



Anthedon – A vision for Hope

Post-War Gaza Economy

Relief, Recovery &
Reconstruction

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1. Background

Since 2007 when Israel declared the Gaza Strip an “Enemy Territory”, Gaza has endured extensive number of wars and economic hardships, economic fluctuations and shocks, and lastly the war that started October 2024. The destruction of the Gazan economy did not take place only during this war but occurred gradually one year after the other. In every war that was launched on the Gaza Strip, a number of its economic and industrial establishments were totally destroyed. Even the infrastructure that was hit in 2014, 2018 and 2021 were never rebuilt again and was waiting for international support with billions of dollars that never came. The siege and successive wars inflicted significant (direct and indirect) economic losses on the Gaza Strip, estimated by the UN to amount to about USD 16.5 Billion for 2007-2018.¹

This time Gaza received the biggest economic shock in recent history. According to the most recent Interim Rapid Damage Needs Assessment (IRDNA) that is conducted by the World Bank, the EU and the UN, and published on the 18th of February 2025, the physical infrastructure damage are estimated at around US\$29.9 billion, while the losses are estimated at US\$19.1 billion, bringing the total estimated effects of the conflict to US\$49 billion (see table next page for damages and losses in each sector). Now, Gaza faces a critical juncture in its recovery and future development especially after the huge loss of lives and physical and social infrastructure at an unprecedented speed and scale. According to the World Bank estimates, Gaza’s contribution to the overall Palestinian economy is expected to drop to 3 percent in 2024, down from 17 percent before the conflict, despite the Gaza Strip being home to 40 percent of the Palestinian population residing in the territories.

This paper aims to analyze the current economic challenges confronting Gaza after the last war, propose targeted strategies for immediate and mid-term recovery, and explore potential sectors for sustainable growth. By examining both traditional economic sectors and emerging opportunities, this document seeks to provide a comprehensive framework for rebuilding Gaza’s economy. The analysis is structured into several key sections, beginning with an assessment of the current situation, followed by strategic recommendations for various sectors, and concluded with a discussion on governance, political risks, and international support needed.

¹ UNCTAD (2020). Economic costs of the Israeli occupation for the Palestinian people: the Gaza Strip under closure and restrictions.

Damages and Losses per Sector (US\$ millions)

Sector*	Damages	Losses
Productive Sectors		
Agriculture and Food Systems	835	1,300
Commerce and Industry	5,900	2,200
Finance	14	325
Social Sectors		
Education	874	3,206
Health	1,300	6,300
Housing	15,800	545
Social Protection	33	1,390
Cultural Heritage	120	55
Infrastructure Sectors		
WASH	1,500	64
Transport	2,500	377
Energy	494	243
Municipal Services	233	988
ICT	164	736
Cross-cutting Sectors		
Environment	92	165
Land	11**	115
Employment	10	1,050
Total	29,880	19,059

source: IRDNA conducted by the World Bank, the EU and UN. February 2025

1.1 Following October 2023 war

The war on Gaza that started immediately after October the 7th, and stayed for 15 months, left a devastating impact on the Gaza economy, or what is left of its economy, as well as on the Palestinian economy in the West Bank and East Jerusalem. For Gaza, it is not easy to expect any economic outlook for the year 2025 if the Israeli army does not withdraw completely from the Gaza Strip. Additionally, if the army only withdraws from inside Gaza Strip and keeps the siege and the blockade like the past 16 years, controlling everything

that gets in and out and preventing free trade and movement of people and labor, then the economic situation is not expected to move much from the devastating situation of today. We can describe the existing economy of Gaza today as a subsistence economy or an economy of survival. The war has destroyed every economic sector, and destroyed social services including education and health providers, the housing sector, roads and infrastructure for water, sanitation, energy and communication services. UNCTAD early estimates show precipitous declines in living conditions, declining GDP per capita, soaring poverty and unemployment, among other socioeconomic challenges.

Currently, almost nothing has been left from what has been the Gaza economy. The conflict has caused widespread and enduring damage, affecting virtually all economic sectors, with severe consequences on tangible assets, incomes, and human capital. Poverty has soared on the Gaza Strip and every person now in every city in the Gaza Strip is poor. The unprecedented level of destruction has made the whole strip uninhabitable.

Most Gazans have been internally displaced more than once, and many found their shelter in UN schools, hospitals, halls, community centers and camps. Over 1.2 million people, almost 60 percent of Gaza's population, are without a home to return to². Every public institution has been bombed and totally or partially destroyed, thus unable to provide any financial support to poor families and to children who lost their parents.

The following page shows the graph (Poverty rate per locality in 2026), that tells us how poverty level will continue to be very high in Gaza city and secondly in Jabalia, Beit Hanoun and Beit Lahya in the North. Additionally, factories and workshops have been destroyed; companies have closed, and most shops and markets have been destroyed. The industrial Estate has been destroyed; almost no agricultural land has lived the destruction of the Israeli tanks while fisherman is not able to go few meters in the sea since they can be easily shot by the Israeli navy.

Gazan Children are dying from poverty, hunger and famine. The Northern part of Gaza Strip is facing unprecedented famine, and most people have lost much of their weight like never before. TV channels have shown children dead in the streets because of famine. Sadly enough, Gazans are counting their deaths not only from the Israeli daily invasions but also from famine and the collapse of the health system. There is a severe scarcity of food, and when there is little food, not everybody has easy access to it. Food insecurity is an issue not only in the North but all over the Gaza Strip. "Nowhere in Gaza is safe, and conditions remain volatile. This has severely limited humanitarian operations and forced food distribution points to close and evacuate," stated the UN World Food Program (WFP) on 30 July³. International organizations are studying now the effect of malnutrition and the severe problems it has on the health of children and their growth. The psychological effects of malnutrition and food insecurity are extraordinary and have long-term incurable costs.

