



# **GAZA AND WEST BANK INTERIM RAPID DAMAGE AND NEEDS ASSESSMENT**

**FEBRUARY 2025**



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## Disclaimer

This is an interim assessment of the impact of the conflict in the Gaza Strip and violence, instability, and spillover effects in the West Bank, from October 2023 to October 2024. A full assessment will be undertaken upon ease of on-ground access restrictions. Figures related to the casualties and human impact are current to January 2025. The assessment depicts the impact of the conflict on the population, economy, physical assets, infrastructure, and service delivery. It also conducts an estimate of physical infrastructure reconstruction, economic and social recovery, and service restoration needs. Sectors being assessed include Housing, Health, Education, Social Protection, Culture and Cultural Heritage, Water, Sanitation and Hygiene, Energy, Transport, Information and Communication Technology, Municipal Services, Commerce and Industry (including Tourism), Finance, and Agriculture and Food Systems. The assessment also includes cross-sectoral themes, such as social and environmental impacts, land, and employment, as well as an overall macroeconomic impact assessment.

The assessment is based on quantitative and qualitative data provided by and triangulated across the World Bank Group teams, United Nations agencies, humanitarian agencies, European Union sector teams, Palestinian Authority teams, and other additional sources. Remote data sources include synthetic aperture radar, multi-spectral, high resolution optical and infrared satellite imagery, and traditional and social media reporting. On-the-ground data sources include United Nations Agencies, Funds, and Programs; humanitarian partner organizations; information from the Palestinian Authority, and other sources.



Displaced Palestinians selling goods in “Al Dahara” destroyed market in Khan Younis, southern Gaza strip. Jihad Al Shrafi, Aug 04, 2024.

# FOREWORD

As of the publication of this Interim Rapid Damage and Needs Assessment (IRDNA), a fragile ceasefire and hostage deal has taken hold in Gaza. After 15 months of devastating conflict, the ceasefire brings hope for a robust recovery and reconstruction process in Gaza. Our organizations stand ready to support the preparation of this work and its implementation once the conditions are in place.

Since late 2023, the World Bank, European Union, and United Nations have been working collectively on impact assessments and on plans for recovery and reconstruction. All of this work has been done in close coordination and consultation with Palestinian stakeholders, including the Palestinian Authority. Strengthening these partnerships, as well as those with development partners, will be critical to any future recovery and reconstruction process.

The recovery and reconstruction needs identified in this IRDNA report are vast. Funding will require a broad coalition of donors, diverse financing instruments, private sector resources, and significant improvements in the delivery of reconstruction materials to Gaza in the post-conflict period.

Our organizations will soon develop a recovery and reconstruction framework designed as a strategic plan to guide these processes. The Palestinian Authority intends to use it to inform its own short-, medium- and long-term recovery planning.

We thank our Palestinian colleagues, the teams of national and international experts, and other stakeholders who contributed to this report. We will continue to provide critical support to the Palestinian people and take this work forward in a manner aligned with the principles and priorities of the international multilateral system.

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# ABBREVIATIONS AND ACRONYMS

<b>BBB</b>	Building Back Better
<b>BFB</b>	Building Forward Better
<b>CapEx</b>	capital expenditure
<b>CEFD</b>	Cost Estimation Framework Dashboard
<b>COGAT</b>	Coordination of Government Activities in the Territories
<b>CPI</b>	consumer price index
<b>CRF</b>	Conflict Recovery Framework
<b>EC</b>	European Commission
<b>EO</b>	explosive ordnanceEU      European Union
<b>GBV</b>	gender-based violence
<b>GDP</b>	gross domestic product
<b>GEDCO</b>	Gaza Electricity Distribution Company
<b>GPP</b>	Gaza Power Plant
<b>GRM</b>	Gaza Reconstruction Mechanism
<b>H1</b>	first half (of the financial year)
<b>HLP</b>	housing, land, and property
<b>ICT</b>	information and communications technology
<b>IDA</b>	Interim Damage Assessment
<b>IDP</b>	internally displaced people
<b>IEC</b>	Israel Electric Corporation
<b>ILO</b>	International Labour Organization
<b>IPC</b>	Integrated Food Security Phase Classification
<b>IRDNA</b>	Interim Rapid Damage and Needs Assessment
<b>ISIC</b>	International Standard Industrial Classification
<b>km/km<sup>2</sup></b>	kilometers/square kilometers
<b>NIS</b>	Israeli new shekel
<b>MENA</b>	Middle East and North Africa

<b>MHPSS</b>	mental health and psychosocial support
<b>MoPIC</b>	Ministry of Planning and International Cooperation
<b>MSME</b>	micro, small, and medium enterprise
<b>MW</b>	megawatts
<b>NCTP</b>	National Cash Transfer Program
<b>NGO</b>	non-governmental organization
<b>OCHA</b>	United Nations Office for the Coordination of Humanitarian Affairs
<b>OpEx</b>	operating expenses
<b>PA</b>	Palestinian Authority
<b>PCBS</b>	Palestinian Central Bureau of Statistics
<b>PDNA</b>	Post-Disaster Needs Assessment
<b>PLA</b>	Palestinian Land Authority
<b>PMA</b>	Palestine Monetary Authority
<b>PV</b>	photovoltaics
<b>RDNA</b>	Rapid Damage and Needs Assessment
<b>STLV</b>	short-term low volume
<b>TVET</b>	technical and vocational education and training
<b>UN</b>	United Nations
<b>UNOPS</b>	United Nations Office for Project Services
<b>UNOSAT</b>	United Nations Satellite Centre
<b>UNRWA</b>	United Nations Relief and Works Agency for Palestine Refugees in the Near East
<b>US\$</b>	United States dollar
<b>WASH</b>	water, sanitation, and hygiene
<b>WHO</b>	World Health Organization
<b>y-o-y</b>	year-on-year



# EXECUTIVE SUMMARY

A General view of the Al Yarmouk refugee camp that was set up by charities for the displaced people in Gaza City. Omar Isshaq, Jan 28, 2025.

1. **The conflict in the Gaza Strip since October 7, 2023, has resulted in devastating loss of life, widespread displacement, and extensive damage to social, physical, and productive infrastructure, resulting in a deep humanitarian crisis.** Violence, instability, and spillover effects have also impacted the West Bank. As of January 2025, at least 47,000 people have lost their lives, of which at least 13,000 are children and 7,200 are women, and at least 111,000 have been injured. Over 2 million people, almost the entire population in Gaza, have been uprooted from their homes and are facing acute shortages of all necessities. The conflict has affected the entire population of Gaza and generated enormous humanitarian needs, including hunger, malnutrition, widespread explosive ordnance (EO), and disease outbreaks. The severe shortage of supplies to meet basic needs has also severely endangered livelihoods. In the West Bank, increasing violence, restricted access and movement restrictions on Palestinians, and displacement have caused human suffering, stifled economic activity, curtailed access to basic services, and severely damaged the fiscal situation of the Palestinian Authority (PA).
2. **This Interim Rapid Damage and Needs Assessment (IRDNA)—conducted jointly by the World Bank, United Nations (UN), and European Union (EU)—provides a comprehensive analysis of the damage, losses, and needs<sup>1</sup> related to the ongoing conflict in Gaza and deteriorating conditions in the West Bank.** The objective of the IRDNA is to inform stakeholders of the impact in Gaza and the West Bank on the population, economy, physical assets, infrastructure, and service delivery, as well as to conduct an estimate of the needs for physical infrastructure reconstruction, economic and social recovery, and service restoration in selected sectors. The IRDNA is a next step after the Interim Damage Assessment (IDA) that was published by the World Bank, EU, and UN in April 2024, which provided a preliminary and partial analysis of the physical infrastructure damages from the conflict up to the end of January 2024 and their human and economic impacts. The IRDNA presents a more comprehensive assessment, taking into account economic and social losses and recovery needs, in addition to physical infrastructure damages incurred over more than a year since October 7, 2023, and has added West Bank to the analysis as well.
3. **The IRDNA adopts an evidence-based approach** based on a globally used methodology and evaluates the effects (damage and losses) and needs for ensuring sustainable and resilient recovery across affected sectors. This interim assessment relies on a combination of on-ground and remotely collected data sources and estimates that have been validated and triangulated by the World Bank, EU, and the UN.
4. **Geographical scope:** The IRDNA covers the entire Gaza Strip and the West Bank, although analysis on the West Bank reflects only the most impacted sectors.<sup>2</sup> Data collection and analysis extend to all key regions, with particular emphasis on detailed assessments of the most severely affected sectors in heavily impacted urban and rural areas. Spillover assessments captured damages and indirect effects of the conflict, including trade disruptions, displacement, and economic downturns in certain sectors, where possible and relevant.
5. **Sectoral scope:** The assessment covers 18 key sectors, including five cross-cutting sectors. The selected sectors are:
  - **Social sectors:** housing; health; social protection; culture and cultural heritage; and education.
  - **Infrastructure sectors:** energy; water, sanitation, and hygiene (WASH); information and communications technology (ICT); municipal services; and transport.
  - **Productive sectors:** commerce and industry (including tourism); finance; and agriculture and food systems.
  - **Cross-cutting sectors:** environment; land; employment; social development; and urban planning.

<sup>1</sup> Definitions: **Damage** assessment quantifies physical asset destruction using baseline values and pre-conflict costs; **Loss** assessment evaluates disruptions in terms of lost income, increased operational costs, employment losses, and displacement-induced costs; **Needs** assessment determines financial resources needed for reconstruction and recovery over the short, medium, and long term. See Annex 1 for further details.

<sup>2</sup> These are: housing; health; education; water, sanitation, and hygiene; energy; land; commerce and industry; information and communications technology; finance; and employment.

## 6. Temporal scope:

- **Damages:** Incurred between October 8, 2023, and October 8, 2024. Human impact and qualitative impact on select sectors is provided until January 2025.
  - **Losses:** Losses have been projected over three years and will likely go beyond this period. Losses are expected to recede as recovery begins.
  - **Needs:** A three-year short-term recovery needs window is presented. Medium to long-term recovery and reconstruction needs (five years and beyond) are also shown.
7. **Limited early recovery work is already underway.** Scalable recovery and reconstruction will require a conducive operating environment. Some major donors have, in line with their mandates, indicated that scaling up early, medium, and long-term recovery and reconstruction will also require political prerequisites.

are estimated at US\$53.2 billion,<sup>3</sup> including Building Back Better (BBB) and social services resumption and scale-up.

## Damages and Losses

9. **In Gaza, physical infrastructure damage and economic and social losses caused by the conflict are estimated at around US\$29.9 billion and US\$19.1 billion, respectively, bringing the total estimated effects of the conflict to US\$49 billion (see Table 1).** In terms of physical damages, housing was the hardest hit sector at US\$15.8 billion (53 percent of total damages), followed by commerce and industry at US\$5.9 billion (20 percent), transport at US\$2.5 billion (8 percent), and WASH at US\$1.53 billion (5 percent). Damages alone are equivalent to 1.8 times the annual gross domestic product (GDP) of the West Bank and Gaza Strip.
10. **The assessment estimates around US\$19.1 billion of economic and social losses incurred due to the conflict.** The sectors with the highest estimated losses are health with US\$6.3 billion, education with US\$3.2 billion, commerce and industry with US\$2.2 billion, social protection at around US\$1.4 billion, and agriculture and food systems at US\$1.3 billion. Given that the economic and social impact of the conflict will continue to be felt until substantial recovery is made, these losses include loss estimates projected in line with sector specific recovery calendars.

## Key Findings in Gaza

8. **The total estimated physical damages incurred are around US\$29.9 billion and the economic and social losses amount to US\$19.1 billion. The total recovery and reconstruction needs**



A displaced Palestinian family ride a cart as they head back to northern Gaza Strip after the announcement of the cease-fire. Jihad Al Shrafi, Jul 24, 2024.

<sup>3</sup> Damages, losses, and needs are interconnected but not cumulative.

**TABLE 1:**  
**Damages and Losses per Sector (US\$ millions)**

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

Note: See Annex II for a description of the methodology.

\* While damages in the social development and urban planning sectors were not quantified, critical needs in these sectors were estimated and are presented in Table 3.

\*\* This assessment only includes estimation of physical damage to land administration assets and not land access losses. The losses include primarily land and registration revenue and wage losses.

**TABLE 2:**  
**Total Damages by Governorate (US\$ billions)**

Sector	North Gaza	Gaza	Deir Al-Balah	Khan Younis	Rafah	Sector Total
Agriculture and Food Systems	150	320	110	160	100	835
Commerce and Industry	1,080	2,230	740	1,150	670	5,900
Finance	0	10	0	0	0	14
Education	170	330	80	170	100	874
Health	250	690	80	210	80	1,300
Housing	2,900	6,000	2,000	3,100	1,800	15,800
Social Protection	6	14	6	5	2	33
Cultural Heritage	20	50	20	20	10	120
WASH	280	580	190	300	170	1500
Transport	460	960	320	490	290	2,500
Energy	80	210	60	80	60	494
Municipal Services	30	40	30	50	90	233
ICT	20	80	10	30	20	164
Environment	20	30	10	20	10	92
Land	-	-	-	-	-	11
Employment	-	-	-	-	-	10
<b>Total</b>	<b>5,476</b>	<b>11,541</b>	<b>3,646</b>	<b>5,805</b>	<b>3,412</b>	<b>29,880</b>

Note: Governorate disaggregated damage data are unavailable for some sectors. The Governorate wise data is an approximate disaggregation and the total for the sector may not match the total for the governorate.

## Recovery and Reconstruction Needs

11. Recovery and reconstruction needs in the short, medium, and long term across the Gaza Strip are estimated at US\$53.2 billion. Of these, the short-term needs in the first three years are emerging to be around US\$20 billion (see Table 2). It is important to note that these needs estimates include, where available, local costs (i.e., location specific logistics), physical contingencies, and conservative inflation factors. These estimates are also adjusted for supply chain constraints, skilled labor availability, and conservative quality standards.
12. Priority must be placed on immediate restoration of social services such as health and education, for a largely displaced population, the resumption of basic services in the energy, water, and telecom sectors, while clearing rubble and debris with a particular attention to human remains, potential EO contamination, and cultural heritage, and kickstarting early rehabilitation of partially damaged housing units and addressing housing access for vulnerable families. Jobs, livelihoods, food security, and the economy in Gaza are also key components of short-term recovery, with an emphasis on expanding cash and in-kind assistance for the most vulnerable groups and providing immediate employment



opportunities through cash-for-work programs. Support is needed for agriculture and food processing to address food shortages and boost local food availability. Efforts should also focus on gradually revitalizing the private sector and restoring the banking sector to restore liquidity and ensure the economy can function.

13. **Of utmost importance is to address the suffering of the population.** A priority should be put on addressing the devastating impact of the conflict on mental health, requiring a cross-cutting approach to trauma and psychosocial support for the population in Gaza through interventions in several sectors including health, education, protection.

**TABLE 3:**  
**Recovery and Reconstruction Needs per Sector (US\$ millions)**

Sector	Needs	
	Short Term (3 yrs)	Total
<b>Productive Sectors</b>		
Agriculture and Food Systems	1,060	4,200
Commerce and Industry	1,700	6,900
Finance	10	42
<b>Social Sectors</b>		
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
<b>Infrastructure Sectors</b>		
WASH	664	2,700
Transport	724	2,900
Energy	365	1,460
Municipal Services	110	440
ICT	114	460
<b>Cross-cutting Sectors</b>		
Environment	480	1,900
Land	12	32
Social Development	171	171
Urban Planning	3	3
Employment	388	1,600
<b>Total</b>	<b>20,000</b>	<b>53,238</b>

Note: See Annex II for a description of the methodology.

14. **In terms of recovery and reconstruction needs, housing requires the most resources to rebuild at an estimated US\$15.2 billion, accounting for around 30 percent of total recovery needs.** The housing sector is followed by the commerce and industry and health sectors with US\$6.9 billion (13 percent) each, social protection and agriculture and food systems with US\$4.2 billion (8 percent) each, and education with US\$3.8 billion (7 percent) in terms of recovery needs. Other sectors with substantial recovery needs include transport (US\$2.9 billion) and WASH (US\$2.7 billion). While some sectors such as social protection, agriculture and food systems, and education sustained fewer damages, they have much higher recovery needs. This includes environment (US\$1.9 billion) due to the massive debris contaminated with EO and the high cost associated with debris collection, removal, recycling, and EO disposal. Other recovery needs such as mental health and psychosocial support (MHPSS), disability, and gender-based violence (GBV) services will have a relatively lower cost as compared with physical infrastructure needs but will be critical for any kind of comprehensive recovery to begin.

## Macroeconomic Impact

15. **As of early October 2024, the cumulative estimated damages to Gaza's capital stock total US\$29.9 billion, with the repercussions of the conflict estimated to remain significantly negative throughout the remainder of the calendar year.** The damage is almost twice the pre-conflict real GDP of the West Bank and Gaza. The extensive damage to Gaza's capital stock combined with declining productivity and the labor market impacts of casualties, injuries, and displacement are expected to result in an 83 percent contraction of the Gaza economy in 2024. Consequently, 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. The shock in the West Bank has unfolded through different channels. This includes violence and instability, policies limiting the access of Palestinian workers to the Israeli labor market, decrease in revenue collections, and reduction of salary payments. The impact of these shocks, combined with the conflict's broader effect on investment, employment and exports, is projected to cause the West Bank economy to contract by 16 percent in 2024.<sup>4</sup>

16. **The impact of the conflict has already proven to be more severe than any economic downturn experienced in the West Bank and Gaza over the last three decades (Figure 1).** The loss of life,<sup>5</sup> widespread destruction, and the speed of damage to infrastructure have reached levels that rank among the worst in both the Middle East and North Africa region's history.<sup>6</sup> The consequences of this are expected to exert a prolonged and substantial burden on economic activities for several years ahead.

17. **According to the latest official estimates by the Palestinian Central Bureau of Statistics (PCBS),<sup>7</sup> the first half (H1) of 2024 marked a record downturn for the Palestinian economy.** Real GDP in the West Bank and Gaza plummeted by a staggering 34 percent in H1 2024 year-on-year (y-o-y). The largest drop was in Gaza where the economy fell into a deep recession, contracting 86 percent in H1 2024. Almost all sectors in Gaza experienced a near-total halt in economic activity in H1 2024, except for some public services. The decline in the West Bank was also significant, with a 23 percent contraction in the same period, y-o-y.

18. **Unemployment reached a record high of 51 percent in the West Bank and Gaza in October 2024.** In Gaza, unemployment is estimated at 80 percent due to the devastating impact of the conflict on economic activity. Once actual data is collected from the ground, the situation could be much worse. In the West Bank, the unemployment rate is estimated at 35 percent, reflecting the abrupt loss of jobs of Palestinian

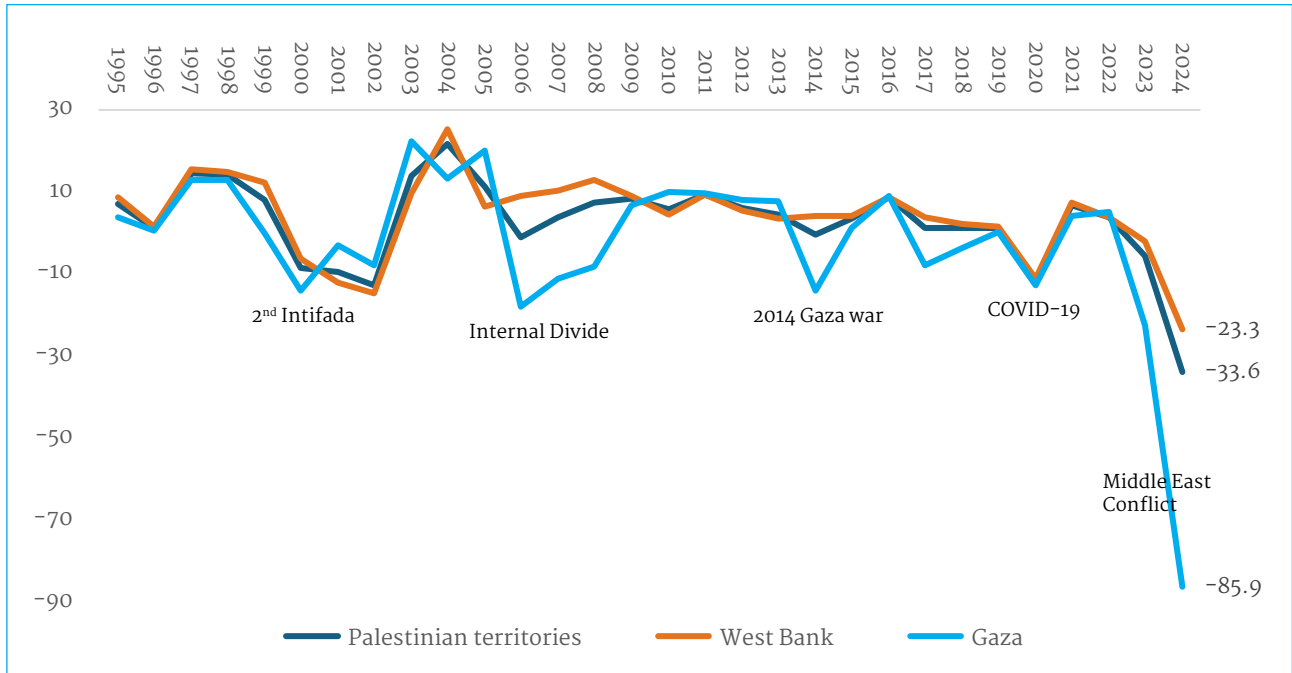
<sup>4</sup> Projections in this section may be subject to revisions given the ongoing volatility of the situation.

<sup>5</sup> UN News. October 27, 2024. <https://news.un.org/en/story/2024/10/1156181>.

<sup>6</sup> World Bank. February 2024. Note on the Impacts of the Conflict in the Middle East on the Palestinian Economy. World Bank Economic Monitoring Report. <https://thedocs.worldbank.org/en/doc/db985000fa4b7237616dbca501d-674dc-0280012024/original/PalestinianEconomicNote-Feb2024-Final.pdf>.

<sup>7</sup> PCBS. September 2024. "The Preliminary Estimates of Quarterly National Accounts (Second Quarter 2024)." Press Release. [https://www.pCBS.gov.ps/portals/\\_pcbs/PressRelease/Press\\_En\\_QNAQ22024E.pdf](https://www.pCBS.gov.ps/portals/_pcbs/PressRelease/Press_En_QNAQ22024E.pdf).

**FIGURE 1:**  
**Real GDP Growth (%)**



commuters in Israel and the settlements, as well as job losses in the Palestinian domestic economy.

- 19. **The conflict in Gaza and the economic contraction in the West Bank have severely impacted an already fragile labor market.** According to a recent report by the PCBS and the International Labour Organization (ILO), the challenging circumstances have discouraged labor from staying in the market, resulting in a decrease in the labor force participation rate from 45.2 percent (prior to the conflict) to 43.5 percent (in October 2024).<sup>8</sup>
- 20. **Prices in Gaza continue to rise sharply while in the West Bank have been relatively stable.** In Gaza, the consumer price index (CPI) soared by 309.4 percent in October 2024 compared to a year prior, driven primarily by severely constrained access of humanitarian and commercial goods into Gaza and other supply chain disruptions caused by the conflict.
- 21. **The outlook beyond 2024 remains extremely uncertain.** In Gaza, it is assumed that the rate of

capital destruction would slow down given that it currently stands at about 70 percent. Against this backdrop, real GDP growth would reach 3 percent in 2025, mostly due to a low base effect, while the impact of the conflict and destruction linger. If recovery and reconstruction takes shape in the medium term, growth would start to rebound, though the Gaza economy is not predicted to return to pre-conflict levels, in real terms, before the mid-2030s.

