

**Agreed Minutes
Palestinian-Israeli Permanent Status Negotiations: Economic Relations
28 August 2000, 3:30pm
Dan Pearl Hotel, Jerusalem**

1. The following persons attended this session:

Palestinian

M. Masri
S. Bamieh
A. Nowfal
N. Tahboub
N. Serraj
R. Abu-Shbak
N. Mouhanna
N. Haj-Ahmad
O. Dajani
Y. Dajani

Israeli

A. Ben-Bassat
T. Gal-Yam
M. Eilon
M. Herzog
M. Zelichovsky
G. Orgil
B. Bar-Zion
D. Yarom
T. Neumann

2. The purpose of this negotiation session was to reach a common understanding regarding the characteristics of an "effective economic border." Each of the parties presented its own general concept and responded to questions from the other side.
3. Although both parties recognized that the regime at their common borders ultimately will address both economic and security concerns, they agreed that there is a distinction between an effective economic border and an effective security border. The Israeli side observed that the measures required to establish an effective security border may be more substantial than those required for an effective economic border.
4. The parties agreed that an effective *economic* border is all that is required to bring a free trade area fully into effect.
5. The parties recognized, however, that either or both sides may eventually wish to exercise additional controls at the border to address *security* concerns, in accordance with the implementation of a permanent territorial settlement.
6. The concept presented by the Israeli side addressed both economic and security concerns. The Israeli side estimated that it would require two years to establish an effective economic and security border.
7. The Palestinian side submitted that it should take less than two years to establish an effective economic border.

These agreed minutes are intended solely to facilitate further discussion by identifying tentative points of understanding and revealing where differences remain. This document is not an agreement, and nothing contained herein is binding on any party in any way.

8. The parties agreed that the economic border between their territories will need to be enforced both (1) at the border crossings (2) along the perimeter of the border – i.e., between border crossings.
9. At this session, the parties did not discuss the ways in which the economic border would be enforced at border crossings or the number of border crossings they plan to establish.
10. Regarding enforcement along the perimeter, the parties agreed that, in order to be effective, the economic border should prevent commercial goods from passing from one party's territory to the other party's territory except at designated border crossings.
11. The parties agreed that a combination of measures will be required to achieve this goal, depending on topography, proximity to urban areas, and other factors. The Israeli side suggested that these measures may include fences, wires, cement blocks, sensors, and border patrols. The parties agreed that cooperation at their common border would be beneficial but did not specify the nature or scope of cooperation.
12. The parties have not yet reached an understanding regarding how much control must be achieved before the economic border is considered "effective."
13. The Palestinian side suggested that attention should be given in the negotiations to identifying ways to scale back security procedures in order to facilitate trade.
14. The parties agreed to establish a committee comprised of four persons from each side to discuss border-related issues that implicate both security and economics.

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