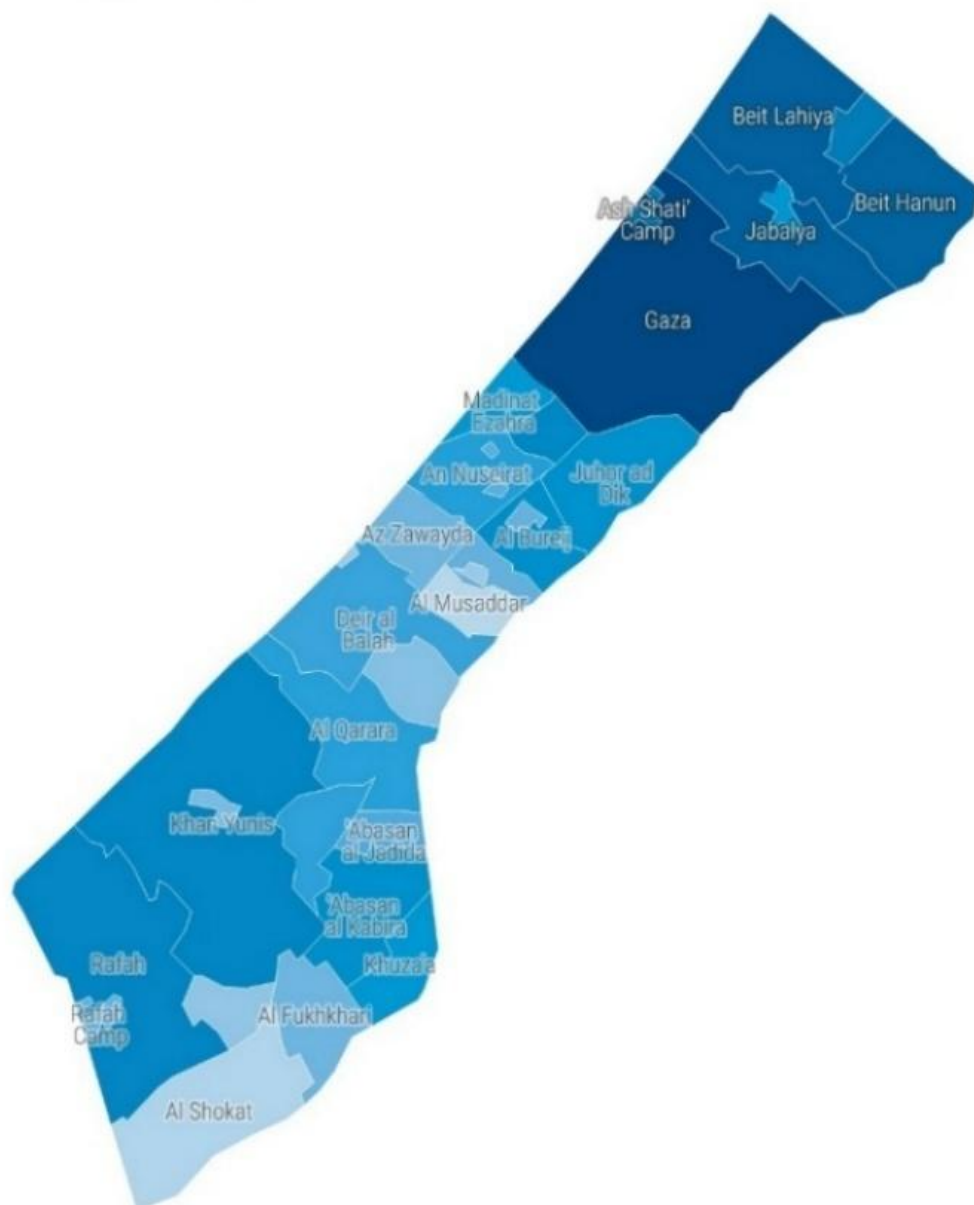
² IPSOS analysis for IRDNA. World Bank, EU and the UN. February 2025.

³ <https://ochaopt.us5.list-manage.com/track/click?u=5a6b19e1cb44562e4e7a92167&id=df8b3799fe&e=fedcc997e1>



Poverty rate per locality

Percentage increase in poverty rate by locality in 2026 if the military operation ended by 26 November 2023



Note: Projected 2026 increase in poverty rate by locality had the military operation ended on the above dates. The darker the color, the higher the localities' poverty rate.

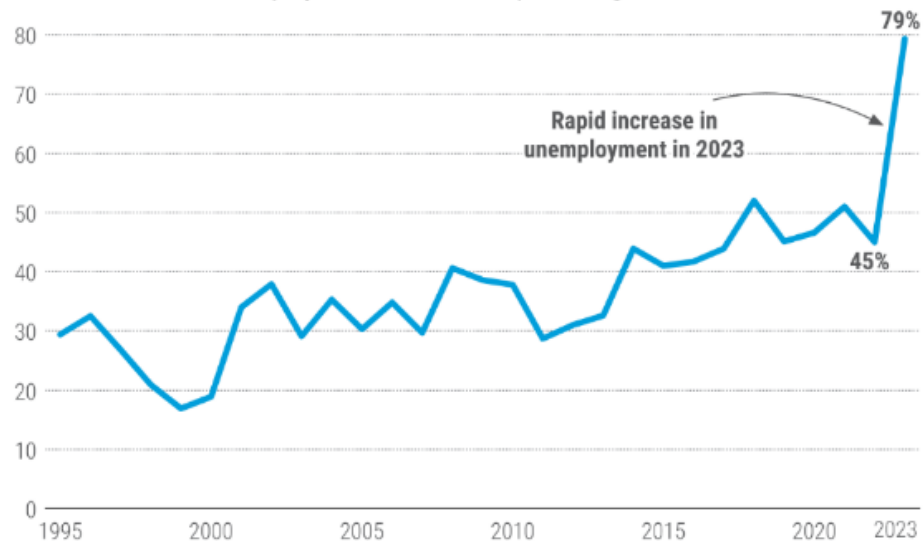
Source: UNCTAD calculations, based on UNOSAT damage assessments.

Unemployment in Gaza Strip is the highest now in the World. It reached 79% by end of 2023, while now it may have overpassed 80% after almost one year and a half of war. In May 2024, the world bank estimated close to 0.5 million jobs lost in the Palestinian economy.⁴



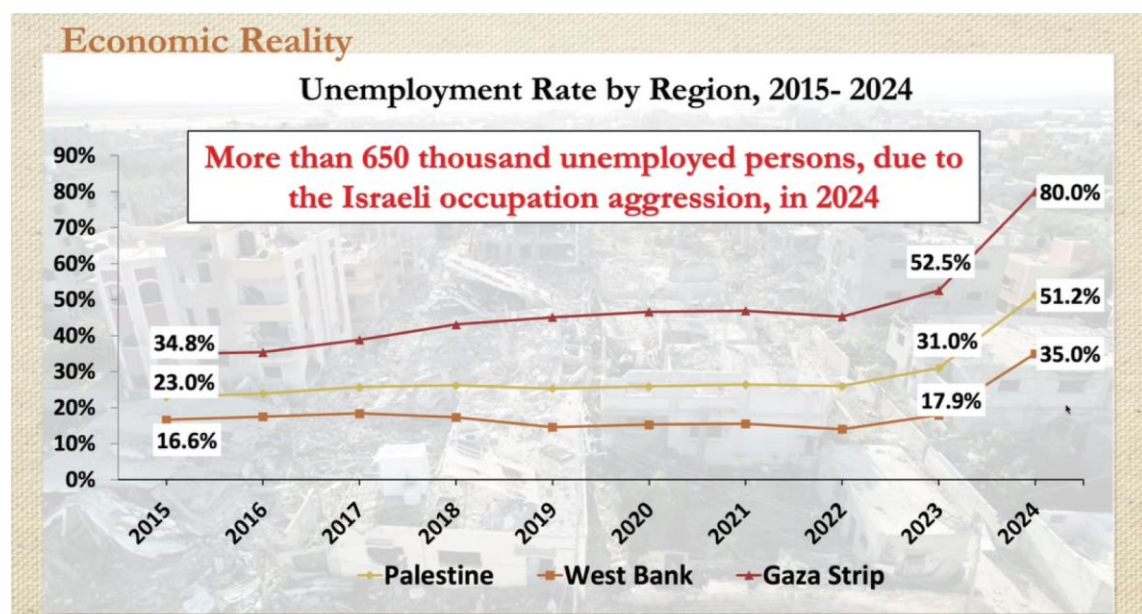
79% of Gaza's labour force is unemployed