## Social, Human, and Poverty Impacts

- 22. **The ongoing conflict in Gaza is inflicting a devastating humanitarian crisis that is impacting the physical health, economic stability, and psychological well-being of the entire population of Gaza.** Over 1.9 million people are internally displaced, many of whom have been displaced multiple times; and over 1.2 million Palestinians in Gaza—almost 60 percent of Gaza’s population—have lost their homes. According to Integrated Food

<sup>8</sup> ILO and PCBS. October 2024. “A Year of War in Gaza: Impacts on Employment and Livelihoods in the West Bank and Gaza Strip.” ILO Brief, Bulletin No.5. <https://www.ilo.org/sites/default/files/2024-10/A%20Year%20of%20War%20in%20Gaza-Bulletin%205-October%202024-FINAL%28en%29.pdf>.

Security Phase Classification (IPC) projections, about 91 percent of Gaza’s population (1.84 million people) across the Gaza Strip are experiencing high levels of acute food insecurity classified in IPC Phase 3 (Crisis)<sup>9</sup> or above, which is projected to rise up to 1.95 million by April 2025. The Global Nutrition Cluster shows that more than 96 percent of children aged 6–23 months and women in Gaza are unable to meet minimum dietary diversity.<sup>10</sup> Women and girls bear a disproportionate share of the economic and social impacts of the conflict, as expanded unpaid care roles intensify their short- and long-term losses. The collapse of local agricultural production threatens extended famine conditions affecting all of Gaza.

**23. Nearly all Palestinians in Gaza live in multidimensional poverty that affects both their well-being and mental health, with impacts expected to be long-lasting.** 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,<sup>11</sup> with some Palestinians surviving on as little as 500 milliliters per day, according to the International Rescue Committee. This situation is worsening as fuel supplies, which operate water facilities, dwindle. The provision of essential health services has crumbled, with 64 percent of primary health centers non-functional and significantly restricted access to medicines, ambulances, basic lifesaving treatments, electricity, and water. Due to overcrowding and poor sanitary conditions at shelters and makeshift camps, 1.8 million cases of syndromic disease were reported. Polio—a disease not seen in the Gaza Strip for 25 years—has reemerged. Over 1 million children in Gaza require mental health and psychosocial support and over 1,000 children have already required amputations, some linked to EO presence. Conservative estimates suggest 20 percent of the population has permanent disabilities (with rates of disability since October 2023 doubling

from 1.9 percent to 3–5 percent). World Health Organization (WHO) analysis estimates 25 percent of the total number of injuries (estimated at 108,000 injuries) have serious life-changing injuries requiring continuous rehabilitation. The breakdown of social fabric and social well-being is likely to have long-term, generational impacts.

- 24. As of October 2024, the number of unaccompanied and separated children now ranges between 17,000 and 18,000.** Many are unaccompanied by any family members, rendering them particularly vulnerable to various forms of exploitation and abuse.<sup>12</sup> The conflict has also resulted in a high number of wounded children with no surviving parents. The education system in Gaza has completely collapsed, with all of the 745,000 children, youth, and higher education students out of formal schooling for more than a year and the vast majority of still-existing schools being repurposed as shelters for internally displaced people (IDPs). Non-formal education in temporary learning spaces is intermittently reaching about 10 percent of school-aged children as of November 2024.
- 25. The rise of coping and shadow economies has fundamentally disrupted and reshaped economic and social life.** Illegal markets have become essential for procuring basic goods such as food and fuel as Israeli closures and shortages persist. Informal markets and street vendors have replaced many formal businesses, undermining traditional commerce and tax revenues.
- 26. Cash shortages have forced many to barter goods and services.** The destruction of infrastructure has expanded unregulated labor markets, where workers face unsafe conditions and lack protection. Makeshift energy solutions, such as smuggled fuel generators and solar panels, pose environmental and safety risks. Community support networks have stepped in

<sup>9</sup> IPC. October 17, 2024. “Gaza Strip: Acute Food Insecurity Situation for September–October 2024 and Projection for November 2024–April 2025.” <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1157985/?iso3=PSE>.

<sup>10</sup> Global Nutrition Cluster. Nutrition Cluster Achievements (data for Jan–Dec 2024). <https://app.powerbi.com/view?r=eyJrIjoiMmIyMDI1ZjMtZTJkOSooYTBILThkZjltYTZmMGxNzViMDMwliwidCI6Ijc3NDEwMTk1LTFEoZTEtNGZiOC-05MDRiLWFiMTg5MjAyMzY2NyIsImMiOjhh9&pageName=ReportSection003a04cd9aed7e476404>.

<sup>11</sup> OCHA. November 19, 2024. “Reported Impact Snapshot | Gaza Strip (19 November 2024).” <https://www.ochaopt.org/content/reported-impact-snapshot-gaza-strip-19-november-2024>.

<sup>12</sup> UN News. October 4, 2024. “‘Orphanage City’ Helps Children in Gaza as the War Grinds On.” <https://news.un.org/en/story/2024/10/1155356>.

to share resources, reshaping social structures. Damage to schools and hospitals has spurred informal education and healthcare solutions. These informal systems highlight Palestinians' resilience but could pose long-term challenges for economic recovery, governance, and social cohesion if not effectively managed during recovery. Sustainable solutions are critical to restoring formal structures and alleviating the region's economic and social disarray. With continued insecurity and import and export constraints, the economy has fallen into an even more complex, vicious cycle. This reality makes for a complex operational environment, which has implications for governing entities and cooperation partners.

## Key Findings in the West Bank

27. **While the West Bank has not faced the same scale of destruction as Gaza, violence, instability, and spillover effects have nonetheless had a significant impact on the population, physical assets, and service delivery.** The West Bank has witnessed increased violence with a significant increase in Israeli military incursions into Palestinian urban centers and settler-related violence, increased militant activity, widespread restrictions on movement between cities, severe disruption to local businesses and agricultural production, including mounting restrictions on movement and trade, and increasing operational costs.<sup>13</sup> Education services have also been disrupted in the West Bank, with public schools reducing in-person schooling due to fiscal and movement constraints.
28. **The conflict has also led to major employment losses and significant economic repercussions for citizens and businesses.** The unemployment rate averaged 35 percent across the West Bank between October 2023 and September 2024<sup>14</sup> due to the abrupt loss of jobs in Israel and the settlements, as well as job losses in the local economy.<sup>15</sup> Out of the estimated 195,000 workers employed in the commerce, services, industry, and hospitality and tourism establishments in the West Bank, an estimated 40,000 people have lost their jobs due to heightened restrictions and the ensuing reduction in the labor force. The total losses in the commerce and industry sector in the West Bank are estimated at US\$1.3 billion, mainly because of trade restrictions and reduced markets.
29. **Recurring military operations, airstrikes, and closures have led to major damage and service delivery disruption across many sectors in densely populated urban areas, particularly in and around refugee camps in Jenin, Tulkarem, and Tubas.** Damage and destruction in the housing sector has been estimated at around US\$16 million in the West Bank. Only 61 percent of health facilities in the assessed conflict-impacted governorates—Hebron, Nablus, Ramallah, Jenin, and Bethlehem—are fully functional, contributing to further delays in critical healthcare services. The estimated damages to healthcare infrastructure totals US\$14.6 million. Similarly, students across the West Bank have been facing significant challenges in accessing quality and safe education. Around 602,000 public school students had to switch to home-based learning for up to three days a week throughout the 2023/24 academic year.

13 World Food Programme. October 9, 2024. "Gaza Updates: Hunger Deepens as Aid Plummets." <https://www.wfp.org/stories/gaza-updates-hunger-deepens-aid-plummets>.

14 ILO. October 17, 2024. "A Year of War: Unemployment Surges to Nearly 80 per cent and GDP Contracts by almost 85 per cent in Gaza." <https://www.ilo.org/resource/news/year-war-unemployment-surges-nearly-80-cent-and-gdp-contracts-almost-85>.

15 World Bank. September 2024. Impacts of the Conflict in the Middle East on the Palestinian Economy. World Bank Economic Monitoring Report. <https://thedocs.worldbank.org/en/doc/c25061ab26d14d7acc0330d5a7b4d496-0280012024/original/PalestinianEconomicUpdate-Sept2024-FINAL.pdf>.

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## The Way Forward

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30. **The IRDNA provides an evidence-based foundation for identifying and quantifying recovery needs.** It emphasizes that recovery goes beyond just an assessment and requires a well-coordinated and well-structured multi-sector and multi-stakeholder approach to plan, manage, implement, and finance recovery. International good practices offer lessons on institutional arrangements, financing, policy development, prioritization, and implementation frameworks for coherent, coordinated, sustainable, and resilient recovery. Adopting a Conflict Recovery Framework (CRF) aligned with these practices can support the recovery process. Prioritizing recovery activities involves inter-sectoral prioritization based on indicators such as humanitarian impact, pro-poor and gender-sensitive agendas, sustainable livelihoods, and critical infrastructure restoration. Recovery requires assessment, planning, resource mobilization, capacity building, coordination, communication, monitoring, and implementation.
31. **The next steps following and building on the IRDNA are preparation of a CRF with prioritization and sequencing of recovery interventions that are multisectoral.** These efforts are being undertaken in full coordination with Palestinian stakeholders, including the PA. For recovery to proceed, Gaza-specific constraints and challenges must be addressed along with general principles of good practice.

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## An Initial Assessment of Conditions and Principles Affecting Recovery

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32. **Recovery and reconstruction will require a substantial, years-long effort.** While the humanitarian response will remain the primary focus for the foreseeable future, in parallel, it is important to undertake timely planning and

preparation for both short- and long-term recovery and reconstruction processes to scale up as soon as the necessary conditions are met. Humanitarian assistance and recovery will likely need to be resourced simultaneously and coordinated under a common framework.

33. **None of the conditions for large-scale recovery and reconstruction of the Gaza Strip are present.** The operating environment in Gaza continues to remain challenging, with the potential for ongoing insecurity, lack of clarity and capacity in governance and security arrangements, and restrictions on movement and access of people and goods into Gaza. The speed, scale, and scope of recovery will be shaped by these conditions. Programmatic approaches and interventions will need to adapt depending on the situation on the ground. In view of the immense scale of humanitarian needs, recovery efforts will need to run in parallel and focus on enabling a more effective and efficient humanitarian response and preparing for recovery at scale, when conditions allow.
34. **A set of operational principles for Gaza's recovery and reconstruction is required to guide bilateral and multilateral donors that provide humanitarian and development support to the West Bank and Gaza Strip.** These principles include: (i) a Palestinian-led process that reconnects Palestinians in Gaza and the West Bank; (ii) effective planning, resourcing, and coordination of recovery efforts; (iii) BBB and Building Forward Better (BFB); (iv) inclusivity and targeting to avoid social fragmentation, including the unique needs of women, children, the elderly, persons with disabilities, as well as displaced people; and (v) transparency and accountability, promoting inclusivity and social cohesion. Conflict sensitivity will need to be at the heart of recovery efforts.
35. **Coordination of the funding and activities for recovery is important to enable BBB principles, improve efficiencies in financing (including donor funding), allow for impact at scale, and ensure the distribution of support across sectors/ avoid concentration in a select few.** Funding should be flexible and multi-year, given uncertainties on the ground. Transparency and accountability are paramount. This joint IRDNA demonstrates the importance of coordination among partners to make best use of resources

and access to information and to avoid duplication of efforts.

36. **A set of enabling conditions will need to underpin all programming efforts for recovery in Gaza.** The stated conditions are seen as fundamental requirements for recovery and reconstruction to commence and be successful, including for a scaled-up recovery ensuring resilience and sustainability. Building on the ongoing ceasefire, these include:

37. **Strategic conditions:**

- **Addressing safety and security** as a minimum requirement for recovery to be delivered at scale.
- **Unimpeded humanitarian access**, meeting immediate humanitarian needs as essential for moving into recovery and reconstruction.
- **Improved access and mobility for recovery**, ensuring the unimpeded and safe movement of people and goods into Gaza, within Gaza, and between Gaza and the West Bank.
- **Restoration of minimum essential service provision** as foundational to restore normalcy, enable livelihoods, and allow timely and comprehensive international recovery efforts.
- **At-scale and predictable entry of commercial, recovery, and reconstruction materials, equipment, and expertise:** streamlining procedures for the entry of the required volume of recovery materials, technical expertise, and specialized equipment into Gaza at scale is crucial to jumpstart rebuilding efforts.
- **Resource mobilization and coordination of efforts**, assuring assistance efforts are targeted, complementary, prioritized, sequenced, and resourced adequately and effectively.
- **Clarifying governance arrangements:** establishing clear, transparent, and accountable governance frameworks ensures effective coordination among stakeholders, mitigates risks of inefficiency and corruption, and builds public confidence in recovery processes.

38. **Operational conditions:**

- **Debris management:** the collection, recycling, and environmentally responsible disposal of the massive volume of debris generated by the conflict, particularly EO and human remains, is

critical to clearing pathways for reconstruction and reducing environmental hazards.

- **Resolving land ownership challenges:** addressing complex land ownership and protecting housing, land, and property (HLP) rights is vital to ensure the availability and proper management of land for recovery efforts, minimizing disputes and delays.
- **Surge enablers:** the ability for international organizations, the UN, non-governmental organizations (NGOs), and their partners to obtain Israeli visas and permits, identify and deploy experts, import protective equipment, and other practical issues.

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## Principles from Recovery Experience

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39. **Global experience and best practices suggest the following operational principles should be considered as recovery plans are developed:** (i) balancing urgent needs with medium- and long-term goals; (ii) ensuring an approach of BBB and more resiliently; (iii) targeting the most vulnerable; and (iv) ensuring inclusive and participatory planning through a whole-of-society approach. Financing and support from development partners, including from the region, will be necessary to anchor these efforts. The sheer scale of the needs will require significant private sector investment.

40. **In complex conflict recovery, a “do no harm” and “conflict sensitive” approach must be adopted.** Given that the conflict is characterized by massive forced displacement within Gaza, the recovery must take into account the needs of both the displaced and their host communities in order to maintain cohesion between these two groups, particularly in the context of limited help and resources. It is also important to avoid reinforcing conditions that will restrict recovery and eventual reconstruction in the future. Moreover, opportunities to strengthen social cohesion through recovery programming should be sought.

**BOX 1:****Summary of Lessons from Past Recovery Experience in Gaza and the West Bank**

Palestinian ownership and leadership of recovery and reconstruction efforts is critical, particularly with a view to enhance sustainability of recovery gains. Alignment with national recovery and reconstruction plans, as well as participatory and inclusive engagement at community level, is essential — in line with the Do No Harm and Leave No One Behind principles.

Recovery and reconstruction must go hand-in-hand with broader reforms in governance, regulations, and regimes that facilitate longer-term sustainable development. Reform processes are essential for effectiveness, efficiency, transparency, and accountability in public service delivery, as well as for strengthening citizens' trust.

Entry of recovery materials and expertise, streamlining procedures for the entry of the required volume of recovery materials, technical expertise, and specialized equipment into Gaza at scale is crucial to recovery efforts. Coordination with Israeli authorities for access and movement into Gaza, as well as within Gaza, remains essential.

Financial commitment from the international community must be at scale, multi-year, and long-term.

An expansion of field presence and the devolution of authority to managers in the field has proven to be a critical aspect of recovery programs in the West Bank and Gaza.

Recovery efforts must be prepared to help address immediate and short-term social protection needs.

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## Preparing a Conflict Recovery Framework

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41. **The next steps following the IRDNA will focus on preparing key elements of a CRF.** The CRF will operationalize the findings of the IRDNA and other assessments for a transitional phase of up to three years. The CRF is a sequenced, prioritized, programmatic, multi-sectoral, and flexible (living) overall action plan and multi-stakeholder engagement mechanism for the transitional phase. It intends to provide essential insights for recovery planning,

resource mobilization and allocation, and recovery implementation and coordination. The CRF includes proposals for developing an institutional framework for recovery, strategic prioritizations for the recovery, a results framework, a financing framework, a proposed coordination architecture, and other key elements of recovery implementation. The CRF will be discussed with the relevant authorities, civil society organizations and the private sector, traditional and non-traditional donors, and other humanitarian and development partners. Formulation of the CRF should also benefit from past recovery experience in the West Bank and Gaza (Box 1).



An aerial photograph showing a vast area of destruction. The ground is covered in a thick layer of rubble, including twisted metal, broken concrete, and debris. A narrow dirt path winds through the wreckage, with several groups of people walking along it. In the background, some multi-story buildings remain standing, though they appear damaged. The sky is overcast with grey clouds. A large blue rectangular box is overlaid on the bottom left of the image, containing the word 'INTRODUCTION' in white, bold, sans-serif capital letters.

# INTRODUCTION

Palestinians examine the damaged area in Tal al Zaatar, Jabalia Refugee Camp in the northern Gaza Strip after the ceasefire announcement. Omar Isshaq, Jan 23, 2025.

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## Conflict Context

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42. **Since the large-scale attack on October 7, 2023, by militant groups from Gaza into Israel, the conflict in Gaza has led to an unprecedented loss of life and a catastrophic humanitarian crisis.** On October 7, 2023, 1,200 Israelis and some foreign nationals, including women and children, were killed. Around 250 people, including both Israelis and foreign nationals, were abducted and taken into Gaza, with some hostages being released over time, and about 100 hostages remaining in captivity at the start of the fragile ceasefire in January 2025. At the time of this report being drafted, hostages are being released in phases in accordance with the ceasefire agreement. Since October 2023, more than 46,000 Palestinians in Gaza have been killed, including over 13,000 children and 7,200 women. Many people are missing, presumably buried under the debris, while the lack of equipment, presence of EO, and continued fighting hindered rescue efforts.

43. **Approximately 1.9 million Palestinian people have been displaced, often multiple times, and 90 percent of Gaza's territory has been placed under evacuation orders at one point or another since the escalation began.** Major combat operations took place, repeatedly, in all the main urban centers of Gaza and featured heavy weapons, airstrikes, and naval artillery. This intense fighting led to large numbers of casualties and large-scale physical destruction. Significant international installations, including United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) facilities, were damaged or destroyed. Access and movement for humanitarian personnel and supplies into and through Gaza was extremely challenging and constrained. Very limited commercial traffic has entered the Gaza Strip since October 2023 and none since October 2024.

44. **The current administrative, security, and physical features under direct Israeli control continue to impact access to certain parts of Gaza and affect the movement of people and recovery efforts.** Recent satellite imagery appears to show enlarged buffer zones inside and along part of the border of Gaza (1–2 kilometers wide) as well as military thoroughfares that bisect the territory. The most significant of these is the Netzarim Corridor, a 4 km wide zone, which divides northern and southern Gaza. There also appears to be a large buffer zone in northern Gaza being created, which includes parts of Beit Hanoun and contains most of the agricultural land in Gaza. The restrictions of access to these zones to the general population of Gaza, including checkpoints and physical barriers, have significant implications for movement and displacement, access to land, job creation, and food security. Recovery efforts will likely also need to contend with permissions and procedures administered by the Israeli civil administration, often referred to as the Coordination of Government Activities in the Territories (COGAT).

45. **At the same time, the conflict in the West Bank has intensified to levels not seen since the mid-2000s, and threats on life and property have become a constant reality for Palestinians.** Increasing violence, including the number and intensity of Israeli military operations into Palestinian urban centers and increased settler-related violence, combined with strict access and movement restrictions on Palestinians and displacement, have caused human suffering, stifled economic activity, and curtailed access to basic services. The escalation of the conflict in the West Bank has resulted in 828 fatalities, including 179 children.<sup>16</sup> While recurrent major conflicts have taken place through the past decades, the year since October 2023 has been the most fatal and destructive year in the history of the Israeli–Palestinian conflict.

46. **Further, the conflict has had extensive economic impact on the Palestinian economy and the government revenue available to the PA, especially due to Israeli restrictions.** Clearance revenue transfers,<sup>17</sup> the PA's main source of income, shrank by over 50 percent

<sup>16</sup> OCHA. "Occupied Palestinian Territory: Reported Impact Since 7 October 2023." <https://www.ochaopt.org/>.

<sup>17</sup> Clearance revenues are revenues collected by the Government of Israel and transferred to the PA after certain deductions have been made. Most clearance revenues are value added tax and import duties, and they should be remitted on a monthly basis according to the Paris Protocol.

as a result of the conflict.<sup>18</sup> The PA is unable to pay the full salaries of public sector employees. Most PA schools, health facilities, and government offices are only operating 2.5 days per week and struggle to offer even a minimum level of services. The progressive tightening of restrictions on movement and trade have reduced income, increased unemployment, and generated a heavy reliance on humanitarian and development aid.

## Humanitarian Context

47. **The humanitarian impact of the conflict has been catastrophic. Every Palestinian in Gaza has been affected, with more than 1.9 million people uprooted from their homes and facing acute shortages of all basic necessities.** Health and education services are barely functioning. The UN estimates that there are more than 17,000 children unaccompanied and/or separated from their families.<sup>19</sup> Access to basic services was affected by restricted measures imposed by the Government of Israel on October 9, 2023, including shutting off Israeli-supplied water and electricity, as well as restricting the entry of all imports, including food and fuel, which have been partially reversed since October 2024. Electricity, water, sewage, solid waste, and telecommunication services are severely degraded and inadequate for the needs of the population. The conflict has halted almost all local production of water, electricity, and food. Wastewater treatment has collapsed. The sole power plant in Gaza has not operated since October 11, 2023. This IRDNA further documents the immense scale of destruction and socioeconomic impacts of the ongoing conflict in the Gaza Strip.
48. **Up until the start of the January 2025 ceasefire, humanitarian aid entering Gaza was wholly inadequate to the needs of the population, with**

**a drastic reduction in the number of trucks delivering supplies, including commercial goods, humanitarian items and fuel,** in addition to local food production. An estimated 500 pre-conflict trucks entered Gaza per day compared to a daily average of just 37 trucks in October 2024. This led to severe shortages of food, water, fuel, and medicine, leaving much of the population facing acute deprivation. Health services remain barely functional, which is affecting vulnerable people including women, children, and the elderly the most. The education system has been severely disrupted, with over 658,000 children missing more than a year of schooling. Nearly 1.84 million people are facing food insecurity, including approximately 133,000 experiencing catastrophic hunger. Hospitals, schools, UN facilities, and other protected sites host large numbers of displaced Palestinians and continue to be severely impacted by the conflict impeding or halting service delivery and resulting in casualties and further displacement.

49. **Delivering humanitarian services continues to be difficult despite huge efforts by the UN and humanitarian organizations to provide food, shelter, medicine, and water and sanitation.** This is due to constrained access and the operational challenges that UN and humanitarian agencies face. These constraints are major obstacles that will limit the speed and scope of recovery and reconstruction while contributing to significantly increased operational costs. In November 2024, the Humanitarian Country Team identified humanitarian needs of more than US\$6.6 billion for 2025 but only issued an appeal for US\$4.07 billion, reflecting projections of how much assistance can be delivered, due to the scale and scope of operational constraints in the Gaza Strip.
50. **More than 85 percent of the Palestinian population in Gaza are Palestine refugees who live across the Gaza Strip, including 1.6 million in Palestinian refugee camps.** Prior to October 7, 2023, UNRWA was the largest provider of health and education services and the

<sup>18</sup> World Bank. May 2024. Note on the Impacts of the Conflict in the Middle East on the Palestinian Economy. World Bank Economic Monitoring Report. <https://thedocs.worldbank.org/en/doc/ce9fed0d3bb295f0363d690224d1cd39-0280012024/original/Palestinian-Econ-Upd-May2024-FINAL-ENGLISH-Only.pdf>.

