



FACT SHEET

PRIVATE ENTERPRISE PROGRAM

PROJECT PROFILE

Trade Facilitation Project (TFP)

JANUARY 2011



Awarding certificates for customs clearance training.

CHALLENGES

- Israeli restrictions on movement within the West Bank and between the West Bank, Gaza, and Israel.
- A complicated array of obstacles such as checkpoints, gates, and earth mounds within the West Bank and between the West Bank and Israel.
- Extensive delays and high transport costs of cargo flows through crossings.
- Lack of PA ability (and Israeli agreement) to collect customs revenues and manage borders and crossings effectively.

Project Overview

Trade and movement restrictions are among the most critical constraints on competitiveness, international investment, and economic development in Palestine. Checkpoints and other obstacles within the West Bank restrict movement and result in transfer delays and higher transaction costs that affect the economic vitality of the private sector. The USAID Trade Facilitation Project aims to stimulate trade in the West Bank and Gaza and facilitate cargo movement through crossings by supporting facility and equipment upgrades on the Palestinian side of selected crossing points. TFP also concentrates on interventions in the private sector, collaborates with the Palestinian and Israeli public sectors, and contributes to exports by providing impact research.

Goals

- Improve internal movement and access conditions in the West Bank.
- Facilitate West Bank and Gaza trade with Israel and international markets.
- Build capacity of the Palestinian Authority (PA) Customs Department and support efforts to establish PA presence at crossings and borders.

Activities

TFP aims to ease movement and access restrictions for people and commodities within the West Bank, and between the West Bank and Israel. Activities focus on customs issues and the development of efficient crossing points while addressing legitimate Israeli security concerns.

TFP promotes solutions for reducing the impact of movement and access restrictions, research reports and policy analyses, and promotes Palestinian-Israeli dialogue to reduce the impact of movement and access restrictions. In addition, the project provides technical assistance and training to build the capacity of PA Customs officers, improve revenue collection systems, and establish an appropriate PA presence at crossings and borders.

Successes

- Launched a comprehensive technical assistance program based upon results of a technical assessment of PA customs procedures and revenue collection systems.
- Developed standard operating procedures for PA Customs and VAT personnel.



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Opening previously closed roads to stone quarries near Hebron.

- Sponsored six intensive training sessions for mid-level PA Customs officers together with Israeli and Jordanian experts; \$40 million in improved revenue collections in 2010 is directly attributable to this training.
- Completed designs for infrastructure upgrades on the Palestinian side of the Sha’ar Ephraim and Jalameh crossings and facilitated support of PA cabinet-level committee. Improvements will reduce congestion, improve cargo flow and provide basic services.
- Help secure agreement of the Government of Israeli (GOI) to facilitate shipments of 14 high-volume traders representing 40 percent of outbound cargo at Tarqumia crossing. Working to replicate similar success at other West Bank crossing.
- Helped to secure Israeli approval to expand door-to-door stone and marble exports from Bethlehem from 75 to 150 per day with improved market access and reduced shipping costs for the stone and marble industry.
- Facilitated export of full container shipments from the West Bank; freight forwarder successfully delivered fresh produce to international markets.
- Instrumental in securing Israeli decision to extend working hours at Tarqumia crossing in January and November 2010. New hours extend operations by over 20 percent and allow traders to increase daily shipments and same-day clearance and delivery for imports.
- Conducted an economic impact study which led to the decision to open the Jalameh vehicle crossing to private Arab-Israeli vehicles in November 2009. The economic impact of the opening on Jenin and the northern West Bank was estimated at \$40 million in the first year.
- Conducted a detailed study of the negative impact of Israeli restrictions on the import of dual-use goods, prompting changes in GOI procedures.
- Helped to inform planned operational and facility improvements at Israeli-operated crossing points through a comprehensive study of the possible future demand on West Bank commercial crossings.
- Instrumental in achieving several major improvements in movement and access through analysis and discussions with stakeholders, including GOI decisions to open routes, remove roadblocks and allow direct access.

CONTACT INFORMATION

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Project Detail

Implementing Partner: Chemonics International; Life of Project: 06/06/2008-06/06/2011; Total Estimated Cost: \$12,996,934.