Gaza unemployment, 1995–2023, percentage



Source: UNCTAD calculations, based on data from Palestinian Central Bureau of Statistics.

Below the graph shows unemployment in both West Bank and in the Gaza Strip as well as in the whole of Palestine between 2015 and 2024, where unemployment in Gaza reached 80% by the end of 2024.



⁴ World Bank economic report: impacts of the conflict in the Middle East on the Palestinian economy. May 2024.

1.2 Current Bankruptcy of Gaza

The Gaza Strip used to receive yearly tens of millions of US dollars from the Palestinian Authority – around 30 per cent of PA expenditures - but has stopped now due to worsening fiscal situation of the Palestinian Authority which became on the verge of collapse due to disrupted clearance revenue transfers from Israel. Gaza is now receiving nothing from the Palestinian government in Ramallah. It is totally bankrupt. The Israeli government has put a condition on the PA not to transfer any money to Gaza Strip or it will stop transferring any money to the PA in Ramallah. Additionally, it is not easy for any international body or country to transfer now any cash or any kind of finance to the Gaza Strip due to the huge constraints on money transfer to make sure this money does not end in the hands of Hamas. Before, Iran used to find a way to support Hamas financially, but now this is not possible. Qatar used to coordinate with the Israeli government to enter millions of US dollars of cash into the Gaza Strip. Today, neither Qatar or any other Arab or Islamic country can let enter one shekel into the besieged Gaza. Consequently, this will delay any kind of recovery due to severe cash shortage in the market.

2. Traditional Gaza Economy

Historically, Gaza, a 365 km² small area, was the most important commercial center and ancient trade route on the southern coast of Palestine. Gazans were known to be professional traders and used to manufacture simple goods. They were known to be sailors and practiced the fishery industry a long time ago. Gaza used to be a good transit station, linking the South with North of the Mediterranean coast. Gaza, the Canaanite town, used to trade a lot in pottery, jewelry and gold objects with its neighbors in the Mediterranean like Cyprus and Greece.

Before 1967, Gaza was very much linked to Egypt, in trade, finance, health, education, infrastructure, and cultural exchange. Since the Israeli occupation of Gaza, the Gazan businessmen had to depend heavily on trading with Israel. Most of its imports came from the Israeli market, while they exported a number of products to Israel, including agricultural products, garments, furniture and provided IT services.

The Banking sector was performing well even under the years of siege (2007-2023). The Gazan market was full of Israeli shekels, Jordanian Dinars, as well as the US dollars. The construction sector never stopped advancing despite the continuous wars and the constraints on the entry of material and equipment to Gaza.

In the past one hundred years, Gazans were accustomed to living a good and prestigious life and Gaza was one of the modern Palestinian cities. This only changed in the last seventeen years when Hamas started ruling the Gaza Strip in 2007 and the siege was imposed on them. Gaza can come back like before and even better since Gazans are highly educated and energetic. With international support, Gazans can rebuild the Strip and make it the most modern advanced economy in the region.

3. Early recovery

Currently, there is barely any aid entering the Gaza Strip, because of the long approval processes and security restrictions from the Israeli authorities. Concrete emergency recovery will start only after complete withdrawal of the Israeli army from the Gaza Strip and allowing the international community and aid agencies to work freely in order to reestablish a sense of normalcy. The international community is requested to take its responsibility to support the financial situation of the Palestinian Authority as pre 2008 period, so that the PA will play a pivotal role in this emergency recovery. Without basic stability and security all efforts for emergency relief will be at risk. The Palestinian Authority, in coordination with Hamas, is the only side that can take full responsibility of the political and security situation and rule of the Gaza Strip following the end of the war. Arabs of course can help, with international players and donors, but they cannot be a substitute for the PA. The speed, scale, and scope of recovery will be shaped by the agreement of those different parties to proceed. When it comes to recovery, prioritization should focus first on addressing immediate humanitarian needs and basic services, such as providing shelter and housing for displaced families and restoring critical utilities like water and electricity. Early recovery in Gaza will focus on bridging the gap between immediate humanitarian relief, recovery and the development and reconstruction phases.

The Gaza Strip is fully urbanized, with urban areas covering 87% and the rest covered by dense refugee camps⁵. A new spatial plan needs to be developed in the first six months after ceasefire, and after all the destruction, to coordinate and improve the impacts of other sectoral policies on land use, in order to achieve a more equitable distribution of economic development than would otherwise be created by different market forces. In the short run, the expected amount of funds and international aid that will be provided to the Gaza Strip will be minimal (tens or hundreds of millions of US dollars) when compared with the huge needs on the ground (tens of billions of US dollars). Thus, there will be a clear need for efficient use of funds to maximize impact in the emergency period immediately after ceasefire until adequate funds come later.

Most of the transportation stations and solid waste and medical waste dumps in the Gaza Strip were destroyed, in addition to damage to most waste collection and transportation vehicles and equipment.⁶ People need to drink clean water and live in a clean environment. Around 40 percent of Palestinians in Gaza do not have access to the recommended 6 liters of water per person per day for drinking and domestic consumption,¹¹ with some Palestinians surviving on as little as 500 milliliters per day, according to the International Rescue Committee. Thus, the process of removing the debris should start immediately, after the specialized UN organizations check that there are no more unexploded bombs. Components of debris can contain harmful substances including asbestos, heavy metals, fire contaminants, UXOs, explosive residue, household chemicals and other hazardous

⁵ Preliminary report on the status of the development of the efforts to reconstruct the human settlements in the Gaza Strip. UNHABITAT. United National Human Settlements Programme. 2 April 2024.