<sup>19</sup> UN News. October 4, 2024. “‘Orphanage City’ Helps Children in Gaza as the War Grinds On.” <https://news.un.org/en/story/2024/10/1155356>.

second largest employer and provider of social assistance in the Gaza Strip. Since October 2023, UNRWA has been implementing more than half of all humanitarian programming in the Gaza Strip, serving 1.9 million people with food, health, water, shelter, and other critical interventions.

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## IRDNA Objectives, Scope, and Methodology

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### Objectives of the IRDNA

51. **The objective of the IRDNA is to inform stakeholders of the impact of the conflict on the population, physical assets, infrastructure, and service delivery in Gaza and the West Bank**, as well as to conduct an estimate of the needs for physical infrastructure reconstruction, economic and social recovery, and service restoration in selected sectors. Given the potential for a permanent ceasefire, the findings of this IRDNA will need updating to reflect developments on the ground.
52. This IRDNA was achieved through:
  - **An assessment of the impacts of the conflict, in terms of the damages and losses** incurred as a result of the conflict, based on a robust methodology.
  - **A criteria-based assessment of the needs and requirements to inform sustainable and resilient recovery** across all affected sectors, including the social/human development, physical infrastructure, and productive sectors of the economy.
53. **The IRDNA serves as a key input for the preparation of a CRF** that will focus on short-term recovery and provide essential insights to local authorities and the international community for recovery planning, resource mobilization and allocation, and recovery

implementation and management. The PA intends to use the IRDNA and the CRF to inform their recovery and reconstruction planning.

54. **The IRDNA also builds an initial foundation as a common stakeholder platform** for assessing recovery needs; forges consensus on damage and loss estimates; quantifies needs based on broad sector strategies; and facilitates the coordination, prioritization, and sequencing of recovery needs within sectors.

### Data Analysis Principles

55. **Data collection and analysis have been guided by the following key principles to ensure an effective and realistic assessment of the effects and needs of the conflict.**
  - **Flexibility and adaptability:** Given the volatile nature of the situation, the IRDNA methodology is designed to adapt to changing conditions on the ground, incorporating real-time data where possible.
  - **Comprehensive data collection:** The IRDNA utilizes multiple data sources, including satellite imagery, anonymized cell phone data, and social media analytics, alongside data from the PA, UN, and humanitarian agencies.
  - **Collaborative approach:** Close coordination between the World Bank, EU, UN, PA, and key partners.

### Data Sources

56. **The IRDNA relies on a combination of on-ground and remotely collected data sources.** These include data collected by the PA, UN agencies, the World Bank, and humanitarian organizations operating in the region, a World Bank Rapid Community Pulse Survey, and remote data collected through multiple sources including satellite imagery, anonymized cell phone data, social media analytics, and night lights. This multi-source data collection enables real-time and enhanced accuracy, especially for hard-to-reach areas. The comprehensive data and estimates have been validated and triangulated by the World Bank, EU, and UN.

## GAZA-SPECIFIC ADDITIONALITIES TO THE IMPACT AND NEEDS ESTIMATION PROCESS

57. **Losses:** Over 200 loss variables were developed and assessed using multiple on-ground sources including that of the UN, World Bank, and PA line ministries. A Gaza-specific recovery calendar was developed for each sector to provide loss projections.
58. **Needs:** To reflect Gaza's complex environment, a multi-source unit rate analysis and development of a composite capital expenditure (CapEx) cost estimation was done. While the unit rate analysis reduced the margin of error in overall estimation, the composite costs reflected variables such as localization specifics, risk and contingency allowances, quality standards adjustments, and the reconstruction premium, in addition to current cost of materials, labor, equipment, and land related costs, adjusted for inflation or market fluctuations.

## MITIGATION MEASURES TO ADDRESS METHODOLOGICAL CONSTRAINTS AND LIMITATIONS

59. **The IRDNA methodology, while comprehensive, has certain limitations that are further exacerbated by the extremely complex, volatile, and data-constrained environment of Gaza and the West Bank. Its approach entailed five different tiers of data acquisition, validation, and triangulation including:** (i) ground data acquisition through PA line ministries; (ii) ground data verification through the World Bank sector teams in close association with PA line ministries; (iii) ground data verification and triangulation and extensive ground-truthing through UN agencies with feet on-the-ground and working closely with PA line ministries, humanitarian actors, civil society organizations, and other developmental partners; (iv) use of remote sensing technologies (high resolution satellite imagery) for damage verification, enumeration, baseline verification, damage and loss characterization and quantification, conflict-induced damage isolation

and conflict trend analyses, including multi-source acquisition and use of satellite imagery; and (v) social media analytics. Governance, security, and rule of law were not assessed in this IRDNA but will be addressed in the development of the CRF.

## Social, Human, and Poverty Impacts

60. **Beyond the destruction of physical assets, the conflict in Gaza has inflicted a severe human toll. The entire population of Gaza is experiencing significant, direct, and long-term impacts on their physical health, economic stability, and psychosocial well-being.** As of January 14, 2025, the 15-month conflict in the densely populated Gaza has caused more than 46,000 deaths and more than 110,000 injuries, with more civilians under the rubble or reported missing.<sup>20</sup> Approximately 1.9 million people are estimated to be internally displaced, many of whom have been displaced multiple times and live in conditions that lack basic human necessities. Tens of thousands of injured individuals, including many children, are newly disabled and will need long-term rehabilitation due to critical injuries such as amputations, head trauma, and burns.
61. **Poverty has reached unprecedented levels and unemployment has surged.** Current estimates show that while unemployment has surged to an unprecedented 51 percent for the Palestinian territories overall, more than four out of five people in Gaza are currently unemployed. The West Bank, specifically, is grappling with severe employment losses, largely reflecting jobs that have been lost or are inaccessible in Israel and the settlements, resulting in an unemployment rate of 35 percent.<sup>21</sup>
62. **Human capital accumulation in Gaza suffered devastating setbacks.** The escalation of the conflict has severely affected the provision of education services for children and youth in Gaza and the West Bank. Gaza is facing a collapse of the education system, with 95 percent of education

<sup>20</sup> OCHA. November 5, 2024. "Reported Impact Snapshot | Gaza Strip (5 November 2024)." <https://www.ochaopt.org/content/reported-impact-snapshot-gaza-strip-5-november-2024>.

<sup>21</sup> World Bank. December 2024. Impacts of the Conflict in the Middle East on the Palestinian Economy. World Bank Economic Monitoring Report. <https://thedocs.worldbank.org/en/doc/7fa86a3dc815d1b545b1eb0f129e351b-0280012024/original/WorldBank-PalestinianEconomicUpdate-Dec2024-final.pdf>.

facilities being fully destroyed or damaged and the remaining ones used as shelters. The lives of approximately 658,000 school-aged children, 87,000 tertiary students, and thousands of educators are at risk, while more than 11,913 school-aged children, more than 788 tertiary students, and more than 616 educators and educational staff have been killed. More than 17,115 students and 2,491 teachers have been severely injured. The surviving students and teachers are experiencing psychosocial trauma of varying levels of severity.

**63. The learning disruptions, trauma, injuries, and fatalities are severely degrading Palestinian human capital.** Students, caregivers, and teachers have had prolonged exposure to violence, shocks, and trauma, impacting their physical and psychological well-being. Children are missing out on adequate nutrition and experiencing toxic stress that is detrimental to the developing brain; additionally, some older children are having to take on caregiver responsibilities as family structures have been disrupted. Primary school children are unable to acquire foundational skills in literacy and numeracy. The impact of the conflict on youth extends to employment and livelihoods.

**64. The conflict has caused major disruptions to health service delivery and inflicted widespread trauma, imperiling physical and mental health against a backdrop of increased needs.** Around 350,000 residents with chronic disease have no access to their medication or essential medical procedures such as dialysis. Due to overcrowding and poor sanitary conditions at UNRWA shelters, syndromic disease surveillance has demonstrated increases in infectious diseases, including acute respiratory infections, diarrheal disease, chickenpox, and jaundice syndrome. Over 1.8 million cases of infectious diseases (diarrhea, acute respiratory infections, skin diseases, polio, measles, and mumps) have been recorded. Furthermore, severe stressors for mental health such as bombardment and the imposed siege are affecting the whole population. Crucially, since children are more susceptible to the effects of fear and trauma, the conflict is more likely to derail the life trajectory

for those who experience it early in life. Over 1 million children in Gaza require mental health and psychosocial support, and more than 17,000 children are unaccompanied or separated from their families. Child disability rates are estimated to be considerable, specifically due to the scale and scope of the violence and infrastructure damage, coupled with extremely limited trauma care capacities. Among critical patients in need of medical evacuation, only 39 percent of requests have been approved, with an estimated 14,000 patients still requiring evacuation outside Gaza. Since May 2024, only 229 patients and 316 companions have been exceptionally evacuated following the closure of the Rafah crossing.

**65. The direct and indirect impact of the conflict on women and children is of particular concern.** Before the conflict, it was estimated that a total of 25,000 orphans lived in Gaza. Since the conflict, many more thousands of children have become orphans, with few services available to them. Women and girls are especially vulnerable in living conditions with limited privacy. The risk of gender-based violence is further exacerbated by mass internal displacement.<sup>22</sup> The ongoing conflict continues to tear families apart, creating deep impacts at the community, family, and individual levels.

**66. Almost everyone in Gaza faces food insecurity, with children and pregnant and breastfeeding women particularly at risk.** Just prior to the start of the January ceasefire, approximately 1.84 million people faced acute food insecurity, including famine in some areas, and starvation, malnutrition, and excess mortality due to malnutrition and disease were rapidly increasing in northern areas. The collapse of local agricultural production and the extended siege is creating conditions for extended famine affecting all of Gaza. The Global Nutrition Cluster shows that more than 96 percent of children aged 6–23 months and women in Gaza are unable to meet minimum dietary diversity.<sup>23</sup> An estimated 346,000 children under five in Gaza and 439,000 in the West Bank, and 160,000 pregnant and breastfeeding women in Gaza and 228,000 in the West Bank, urgently

<sup>22</sup> United Nations Population Fund. March 25, 2024. The Gaza Strip: Gender Based Violence – Response Update March 2024. <https://palestine.unfpa.org/en/GBV-Update-March24>.

<sup>23</sup> OCHA. December 17, 2024. “Reported Impact Snapshot | Gaza Strip (17 December 2024).” <https://www.ochaopt.org/content/reported-impact-snapshot-gaza-strip-17-december-2024>.

need feeding and micronutrient supplements, while over 50,000 children require treatment for acute malnutrition in 2024.<sup>24</sup>

## FORCED DISPLACEMENT

**67. Due to the scale of the conflict, nearly the entire population of Gaza is affected by forced displacement.** Given the massive scale, frequency, and ongoing nature of the internal displacement, it is difficult to determine the long-term locations and needs of IDPs. According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), over the course of the conflict, evacuation orders have been issued for 150 different neighborhoods, affecting 314.8 km<sup>2</sup> of evacuation area and encompassing 87 percent of the Gaza Strip. In the immediate aftermath of the January 2025 ceasefire, over 370,000 people had begun returning north and moving back to their places of origin. However, hundreds of thousands of people remain concentrated in the middle and southern part of Gaza.<sup>25</sup>

**68. Over 1.2 million people, almost 60 percent of Gaza’s population, are without a home to return to.**<sup>26</sup> The decline in housing availability and skyrocketing rental prices in the Gaza Strip often make housing unaffordable, forcing many to live in crowded and temporary shelters. In many cases, UNRWA-managed schools are used as emergency shelters. According to the

World Bank Rapid Community Pulse Survey, the majority of respondents live in shelters, with nearly half currently living in informal shelters consisting of tents and temporary displacement camps. Only 18 percent live in formal shelters (e.g., designated shelters and camps). A majority report facing difficulty accessing tents when they moved to their current location. Approximately 40 percent report that they are facing a lack of space in designated shelters.

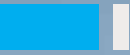
**69. Displacement and the resulting population concentration have increased demand for services, exacerbating shortages and creating upward pressure on prices.** The top four originating locations for IDPs are Gaza, Rafah, Khan Yunis, and Jabalya. There has also been a staggering 700 percent increase in costs for IDP temporary energy solutions.<sup>27</sup> ICT connectivity issues create challenges for the displaced population which relies on digital connectivity for access to information, locating family members, and coordinating emergency support. Given current population concentrations and the lack of mobility, as outlined in the previous section, a comprehensive strategy on displacement management will be required. This strategy aims to meet basic needs and deliver basic services and protection until conditions for durable solutions—including return—are met. Such an approach is being further elaborated in the CRF.

<sup>24</sup> Global Nutrition Cluster. Nutrition Cluster Achievements (data for Jan–Dec 2024). <https://app.powerbi.com/view?r=eyJrIjoiMmIyMDI1ZjMtZTJkOSooYTBlLThkZjltYTZmMGxNzViMDMwliwidCI6Ijc3NDEwMTk1LTFEoZTEtNGZiOC-05MDRiLWFiMTg5MjAyMzY2NyIsImMiOiJh9&pageName=ReportSection003a04cd9aed7e476404>.

<sup>25</sup> Site Management Working Group. “Population Movement Monitoring Update 2 (28 January 2025).” <https://reliefweb.int/report/occupied-palestinian-territory/population-movement-monitoring-update-2-28-january-2025>.

<sup>26</sup> IPSOS analysis for this IRDNA.

<sup>27</sup> IRDNA energy sector analysis.



# SUMMARY OF IRDNA SECTOR FINDINGS IN GAZA

Palestinian boys walk near a wastewater toward their family tent in Al-Bureij camp, central Gaza Strip. Hassan Al Jedi, Jan 18, 2025.

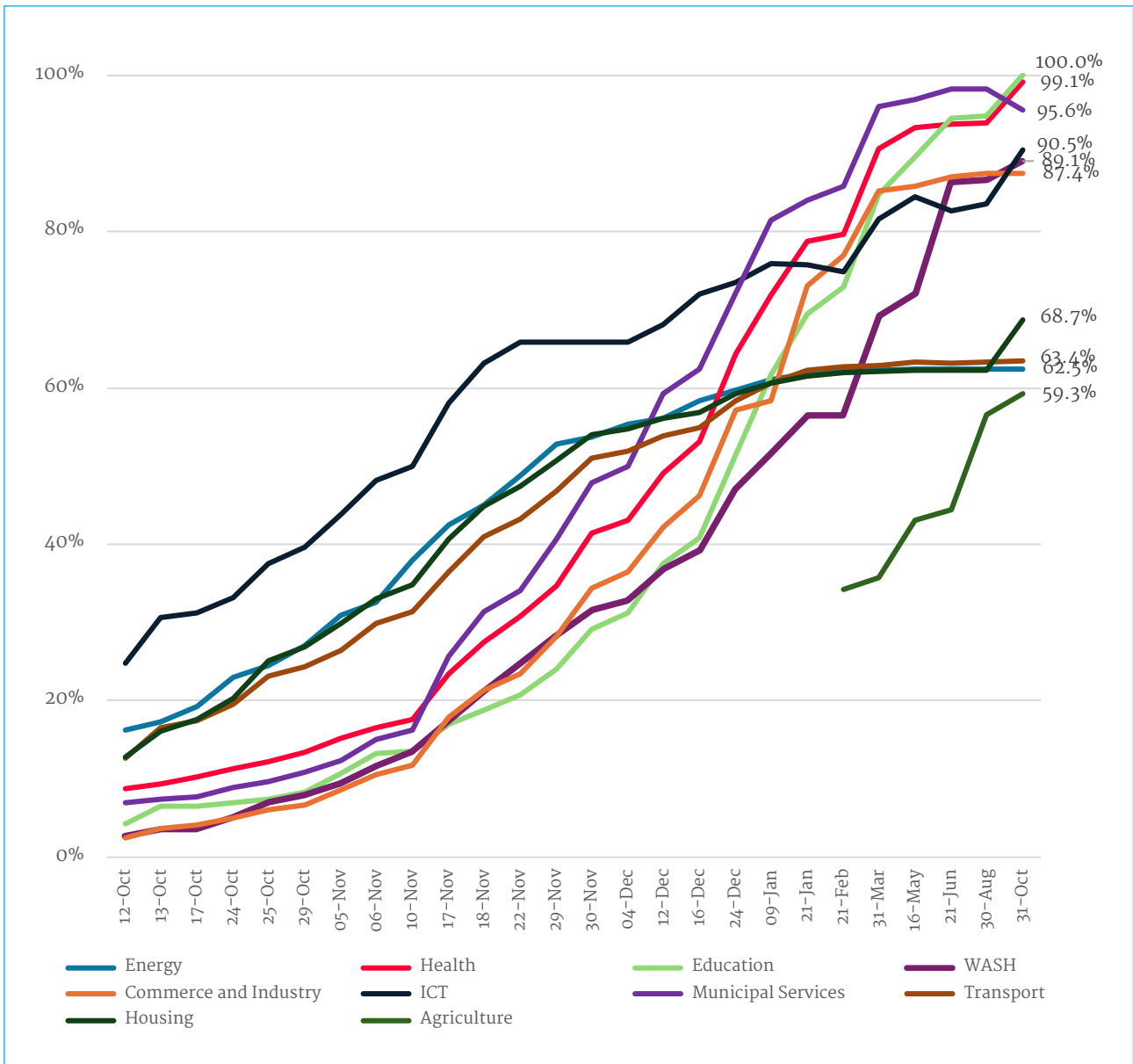


# Summary of Damages, Losses, and Needs

## Sectoral Summary

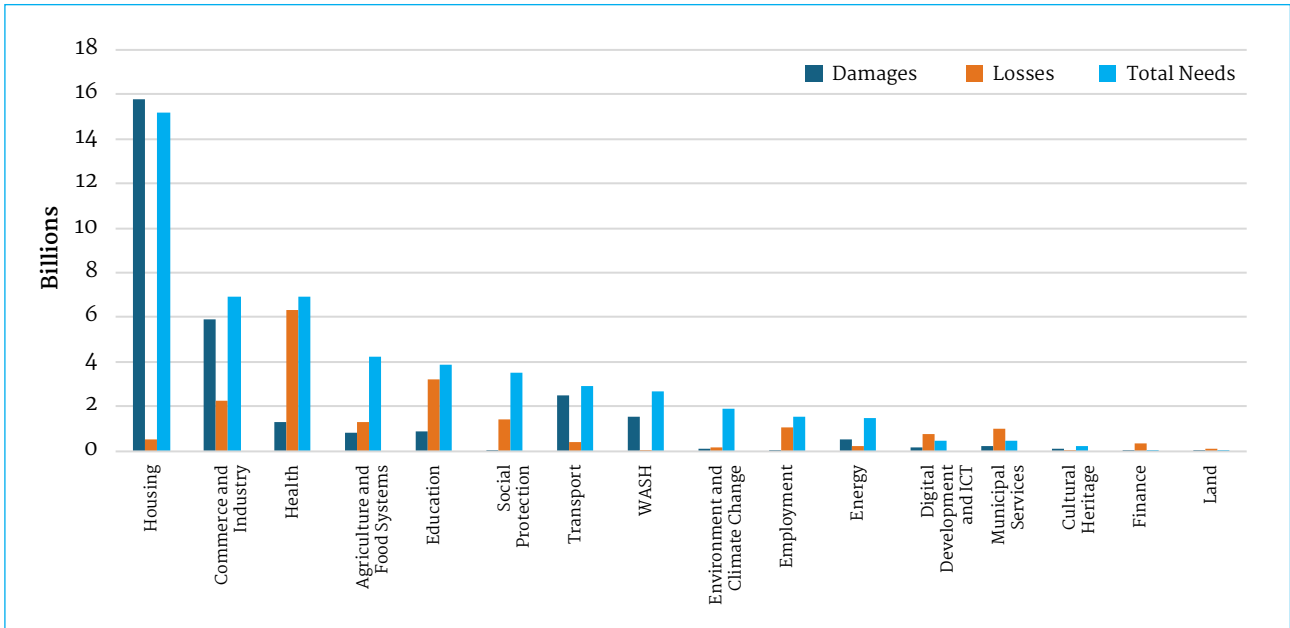
70. The conflict in Gaza has inflicted widespread damage across multiple critical sectors, with each sector facing unique challenges and extensive financial needs for recovery. This summary highlights the major impacts, economic losses, and recovery requirements across sectors, which are outlined in Figure 3. Figure 2 shows assessed damage trends by sector. Assessments are based on synthetic aperture radar and satellite imagery analysis, on-ground partner data, and publicly available information.

**FIGURE 2:**  
**Trends in Damages by Sector**  
 (October 12, 2023 – October 31, 2024)



Source: IPSOS.

**FIGURE 3:**  
Damages, Losses, and Needs by Sector

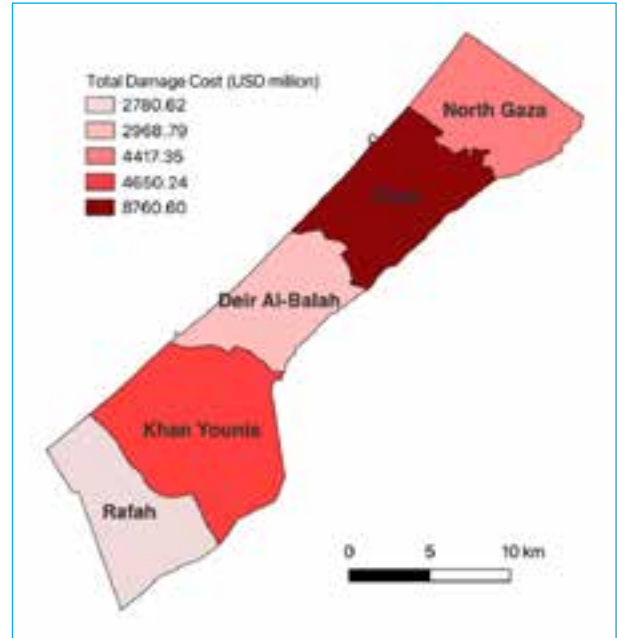


## DAMAGES

71. The assessment estimates that around US\$29.9 billion in direct damage has been caused to the built infrastructure of the Gaza Strip (see Table 4) after more than one year of conflict. This is equivalent to around 1.8 times the total 2023 GDP of the West Bank and Gaza Strip. In terms of physical damages, housing was the hardest hit sector at US\$15.8 billion (53 percent of total damages), followed by commerce and industry at US\$5.9 billion (20 percent), transport at US\$2.5 billion (8 percent), and WASH at US\$1.53 billion (5 percent). Geographically, Gaza, Khan Younis, and North Gaza Governorates have suffered the most damages (see Figure 4).

72. Comparison with the early-2024 Interim Damage Assessment and with previous conflicts. The IDA estimated that about US\$18.5 billion of direct damage had been caused to the physical infrastructure in the Gaza Strip by the end of January 2024. With the continuation and intensification of the conflict following that period and the expansion of the scope of the assessment, the level of destruction has greatly increased and damages now total close to US\$30 billion. A sector-by-sector comparison is presented in Table 4 below where, compared to the 2014 and 2021 conflict, the level of destruction in Gaza is on a completely different scale.

