

A Palestinian Border Services Agency (PBSA)

Concept note

In an environment in which security management and trade facilitation cannot be divorced from one another, and in which success in balancing both requirements is essential to Palestinian trade development, the Bank recommends the creation of a unified Palestinian border management agency.

Currently the PA has not decided on a “home” for such an agency, nor is there yet full agreement to establish it. In the opinion of the Bank, further delays in making these decisions will damage the orderly development of Palestinian border management and will further reinforce today’s unilateral system of border management. One good way to rebalance the current system is to place concrete alternatives on the negotiating table.

The Case for a Unified PBSA

1. The PA should give top priority to the development of a credible border services organisation. Such an organisation would significantly bolster the PA’s ability to assume responsibility for the management of a port of entry at the land border with Egypt. This organization should also be responsible for the management of all of the crossings with Israel and Jordan, as well as of the inspection services at the Gaza airport and seaport.

2. The benefits that will result from having a single national organisation responsible for the delivery of integrated services include:

- *The uniform application of laws and regulations.* A Palestinian Border Services Agency (PBSA) would develop policies and procedures for processing people and commercial goods at the borders, and would be able to apply them uniformly at all terminals.
- *Relationships with other departments and agencies:*
 - The PBSA would enforce at the border all the laws, regulations and standards for which other departments have responsibility, and which are applicable in the border context. Each department would retain full responsibility for the laws, regulations and standards within their jurisdiction but would rely on the PBSA to act on their behalf at the border. As required, the departments would develop guidelines and manuals to assist the PBSA in the administration of their legislation and to ensure uniformity between domestic and border enforcement activities.

- The PBSA would initiate all enforcement activities at the border, but when issues arise that require more in-depth expertise, the relevant department or ministry would be called in for further action¹.
- *Relationships with the private sector.* The PBSA would provide businesses with a single PA address on border issues. It would also be responsible for seeking the input of business in the development of border policies and in terminal management.
- *Relationships with foreign border services agencies.* The PBSA would ensure appropriate liaison with foreign border services agencies.

Mandate

3. The mandate of the PBSA would be to manage the flow of goods and people at approved ports of entry, in accordance with national legislation. Its main responsibilities would include:

- Developing national policies and procedures applicable to the entry and exit of travellers and commercial goods at approved ports of entry, and applying them uniformly at each terminal.
- Collecting taxes and duties and enforcing the terms of applicable trade agreements.
- Enforcing laws, regulations and standards insofar as they are applicable at the borders.
- Enforcing the laws that prohibit or regulate the entry or exit of travellers or goods at ports of entry.

The Relationship between the PBSA and the Security Services

4. The PBSA should be a civilian organisation specialised in border management---which includes law enforcement activities at the border. If the PBSA is to be effective, it must have a strong working relationship with the PA's intelligence and security agencies, as well as with those agencies belonging to its main trading partners. It needs to exchange information with other law enforcement agencies in order to increase collective efficiency and effectiveness in combating criminal activities.

5. The PBSA should not develop its own internal policing/security capacity. Policing necessary to protect PBSA employees working at the border and to establish a security perimeter around the border areas, the port and the airport should be provided by the appropriate PA police and security services. Within the terminal perimeters, however, these security services would come under the authority of the PBSA.

¹ For example, the Ministry of Agriculture would be called in for matters related to the standards and safety of food products. The police would be called in to arrest/remove criminals apprehended at the border, etc.

The Institutional Home of the PBSA

6. In some countries in which border security is of heightened concern, such as the US, there have been moves to place the border services agency under the jurisdiction of a security-related Ministry. In the West Bank and Gaza, however, with Israel exercising such a strong security role, the main challenge facing the PBSA will be to maintain a *balance* between security and trade facilitation by adopting a system of risk management. In the Bank's opinion, the PBSA is more likely to succeed in its mission if falls under a Ministry with a financial or economic orientation, while maintaining strong links to the PA's security services.

6. Typically a border service organisation is highly decentralised. While national policies and procedures would be developed at PBSA headquarters, their implementation and the bulk of the Agency's resources would be deployed at individual border terminals and ports of entry.

Next Steps

7. There are a number of key issues which need to be considered by the PA in determining the direction and design of the PBSA. These include:

- The choice of the PBSA's parent ministry;
- The delineation of the PBSA's exact functions and jurisdictions (including an appropriate role for private contractors in the provision of terminal services), and their embodiment in law;
- The appropriation of an agency operating budget, and the selection of the head of the agency and of its senior officers;
- The definition of a set of anti-corruption measures; these should include a commitment to published procedures and to independent monitoring of adherence to service standards, as well as the establishment of anti-corruption hotlines. Also worth considering would be the introduction of terminal facilitators/ombudsmen, paid for from terminal user fees but employed by Palestinian business and trade associations.

8. It is recommended that the PA decide which ministry would oversee the PBSA without delay, as well as the form of that oversight. Once that initial decision has been taken, it is proposed that an interministerial task force be established to design the PBSA. Given the urgency attached to this, the task force should work on an expedited schedule, aiming to present its recommendations to Cabinet by the end of October. The World Bank and Canada, together with other members of the international community including the EC, the IMF and the US, are ready to assist the PA in thinking through key issues and in providing support for the agency's establishment.