⁶ Urban sector recovery strategy. World Bank. August 2024.

substances specific to certain locations such as hospital laboratories and industrial areas (UNEP 2009). Public institutions including municipalities, hospitals and schools, should start the process of restoring their basic services like water, electricity, solid waste collection, sewage, education and health services. The private sector can restore their services as well like financial, insurance and communication services. The linkage between sector recovery and regular sector development planning in Gaza is critical to ensuring a cohesive approach to rebuilding. Integrating recovery efforts with ongoing development plans allows for a seamless transition from immediate reconstruction to long-term growth. This involves aligning the reconstruction of infrastructure, such as housing, utilities, and public services, with existing urban development frameworks and future territorial/regional development plans. The table below shows the total recovery, and reconstruction needs (US\$53.2 billion) per sector, as well as the needs only for the coming years.

Recovery and Reconstruction Needs per Sector (US\$ millions)

Sector	Needs	
	Short Term (3 yrs)	Total
Productive Sectors		
Agriculture and Food Systems	1,060	4,200
Commerce and Industry	1,700	6,900
Finance	10	42
Social Sectors		
Education	2,649	3,800
Health	4,300	7,058
Housing	3,700	15,200
Social Protection	3,500	4,180
Cultural Heritage	48	192
Infrastructure Sectors		
WASH	664	2,700
Transport	724	2,900
Energy	365	1,460
Municipal Services	110	440
ICT	114	460
Cross-cutting Sectors		
Environment	480	1,900
Land	12	32
Social Development	171	171
Urban Planning	3	3
Employment	388	1,600
Total	20,000	53,238

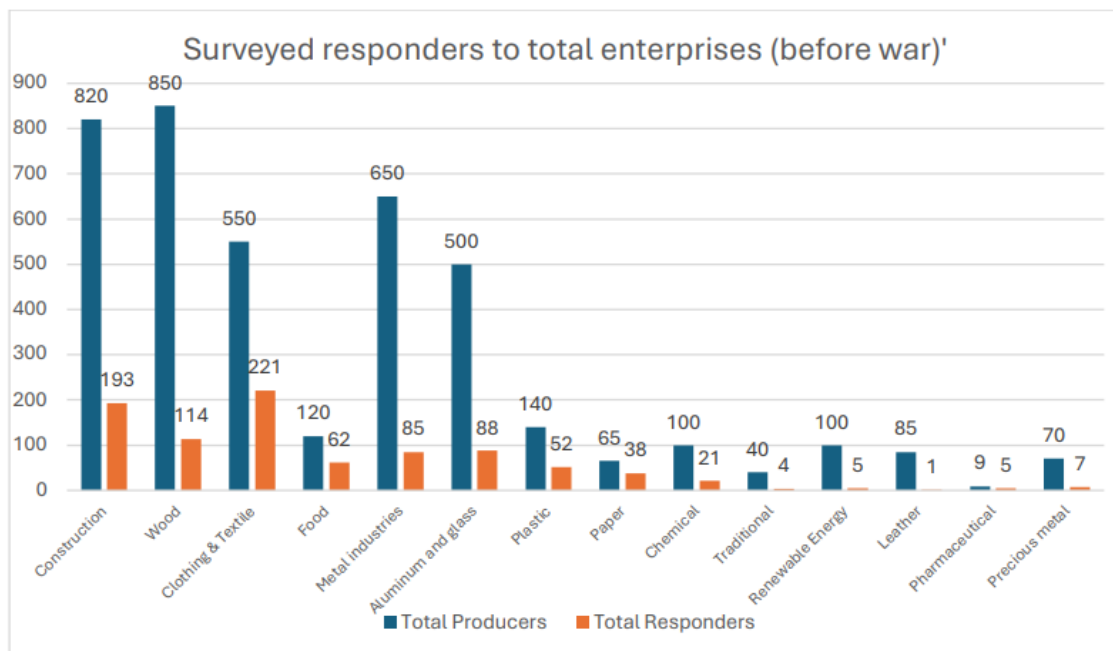
source: IRDNA conducted by the World Bank, the EU, and UN. February 2025.

The labor force in the Gaza Strip is expected to be fully employed in post-war Gaza, and not in Israel or elsewhere for two reasons: First, Israel would be still reluctant to re-employ workers from Gaza because they have probably not forgotten what happened on the 7th of October 2023. Secondly, the huge reconstruction that will take place in the Gaza Strip will need every worker available in the local market in production, agriculture, construction, and service sectors.

Consultations and coordination between the Palestinian Authority and its international partners including UN agencies, development institutions like the World Bank, international development banks like the German KfW the French AFD, and the Swiss SDC is a crucial step to increase aid efficiency, effectiveness and a comprehensive approach for recovery and reconstruction, and to ensure integrated and synergistic recovery efforts.

4. SMEs as drivers for economic revival

The private sector in Gaza suffered much even before the last war but never reached this level of deterioration. Due to the destruction of most of the manufacturing sector, the economy of the Gaza Strip has become heavily reliant on the services sector, which, according to the Palestinian Central Bureau of Statistics, accounts for about 70% of the GDP. Below the chart that gives us some indication of the type of enterprises that existed before the last war (source: Palestinian Federation of industries, October 2024).



Most of the private sector manufacturing establishments were either destroyed or partially damaged because of the war that did not leave much of the private sector infrastructure needed for manufacturing, trade or other needed services, effectively annihilating production capacity in many private sector establishments. Business activity in Gaza

continues to be generally paralyzed with the main economic sectors experiencing a complete cessation of production and sales, barring some activities in the areas of humanitarian relief, health, bakeries, and internal trade focused on food and medicine.⁷ According to a report by the United Nations Development Programme, around 85% of enterprises have halted their production. Meanwhile, 63% of the businesses that are still in operation can only work at less than 30% of their usual capacity. Probably, it is worthwhile to think of grants from international institutions' programs to SMEs to allow them to sustain and help create more needed jobs.