**FIGURE 4:**  
Total Damages by Governorate



**TABLE 4:**  
**Comparison of Damages, January and October 2024 (US\$ millions)**

	RDNA 2014	RDNA 2021	IDA (January 2024)	IRDNA (October 2024)
<b>Social Sectors</b>				
Housing	780	144	13,298	15,800
Education	35	3	341	874
Health	24	12	554	1,300
Cultural Heritage	1	-	319	120
Social Protection	-	-	NA	33
<b>Infrastructure Sectors</b>				
Energy	58	15	279	494
ICT	-	3	90	164
Municipal Services	-	24	20	233
Transport	42	19	358	2,500
WASH	33	13	503	1,500
<b>Productive Sectors</b>				
Agriculture and Food Systems	266	42	629	835
Commerce and Industry	144	40	1,655	5,900
Finance	-	0.45	8	14
<b>Cross-cutting Sectors</b>				
Environment	-	-	411	92
Land	-	-	NA	11
<b>TOTAL</b>	<b>1,383</b>	<b>338</b>	<b>18,466</b>	<b>29,881</b>

*Note:* \*Damage costs of the cultural heritage sector are lower than IDA due to greater triangulation and accuracy, which excluded any assets with uncertain coordinates and any non-heritage assets on the site.

\*\*Damage costs of the environment sector in the 2024 IRDNA are lower than the IDA as they do not include debris removal, which has been reflected in the losses.

## LOSSES

73. **The assessment estimates around US\$19.1 billion of economic and social losses incurred due to the conflict (see Figure 3).** The sectors with the highest estimated losses are health with US\$6.3 billion, education with US\$3.2 billion, commerce and industry with US\$2.2 billion, social protection at around US\$1.4 billion, and agriculture at US\$1.3 billion. The impacts, damages, and losses are thus greatest in housing with US\$16.3 billion, commerce and industry with US\$8.1 billion, health with US\$7.6 billion, education with US\$4.1 billion, and transport with US\$2.9 billion.

## NEEDS

74. **The recovery needs across these sectors, estimated at US\$53.2 billion, highlight the scale of destruction and the urgency to restore essential services, economic stability, and social resilience.** These needs reflect both short-term needs, up to three years, and medium- to long-term needs over the next five to eight years. Housing (US\$15.2 billion), commerce and industry (US\$6.9 billion), health (US\$6.9 billion), and agriculture and food systems (US\$4.2 billion) demand the highest recovery investments due to their extensive damage and socioeconomic importance. ICT, WASH, and energy are essential for reestablishing basic services. Environmental and municipal service recovery efforts underscore the need for debris management—with over US\$1 billion based on the current debris volume of 41–47 million tonnes—and sustainable, resilient infrastructure; while the finance, land, and social protection sectors require robust governance frameworks to support long-term recovery. Recovery needs are based on the damage assessment and consider the current replacement cost of materials, labor, equipment, and land related costs, adjusted for inflation and market fluctuations.

75. **The World Bank, through IPSOS, undertook a Rapid Community Pulse Survey in October and November 2024 in Gaza.** The survey included two survey rounds with 482 respondents (primarily displaced individuals in Khan Younis and Middle Gaza), four focus group discussions,

and 45 key informant interviews. Key findings of this limited survey highlight urgent needs in housing, food security, health services, WASH, and winter preparations, particularly for those in informal shelters. A majority expressed a desire to return and rebuild, although youth leaned toward emigration. Priority sectors for job creation and recovery included agriculture, construction, education, healthcare, and trade. Nearly one-fifth of households reported having a member with disabilities, and two-thirds of respondents highlighted psychosocial support as crucial for education and job reintegration. Social protection measures—including cash transfers, essential items, improved shelter, and transportation—emerged as critical needs. Small – micro projects, home-based work, job matching services, financial aid for unemployed workers, and vocational training were recommended to address economic recovery. Women faced disproportionate hardships, often relying on informal shelters and remittances, and experiencing greater discrimination and need for workforce reentry support such as mental health services, transportation, and childcare. They prioritized home-based enterprises, ICT, and healthcare for recovery. Men, meanwhile, were more confident in returning to original locations and depended more on humanitarian aid.

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# Impact of Conflict: Damages, Losses, and Needs by Sector

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## Social Sectors

### HOUSING

**Damages: US\$15.8 billion**

**Losses: US\$545 million**

76. **The housing sector in the Gaza Strip, home to approximately 2.2 million people, has long been under pressure due to chronic shortages and structural vulnerabilities exacerbated by two decades of recurrent conflict and economic**

**stagnation.** With a pre-conflict housing stock of about 472,660 units,<sup>28</sup> the housing market struggled to meet growing demands, particularly as land shortages, overcrowding, and weak land administration systems worsened the situation. The housing sector has been on a “de-development” phase due to the deliberate undermining of the economic, social, and institutional progress in the Gaza Strip. Pre-conflict conditions included limited housing growth between 2021 and 2023 despite rising demand, as well as widespread housing distress linked to displacement and supply chain disruptions. Only 69.8 percent of homes in Gaza are occupied by residents who also own the property, significantly lower than the West Bank’s 87.3 percent, reflecting systemic issues such as family-based ownership patterns, insecure property titles, and low affordability. Residential land scarcity, compounded by restricted access to construction materials due to partial border closures, created significant barriers to addressing housing needs.

**77. The conflict has had a devastating impact on the Gaza Strip’s housing sector, resulting in the destruction of 292,000 housing units,<sup>29</sup> representing a staggering 61.8 percent of the total housing stock, with apartments bearing the brunt of the damage and accounting for 81.5 percent of the total damage costs.<sup>30</sup> The Gaza Governorate alone sustained 38 percent of the US\$15.8 billion in damages, with high-density urban centers such as Gaza City and Jabaliya experiencing the most extensive destruction. Displacement levels soared, leaving over 1.2 million individuals homeless—nearly 60 percent of the Gaza Strip’s population. This has led to overcrowding in informal shelters and camps, exacerbating housing inaccessibility and exposing vulnerable populations to heightened safety risks. The economic toll of this damage is equally severe, with the housing sector’s losses estimated at US\$545 million over three years, primarily due to reduced property values, lost rental income, and loss of wage income from home-based employment. Approximately 95.5 percent of these losses were borne by**

**FIGURE 5:**  
**Total Housing Units Impacted, by Governorate**



private entities. Families that are dependent on rental income have seen their livelihoods vanish, while lack of affordable rental housing units forced many into makeshift and unsafe accommodations. The destruction of housing infrastructure has also amplified vulnerabilities among women, particularly female-headed households, widows, and children. GBV and socioeconomic exclusion have surged, further destabilizing affected communities.

#### **Recovery and Reconstruction Needs: US\$15.2 billion**

**78. The recovery of Gaza’s housing sector will require an estimated US\$15.2 billion over the next five to eight years, focusing on sustainable, resilient, and inclusive rebuilding strategies to address the massive scale of destruction and displacement. A few essential preconditions for successful housing reconstruction are: the pre-requisite processes that identify and protect housing land and property rights, as**

<sup>28</sup> Housing units in the Gaza Strip comprised apartments at approximately 77 percent, houses at 22 percent, informal housing at 1 percent, and villas (single family homes) at less than 1 percent.

<sup>29</sup> These include over 77 percent of apartments, 21 percent of independent houses, 1.4 percent of informal housing, and 0.45 percent of villas.

<sup>30</sup> The data is triangulated across multiple sources. Furthermore, spatial concentration of the fighting and attacks has turned the partially destroyed buildings into completely destroyed.



A Palestinian woman walks between tents on a rainy day at the Al Yarmouk refugee camp, set up by charities for displaced people. Omar Isshaq, Jan 28, 2025.

well as necessary access for building materials; equal access to recovery benefits; choices to families for rebuilding their damaged houses; maximizing reconstruction in original locations to enable people to return to their places of origin; and debris removal post survey and disposal for EO and human remains.

79. **In the short term (three years), needs are estimated around US\$3.7 billion.** Activities in the first years should prioritize providing a menu of shelter and housing options while preparing for housing recovery. These may include repairing partially damaged housing units, providing shelter cash assistance to sustain those living with relatives and friends until they are able return, completing on-site structural damage assessments of housing units, and incentivizing families with undamaged housing units to construct additional living spaces. For around 100,000 most vulnerable families—mostly landless and currently living in temporary and shanty houses—the PA is considering to provision transitional shelters, constructed with prefabricated materials in-situ or as close as possible to residents' original communities, although the solution can suffer from sustainability challenges but are needed given the prolonged reconstruction

of houses in the face of building material supply chain constraints and land ownership issues. Non-structural measures would also include formulating policies around housing rehabilitation financial assistance, rental assistance and occupancy free of charge options, and developing resilient building regulations. As most displaced Palestinians in Gaza report that they intend to return to their original communities when conditions allow, any transitional shelters will need to include a clear timeline for returns.

80. **In the medium to long term, the largest needs relate to the reconstruction of destroyed houses (US\$11.4 billion).** Since 100 percent reconstruction compensation is not cost affordable, the housing reconstruction cost is estimated based on the assumption to provide an equitable housing subsidy for each support to all families with damaged houses, irrespective of the size and level of the damaged housing, for rebuilding a core housing unit. Since the current average household size is large, it is assumed that a minimum of 60 m2 of built-up area is required per family. Based on this assumption, the composite CapEx for the reconstruction of the damaged and destroyed housing units, based on a BFB

approach, includes location specific logistics, quality assurance, physical contingencies, and conservative inflation factors. These estimates are also adjusted for supply chain constraints, skilled labor availability, and conservative quality standards.

## HEALTH

**Damages: US\$1.3 billion**

**Losses: US\$6.3 billion**

**81. Before the conflict, the Palestinian health system struggled with political fragmentation, financial instability, and limited resources.**

Governance was weakened by the 2007 political divide, leaving the Ministry of Health reliant on donor-driven, short-term interventions. Israeli closures and previous escalations over the last 16 years have severely impacted the health systems in Gaza. This resulted in over 40 percent of essential medicines being out of stock, and critical delays in medical referrals have led to higher mortality rates, with some health conditions untreatable in the Gaza Strip. Around 25 percent of the health centers are private.

**82. The destruction of healthcare infrastructure includes the complete or partial destruction of 772 health facilities, with an estimated economic damage of approximately US\$1.3 billion.**

This includes significant damage to hospitals (95 percent of all hospitals), private health facilities (91 percent), and public health centers (88 percent), alongside critical facilities such as pharmacies, dental practices, and maternity clinics. The largest share of this damage, over US\$809 million, comes from the destruction of hospitals. Approximately 22 health facilities are managed by the UNRWA. Additionally, the Gaza Governorate has borne the brunt of the destruction, with damage estimated at US\$682 million, followed by substantial losses in North Gaza and Khan Yunis with damages totaling US\$112 million and US\$132 million, respectively. Operationally, 64 percent of primary health centers are non-functional, and only 43.6 percent of the pre-crisis inpatient capacity remains in partially operational hospitals. Medical waste and cold-chain facilities have been almost totally destroyed. The conflict has exacerbated the health challenges in Gaza, with overcrowded

facilities, shortages of supplies, and limited healthcare access for a population in dire need.

- 83. The health sector in Gaza has sustained losses totaling an estimated US\$6.3 billion, significantly impacting its functionality and service delivery.** These losses are primarily attributed to the disruption of healthcare services and the loss of human resources for health, including those killed, injured, or displaced. The sector faces severe productivity losses, with over 1,700 health workers reported as missing, leading to a staggering US\$2.7 billion in lost productivity. In addition, the increasing burden of disease, including a rise in injuries, infectious diseases, malnutrition, and mental health issues, has added US\$3.2 billion to the overall health-related losses. This includes US\$2.5 billion due to the direct impact of injuries and fatalities. Health facilities have also experienced a loss of revenue, estimated at US\$8.6 million annually, due to disruptions in out-of-pocket payments. These compounded losses have resulted in significant strain on the healthcare system, including the closure or reduced functionality of many facilities, leading to delayed care and increased pressure on the remaining operational health facilities.

**Recovery and Reconstruction Needs:  
US\$7.05 billion**

- 84. The total needs are estimated to reach over US\$7 billion, split between reconstruction costs and service delivery needs.** *The short-term needs amount to US\$4.3 billion* and focus on the humanitarian response and short-term recovery period to restore and expand essential services, rebuild health infrastructure, and address immediate needs such as mental health, rehabilitation, nutrition, and non-communicable diseases. *Medium- to long-term needs amount to US\$2.7 billion* and focus on the inclusion of preventive services such as emergency preparedness and response to address emerging public health needs and scaling up human resources for health to replace the large number of missing healthcare workers. Service delivery needs for the recovery phase are particularly urgent, with a significant focus on addressing mental health, nutrition, and infectious disease outbreaks. Additionally, the evacuation of patients and the restoration of health information systems are essential to ensure continuity of care.



Thousands of Palestinians are returning to their destroyed houses through Al Rasheed Street toward the northern cities after the announcement of the cease-fire being held in the Gaza Strip. Omar Isshaq, Jan 27, 2025.



## SOCIAL PROTECTION

**Damages: US\$33 million**

**Losses: US\$1.39 billion**

85. **Enduring trends of rising poverty in Gaza and heightened vulnerability to covariate shocks in the West Bank highlight the urgent need for reliable, long-term, and shock-responsive social protection systems across both regions.** Between 2017 and September 2023, poverty in Gaza had steadily increased from 53 percent to 63.7 percent, underscoring Gaza's deep structural vulnerabilities and widening economic disparity with the West Bank. While poverty in the West Bank declined modestly over the same period, from 13.9 percent to 11.5 percent, households remain highly sensitive to shocks.
86. **As a result of the conflict, nearly every person in Gaza lives in poverty.** The economic cost of conflict has been immense. As of October 2024, the ILO and PCBS estimate that unemployment in Gaza has surged to over 80 percent and is on track to reach 35 percent in the West Bank. As of mid-2024, short-term poverty in the West Bank had doubled from 12 percent to 28 percent since the start of the conflict.
87. **Before the outbreak of the current ongoing conflict, social assistance represented a critical lifeline for a significant portion of Palestinian households in both Gaza and the West Bank.** Approximately 41 percent of households in the West Bank and Gaza received support through governmental, non-governmental, and emergency response mechanisms. This assistance reached 77 percent of households in Gaza and 17 percent of households in the West Bank. The national safety net—the National Cash Transfer Program (NCTP)—reached 108,936 vulnerable and poor households in 2023, 70 percent of whom lived in Gaza. UN agencies also provide complementary long-term social transfers and in-kind assistance in both regions.
88. **Total damages and losses for the social protection sector are estimated at US\$1.42 billion, almost entirely due to lost access to social assistance, including the complete suspension of the NCTP's routine cash transfers.** The disruption of social assistance programs has led to significant economic losses, with reduced income and revenue estimated at US\$1.2 billion. These losses have intensified

vulnerability and food insecurity, and increased the need for assistance programs, especially for displaced households. Children and women are particularly vulnerable. Amid severe resource constraints, and in the face of escalating needs, social protection systems are straining to meet the demands of the most affected populations.

89. **Almost all the damage to assets in the social protection sector consists of destroyed or partially destroyed infrastructure in Gaza.** This includes government offices, disability rehabilitation centers, elderly care centers, women service centers, child protection centers, safe houses, and social services, including human resourcing. Overall, in Gaza, 38 out of the 41 structures were damaged or destroyed, with damage totaling US\$32.6 million.

### **Recovery and Reconstruction Needs: US\$4.18 billion**

90. **The total recovery and reconstruction needs for the social protection sector are estimated to reach US\$4.18 billion, with the vast majority allocated to service delivery needs.** *Short-term needs amount to US\$3.5 billion over a three-year period, with a key priority to use social assistance to support access to essential services and assist populations with severe vulnerabilities.* In Gaza it means universal coverage to address acute poverty and food insecurity, focusing initially on the most vulnerable groups. In addition, there is a need to provide referral services and support to help address the multiple new vulnerabilities created by the ongoing conflict. Orphans, persons with disabilities, female-headed households, and the elderly without families, among others, all require assistance, and the strategy emphasizes a range of measures to strengthen case management and referral systems to deliver tailored services. *Medium-to long-term needs* will focus on a more robust social protection system to enhance the sector's approach to multidimensional needs, through enhanced case management and referrals, training and capacity building of the Ministry of Social Development and civil society human resources, and better program design. In addition to newly vulnerable populations, there will be a need for attention to groups with existing vulnerabilities, as the risks and challenges they face are exacerbated by the ongoing conflict. It will also be important to introduce and then consolidate

reforms that enhance the fiscal sustainability of social protection in the West Bank and Gaza, including social insurance. This will be necessary to align immediate needs with long-term sustainability by exploring alternative funding sources and efficiencies within social protection programs. While the government cannot fund the recovery effort itself, reform initiatives now can set a solid foundation for future fiscal sustainability of the social protection system.

## CULTURAL HERITAGE

**Damages: US\$120 million**

**Losses: US\$55 million**

91. **Pre-conflict, Gaza's culture and cultural heritage sector reflected its rich history as an ancient trade hub and port, showcasing a diverse legacy through numerous historical sites.** These sites are a testament to its diverse cultural past, and their historical significance stems from its role as a central hub on ancient trade routes and its vital port, leading to a unique cultural heritage shaped by various civilizations. However, inadequate policies and outdated laws in place before the conflict have left much of this heritage unprotected, particularly post-1700 structures. Responsibility for preservation was divided between two ministries, but efforts were constrained by limited resources, insufficient technical expertise, and the absence of a comprehensive heritage registry. This left significant sites and artifacts vulnerable to illicit trafficking, looting, and destruction, heightened by political instability.

92. **The conflict has caused extensive damage to Gaza's culture and cultural heritage sector, with approximately 53 percent of heritage sites damaged or destroyed, resulting in a total estimate of US\$120 million.** Notable losses include 27 percent of cultural assets severely damaged or completely destroyed, encompassing archaeological sites and significant historic buildings. Around 25 percent of monitored assets sustained partial damage, affecting structural integrity and aesthetic value. These damages extend across various asset types, including archaeological sites, historic buildings, cultural institutions, creative activities, artistic and archaeological artifacts, and religious sites, impacting the broad cultural and economic role these assets serve within the community.

93. **Key assets, such as the Great Al-Omari Mosque, Al-Pasha Palace, and several national monuments have suffered severe damage.** This assessment documents 126 significant heritage sites, highlighting the urgent need for effective restoration and protection strategies.

94. **The sector has experienced economic losses totaling approximately US\$55 million, primarily due to halted cultural activities and lost revenue streams, especially within the cultural and creative industries.** Displacement-induced losses are also significant, with around 255 cultural professionals, including artists and heritage specialists, having to abandon their roles, leading to an estimated US\$30 million loss annually. Employment reductions in the cultural and creative industries have profoundly impacted livelihoods and reduced international assistance, which has created additional financial pressures, challenging the sector's sustainability and resilience. These compounded losses threaten the sector's capacity to maintain operations and preserve cultural heritage, which is vital for Gaza's social and cultural identity.

### **Recovery and Reconstruction Needs: US\$192 million**

95. **The culture and cultural heritage sector's recovery strategy encompasses short-, medium-, and long-term interventions to address infrastructure repair, operational support, and capacity building.** *Immediate and short-term needs over 1.5 years amount to US\$48 million* and focus on documenting, stabilizing, and protecting damaged heritage sites, training and providing support to cultural professionals, and engaging in community outreach. *Medium- to long-term efforts will amount to US\$144 million* and includes extensive conservation, rehabilitation, reconstruction, and utilization of cultural sites as tools for socioeconomic development, capacity-building initiatives, support to livelihoods, and financial and technical assistance. Immediate to short-term priorities involve conducting rapid damage assessments and implementing economic support programs for cultural recovery.



## EDUCATION

**Damages: US\$874 million**

**Losses: US\$3.2 billion**

96. **Prior to the escalation of the conflict, the education sector in Gaza and the West Bank demonstrated substantial achievements in access despite enduring and significant quality and system challenges.** Access to education was high in both the West Bank and Gaza, achieving a combined gross enrollment ratio of 72 percent in kindergarten, 97 percent enrollment in basic education, and 81 percent in secondary education. Gaza's education landscape was especially dependent on the UNRWA, with around half of school-aged children and youth enrolled in UNRWA-operated schools and vocational training centers.

97. **The conflict has led to devastating damage across the education sector, affecting all levels of education from kindergarten to university.** All students in Gaza have been out of school for more than a year, and 100 percent of educational facilities are either fully destroyed or partially damaged. At least 539 teachers and university faculty and more than 11,000 students have died. An estimated 17,000 unaccompanied children and more than 18,800 injured children and youth are in dire need of support.<sup>31</sup> More than 658,000 school-aged children and 87,000 tertiary students are left without access to formal learning spaces. In total, more than 2,308 educational facilities, ranging from kindergartens to universities, have been destroyed, along with extensive damage to teaching and learning materials and equipment, classroom furniture, technical and vocational education (TVET) training workshops, and STEM facilities in tertiary education institutions. The damage to public schools alone is estimated at US\$ 351 million, with UNRWA schools amounting to an additional US\$ 196 million. At the tertiary education level, damages to universities and colleges are estimated at US\$222 million. The rest accounts for damage to administrative buildings and private schools.

98. **The losses of the conflict on Gaza's education sector are estimated at US\$3.2 billion in Gaza.** These losses encompass a range of disrupted economic flows, including reduced revenue

from tertiary student tuition fees, increased operational costs for temporary learning solutions, employment losses among education sector staff, and human capital losses due to fatalities and missed education. Forgone learning is expected to result in significant long-term impacts, with an estimated US\$1.25 billion in diminished lifetime earning potential for an entire generation of students whose education was interrupted. Employment losses among education sector staff, estimated at US\$818 million, further compound the sector's financial challenges, with many teachers, administrators, and support staff facing unemployment or reduced wages due to the ongoing crisis. With many remaining schools repurposed as shelters for IDPs, educational spaces are not available for regular use, creating the need for temporary learning spaces until permanent structures have been restored and are fit for purpose.

### **Recovery and Reconstruction Needs: US\$3.8 billion**

99. **The recovery needs for Gaza's education sector are substantial, with an estimated requirement of US\$3.8 billion over five years.** *Short-term needs are estimated at around US\$2.6 billion* and would focus on setting up temporary learning facilities (including tents and prefabricated buildings), reclaiming education facilities that have been repurposed as shelters for IDPs when possible, providing psychosocial support, and addressing severe learning losses. Key priorities include restoring access to education for all students, accommodating the large number of students with special needs and disabilities, mitigating the long-term impacts of malnutrition and toxic stress in early childhood on cognitive development, and restoring capacity for holistic services that support the well-being of educators and learners. *Medium- to long-term recovery strategies amount to US\$1.2 billion* and focus on rebuilding destroyed facilities, enhancing digital infrastructure, and strengthening the sector's resilience. Given the extensive damage, recovery efforts will prioritize severely damaged and destroyed facilities, especially in densely populated areas. The overall recovery approach aims to create an inclusive and equitable education system that can withstand future challenges, with targeted

<sup>31</sup> The PA's Ministry of Social Development and Ministry of Education and Higher Education.

interventions to support marginalized and vulnerable students. This involves substantial capital costs, particularly for public schools, UNRWA facilities, and universities and other tertiary education institutions, with increased

costs related to transportation, land, logistics, supply chain disruptions, demolition, rubble removal, inflation, and education-specific factors included in the estimated recovery needs.



## Infrastructure Sectors

### ENERGY

**Damages: US\$494 million**

**Losses: US\$243 million**

100. **Pre-conflict, Gaza's energy sector was already constrained due to the limited electricity imports and local generation to less than 35 percent of demand**, creating widespread shortages and frequent blackouts for its 2.3 million residents. By October 2023, demand exceeded 600 megawatts (MW), but Gaza's power plant and Israeli imports provided only around 190 MW combined, which led the Gaza Electricity Distribution Company (GEDCO) to implement load shedding, with critical facilities such as hospitals prioritized for continuous supply. Solar power has helped, adding nearly 80 MW, but energy infrastructure remains damaged from prior conflicts. Economic and infrastructure challenges persist in the West Bank due to instability, high unemployment, and constrained services.

