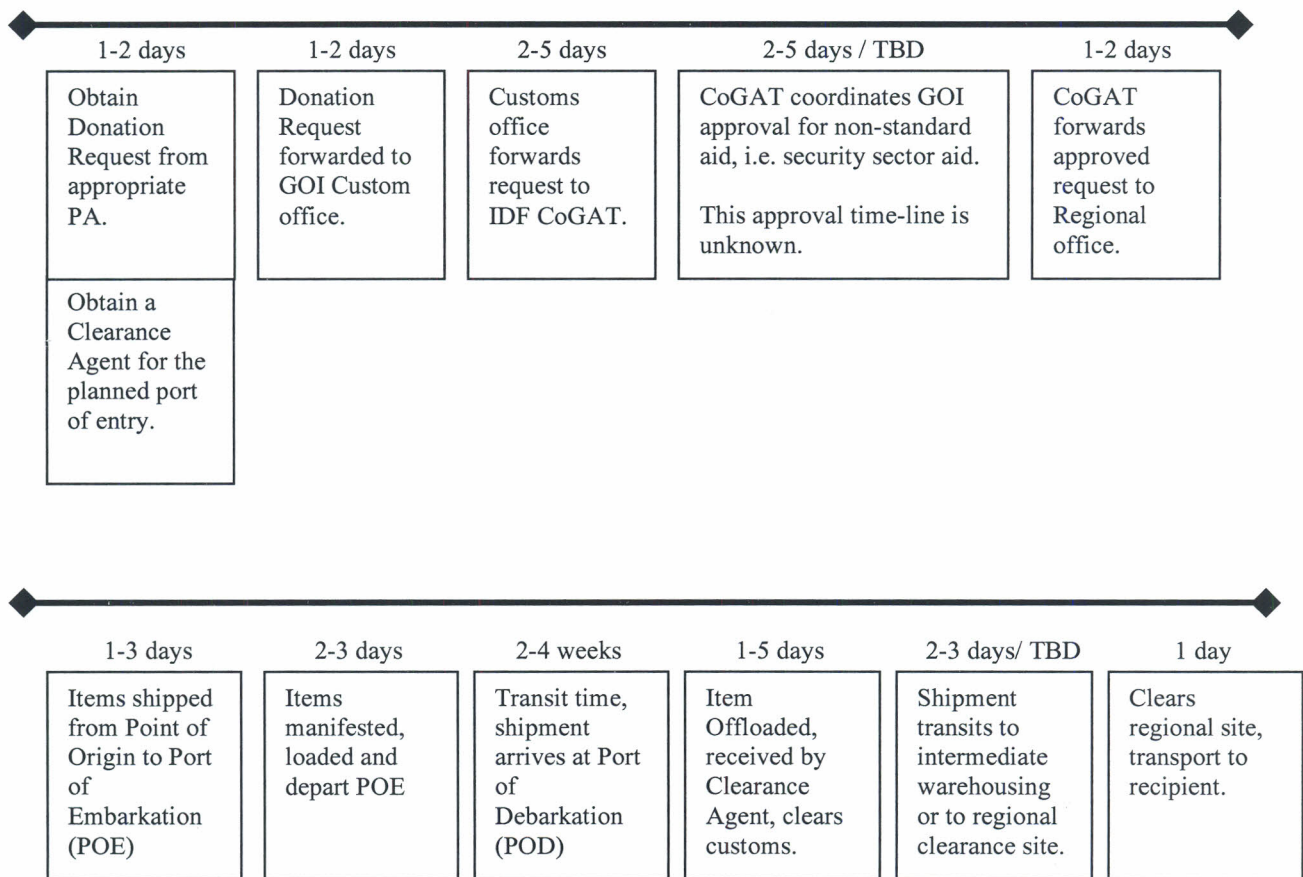


Gaza represents some additional unique requirements because direct shipment through the passages is not authorized. Once the shipment clears the port of entry (Ashod) the items must clear inspection at the Karni crossing point. This terminal transfers cargo via "back to back" method to Palestinian trucks on the Gazan side. For some commodities, the entire container is

transferred and in other cases the cargos are downloaded onto smaller trucks. Currently USAID has clearance for 25 containers per day through Karni when it is open. It is unclear at this time what restrictions the IDF will place on Karni prior to actual disengagement.

Pitfalls. The import of humanitarian assistance items is subject to intense bureaucratic scrutiny and requirements. Economic incentives are present that encourage delays either for paperwork in the form of additional demurrage charges, warehousing and import penalties. Prior clearance is critical to avoid unnecessary charges and delays. Moreover, the unpredictable closure regime may drive warehousing outside of the port while waiting for opening of Karni crossing.

Two Weeks Typical Time-Line
(Maybe longer based on GOI approval delays.)



Shipments from US may take up to 30 days to transit to Port of Debarkation, while shipments from Europe may take as little as 7 days. Average container ship takes approximately 2-3 days to offload depending on port capacity.

KARNI TERMINAL