Large companies need time to be established again so that they can contribute to employment generation and economic development. Workers face unsafe conditions and lack protection due to the huge destruction of social and economic infrastructure. International investment also needs some time to come to Gaza due to the huge scale of destruction and the continuous political volatility. Thus, the only sector that can start immediately after ceasefire is the micro, small and medium enterprises. This sector depends on Gazan entrepreneurs who will not wait one day after the war stops, and they will start repairing their homes immediately with whatever resources and material available to them in the local market. Additionally, young entrepreneurs will renovate their small businesses, mainly in trade, and start rehabilitating their small shops to make some money and serve their community that literally need everything. It will be a demand-driven approach. Entrepreneurs will try to trade with products that are most needed in the market, and Gaza businesspeople are known to be creative and innovative. They have excelled in the past decades even during the wars, and there is no reason for them not to excel now and use every opportunity to revitalize their economy, increase the resilience, well-being and the prosperity of Gazans. The sectors of highest priority today are food industries, textile and clothing, wood, construction, and aluminum, as well as plastic and chemical industries. Support to the rapid resumption of economic activities entails the rehabilitation of partially damaged enterprises, farms, and finishing boats, establishing temporary economic hubs, and providing support in production resources, including fuel and alternative energy sources, raw materials, machinery, agricultural inputs, and others⁸. The PA and international support organizations need to work on promoting decent employment opportunities through skills assessment, curriculum alignment, inclusive skilling access, digital learning platforms, entrepreneurship support, and job placement services. Finally, there is a strong need to support MSMEs access to cash liquidity and operational working capital through grants, relief funds, and other cash liquidity support programmes, reviving private sector organizations through supporting the chambers of commerce and industrial sector associations and federations.

⁷ World Bank economic report: impacts of the conflict in the Middle East on the Palestinian economy. May 2024.

⁸ Impact of the war on the private sector and pathways for recovery. UNDP, Palestinian Federation of Chambers of Commerce and the manufacturers association. October 2024.

5. Trade & Investment

After the Rafah crossing closed in May 2024, only about 100 private-sector traders were allowed to import specific food items from the West Bank through the Karm Abu Salem crossing. Trade needs roads, transportation and basic infrastructure. During this war, over 63% of all roads have been damaged or destroyed. According to IPSOS, as of May 2024, over 66% of transportation assets (bridges, culverts, and ports) have been damaged or destroyed. To move ahead and start any kind of internal or external trade, investment in infrastructure is badly needed to pursue economic development. This is in addition to public investment for recovery and reconstruction purposes. New roads must be built for regional trade to connect Gaza Strip to Israel, West Bank, and Egypt, connecting internal roads network with regional highways. This would mean 24 hours opening of Rafah border with Egypt, as well as 24 hours opening of all crossings with Israel, and the corridor through Israel to the West Bank. This investment in infrastructure for trade facilitation can be accomplished through public-private partnership, since the private sector can implement projects much quicker and in a more feasible and effective manner than the public sector.

The development challenges of Gaza: 2.3 million Palestinians locked in a small area, no way in or out



Traditionally, most of the trade conducted by Gaza Strip has been with Israel. Even when there were tunnels with Egypt and lots of goods coming from Sinai, Gazans still managed to keep a big portion of their trade with Israel. Palestinians in general are very much familiar with doing business with their Israeli counterparts in different sectors. However, there were still some imports from different countries that came through Israel ports and airports to the Gazan market. This equation of 90% trade with Israel, and 10% trade with the world is expected to be restored shortly after the war ends, or might differ slightly, but it is not expected that Gaza will shift its trade totally away from Israel. Business is a mutual interest, and businessmen from both sides prefer always to conduct their business away from politics and its complications. International trade can be conducted not only through land corridors and borders but also by sea and air when possible.

Egypt is expected to have its portion of the Palestinian trade, as well as in the Gaza reconstruction efforts as well. Egyptian companies are looking forward to the ceasefire to start trading and investing in Gaza and reap some good benefits from billions of dollars that will be allocated to reconstruction.

To recover, the Gaza Strip would need all sorts of local and international investments. The authorities must encourage local private investment through incentives and prioritize investments at the neighborhood level to start with. The Palestinian Investment Promotion Agency (PIPA), that is part of the PA, and that is functioning now in the West Bank, should start its office in Gaza immediately after the war stops. It has a lot of work to do locally and internationally. Rich Gazan businessmen should be encouraged to come back to Gaza Strip and given guarantees to start again their investments and restore their economic activities. Arabs especially from the Gulf States, should be also encouraged to invest in feasible projects in the Gaza Strip. International investors should be given sound guarantees to mitigate all kinds of risks, which will require robust institutional arrangements. A list of priority investments should be ready for investors to choose from, and certain projects should be encouraged and given incentives in the field of climate change, green technologies, solar projects and renewable energy.

Creating an enabling environment and a set of urgent laws for land use, property rights and economic development can establish a conducive environment for sustainable and inclusive recovery efforts. Without strengthening good governance and public institutions, it is not foreseen that foreign investments will materialize. Investors can turn as well to fish farming operations in the coastal area of the Gaza Strip.

6. Agriculture and Fishery

Basically, the agricultural sector has been destroyed like all other economic sectors. According to IPSOS data, between 81 to 96 percent of agricultural assets in Gaza have been damaged or destroyed, amounting to US\$629 million in damages, including orchards, research stations, irrigation infrastructure, machinery, storage facilities, agricultural holdings, and livestock farms. Following the Israeli invasion, tanks, bulldozers and airstrikes have razed and destroyed most agricultural land, farms, greenhouses and solar energy projects in the whole of the Gaza Strip. Economic losses in the agriculture sector total approximately US\$1.3 billion, primarily due to disrupted supply chains, damaged infrastructure, and halted production. Agriculture accounted for nearly half of Gaza's total land area before the war. Additionally, when people are dying, less attention would be given to the lives of cattle and crops.

Postwar Gaza has great potential to revive the agricultural sector and agricultural exports to the whole world. Following the preparation of the new spatial plans, and the identification of the land that will be used for agriculture, local and international investors can immediately bring state-of-the-art technology to rebuild the sector much better than before. Gaza can go back to export seasonal flowers, strawberries, fruits, tomatoes, cucumbers and vegetables to Europe, bringing foreign currency into the Gaza financial

market, and employing mass labor force in this sector. The agriculture sector has the potential to be the biggest employer after the construction sector in the post-war era for at least ten years to come.