101. **Damage estimates total US\$494 million for Gaza, affecting critical assets including:** (i) electricity distribution network (and all the electricity sector assets associated with that, i.e., transformers, cables, switchgears, poles, accessories, smart meters, etc.); (ii) ground-based utility scale and off-grid distributed rooftop solar photovoltaic (PV) electricity supply systems that had been deployed across Gaza in public buildings such as education facilities, and health facilities, water supply and wastewater treatment facilities, residential buildings, etc.; (iii) equipment and facilities in the Gaza Power Plant (GPP); (iv) most of the 10 high voltage electricity connection points that imported electricity from the Israel Electric Corporation (IEC); (v) GEDCO's warehouses; (vi) GEDCO offices, vehicles, and cranes; and (vii) the Supervisory Control and Data Acquisition (SCADA) system. The conflict has resulted in damage to Gaza's energy infrastructure, with approximately 80 percent of power generation and distribution assets destroyed or rendered non-operational. The complete destruction of storage and operational facilities, compounded by logistical challenges, has further reduced the capacity for immediate repairs. All commercial and private fuel imports were prohibited entry

through the border crossings since the conflict began; only fuel imports to support the humanitarian response were permitted. The near-total blackout in Gaza since the start of the conflict has had a significant ripple effect, crippling essential services such as water treatment, healthcare, food production, and disease control. The destruction of electricity infrastructure has intensified life-threatening challenges, underscoring the critical role of electricity in ensuring access to clean water, food, healthcare, and economic recovery.

102. **The prolonged power outages have imposed severe economic and social costs, estimated at over US\$243 million.** These losses include increased operational costs for emergency repairs and alternative power sources, alongside income losses due to halted industrial and commercial activity. Operating expenses (OpEx) rose by 700 percent in some areas, totaling US\$4.6 million, due to emergency repairs, fuel costs, and grid management. Employment losses are significant, with 261 jobs lost and a 60 percent income reduction among informal workers. Revenue losses are equally severe, with a complete halt in industrial and commercial energy use, resulting in a loss of US\$124 million from disrupted electricity tariffs and US\$30.85 million in lost tax revenue. Displacement-induced losses have compounded the situation, with a 100 percent disruption in electricity access for displaced populations and industries, and a 700 percent increase in costs for temporary energy solutions for displaced communities. The service disruptions have deeply impacted essential services such as healthcare, water supply, food production, and education, with rural areas facing the highest vulnerability due to limited alternative energy sources. Furthermore, the complete halt of wastewater treatment plants and pumping stations has led to wastewater overflow, creating significant health and environmental hazards.

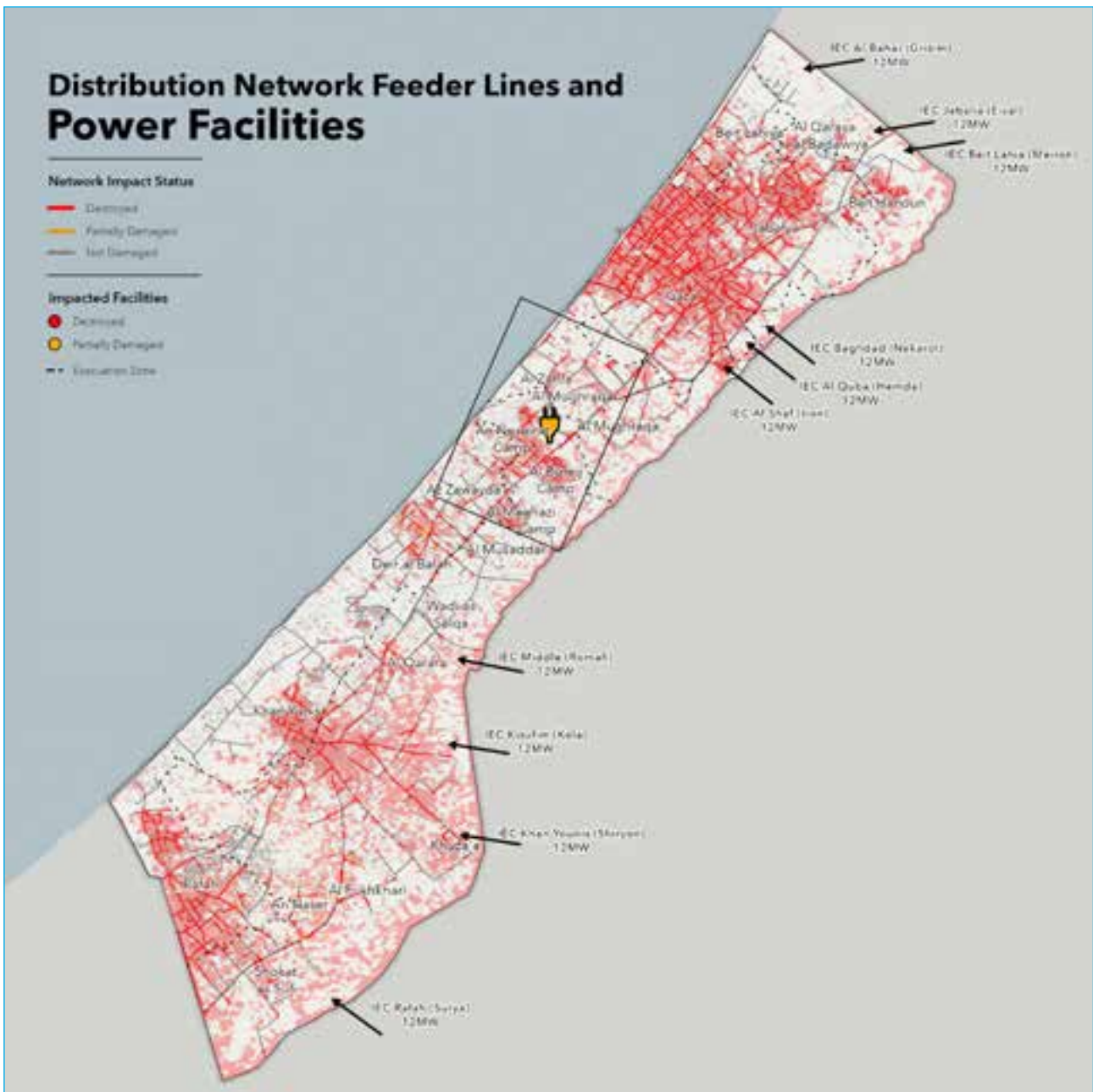
### Recovery and Reconstruction Needs:

**US\$1.46 billion**

103. **To restore Gaza's electricity and support essential services, a phased recovery plan is proposed.** Among the overall needs, *short-term needs are estimated at US\$365 million* and will need to focus on relief and short-term recovery by securing at least 322,000 liters of

fuel daily<sup>32</sup> for diesel generators to meet urgent humanitarian needs in healthcare, water, and food production, repairing the distribution grid to restore power imports from Israel (IEC), boosting domestic generation from the GPP, and supplying mobile solar PV kits. *The medium- to long-term needs are estimated to be US\$1.1 billion*, focusing on resuming all IEC feeder lines to supply 120 MW, enabling the

GPP with around 400,000 liters of fuel daily to produce 70 MW, installing over 67 MW of solar PV with a battery energy storage system, and exploring renewed energy imports from Egypt. Further, the long-term needs focus mainly on economic growth, which involves expanding and upgrading Gaza’s grid capacity and increasing electricity imports from both the IEC and Egypt.



32 PENRA, October 2024, Non-Paper: Resumption of Basic Services to Gaza – Energy

## WATER, SANITATION, AND HYGIENE (WASH)

Damages: US\$1.5 billion

Losses: US\$64 million

104. Prior to October 2023, the average domestic water supply was about 82 liters per capita per day, already below the international standard of 100 liters set by the WHO. The population relied on a polluted and rapidly depleting aquifer. The main sources of drinking water in the Gaza Strip were short-term low volume (STLV) desalination plants, three connections with the Israeli water operator Mekorot, and brackish water desalination plants. Access to improved sanitation in Gaza was quasi-universal before the conflict, but the wastewater treatment capacity in Gaza was inadequate. The WASH sector in Gaza prior to the conflict suffered from recurring hostilities that hindered its ability to develop infrastructure and achieve financial sustainability, with the restrictions on the entry of materials as the most salient challenge.

105. The estimated damages total US\$1.5 billion with over 89 percent of the assets in the WASH sector being either destroyed or partially damaged. The damage includes critical facilities such as water wells, reservoirs, sewage pumping stations, and STLV desalination units. All six wastewater treatment plants have sustained damage (with one completely destroyed) along with two out of three connections with Mekorot. The GPP, essential for water system operations, has also been impaired, leading to water supply disruptions that affect nearly 80 percent of the population. The ongoing damage to essential infrastructure has drastically reduced the region's capacity to produce safe drinking water, now estimated at less than 30 percent of the usual output. Currently, an estimated 40 percent of Palestinians in Gaza do not have access to the recommended 6 liters per person per day for drinking and domestic consumption, with some Palestinians surviving on as little as 500 milliliters of water per day, which is likely to worsen should fuel supplies continue to dwindle. Damaged WASH facilities have detrimental impacts on communities, affecting public health, social well-being, and environmental stability, as well as resulting in the spread of waterborne

diseases, particularly among vulnerable populations such as women, children, and the elderly.

106. The total economic and social losses in the WASH sector for Gaza amount to US\$64 million. Key losses stem from increased operating costs, including higher energy expenses resulting from the reliance of backup generators as the sole energy source for operating temporary or damaged water supply systems, expenditures on temporary water and sanitation solutions and emergency repairs of water supply sanitation infrastructure. Revenue has also declined as households and industries face interrupted water and sanitation services, resulting in a US\$10.3 million drop in tariff income. Further compounding the losses are the increased costs of transportation and distribution of water and hygiene kits to displaced communities, which account for an estimated US\$11 million yearly. The WASH sector experienced the complete destruction of warehouses stocked with equipment and spare parts, which were estimated by the Coastal Municipality Water Utility at US\$9 million; losses of jobs were also significant and estimated at 2,600 jobs. The conflict has also resulted in numerous intangible losses affecting generations of people, for example polio—a disease not seen in the Gaza Strip for 25 years—has reemerged due to the unsanitary living conditions.

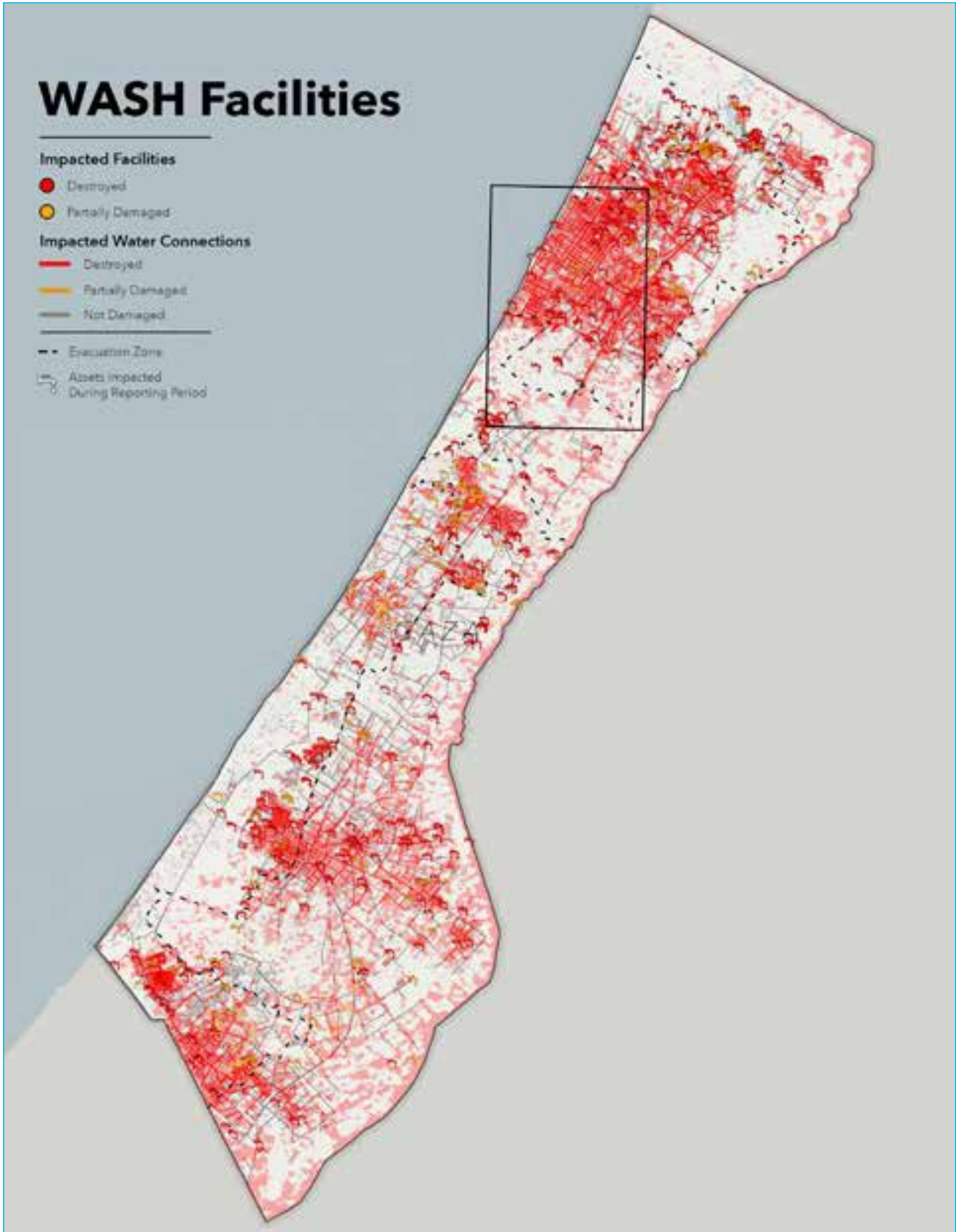
### Recovery and Reconstruction Needs: US\$2.7 billion

107. Restoring WASH sector needs in Gaza amounts to US\$2.7 billion. Of the overall needs, *immediate and short-term needs amount to US\$664 million*, which includes the reestablishment of basic water and sanitation services, emergency repairs, provision of alternative water sources through trucking and bottled water supplies, and access to hygiene supplies, including dignity kits and menstrual hygiene materials. *The medium- to long-term needs are estimated at around US\$2 billion*, which would focus on strategies to prioritize building resilient water and sewage networks to reduce dependency on external sources, coupled with expanding desalination and reuse systems to bolster local water supplies. Additionally, the long-term plans



aim to construct decentralized and renewable-powered water treatment facilities to enhance system resilience. Integrated planning will also focus on rehabilitating the coastal aquifer

and implementing aquifer recharge schemes with treated wastewater to sustain Gaza's water security and enhancing capacity for efficient and effective sector management.



## INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

**Damages: US\$164 million**

**Losses: US\$736 million**

108. **Prior to the current conflict, the ICT sector<sup>33</sup> in Gaza faced significant developmental deficits and infrastructural constraints, especially in mobile broadband technology.** Gaza remains one of the last areas globally limited to 2G technology, facing barriers to international capacity due to political constraints. Additionally, access to international connectivity is dependent on Israeli providers, which compounds service fragility and cost implications. This became particularly evident when mobile and internet services in Gaza were completely cut off several times during the initial conflict period due to the disruption of the main fiber optic connections.

109. **Since the onset of the conflict, the ICT sector in Gaza has experienced severe disruptions, with total damages to ICT infrastructure reaching US\$164 million.** Almost 74 percent of assets were completely destroyed, 16 percent partially damaged, and 10 percent minimally damaged, leading to a major breakdown in communication services and internet connectivity. The damage includes a near-complete dismantling of mobile infrastructure, the destruction of all warehousing and facilities, and substantial harm to the fiber optic backbone. The compiled damages have further exacerbated the challenges for displaced populations, which rely on digital connectivity for access to information and essential services, especially when communication is vital for locating family members and coordinating emergency response. Additionally, the continuity of internet connectivity could help continuity of education for students at displacement centers through special arrangements of remote education.

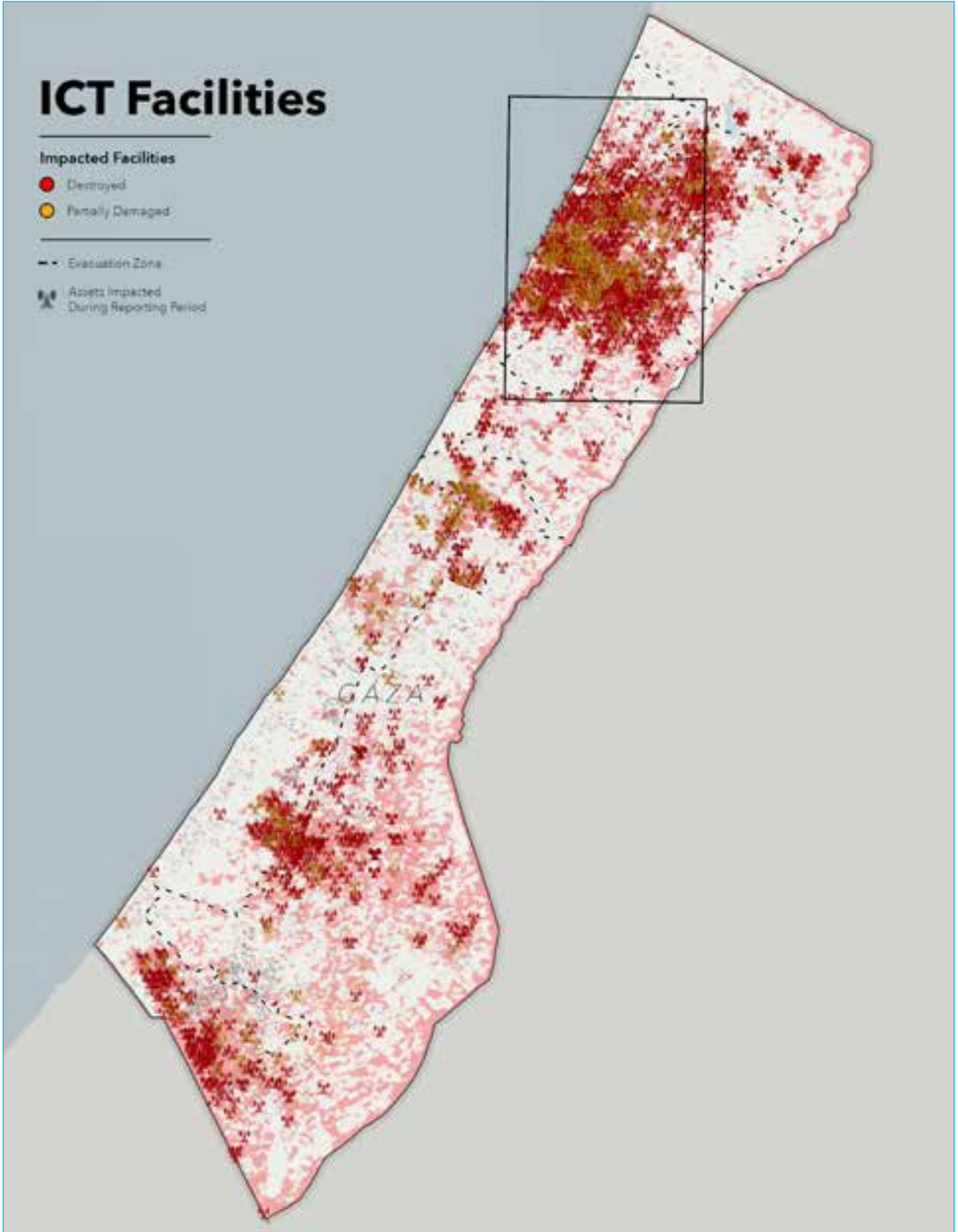
110. **The losses for the ICT sector in Gaza, projected over five years, amounts to US\$736 million.** The ICT operators in Gaza lost US\$147.3 million overall, which consists mostly of lost revenues (73 percent) and increased operating costs (27 percent). The ICT sector has faced

extensive service disruptions due to severe damage to infrastructure, initially triggered by power outages and compounded by the ongoing conflict. Prolonged disconnection of mobile and internet services has resulted in significant operational and financial losses. Telecom providers have made considerable efforts to maintain basic services by utilizing fuel provided by the UN to power generators and partially repair damaged sites, even at considerable safety and financial costs. The humanitarian response from the private providers has placed an additional burden on their finances, leading to substantial revenue losses.

### **Recovery and Reconstruction Needs: US\$460 million**

111. **The total reconstruction and recovery needs for the ICT sector in Gaza in the short, medium, and long term are estimated at US\$460 million.** *Short-term recovery needs amount to US\$116 million* and will need to focus on immediate needs such as essential repairs to mobile towers, fiber optics, and fixed access nodes, and priority interventions such as urgent infrastructure repairs to restore essential services and using solar energy sources and temporary solutions for internet connectivity provisioning. *Medium-to long-term needs amount to around US\$344 million* and would focus on key assets requiring reconstruction and recovery funding, including the mobile network, fiber optics backbone, national exchanges/ data centers, last-mile fixed infrastructure, and buildings. Among those, mobile towers, the national exchanges, and buildings and facilities represent the largest shares, with 32 percent, 17 percent, and 15 percent of total needs, respectively. Long-term recovery strategies emphasize rebuilding resilient, modern infrastructure, with plans for 4G/5G technology deployment, shared infrastructure models to lower costs, and the establishment of emergency response networks. The focus is also on securing and migrating public records to ensure service continuity and legal documentation, with the broader goal of reestablishing stable connectivity and supporting Gaza's economic and social resilience. 90 percent of those needs are directed toward long-term restoration.

<sup>33</sup> The ICT sector covers telecommunications infrastructure, including both the fixed and mobile networks.