Postwar Gaza can depend much on the fishery industry as one of the main sources of food and nutrition in the Strip. The Gaza Strip is a narrow part lying along the south-western portion of the Palestinian coastal plains, with an area of about 365 km square, and costal length of approximately 42 km. Despite the expected continued Israeli military control of the seashores and fishing zone of Gaza, the sailors can still manage to make a good job out of the available limited space which will surely be enlarged following some stability after the end of the war. Currently, the fishing zone does not exceed 3 nautical miles, while normally it should be twenty, thus preventing them from using 85% of the maritime area allowed to them in the 1994 Gaza-Jericho agreement. Currently there are 3,982 registered fishers with 1741 registered vessels in the Gaza Strip. This implies about 27,874 people directly rely on fishing for their livelihood. Seeing the total population in the Gaza Strip is approximately 2.1 million people, almost 7% of the population depends on the fisheries sector.⁹

The fisheries sector in Gaza is divided into two parts, namely marine fisheries and aquaculture. This sector can be a very promising sector for the future of Gaza, and a lively source of employment, while enabling progress on ecological sustainability. This is the blue economy of Gaza. There are four main fishing sites namely: (1) Gaza city fishing port, (2) the Deir Al-Balah landing site, (3) the Khan Younis landing site, and (4) the Rafah landing site. With some capacity building and training of fishermen in those four sites, the aquaculture sector can be extensively developed to contribute in an unprecedented manner to GDP and to the socio-economic development of Gaza. International donors such as GIZ, FAO, the World Bank, JICA and others can help a lot in such capacity development. The General Fisheries Commission for the Mediterranean (gfcmm) can be the first body to support Gazan aquaculture in cooperation with the Palestinian ministry of agriculture. Furthermore, sustainable fisheries development and improving the value-chain of fisheries and aquaculture sectors have the potential to increase more job opportunities and economic development activities.¹⁰ International financial support for fishers can advance fishing in the Gaza Strip fairly well and can come in the form of support to renew their fishing boats with fiber glass because it is lighter in weight, easy to do maintenance, and lower in costs. Support can also include investing in essential infrastructures for fish exports, such as storage and collection centers, decent transportation, and cold storage facilities on the border. With proper export infrastructure, Gaza has the potential to increase its aquaculture fish production and thus increase its high-value fish exports like seabream, seabass, and octopus to the West Bank.

⁹ Status of Fisheries in Gaza Strip: Past Trends and Challenges. <https://emuni.si/ISSN/2232-6022/15.179-216.pdf>

¹⁰ Same source as the one before.

7. Land Ownership

Before the last war, land management, housing and property rights regulations in Gaza were governed by a mix of laws, including Egyptian law, British law, Ottoman law and Palestinian law. Planning, land use, zoning, construction and infrastructure development were based on that mix of laws. There is no unified land law. The twenty-five municipalities in five governorates, including eight identified refugee camps can be looked at as part of the solution while the implementation on the ground was very problematic due to the instability and on-going wars since 2008, in addition to the continuous overarching impact of the blockade, poverty and high unemployment. Disputes on land ownership and property rights are part of daily life in every part of the Gaza Strip. The available information indicates that the Palestinian Land Authority (PLA) office in Gaza has been destroyed, taking with it the land information system as well as cadastral information, including geodetic reference points and property beacons. Consequently, there is a need for a holistic, comprehensive approach for recovery, reconstruction and urban development. Additionally, there is the opportunity to build-back-better and use every opportunity to advance sustainable development. The “building forward better” principles, for improving the sustainability of investment and enhancing climate resilience of urban spaces, will also guide the integrated investment planning bringing socio-economic benefits to communities and signaling a shift towards greener economies.¹¹

Now after the ceasefire, it will not be easy for many Gazans to know the exact place of their private land, house or flat. The problem is that more than 30% of the private land is not registered. However, according to data provided by land authority, up to 50 per cent of the land registered is private land¹². Displaced people, because of the war, need to be informed of their housing and property rights. About 1.9mn people, or 85% of the Gaza Strip’s pre-war population, are internally displaced, including people who have been displaced up to nine or ten times.¹³ Public land is an issue for the ruling authority of postwar Gaza. No reconstruction can start before solving land issues and ownership. This is the first step to accomplish in order to plan well for any developmental scenarios. Around 30% of the land in Gaza is state-owned land and can be used for building schools, hospitals, public parks, roads, government buildings or refugee camps. Waqf land is not a problem in Gaza as it is in the West Bank since it only constitutes 2% of all the Gaza land.

Following the Israeli unilateral disengagement in 2005, Israel evacuated its settlements from the Gaza Strip, and the Palestinian Authority assumed ownership of the evacuated land. However, there are people, from the private sector, who claimed that the land is theirs, and the dispute over the former settlement land between the government and the people was never settled.

¹¹ Urban sector recovery strategy. World Bank. August 2024.

¹² Types of Land ownership in Gaza. Norwegian Refugee Council. Information, counselling, and legal assistance programme in the occupied Palestinian Territory. April 2015.

¹³ <https://www.ochaopt.org/content/reported-impact-snapshot-gaza-strip-24-july-2024>

8. The Banking Sector

During the war that evolved after October 7th, most banks, their buildings and the banking infrastructure have been destroyed. Only few ATMs stayed functional and served the people. According to the World Bank, of 94 ATMs, only two remain semi-functional, while 59 are destroyed and 33 partially damaged. As mentioned before, Gaza is bankrupt and lacks cash in the banks and in the hands of the people as well. This severe shortage of cash led to a rise in informal "cash selling", with some individuals charging a fee of 10% to 20% for providing cash. The fall of the banking sector means the fall of the Gazan economy. Consequently, this will lead to serious unemployment figures and soaring poverty that will have repercussions on every aspect of the social life in Gaza. Voicing confidence in the banking system's resilience while the Israeli military obliterates collateral and severs financial arteries merely obscures the full extent of the devastation¹⁴.

The World Bank and United Nations Interim Damage Assessment updated to July 2024 figures estimates USD 14.2 million in damages to the financial sector in Gaza between October 2023 and the end of January 2024. This includes the damage or destruction of 93 percent of bank branches in Gaza, as well as 88 percent of micro finance institutions, most money changers, and 88 percent of insurance companies.

Assuming internet service and cell phone connectivity would be restored, banks have increased in response the use of e-payment solutions, particularly after the Palestine Monetary Authority (PMA) introduced in May 2024 new measures facilitating e-payments, including cost-free instant payments, online U.S. dollar transaction capabilities, and electronic Know Your Customer (e-KYC) procedures¹⁵. However, this was not satisfactory, and people still suffer from accessing cash and basic banking services. For this reason, different stakeholders and authorities have to continue looking at options for advancing and expanding digital payment methods as well as accessing different banking services in the Gaza Strip. Surprisingly, many people in the West Bank and outside Palestine want to transfer small amounts of money as donations to help poor families or kids, or donations to hospitals or schools and they cannot do so because of the severe financial constraints.

9. Linking Gaza with the region and internationally

Palestinian experience after the past wars on Gaza is not positive in terms of donors' fulfilling promises of billions of US dollars for reconstruction. The six billion dollars promise from the international community following the 2014 war did not come until now. Only a permanent peace treaty between Israelis and Palestinians, and the full lifting of the siege and blockade on Gaza Strip can bring billions of dollars and full reconstruction of Gaza Strip. The Gazan economy cannot develop alone internally without linking it to regional and international markets. The traditional Gaza sectors can be revived and further

¹⁴ A Crisis Averted in Palestinian Banking Portends a Total Collapse. Middle East Council of Global Affairs. 23 December 2024.