## MUNICIPAL SERVICES<sup>34</sup>

**Damages: US\$233 million**

**Losses: US\$988 million**

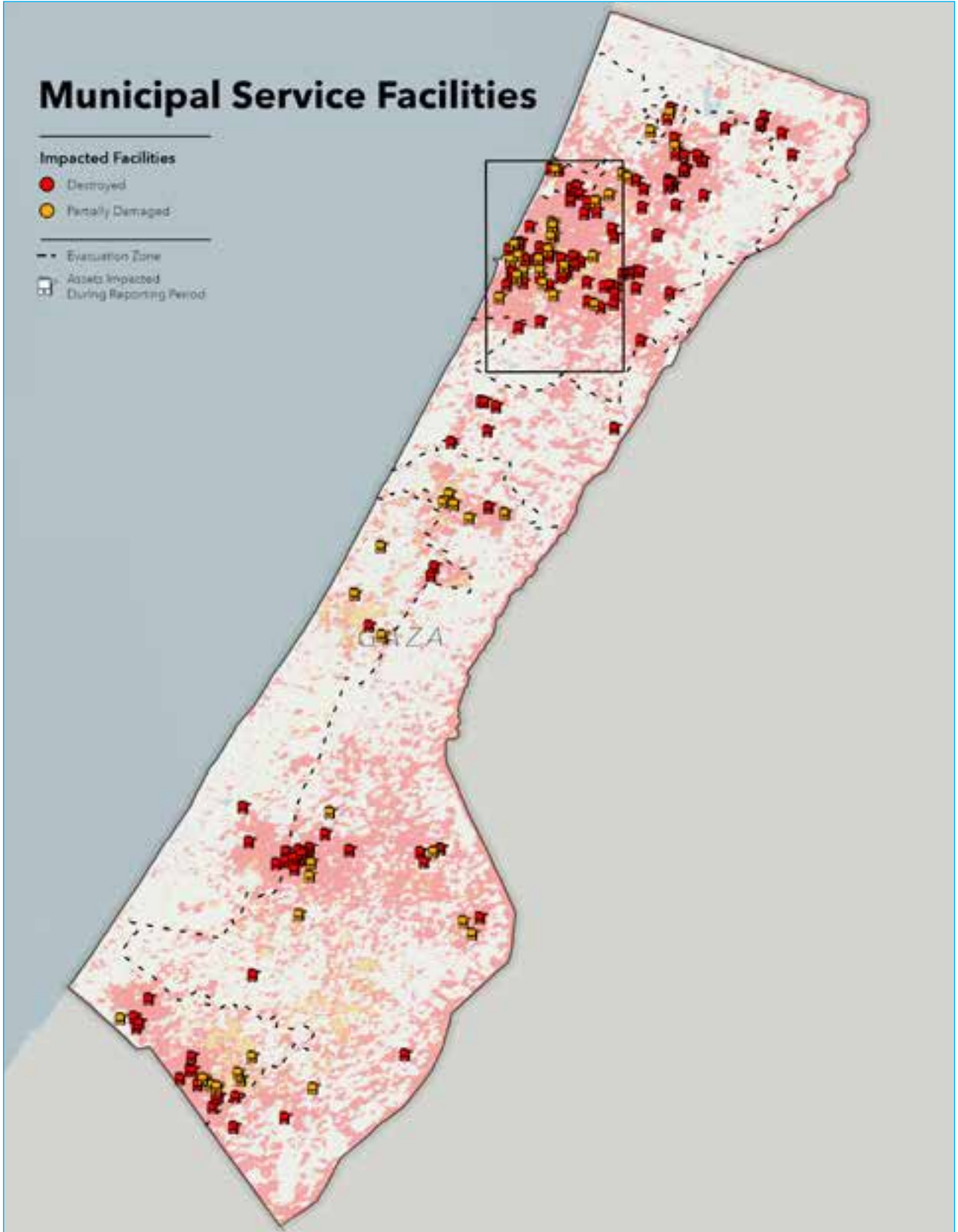
112. **Prior to the recent conflict, Gaza’s municipalities were already struggling with limited resources, outdated infrastructure, and high levels of poverty and unemployment.** The Gaza Strip consists of 25 municipalities—with a population density of approximately 6,300 people per km<sup>2</sup> and reaching over 30,000 per km<sup>2</sup> in some northern areas—making it one of the most densely populated regions globally. The municipal sector has long faced severe challenges due to the Israeli closures since 2007 that limited the ability to provide services to the population. The municipalities of Gaza are responsible for essential functions such as town planning, road construction, building licensing and control, building demolition, water and sanitation services, infrastructure maintenance, and waste management including collection and disposal. The capacity of the 25 municipalities in the Gaza Strip to deliver basic services has been severely compromised.
113. **The conflict has inflicted severe damage on Gaza’s municipal infrastructure, with damages estimated at US\$233 million, impacting the delivery of municipal basic services including water supply, wastewater, and solid waste management.** Essential municipal assets, such as buildings, roads, solid waste management facilities, and utility vehicles, have been either partially or fully destroyed. Around 26 percent of the total municipal damages—approximately US\$60 million—are attributed to solid waste management. This includes waste collection vehicles, transfer stations, and landfill machinery, which are critical for sanitation and environmental health. Additionally, the widespread destruction has severely impacted service delivery capacity, resulting in an uncollected accumulation of solid waste across temporary dumpsites, further amplifying health risks for the population.
114. **The estimated losses in Gaza’s municipal sector are around US\$988 million, exacerbating**

**preexisting service, workforce, and financial constraints.** The conflict has intensified Gaza’s operational challenges, with acute shortages of fuel, spare parts, and maintenance materials further hampering essential services. Municipal revenue streams have nearly collapsed, forcing local authorities to implement extreme austerity measures, which limit their ability to pay staff salaries and maintain basic functionality. Moreover, the inability to manage solid and hazardous waste effectively has increased the risk of disease outbreaks, water contamination, and air pollution, while compounding psychological distress among Gaza’s residents due to deteriorating living conditions and diminished sanitation.

### **Recovery and Reconstruction Needs: US\$440 million**

115. **The recovery needs for Gaza’s municipal services sector are estimated at US\$440 million, emphasizing service restoration, community-based planning, and sustainable urban development.** *The short-term needs are estimated at around US\$110 million* and include the immediate and short-term priorities of debris management; recycling non-EO laden debris for housing (costed out in the environment section; see also Box 2 on debris management for more details); restoring solid waste management services; repairing critical infrastructure such as water, sewage, and electricity systems to allow for access to basic services for population; and rehabilitating key public assets such as municipal premises, parks, and marketplaces. *The medium- to long-term needs are estimated at around US\$330 million*, which would include addressing the critical financial situation of the municipalities to stabilize the municipal operations as the municipalities’ financial reserves have been depleted, leaving no reserve funds to cover financial obligations of municipalities, including salaries. Interventions will need to focus on strengthening municipal resilience through sustainable urban planning, resource mobilization, and improved governance structures to support Gaza’s long-term stability and growth.

<sup>34</sup> While the Palestinian Local Governance Law covers a complete set of 23 services and assets under its mandate, this section is limited to solid waste management and municipal public assets including marketplaces, mosques, multi-purpose halls, etc. Assessment of other damages, losses, and needs (e.g., municipal roads) have been included in other sectors within this report.



## TRANSPORT

Damages: US\$2.5 billion

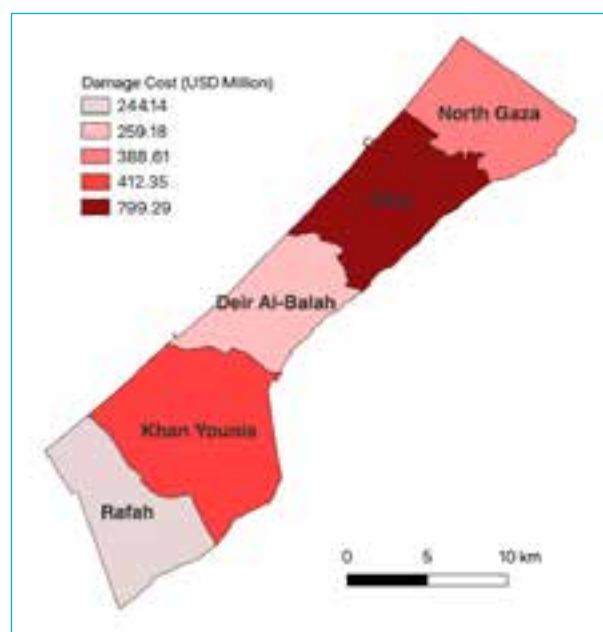
Losses: US\$377 million

116. Prior to the conflict, Gaza's transport sector had long faced significant challenges due to limited resources for maintenance and upkeep of infrastructure. Challenges include lack of consistent planning and policy; the constraints imposed on Gaza on equipment, supplies, and mobility; and the lack of connectivity with the outside world. As a result, the underdeveloped and frequently damaged transport network struggled to meet the needs of its residents and its growing population, leading to haphazard and unplanned development in many areas. The dense population and limited space exacerbated transportation issues, with overcrowded roads and insufficient infrastructure to support the population's needs.

117. The conflict in Gaza has led to extensive destruction of transport infrastructure, resulting in damages estimated at approximately US\$2.5 billion. 81 percent of the classified road network (primary, secondary, and tertiary roads) and 62 percent of the total road network (also including agricultural roads) have been damaged or destroyed as a result of the conflict, with a value estimated at US\$607 million. This includes 44 percent of primary roads essential for the movement of goods, food, and humanitarian aid. 80 percent of other key fixed transport assets, including bridges, culverts, Gaza Port, and border crossings points, have also been severely affected. 85 percent of the rolling stock has been destroyed, including cars, taxis, and heavy-duty vehicles, totaling nearly US\$1.8 billion in damages for the sector. Finally, administrative assets, such as Ministry of Transport offices and Palestinian Airways offices and facilities, have also been destroyed.

118. The transport sector in Gaza has also faced significant economic losses estimated at US\$377 million from the start of the conflict until October 2024. These losses are due to reduced revenue from fuel taxes, parking, and vehicle registrations, as well as increased

FIGURE 6:  
Total Damage to Transport Sector,  
by Governorate



operating costs for both aid delivery and residual transport activities. Employment losses within the sector are substantial, affecting both formal and informal jobs, with an estimated US\$214.8 million in lost wages in transport logistics and US\$28.2 million in the informal transport sector. Ancillary transport services, such as vehicle maintenance and car parts distribution, have incurred losses of around US\$121.1 million.

### Recovery and Reconstruction Needs: US\$2.9 billion

119. The recovery needs for Gaza's transport sector are projected to be around 2.9 billion,<sup>35</sup> spanning immediate, medium-term, and long-term interventions. Among the overall needs, short-term needs are estimated at around US\$724 million, which include immediate interventions such as safe disposal of EO; emergency rehabilitation of the primary road system to restore essential service connections for humanitarian aid, healthcare, and markets; detailed planning for rapid deployment of a public transport system to facilitate economic recovery while minimizing

<sup>35</sup> Overall needs for reconstruction of the transport sector are estimated to cost between US\$2.4 billion and US\$3.2 billion, depending on how extensive the final damages are and how development robust public transport in post-conflict Gaza is pursued.

need for investment in vehicles; mobilization and training for rapid deployment of labor-intensive construction methods; and design and supervision engineering services for the longer-term reconstruction efforts.

120. *The medium- to long-term needs are estimated to be around US\$2.2 billion.* In term of interventions, the medium-term reconstruction focuses on rehabilitating high-traffic roads, rolling out public transport systems to increase accessibility, particularly for vulnerable populations, facilitating rebuilding of the destroyed motor vehicle fleet, and deploying labor-intensive road construction projects to rapidly create sustainable employment opportunities. The long-term goals prioritize building a resilient and sustainable transport network through the adoption of green technologies, upgrading infrastructure to international standards, facilitating transport connectivity between Gaza and the West Bank, and enhancing institutional capacity. Establishing robust public-private partnerships and community-driven initiatives is also recommended to foster local economic development and employment within Gaza's transport sector.

## Productive Sectors

### COMMERCE AND INDUSTRY

**Damages: US\$5.9 billion**

**Losses: US\$2.2 billion**

121. **Pre-conflict, Gaza's private sector faced immense challenges due to longstanding economic constraints that restricted movement, access to finance, and market opportunities.** High unemployment, especially among youth, persisted as businesses struggled to operate with only 11–16 hours of electricity daily, affecting productivity. Limited access to external markets confined growth potential, while perceptions of high risk and instability deterred investment. Businesses, particularly startups in the IT sector, often had to establish branches abroad or work through intermediaries to secure international contracts, increasing operating costs and further hampering competitiveness and innovation. Despite a well-educated workforce and economic diversity, the West Bank's private sector faces high costs and

limited growth due to movement restrictions, reliance on Israeli trade, and inadequate infrastructure.

122. **The total damaged and destroyed establishments in the commerce and industry sector in Gaza reached 88 percent of the 48,987 assessed entities: 22 percent were partially damaged and 66 percent destroyed.** In total, 32,060 establishments were destroyed and 10,711 were partially damaged. The total cost of damages in Gaza are estimated at US\$5.9 billion. The estimated costs of destroyed establishments are at US\$5.2 billion while repair costs remain lower at US\$687.8 million. In addition to the economic and social impacts, the destruction of commerce and industry assets have also led to environmental degradation.
123. **The total losses for the commerce and industry sector in Gaza over a five-year period are estimated at US\$2.2 billion, equivalent to three times the annual expected pre-crisis economic value.** The losses account for US\$1.76 billion in reduced returns and US\$473 million in reduced wages. Out of the estimated 116,000 workers under the assessed establishments of commerce and industry, services, and hospitality and tourism in Gaza, it is estimated that more than 100,000 people lost their jobs. The total losses in the West Bank are estimated at US\$1.3 billion, mainly because of trade restrictions and reduced markets. Out of the estimated 195,000 workers employed in the commerce and industry, services, and hospitality and tourism establishments in the West Bank, an estimated 40,000 people have lost their jobs due to heightened restrictions and the ensuing reduction in the labor force.

### Recovery and Reconstruction Needs:

**US\$6.9 billion**

124. **The estimated needs in Gaza over a period of eight years starting from the end of hostilities is US\$6.9 billion, of which US\$1.7 billion are required in the short term (three years).** Total infrastructure needs are estimated at US\$3.5 billion; machinery and equipment needs are estimated at US\$1.8 billion; working capital support is estimated at US\$864 million; wage compensation support is estimated at US\$741 million; and technical assistance is estimated at US\$47 million. Reconstruction and recovery

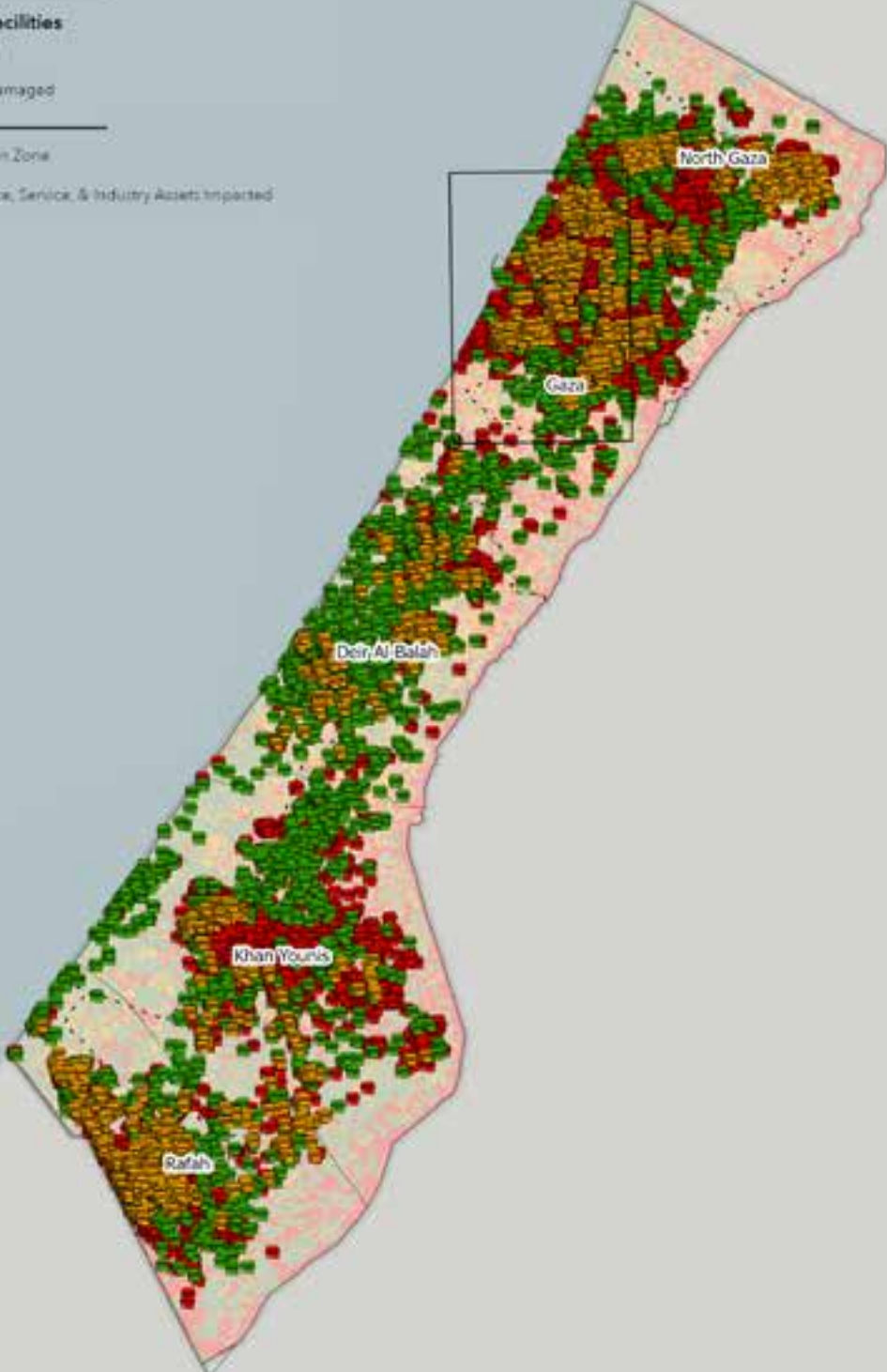
# Commerce, Service, & Industry

**Impacted Facilities**

- Destroyed
- Partially Damaged

--- Evacuation Zone

☒ Commerce, Service, & Industry Assets Impacted





needs will consider BBB approaches and ensure the integration of green business practices, required environmental building standards, and preparedness to withstand future climate change implications.

125. **These estimated needs may change depending on how the market recovers.** The reconstruction and repair needs are to be supplemented by the purchase of machinery and equipment/movable assets. The establishments are expected to also receive working capital to allow for the repurchasing of inventory supplies where needed and to cover their immediate and short-term operational costs. A large part of reconstruction and recovery will also relate to the speed and manner by which accumulated debris is removed and hazardous material managed, which is covered in more detail in the designated environment strategy. Recovery sequencing and prioritization will depend on progress in business-enabling sectors such as infrastructure, transport, and energy, and also on the availability of a qualified workforce and the overarching approach towards recovery in Gaza. Recovery efforts will explore the possibility of establishing temporary facilities to enable businesses to restart operations at the earliest possible time.

## FINANCE

**Damages: US\$14 million**

**Losses: US\$325 million**

126. **Before the ongoing conflict, the financial sector operating in the West Bank and Gaza faced severe challenges despite growth.** The banking sector's dependency on unstable government revenues and remittances made it highly vulnerable to external economic and political pressures, with political instability limiting lending and leaving parts of the market underserved. Constraints on access and movement, as well as unstable correspondent banking relationships, further reduced efficiency. The absence of a national currency led to reliance on multiple currencies, exposing the economy to exchange rate risks and limiting the Palestine Monetary Authority's (PMA) control over monetary policy. In Gaza, the insurance sector struggled to secure reinsurance for political violence and conflict risks, often relying on costly facultative reinsurance due to the exclusion of

these risks from standard treaties. Similarly, while the microfinance sector saw portfolio growth, declining active clients suggested that microfinance institutions were reaching fewer marginalized groups as loan sizes grew.

127. **The financial sector has suffered significant damage, with a total of US\$14 million in Gaza.** Nearly 98 percent of Gaza's banking infrastructure has been affected, with 33 out of 56 bank branches completely destroyed and 19 partially damaged. Of 94 ATMs, only two remain semi-functional, while 59 are destroyed and 33 partially damaged. Among non-bank financial institutions, 83 percent of microfinance offices were impacted, with 15 out of 18 branches damaged, along with significant losses in the insurance sector, where eight out of nine offices were damaged. Additionally, 32 out of 46 currency exchange branches were impacted, the only payment service provider office in Gaza was damaged, and one securities company was affected. The widespread damage of banking infrastructure and reduced liquidity in Gaza have halted access to financial services, worsening financial exclusion and limiting economic participation. This has deepened poverty and inequality, particularly among the most vulnerable populations.
128. **Economic losses in the financial sector are already significant with cumulative losses estimated at US\$325 million, driven primarily by credit and cash losses in Gaza.** Accurately assessing the full extent of these losses in Gaza and the West Bank remains challenging due to the ongoing conflict and the dynamic nature of the political landscape. Eventual losses are anticipated to be significantly higher (e.g., losses on the Gaza credit portfolio of US\$981 million are likely to exceed the provisions of US\$261 million already booked in September 2024). The severe economic downturn in the West Bank and Gaza has affected credit quality (including increased loan defaults) and raised operational costs for emergency financial services, exacerbating the crisis. Notably, borrowing costs for microfinance institutions have surged, and reinsurance costs have increased fivefold, limiting the sector's ability to support recovery efforts. This disruption has significantly constrained financial access, with particularly adverse effects on vulnerable populations, including women and rural communities.

## Recovery and Reconstruction Needs: US\$42 million

129. **Ensuring the recovery of the financial sector in Gaza is estimated to require at least US\$42 million over the next five years to rebuild infrastructure, expand digital payments and financial services, address cash shortages, and maintain remittance flows. Short-term needs (initial three years) are estimated at around US\$10.5 million** and would focus on fortifying the stability of the financial sector, rebuilding operational infrastructure including internet and electricity, retraining employees, and expanding digital financial services and remittance channels. Immediate service recovery should include a strong focus on ensuring continuity in the provision of digital payments, especially through the PMA's Fast Payments System (iBuraq) and quickly expanding the acceptance networks, also through QR codes. Digital payments will be critical also in the distribution of aid. The PMA's pre-crisis initiatives in digitization, financial inclusion, and regulatory reform must be intensified and scaled. International organizations and development partners are needed to provide stabilization tools, risk mitigation instruments, and technical support, enabling financial institutions to re-enter Gaza and assist in recovery. Public funds will be critical to de-risk and encourage private investment, as the sector alone lacks capacity to meet future financing needs. Key priorities include preserving trust in financial stability, access to deposits, functional payments, and credit availability. Without accessible financial services, economic recovery stalls, poverty rises, and inequality deepens. For meaningful impact, the financial sector's focus should be on inclusive recovery, prioritizing support for micro, small, and medium enterprises (MSMEs) and vulnerable populations, and adapting to meet extensive rebuilding demands.
130. *In the medium to long term, the recovery will amount to US\$31.5 million* and will focus on legal and regulatory reforms, cross-border integration, and sustainable financial products. Regulatory reforms will support financial innovation, including e-money services and digital banking. Strengthening cybersecurity measures will protect digital financial services, ensuring consumer and

business trust. Promoting financial inclusion and literacy, along with expanding access to credit, will support underserved populations and stimulate economic activity and job creation.