¹⁵ Impact of the war on the private sector and pathways for recovery. UNDP, Palestinian Federation of Chambers of Commerce and the manufacturers association. October 2024.

developed, and the Gaza base of exports can be reinforced heavily through different capacity development projects and heavy donor financial interventions.

The potential to link Gaza to the region is huge and has unprecedented potential for regional development using state of the art and green technologies. Israel, Palestine and all neighboring countries can flourish and prosper. Traditionally, Gazans are great businesspeople and entrepreneurs, and they can renew a long historical business relation with Israeli businessmen for mutual benefits and for the benefit of both economies. Establishing the port and the airport in Gaza in addition to land crossings and railways will be prerequisites for any sustainable future development. However, experience tells us that it all starts with solving the political conflict permanently through the establishment of the Palestinian State as part of the two-state solution that will open a new chapter of enforced comprehensive security and stability once and forever in the Middle East.

9.1 Land Corridors

Today, Gaza is at the nexus of a historic trade route in the Middle East between Cairo and Baghdad, and Europe and Yemen. Thus, before thinking of strategic projects like the port and airport, a network of transportation modal systems needs to be established including proper highways. Gaza has great trading opportunities with Israel, the West Bank and Egypt. Gaza is supposed to be ultimately part of the long-awaited Palestinian state, and thus a permanent corridor should be built between Gaza and the West Bank, with the approval of Israel, either over the ground or underground, without the need for Israeli permits for every shipment of goods, or travel of people and trucks. Gaza, as part of the Palestinian State, will have a new agreement with Egypt, where people and goods will move freely through Rafah Palestinian Egyptian border. Gaza will have a number of crossings with Israel for the movement of goods and the entry of people to Israel.

9.2 Port of Gaza

The Gaza Strip cannot live for long without a proper seaport. Constructing such a port will take few years, and it is not expected in the short-term to be used for international trade. Thus, Gaza Strip will continue to be dependent on Israeli ports for a number of years. However, building a simple seaport in the coming two years will give Gaza the oxygen it needs. It will open the opportunity for Gazans to travel via sea to Cyprus, Greece, Turkey and other Mediterranean countries and then worldwide. Thus, breaking not only the physical siege that stayed for 16 years, but also the psychological feeling of loneliness and imprisonment that Gazans felt for decades. Travelling by sea, using the seaport, helps Gazans go for tourism, travel for business, education and access for better health services worldwide. Strategically, building the seaport will enable the Palestinian Government to develop the natural gas fields discovered in the 1990s in the Mediterranean Sea off the shore of Gaza to help finance the reconstruction of infrastructure, private and public

structures and rebuild the productive base of Gaza as elaborated by a study by UNCTAD¹⁶. The study states that the discoveries in the levant basin amount to 122 trillion cubic feet of gas at a net value of \$453 billion and 1.7 billion barrels of recoverable oil at a net value of about \$71 billion.

9.3 Gaza Airport

There was an airport in Gaza named Yasser Arafat International Airport that was built in November 1998, and planes used to fly to and from that airport to the neighboring countries in the region. However, the airport was destroyed when the Israeli military bombed the radar station and bulldozed the runway in December 2001 following the second Intifada. With the efforts provided currently for the reconstruction of Gaza again, it makes sense to rebuild the airport again as well. Given the political and security arrangements will be sorted out with Israel and the international community, re-building the airport should not take much time. To guarantee that Israel's security needs will be met, the airport facilities can be operated and regulated by the United Nations or any international third party. The airport is an essential step to alleviate serious humanitarian concerns and will help Gazans connect to the region in the most efficient way. Once built, the airport will symbolize the larger effort to establish a Palestinian state that would include Gaza and the West Bank, with a capital in East Jerusalem.

At the beginning, the airport will be used only for passengers, but once the situation settles it can be used also to transport both humanitarian aid and commercial goods in order to contribute to

alleviating
economic
hardships.

Finally, it is not necessary to build the airport in the same location as before since the whole Gaza Strip now needs different approach in planning and in the implementation of new projects.



¹⁶ UNCTAD (2019). The Economic Costs of the Israeli Occupation for the Palestinian People: The Unrealized Oil and Natural Gas Potential. Available at https://unctad.org/system/files/official-document/gdsapp2019d1_en.pdf

9.4 Gaza Railway

The West Bank and Gaza Strip had railways that were destroyed by the Israeli occupation, and thus depriving the Palestinian people of the social and economic development benefits of railway infrastructure. The Gazan railway was particularly important as a route from Turkey to Egypt in the second world war. Following the ceasefire in Gaza on the 15th of January 2025, and assuming the Israeli military will not impose the siege on Gaza again, train routes for business transportation have to be established to link Gaza to the region. There are a number of propositions of the routes to be established inside the Gaza Strip, between Gaza and Egypt, Gaza and Israel, and Gaza and the West Bank. However, it all depends on the political solution that will be implemented. One of the concrete suggestions is to broaden a proposed Emirati-Saudi renewables-powered rail network through Jordan to Haifa and Gaza ports, vastly enhancing regional security and stability by ensuring Gaza becomes for the Middle East what Rotterdam is for Europe.

9.5 Eco-Regional Projects

Lean and green technology solutions emerge as vital catalysts for Gaza's recovery and reconstruction efforts, offering sustainable alternatives to address immediate infrastructure needs while promoting long-term resilience. Regional projects involving Gaza, Egypt, Jordan and Israel can be tackling such solutions, and cover sectors like water, energy and the environment. This helps meet unfulfilled demand for energy and water supply, optimize resource efficiency, reduce waste, and maximize crop yields with a lower environmental impact. On the Water-Energy Exchange, there is a potential to fully include Palestine in the joint Israeli Jordanian Emirati MoU facilitated by EcoPeace, by constructing a desalination plant in Gaza, to meet not only Palestinian water needs but regional water needs, including Jordan.

10. Gazan Economy Ten Years Ahead

Like everything in Palestine, the fate of the economic sector is intrinsically political. The vision for a Gazan economy is to build a resilient, sustainable, vibrant and green economy. This should be based on inclusivity, taking into consideration all social sectors, vulnerable groups, and sustainability. Additionally, the environment and climate change considerations should be seriously considered in any economic development effort, ensuring collaboration and cooperation of all stakeholders and different levels of government (local, regional and central).