## AGRICULTURE AND FOOD SYSTEMS

**Damages: US\$835 million**

**Losses: US\$1.3 billion**

131. **Before the conflict, Gaza's agriculture and food sector was critical to the economy, contributing to 6 percent of the GDP and 63 percent of exports, with a production value of US\$575 million in 2022.** It provided significant employment and supported food security. Gaza was self-sufficient in locally consumed vegetables, eggs, milk, poultry, and fish, and exported vegetables and fish. It produced much of its red meat, olive oil, and fruits, despite 90 percent of caloric needs being met through imports. The sector faced challenges, including limited availability of natural resources and restrictions on import of productive inputs, movement constraints, and limited market access, making it vulnerable to shocks. Food markets operated with established infrastructure and regulations but relied heavily on imports and humanitarian aid, especially for main caloric and fatty foods such as wheat flour and vegetable oils. The conflict has caused widespread damage to infrastructure, cropland, livestock, fisheries, and markets, disrupting livelihoods and services, worsening food insecurity and income-generating capacities.
132. **The ongoing conflict in Gaza has led to significant damage across the agriculture and food systems sector, with total damages estimated at US\$835 million.** The conflict has given rise to enlarged Israeli buffer zones inside and along the border of Gaza (1–2 km wide) as well as military thoroughfares that bisect the territory, signaling the potential loss of access to some of Gaza's most fertile agricultural land. Extensive destruction has impacted more than 80 percent of agricultural infrastructure, some of which are potentially contaminated by EO, including market facilities, irrigation systems, greenhouses, and critical food processing and distribution infrastructure. Key areas affected include crop production, livestock, and fisheries. Croplands, especially

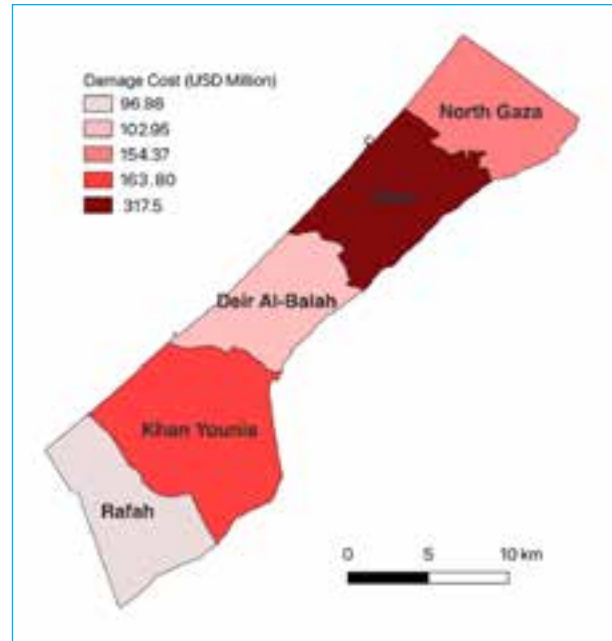
those cultivating high-value products such as vegetables and strawberries, experienced up to 82 percent damage. Additionally, 55 percent of on-farm irrigation systems and 78 percent of greenhouses suffered damage, severely hindering production capacity and water access for crops. The livestock sector saw near-total losses in poultry, cattle, and dairy production, with facilities and shelters extensively damaged. Fisheries were also devastated, with 94 percent of fishing boats and 100 percent of cold storage and processing facilities affected, drastically reducing fish supply.

133. **Economic losses in the agriculture sector total approximately US\$1.3 billion, primarily due to disrupted supply chains, damaged infrastructure, and halted production.** Reduced revenues from crops, livestock, and fisheries production also amount to US\$470 million. Frequent power outages and fuel shortages have obstructed storage and transport of perishable goods and reduced market access, leading to a dependency on informal trade. The collapse of formal markets and the reduction in agricultural productivity have increased unemployment and poverty, further exacerbating Gaza's economic vulnerability. An estimated 18,400 agriculture workers are out of jobs, which has intensified poverty. Additionally, the lack of access to essential food items has forced over 86 percent of people across the Gaza Strip into high levels of acute food insecurity classified in IPC Phase 3 (Crisis) or above, including nearly 133,000 people facing catastrophic food insecurity (IPC Phase 5). Acute malnutrition is at serious levels (IPC AMN Phase 3), 10 times higher than before the escalation of hostilities, with nutritional deficits especially acute among children, pregnant women, and the elderly.

**Recovery and Reconstruction Needs:  
US\$4.2 billion**

134. **The recovery of Gaza's agriculture and food systems requires an estimated US\$4.2 billion, reflecting the extensive damage and urgent need for action.** These needs encompass infrastructure rehabilitation, support for production, food security enhancement, and resilience-building measures. With 86 percent of Palestinians in Gaza facing food insecurity at IPC Phase 3 (Crisis) or

**FIGURE 7:  
Total Damage to Agriculture, by Governorate**



above, immediate intervention is critical. Recovery of Gaza's agriculture sector faces numerous challenges, including damaged infrastructure, restricted land access, water scarcity, and soil contamination and degradation. Moreover, salinization of water sources, combined with destroyed irrigation systems, limits farming capacity; and market disruptions, environmental degradation, and the loss of traditional farming knowledge further compounds the crisis. Enabling recovery requires rebuilding infrastructure with resilient designs, improving water management through desalination and sustainable irrigation, and rehabilitating soil using organic techniques. Capacity-building programs, financial support, and market access initiatives are essential to empower farmers. Additionally, policies promoting sustainability, environmental restoration, and conflict mitigation are crucial for fostering long-term agricultural resilience and food security. The recovery strategy must address all aspects of the sector, prioritizing production of highly nutritious foods that Gaza has traditionally been exporting or is largely self-sufficient in, and as well as prioritizing the import, storage, and distribution of staple foods for which Gaza has no comparative advantage to produce.

# Impacted Agricultural Areas

- Impacted Areas**
- Destroyed
  - Partially Damaged
  - No Observable Damage
- 
- Evacuation Zone



135. **Short-term priorities include restoring market infrastructure, improving market access, and stabilizing the local economy through the flow of goods, including production inputs, and services. Immediate and short-term needs (up to three years) are estimated around US\$1.06 billion** and will need to focus on infrastructure and basic needs being stabilized, targeting 70 percent functionality of critical assets in the first year, and rebuilding resilience of food systems, aiming to increase local production by 40 percent. In the medium to long term (above three years), the recovery will focus on the transition to sustainable and diversified agriculture systems with full market integration. *Long-term efforts* will focus on rebuilding infrastructure, strengthening institutional capacity, and fostering economic resilience to ensure sustainable food security. While agriculture labor needs are estimated at US\$76 million, food security needs alone are estimated at US\$2.8 billion.

## Cross-cutting Sectors

### ENVIRONMENT

**Damages: US\$92 million**

**Losses: US\$165 million**

136. **Before the conflict, Gaza's environment and climate faced significant challenges, including coastal erosion, unplanned urbanization, and heavily polluted waters exacerbated by over-extraction, saltwater intrusion and climate change.** The coastal zone, which is critical for livelihoods, suffered from poor governance and limited resources, while Wadi Gaza, a unique wetland and biodiversity hotspot, faced pressures from human activity and land development. Forests and woodlands were under threat from urbanization, pollution, and overuse. Air pollution exceeded WHO guidelines due to industrial and waste-burning practices, while climate change heightened water stress and extreme weather risks. Governance was fragmented among multiple institutions hampered by political instability, restricted mobility, and inadequate resources, leaving environmental management fragmented and underfunded. Existing frameworks such

as the Gaza Coastal Action Plan were largely unimplemented due to resource constraints and reliance on international funding.

137. **Damage to the environment from the ongoing conflict in the Gaza Strip has been catastrophic.**<sup>36</sup> The destruction not only negatively impacts physical environmental assets such as coastal areas, water, soil, and wetlands such as Wadi Gaza but also the vital services that ecosystems provide to people. Massive damage to housing, roads, and commercial infrastructure and associated air and other pollution have negatively impacted the environment and people's ability to sustain healthy living conditions in Gaza. The continued bombardments of civilian buildings have created an immense volume of debris (between 41–47 million tonnes so far), and contaminants from explosive residues are released to the environment. Moreover, the presence of EO can significantly disrupt ecosystems. The detonation of EO, whether accidental or during controlled clearance operations, can destroy habitats and pose long-term risks to the environment and human health. It can also lead to contamination of water sources and soil. Landfills are no longer accessible or functional and uncontrolled dumping of solid waste, including infectious and other medical waste, is widespread. Wastewater is released on land and into the sea without any treatment. Destroyed industrial and commercial facilities and electrical installations are discharging fuel, oils, and other hazardous materials into the soil and groundwater. There is air pollution from constant shelling, collapsing buildings, fires, and human remains that cannot be removed. Natural areas including the coast, forests and other woodlands, and wetlands including Wadi Gaza are all severely impacted.

138. **The estimated total cost of damage to the environment sector from the conflict so far is assessed at US\$92 million,** based on available data. For some environmental damages, there are no cost estimates available at this point (e.g., recycling of some debris types, cleaning and remediation of hazardous waste and pollutants, air pollution, contamination of soil and the aquifer). This figure will therefore

<sup>36</sup> Al-Mughrabi, Nidal. October 16, 2023. Reuters News. <https://www.reuters.com/world/middle-east/gaza-people-re-sort-drinking-salty-water-garbage-piles-up-2023-10-16/>.

likely increase as more data becomes available, especially through field surveys.

139. **Annual losses are estimated at US\$165 million**, including lost ecosystem services (the value to human society and economy of grasslands, forest and woodlands, wetlands and coastal zone ecosystems) and clearance of accumulated debris. Costs of health issues related to environmental damages and losses are not yet calculated and would need a detailed assessment.

#### **Recovery and Reconstruction Needs: US\$1.9 billion**

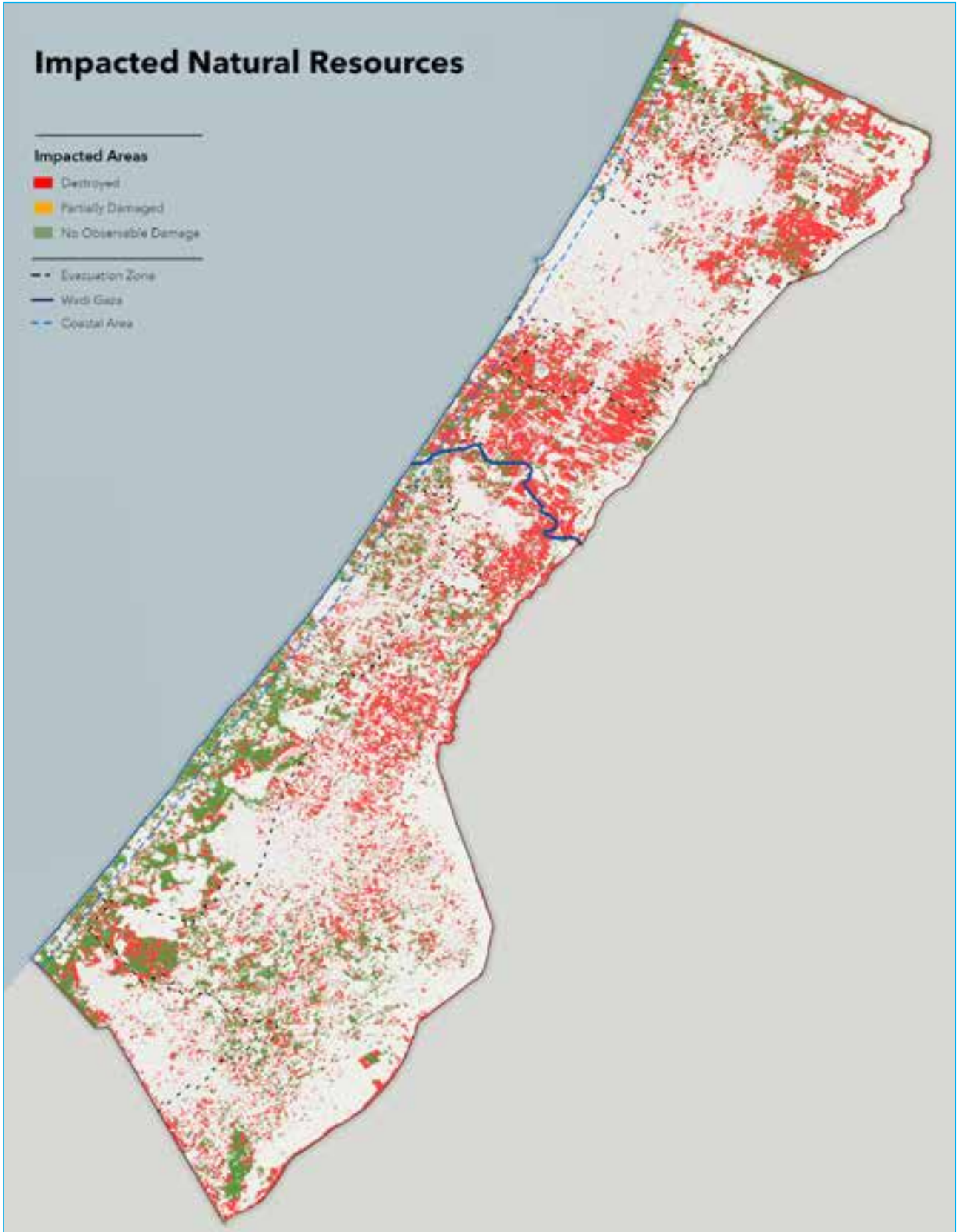
140. **The estimated needs to not only clean up and rehabilitate the environment of the Gaza Strip but to create a more resilient and sustainable community and economy is estimated at US\$1.9 billion, out of which over US\$1 billion will be required to undertake debris management based on current debris volumes (see Box 2).** Short-term needs (first three years) are estimated at around US\$480 million and will need to focus on commencing debris management and the restoration of medical waste management, including collection bins for separating hazardous

#### **BOX 2: DEBRIS MANAGEMENT IS A PRIORITY**

As of October 2024, the estimated volume of debris is between 41–47 million tonnes, created mainly from residential and road sectors, compared to 26 million tonnes in late January 2024. Over 10,000 people are expected to still be buried under the debris, which is also extensively contaminated with EO. Retrieving deceased people and munitions clearance requires careful planning and management prior to and during removal. In total, the United Nations Environment Programme estimates that 2.3 million tonnes of debris may be potentially contaminated with asbestos. The estimated land area required for debris disposal as of September 2024 is 592 hectares, if no recycling or resource recovery is undertaken. Care needs to be taken in the selection of sites for landfilling, as any debris deposited in coastal areas, grass, and woodlands poses a high risk of further spoiling and potential contamination of these areas. Current efforts to assess and manage debris include establishment of the multi-agency Gaza Debris Management Working Group and the development of a **Gaza Debris Management Framework**. The Framework provides minimum requirements and a structured and risk-informed process to help guide debris management activities. It requires participating organizations to ensure that debris arising from demolition and debris removal works are safely disposed of and, to the extent possible, recycled into new (re)construction materials. The IRDNA identifies the development of a “Debris and Waste Management Strategy and Action Plan” as a key part of the Gaza Strip’s recovery and reconstruction effort.

**Sustainable debris management, hazardous waste removal, and containment and EO clearance are the immediate priority recovery areas.** To the extent possible, materials should be recycled and used for the reconstruction process. Debris removal should now commence at scale with the ceasefire in place. Priority should be given to re-opening or improving main roads, creating more space for temporary shelters, healthcare facilities, water facilities, electricity infrastructure, and solid waste and wastewater facilities.

A road map is being assessed by the World Bank Group, to guide the recovery efforts across all sectors. To help ensure a coordinated and coherent approach for debris interventions, the UN and partners have developed a “Debris Management Framework” which outlines guiding principles and sets minimum requirements for operations.



waste to prevent further contamination of household waste and conducting more detailed environmental assessments that would enhance understanding of the scale and type of contamination arising from the conflict. *The medium- to long-term priorities, estimated at around US\$1.4 billion*, will focus on the implementation of the debris management strategy, including recycling efforts, addressing conflict-related contamination, managing hazardous waste, developing a National Air Quality Strategy and Action Plan, and carrying out capacity development and training opportunities for government and non-government entities and stakeholders on sound environmental management. In addition, the supply of clean water needs to be improved, and wastewater and solid waste collection and disposal opportunities should be in place. Developing an integrated coastal zone and marine management plan for Gaza will help guide the reconstruction process for Gaza's coastal zone, including support for building a blue economy and for the protection of the marine environment.

141. **The recovery strategy for the environment sector needs to be embedded in a comprehensive BBB/resilience approach.** Recognizing that a clean environment is both a human right and a necessary precondition for sustainable development, environmental considerations need to be integrated into response, recovery, and reconstruction of all sectors using an integrated spatial planning approach, starting at the earliest stage. Early analysis of the environmental consequences of the conflict will help to ensure that immediate contamination and pollution risks are addressed, and that humanitarian and conflict-related clean-up operations (e.g., debris management) do not further exacerbate environmental degradation.
142. **Response and recovery efforts can either increase or decrease the risk of harm to the environment, depending on how they are managed.** Despite the immense destruction and physical as well as human damage, there is also a unique opportunity to promote environmental sustainability and BBB approaches by applying sound environmental management that reduces future risk and maximizes the benefits for the livelihoods of Palestinians, considers longer-term

development objectives, and addresses climate change adaptation and mitigation needs in the Gaza Strip.

## LAND

**Damages: US\$11 million**

**Losses: US\$115 million**

143. **The conflict has significantly affected the land sector, including estimated damages and losses of US\$126 million on the land administration system.** Recorded damages are estimated to be US\$11 million. 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. There are unsubstantiated reports that some ownership, cadastral, and property tax information were available online. It has yet to be confirmed if this is the case and, if so, who would have access rights to the data. This should be clarified as a priority.
144. **Nevertheless, many individuals are no longer in possession of formal HLP-related documentation.** This exacerbates issues related to tenure security and housing reconstruction, thereby complicating any potential claims for compensation or assistance in the future. According to the Rapid Community Pulse Survey of October 2024, a majority of citizens (52 percent) reported owning property; however, only 38 percent had access to legal documents proving their ownership.
145. **Losses from the conflict in the land sector are estimated to be US\$115 million over three years.** The losses include primarily land and registration revenue and wage losses, and not land access losses. Given the loss of documentation and potential loss of property, there is a long-term uncertainty in land tenure and property rights. This results in a loss of assets and financial security and creates instability for both residential and commercial landowners. With regard to losses in the land administration system, most of the losses are expected to the PLA in relation to revenue generated from property registration and transactions. The conflict has also resulted in job losses for the PLA staff. In addition, revenue and job losses are expected to be



incurred by service providers engaged in land transactions, including surveyors, valuers, conveyancing, and lawyers. The conflict has given rise to enlarged buffer zones and military thoroughfares that could severely impact access to significant swaths of land in Gaza for some time to come.

**Recovery and Reconstruction Needs:  
US\$32 million**

146. **The recovery investment needs for Gaza are estimated at US\$32 million.** *Short-term needs are estimated at US\$12 million* (36 percent of the total), with efforts focusing on reestablishing a functional land administration system and issuing temporary titles. This will be done by restoring the land cadastral system, the reestablishment of temporary PLA

land administration offices, resurveying of damaged plots and reinstating the geodetic reference points. Local dispute resolutions mechanisms, social cohesion support, and potential legal aid to support the return of homeowners is expected to continue during the short term, given the scale of damage. *The medium- to long-term needs* will focus on continuing the reconstruction of the land administration system; legal aid to support the return of homeowners; continuing dispute resolution; providing human resources and technical expertise to support the restoration of the land administration system, provide support to communities and regularly engage with them, as well as conduct assessments to guide the recovery process.

**BOX 3:  
Protection of HLP Rights as a Priority**

Recognizing and enforcing HLP rights is critical for recovery and reconstruction after emergencies. Clear property rights enable rebuilding efforts, help displaced individuals reclaim their homes or land, and support economic stability by encouraging property investment. Addressing HLP issues systematically fosters trust within communities, strengthens governance institutions, and promotes sustainable displacement solutions. Displaced persons are particularly vulnerable to forced evictions because they often do not have the legal protection associated with having formal permissions and agreements to use housing or land. Combined with alternative dispute resolution, HLP programming can prevent violence and contribute to peacebuilding. As nexus issues, HLP rights are vital for achieving durable solutions throughout the displacement cycle.

**Key challenges:**

- i. **Conflict and Destruction:** Extensive housing and infrastructure damage causing widespread displacement and homelessness; ongoing conflict obstructing safe housing access and reconstruction; and the loss of records complicating property claims and reconstruction.
- ii. **Access and Movement Restrictions:** Limited building materials and reconstruction efforts; and restricted movement preventing access to legal aid services.
- iii. **Land Ownership and Legal Barriers:** Lack of documentation and unclear legal frameworks hindering property rights enforcement; and Also land confiscation, inheritance complexities, and social tensions over land use creating disputes.
- iv. **Socioeconomic Factors:** Vulnerable groups, particularly women, facing additional barriers to property rights and assistance.

The HLP Technical Working Group, co-led by the Norwegian Refugee Council and UN-Habitat, coordinates technical support on HLP rights in practice. <https://response.reliefweb.int/palestine/hlp-technical-working-group>

147. **The strategy aims to support the rapid restoration of a resilient land administration system and ensure tenure security for Palestinians.** Key needs to implement the strategy could include: (i) restoring the land administration system and its supporting resources (cadastral information system, geodetic reference points, resurveying damaged plots); (ii) assess and coordinate land use and spatial planning to guide sectoral recovery efforts through identifying available land and preparing a spatial plan (and an integrated coastal zone management plan); (iii) guarantee tenure security by providing legal aid to the community and restore ownership documents; and (iv) rebuild land administration offices and provide capacity building to the agencies involved in land management in Gaza. A key pillar of the strategy is to clear unusable arable land in order for it to become usable, by clearing debris, destruction, and EO. The pace at which arable land can be made available will determine the pace of the recovery, given the high demand for land. In the immediate term, this land can be made available for humanitarian use, housing, or used for agricultural productivity.

## EMPLOYMENT

### Losses: US\$1.05 billion

148. **The labor market in Gaza faces severe challenges, worsened by decades of restrictions and Israeli closures.** By late 2023, labor force participation was 44.4 percent, with Gaza lagging behind the West Bank. Employment rates were low, with 53 percent in informal jobs and significant gender gaps—women had lower participation (17.6 percent), higher unemployment (24.9 percent), and greater underemployment. Pre-conflict, Gaza’s unemployment reached 45.1 percent, among the world’s highest, and most private sector workers earned below minimum wage. Youth in Gaza were particularly vulnerable, with 35.4 percent not in employment, education, or training, reflecting deep economic and social struggles.

149. **Cumulative income losses in Gaza are around US\$953 million.** According to the latest estimates from the ILO and PCBS, the conflict has driven the unemployment rate to 79.7 percent, alongside an 84.7 percent decline in economic activity compared to pre-conflict

levels. The widespread loss of income sources has left families with no means to meet basic needs, particularly in the Gaza Strip. As people lose their jobs and income streams, the ability to afford food and shelter has become out of reach for many. While most of the losses were driven by the conflict’s impact on men, women were also severely affected, experiencing significant employment and income losses. The conflict has further exacerbated women’s already low levels of labor market participation. The vast scale of damage means that enterprises have lost most of their productive capital, hindering a swift recovery of employment during reconstruction. Skills atrophy will pose an additional challenge, not least among the many young people who interrupted learning or early work experience due to the conflict. Labor market institutions are also severely hampered.

### Recovery and Reconstruction Needs: US\$1.6 billion

150. **The expected recovery needs for the Gaza Strip amount to US\$1.6 billion.** The recovery strategy calls for a mix of employment generation measures, wage subsidies, skills training, entrepreneurship support, and support to crucial institutions—such as local employment service centers, childcare centers, and TVET facilities—to support immediate employment and wage recovery, while laying the foundation for an inclusive and sustained labor market recovery. *Short-term needs amount to US\$388 million* needs over the next three years, which includes creating emergency employment opportunities through employment intensive infrastructure programs, supporting skills training through publicworks programs, supporting particularly the integration of vulnerable groups, and providing grants to MSMEs and micro entrepreneurs to restart their livelihoods. This should be accompanied by social protection measures and a set of support measures for enterprises, including wage subsidies. *Medium-term needs amount to US\$1.2 billion* and will need to focus mainly on pursuing skills development training for under-skilled workers, with a focus on vulnerable groups, job placement and apprenticeship programs, reconstruction and furnishment of TVET facilities, building and supporting childcare facilities, and strengthening local employment

service centers, including the establishment of a strong labor market information system and the Palestinian Labor Market Compass.