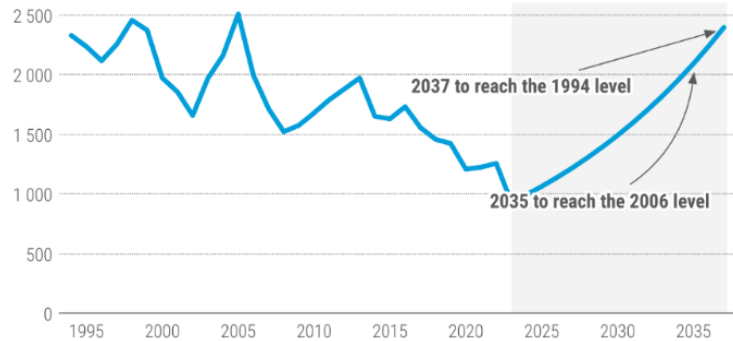
The war has left a devastating situation. Only, the cost of damage to critical infrastructure in Gaza is estimated at around \$18.5 billion according to a report released on the 2nd of April 2024 by the World Bank and the United Nations. OCHA and Shelter Cluster continue

to report 1.7 million internally displaced persons (IDPs), most of whom are sheltering in UNRWA facilities, including schools. The UN Mine Action Service reports that the current conflict has left behind around 42 million tons of debris which would take around 16 years to make Gaza safe from unexploded ordinance. According to UNCTAD, it will take decades for Gaza to return to pre-October 2023 welfare levels, and with 10% average annual growth, Gaza will reach the 1994 level only in 2037 as shown in the graph.



Even an optimistic scenario shows Gaza's recovery will take over a decade

Projected gross domestic product (GDP) per capita in Gaza with a constant 10% average annual GDP growth, constant 2015 dollars



Source: UNCTAD calculations, based on data from Palestinian Central Bureau of Statistics

10.1 Need for political Stability and Security

Based on past experience, without political stability and security, no economic development can be achieved. The political stability, governance structures, and international relations impact all economic recovery and development efforts in Gaza. Different parties' roles have to be clearly defined, whether in the short term or the long term. It became clear to the world that Hamas cannot rule Gaza Strip, and it expressed this very vividly. However, any side that will take over the political governance of the Gaza Strip, like the PA, has to coordinate with Hamas on the ground. Ruling Gaza Strip will not be left only to Hamas, or the PA, but also Israel, the US, the EU and regional powers have to give their blessing to any arrangement if it is to succeed.

10.2 Israeli vision of Post-War Gaza

Israel has said it will not pay to fix the damage and destruction it caused in Gaza. The current Israeli government led by Netanyahu has proposed Gaza-Neom 2035 plan to rehabilitate the Gazan economy and integrate it with the region but keeping Gaza under Israel's security and total control.

This plan of the speculative \$500 billion Saudi city, roughly 130 miles south of Rafah, is supposed to make Gaza heaven according to Netanyahu including Gaza-Arish-Sderot Free Trade Zone that will embrace tech companies, factories, and "electric-vehicle manufacturing cities". Gaza 2035 is officially entitled Plan for the Transformation of the Gaza Strip, and it promises to deliver Gaza "from crisis to prosperity."

Not a Palestinian or a single Arab State accepted this, who stated that any economic plan for Gaza recovery and reconstruction has to consider Gaza as part of the Palestinian State and be based on the two-state solution accepted by the international community and according to international law. The whole idea is to learn from the past wars that a permanent solution is needed and not only an interim solution that keeps Gaza under siege and continued military occupation.



Source: AI-generated renderings show skyscrapers, solar fields, water desalination plants, a new high speed rail corridor, and oil rigs off of Gaza's shoreline. (Courtesy Israel PMO)

10.3 Palestinian vision

Hamas has agreed to the return of the PA to rule Gaza but under close cooperation with its group. Hamas has learnt the lesson that it will never succeed to rule Gaza due to the expected boycott of the international community, and thus Gaza will never witness reconstruction again under Hamas rule. The Qatari and Egyptian government have suggested to establish the Gaza Reconstruction Commission that will rule Gaza but under the umbrella of Palestinian government and the Palestinian Authority. This independent body will be established to be the main representative responsible for coordinating, directing and managing long-term reconstruction and recovery efforts in the Gaza Strip¹⁷. The Palestinian Authority did not approve this Qatari and Egyptian suggestion and insists that the Gaza Strip is part of the State of Palestine in addition to the West Bank and East

¹⁷ The government of Palestine day after Plan for Gaza. Draft. July 2024.

Jerusalem. Thus, the only side that should rule Gaza Strip is the Palestinian Authority and the Palestinian government, without the need to coordinate with Hamas or any other Palestinian faction. This disagreement between Hamas and Fateh is confusing all parties involved including the Arab and the international community, adding to the ambiguity of ruling Gaza and rebuilding it. Thus, delaying all efforts to start the process of recovery and reconstruction.

10.4 Role of International Community

No single Palestinian party can reconstruct the Gaza Strip after the war, or restore its devastated economy, in the absence of generous international aid¹⁸. The severe destruction in the Gaza Strip poses significant medium-to-longer term challenges, emphasizing the ongoing need for international assistance likely for several years, in addressing the broader requirements for reconstruction once the ceasefire is confirmed permanently.

Like the Marshal plan, and rebuilding Western Europe after the second world war, the US can lead all worldwide efforts to rebuild Gaza Strip again with generous support from Gulf countries. This will need tens of billions of US dollars, and tens of countries to be involved in the reconstruction process that will take years. From the provision of temporary shelter for 1.7 million displaced Gazans, to the provision of water, sewage and electricity, to education and urgent health services, to roads and modern infrastructure, the PA is the only official side that coordinates all efforts in all sectors.

Based on its experience in Syria, Iraq, and Lebanon, UNHABITAT can develop a new Gaza urban profile based also on the one it has prepared for Gaza in 2014, since this urban profile can provide up to date, holistic documentation and multi-sectoral and integrated analysis of the impact of the crisis in urban areas. The diversity of neighborhoods and their pre-war conditions need to be properly understood to guide response, recovery, and reconstruction, including options for building back better¹⁹. This should apply also to any support for self-help recovery and reconstruction to ensure Building Back Better (BBB), Building Back Greener (BBG), healthier and more sustainable.

The war was disastrous and catastrophic but rebuilding Gaza can be an opportunity. Looking forward to a strong coordinated well-synchronized role for the international community to establish a peaceful region, where the life of Gazans can reach prosperous levels after few years of serious work and rehabilitation. The challenge is to succeed to overcome the overwhelming existing obstacles to socio-economic progress, providing financial support, together with a wide range of technical and administrative facilities in order to deliver humanitarian assistance, especially in the first three years, and to coordinate it with all international relief and recovery efforts.

¹⁸ MAS war brief. October 2023.

¹⁹ Preliminary report on the status of the development of the efforts to reconstruct the human settlements in the Gaza Strip. UNHABITAT. United National Human Settlements Programme. 2 April 2024.