## SOCIAL DEVELOPMENT

151. **Before the conflict, Gaza’s social development sector faced significant challenges, with civil society and community-based organizations playing a critical role in service delivery due to the weakened state–citizen relationship and lack of trust in government institutions.** Political and civil liberties were constrained, unemployment was alarmingly high (62.6 percent among youth and 73.9 percent among graduates), and the informal sector left many without basic social protections. Vulnerable groups, including children, women, the elderly, and persons with disabilities, experienced high levels of poverty, violence, and exclusion. Mental health crises were widespread, with three-quarters of young adults suffering from disorders, while negative coping mechanisms such as early marriage, child labor, and school dropouts signaled major societal challenges. GBV was prevalent, with over half of married women subjected to abuse; survivors furthermore often lacked access to formal support due to social stigma. The situation was further exacerbated by limited access to education, healthcare, and essential services for marginalized populations, including persons with disabilities and the elderly, leaving many reliant on family or informal networks to meet basic needs.
152. **The conflict in Gaza has caused widespread displacement, with most IDPs seeking refuge in shelters, public shelters, or tented camps, while 150,000 remain stranded in Egypt.** Marginalized groups—including youth, children, persons with disabilities, and the elderly—face severe challenges. Youth experience disrupted education, loss of livelihoods, and heightened risks of injury and death, while children endure acute malnutrition, mental health crises, and significant mortality, with 13,000 children killed and 17,000 unaccompanied since the onset of the conflict in 2023. There is an increase in the number of persons with disabilities due to conflict injuries, lack of assistive devices, and limited healthcare access, often resulting in amputations. The elderly suffer from

deteriorating health due to inadequate shelter, food, water, and healthcare, exacerbated by constant fear and anxiety. This crisis has profoundly disrupted social structures, leaving the population vulnerable across all sectors.

153. **Efforts to safeguard community resilience in Gaza are essential to prevent further social fragmentation and promote recovery.** The social development strategy aims to foster healing, resilience, and cohesion, restore public trust, and empower communities toward social cohesion and sustained peace. Guided by principles of inclusivity, citizen participation, and prioritization of vulnerable groups, the strategy focuses on giving people a voice in recovery, strengthening community networks, and addressing the needs of marginalized populations. It is structured around three pillars: fostering participation, trust, and empowerment; strengthening resilience, healing, and cohesion with a focus on the most vulnerable; and supporting IDPs and returnees. These efforts aim to rebuild a socially inclusive society and restore dignity and stability.

### Recovery Needs: US\$171 million

154. **In the current context, efforts to safeguard community resilience are critical for averting further breakdown of the social order and deepening of social fissures.** These efforts should support sustained healing, foster social resilience and cohesion, restore public trust and empowerment, and rebuild Palestinian communities and society to remain steadfast on the path towards social cohesion and sustained peace. The key recovery needs are as follows:
- **Foster Participation, Trust, and Empowerment (Total estimated cost: US\$5million)** This pillar focuses on fostering trust and empowerment through participatory recovery planning, capacity building, and community engagement. Short-term initiatives include surveys, assessments of municipal functionality, NGO mapping, and community structure mapping, with estimated costs of US\$600,000. Medium-term plans involve technical and financial support for legal and institutional reforms, citizen engagement mechanisms, and revitalizing NGOs, costing US\$5 million, with additional funding for assessments.

#### BOX 4:

### Gender-Responsive Recovery: Empowering Women and Girls for Inclusive Development

The impact of the conflict has disproportionately affected women and girls, exacerbating vulnerabilities and limiting their access to essential services. Recovery provides an opportunity to address systemic inequalities and ensure that women and girls are central to rebuilding efforts.

#### Prescriptive Approaches

##### 1. Protection from GBV:

- Establish **dedicated safe spaces** in shelters and communities to support survivors of violence.
- Train service providers, including healthcare and law enforcement, to identify and respond to GBV effectively.
- Integrate GBV prevention into community recovery plans, including at-scale GBV awareness and sensitization, engaging also men and boys.

##### 2. Economic Empowerment:

- Launch **women-led microfinance initiatives** to provide access to credit and training for small business development.
- Create women's employment opportunities in reconstruction efforts, including housing and infrastructure projects.
- Develop vocational training programs focused on high-demand skills, such as IT, healthcare, and renewable energy.

##### 3. Access to Services:

- Prioritize **maternal and reproductive health services**, ensuring their inclusion in health sector recovery plans.
- Improve access to **education for girls** by rebuilding education facilities with gender-sensitive designs (e.g., WASH facilities) and support systems.

#### Institutional Recommendations

- **Gender Monitoring Framework:** Develop indicators to track women's participation and benefits in recovery programs.
- **Dedicated Funding Streams:** Allocate a percentage of all recovery funds to gender-responsive projects.
- **Partnerships with Women's Organizations:** Collaborate with local and international NGOs and women-led organizations to amplify the voices of women and ensure their representation in decision-making.

- **Strengthen Resilience, Healing, and Social Cohesion** (Total estimated cost: US\$166 million) Targeting vulnerable groups, this pillar emphasizes data collection, community centers, labor-intensive works, and support for children, women, youth, and people with disabilities. Key costs include US\$3 million for data collection, US\$24 million for six community centers, US\$81 million for labor-

intensive works, and tailored support for vulnerable groups totaling US\$58 million (US\$8 million for elderly and persons with disabilities, US\$5 million for children, US\$10 million for women and girls, US\$20 million for youth, and US\$15 million for home-based work). Medium-term initiatives include psychological support, sustainable services, and youth employment.

- **Support to IDPs and Returnees** This pillar addresses short-term needs such as EO disposal, burial support, temporary housing, solar energy solutions, and legal aid for displaced populations. Medium-term efforts include policy development, data management, and institutional arrangements for durable solutions. Costing of most of these needs are covered across other sectors.

## URBAN PLANNING

155. **Gaza is comprised of cities, towns, and eight recognized Palestinian refugee camps; over 70 percent of the Gaza Strip is urbanized, and the urban refugee camps constitute the remaining 30 percent, meaning the area lacks any rural characteristics as per the statistical definition used.** The Gaza Strip and its municipal authorities were operating under a highly constrained context prior to the conflict. Urban planning in Gaza was affected by a lack of urban decongestion options, lack of inclusive urban strategy, and overall weak policy framework. This will negatively impact the speed at which recovery efforts proceed. Access to public space, which was already insufficient given the density of the Gaza Strip, has been impacted at a time when it is most needed, with increased pollution of the coast due to population density and lack of sewage treatment. Parks, gardens, and public facilities have also been damaged or destroyed.
156. **Before the conflict, urban planning and land management regulations in Gaza were governed by a mix of laws, including local laws, Ottoman and British Mandate-era regulations, Egyptian laws, and some elements introduced by the PA.** The planning framework aimed to address land use, zoning, building codes, and environmental considerations to promote orderly urban development. Existing urban development frameworks in Gaza and the West Bank—such as the National Policy Agenda, the Spatial Development Strategy and Action Plan, the National Spatial Plan, and the City Centre Development Plan for Gaza, as well as various municipal master plans—provide a structured approach to urban planning and

development. However, implementation was often inconsistent due to limited resources and the overarching impact of the Israeli closures.

157. **The conflict has had direct and indirect implications for land use planning and urban management.** Direct impacts include damage to roads, buildings, and land (including agricultural, commercial, industrial, services, health and education, and residential), energy infrastructure, water infrastructure, ICT, and the environment (including rubble and the degradation of strategic environmental assets) that directly limit the way in which land can currently be used and serviced.
158. **Other direct impacts include the loss of municipal technical capacity from damage to infrastructure, equipment, and databases (such as geographical information systems, land registry, etc.), forced internal displacement, significant loss of life (staff and citizens), and loss of revenue and the near-completed halt of economic activity.** Many service vehicles and local service centers and assets have also been damaged or destroyed, limiting local government units' direct capacity to service land. Indirect impacts of the conflict include the unregulated use of land for emergencies and informal uses (such as temporary service facilities and shelter) and unregulated service provision (such as informal solid waste sites and water provision).

### **Recovery Needs: US\$3 million**

159. **The recovery of Gaza's urban sector is a complex and long-term process that requires coordinated efforts from local authorities, international partners, and the community across short-, medium-, and long-term phases.** A comprehensive and inclusive spatial plan for the Gaza Strip incorporating multi-sectoral development plans with an estimated preparation budget of US\$3 million will be vital to address the area's complex challenges, improve resilience, and ensure sustainable recovery and long-term stability.

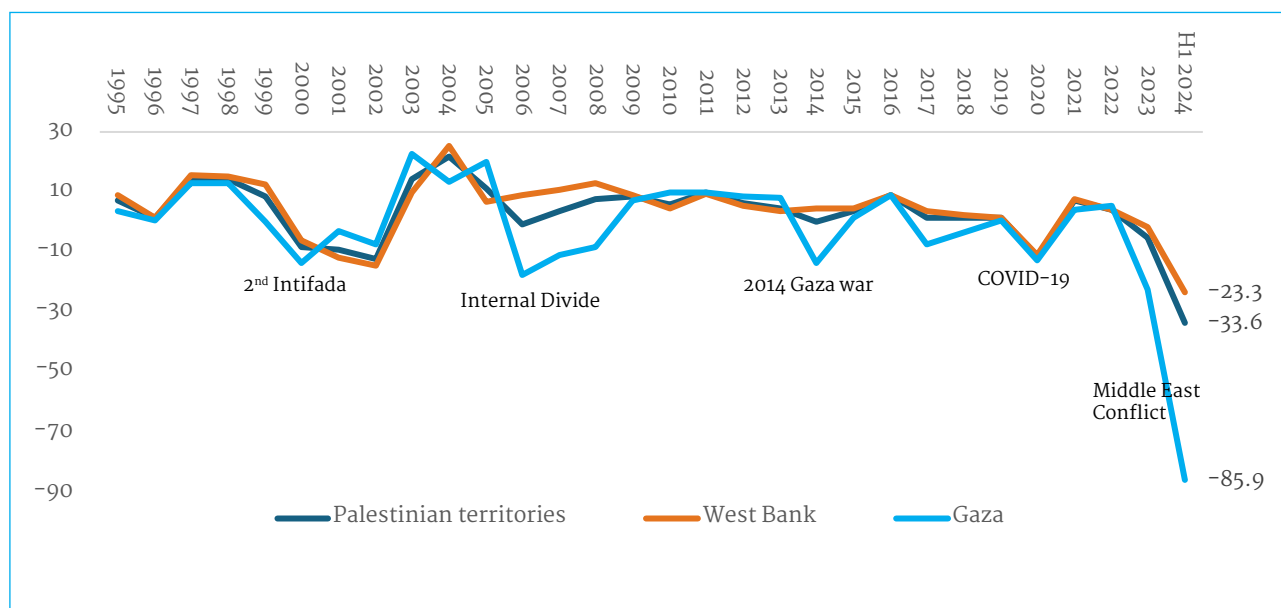
# Macroeconomic Impact

160. **The conflict in the Middle East has resulted in an unprecedented scale of destruction of economic activity in the West Bank and Gaza.** The impact of the conflict has already proven to be more severe than any economic downturn experienced in the West Bank and Gaza over the last three decades, including the Second Intifada (2000–2005), the 2006 internal divide, the 2014 Gaza war, and even the far-reaching effects of COVID-19 (Figure 8). The consequences of this shock are expected to exert a prolonged and substantial burden on economic activities for several years ahead.
161. **According to the latest official estimates by the PCBS,<sup>37</sup> H1 2024 marked a record downturn for the Palestinian economy.** Real GDP in the West Bank and Gaza plummeted by a staggering 34 percent in H1 2024 y-o-y. The largest drop was in Gaza where the economy fell in a deep recession, contracting 86 percent in H1 2024. Almost all sectors in Gaza

experienced a near-total halt in economic activity in H1 2024, except for some public services. The decline in the West Bank was also significant, with a 23 percent contraction in the same period (y-o-y). The most significant sectoral declines in the West Bank were observed in construction and manufacturing, driven primarily by heightened movement restrictions and rising operational costs.

162. **As of early October 2024, the cumulative estimated damages to Gaza’s capital stock total US\$29.9 billion, with the repercussions of the conflict estimated to remain significantly negative throughout the second half of the year.** The damage is almost twice the West Bank and Gaza pre-conflict real GDP. The extensive damage to Gaza’s capital stock, combined with declining productivity and the labor market impacts of casualties, injuries, and displacement, are expected to result in an 83 percent contraction of the Gaza economy in 2024. Consequently, Gaza’s contribution to the overall Palestinian economy is expected to drop to just 3 percent in 2024, down from 17 percent before the conflict, despite the Gaza Strip being home to 40 percent of the Palestinian population.

**FIGURE 8:**  
Real GDP Growth (%)



<sup>37</sup> PCBS. September 2024. “The Preliminary Estimates of Quarterly National Accounts, Second Quarter, 2024.” Press Release. [https://www.pcbs.gov.ps/portals/\\_pcbs/PressRelease/Press\\_En\\_ForecastingPCBSE.pdf](https://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_ForecastingPCBSE.pdf).

**163. The shock in the West Bank has unfolded through distinct channels compared to Gaza.**

The first channel stems from an Israeli policy implemented since October 7, 2023, limiting the access of Palestinian workers to the Israeli labor market. Prior to this, around 177,000 Palestinians were employed in the Israeli labor market while the current number has dropped to around 27,000.<sup>38</sup> As the average wage earned by these workers is more than double the average wage in the West Bank, this new policy has resulted in a significant reduction of labor income and thus local demand. The second channel involves a decrease in revenue collections. Recent Israeli measures have withheld larger portions of clearance revenues collected on behalf of the PA—more than double the amount deducted prior to the conflict—to account for the PA’s (structurally unchanged) spending in Gaza. Additionally, slower economic activity has led to reduced revenues from domestically managed tax instruments. The third channel consists of the reduction of salary payments to public sector employees, a measure that the PA has adopted in response to the fiscal pressures caused by the decline in revenues. The impact of these shocks, combined with conflict’s broader effect on investment, employment, and exports, is projected to cause the West Bank economy to contract by 16 percent in 2024.<sup>39</sup>

**164. The conflict in Gaza and the economic contraction in the West Bank have severely impacted an already fragile labor market.** The challenging circumstances have discouraged labor from staying in the market, resulting in a decrease in the labor force participation rate from 45.2 percent (prior to the conflict) to 43.5 percent (in October 2024), according to a recent report by the PCBS and the ILO.<sup>40</sup> Despite this decline in the participation rates, unemployment has reached a record high of 51 percent in the West Bank and Gaza in October

2024. In Gaza, unemployment is estimated at 80 percent due to the devastating impact of the conflict on economic activity. Once actual data is collected from the ground, the situation could be far worse. In the West Bank, the unemployment rate is estimated at 35 percent, reflecting the abrupt loss of jobs of Palestinian commuters in Israel and the settlements, as well as job losses in the Palestinian domestic economy. These unemployment figures, however, do not capture the deterioration in working conditions. According to the ILO and PCBS report, consistent anecdotal evidence indicates a growing reliance on informal work in Gaza, such as street vending and other small, irregular activities, as families struggle to make ends meet and face limited access to humanitarian and social aid. Of particular concern is the increased participation of children in these informal activities, underscoring the deepening socioeconomic challenges posed by such a historic crisis. In the West Bank, PCBS Labor Force Data show that the daily average wage has dropped by almost one-quarter as a result of the conflict, from NIS 184 in the third quarter (Q3) of 2023 to NIS 142 in Q2 2024.<sup>41</sup>

**165. Prices in Gaza continue to rise sharply while they have been relatively stable in the West Bank.**

In Gaza, the CPI soared by 309 percent in October 2024 compared to a year prior, driven primarily by supply chain disruptions caused by the conflict. Some of the largest y-o-y increases have been observed in food prices, which registered a 448 percent increase in October 2024, and fuel, which increased by 207 percent. Irrespective of such steep price rises, a fundamental shortage of essential goods has significantly constrained the purchasing ability of households in Gaza across all income levels. In the West Bank, the CPI for October 2024 was only 1.85 percent higher than the previous year, indicating an overall stable

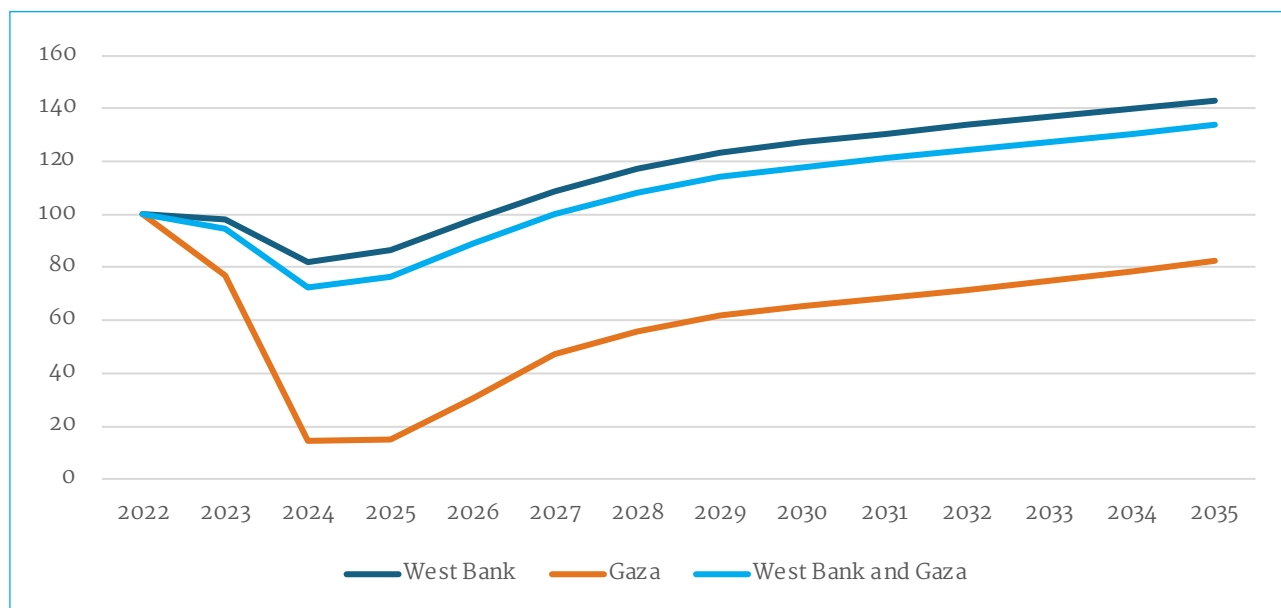
<sup>38</sup> PCBS. August 2024. Labor Force Survey Quarter 2 2024. Central Statistics Office. <https://www.cso.ie/en/releasesandpublications/ep/p-lfs/labourforcesurveyquarter22024/>.

<sup>39</sup> Projections in this section may be subject to revisions given the ongoing volatility of the situation.

<sup>40</sup> ILO and PCBS. October 2024. “A Year of War in Gaza: Impacts on Employment and Livelihoods in the West Bank and Gaza Strip.” ILO Brief, Bulletin No.5. <https://www.ilo.org/sites/default/files/2024-10/A%20Year%20of%20War%20in%20Gaza-Bulletin%205-October%202024-FINAL%28en%29.pdf>.

<sup>41</sup> PCBS. August 2024. Labor Force Survey Quarter 2 2024. Central Statistics Office. <https://www.cso.ie/en/releasesandpublications/ep/p-lfs/labourforcesurveyquarter22024/>.

**FIGURE 9:**  
Real GDP Growth Predictions in the West Bank and Gaza



price trend. This is because trade in goods has continued into the West Bank with no reason for a significant supply shock that would drive up prices as in Gaza. Further, the strong economic decline and the drop in incomes is holding back consumer demand and therefore putting downward pressure on prices.

166. **The poverty impact is predicted to be profound.** A multi-layered shock affecting productive capacity has pushed a significant portion of Gaza’s population into poverty. The destruction of agricultural land, fishing ports, and local fleets has crippled food production; while the damage to or inoperability of food shops and markets, combined with shortages of water, flour, fuel and electricity, have further constrained access to basic necessities. Starving livestock, unable to provide sustenance or serve as a food source,<sup>42</sup> has further compounded these challenges. These factors have been exacerbated by widespread internal displacement and the destruction of homes and assets, intensifying poverty among already vulnerable groups. Current estimates show that **nearly every Palestinian in Gaza currently lives in poverty**—at least over the short term—with the West Bank’s households

also suffering welfare repercussions from the conflict. The recent large economic contraction of the West Bank is estimated to lead to a more than doubling of the short-term poverty rate since end 2023—which stands at 28 percent as of end-November 2024. In this context, adverse welfare effects were further exacerbated by lower pro-poor social spending as a result of the worsening public financial position.

167. **The outlook beyond 2024 remains extremely uncertain.** In Gaza, it is assumed that the rate of capital destruction would slow down given that it currently stands at about 70 percent. Against this backdrop, real GDP growth would reach 3 percent in 2025, mostly due to a low base effect, while the impacts of the conflict and destruction linger. As reconstruction takes shape in the medium term, growth will start to rebound, though the Gaza economy is not predicted to return to pre-conflict levels, in real terms, before the mid-2030s (see Figure 9). In the West Bank, a combination of low base effect and an assumed overall improvement in stability are predicted to contribute to growth reaching 5 percent in 2025. The flow of clearance revenues and workers’ mobility

<sup>42</sup> Office of the United Nations High Commissioner for Human Rights. January 16, 2024. <https://www.ohchr.org/en/press-releases/2024/01/over-one-hundred-days-war-israel-destroying-gazas-food-system-and>.



within the West Bank and to the Israeli market will largely shape growth outcomes in the territory. The economy of the West Bank may return to pre-conflict levels around 2026, at a faster pace compared to Gaza, as demand picks

up with the reversal of Israeli policies and given that far less of the productive capacity (physical and human capital) of the West Bank has been destroyed compared to Gaza.

**TABLE 5:**  
**Macro-fiscal Outlook Indicators (annual % changes unless indicated otherwise)**

	2021	2022	2023	2024 f	2025 f	2026 f
Real GDP Growth, at constant market prices	7.0	4.1	-5.4	-25.6	4.7	16.5
Private consumption	7.5	17.7	-3.8	-24.9	4.2	17.4
Government consumption	10.3	-9.3	-7.0	-45.9	8.8	40.7
Gross fixed capital investment	13.7	12.2	-3.4	-33.0	4.2	32.8
Exports, goods and services	17.3	5.9	5.7	1.2	1.8	8.5
Imports, goods and services	14.8	19.7	3.0	-23.7	3.3	24.8
Real GDP Growth, at constant factor prices	6.2	1.4	-6.0	-33.6	5.5	21.6
Agriculture	-0.7	-22.0	-1.0	2.7	7.0	8.0
Industry	4.5	-15.0	2.8	2.7	2.8	2.7
Services	-4.7	-39.6	7.3	30.5	6.1	4.2
Inflation (consumer price index)	1.2	3.7	5.9	48.9	-0.9	-5.4
Current Account Balance (% of GDP)	-9.7	-10.3	-16.3	-20.8	-18.1	-12.7
Net Foreign Direct Investment Inflow (% of GDP)	1.6	2.0	0.6	-1.8	-1.9	-1.6
Fiscal Balance (% of GDP)	-5.8	-1.8	-3.9	-11.8	-9.9	-8.3
Revenues (% of GDP)	25.0	27.2	26.9	22.3	19.2	19.6
Debt (% of GDP)	56.0	53.1	59.0	69.5	69.5	60.2
Primary Balance (% of GDP)	-5.1	-1.1	-3.3	-10.9	-9.0	-7.5

*Source:* World Bank, Poverty and Equity and Macroeconomics, Trade and Investment Global Practices. Emissions data sourced from Climate Watch and the Organisation for Economic Co-operation and Development.

*Note:* f = forecast.

# Constraints and Challenges

## Recovery Constraints and Conditions

168. **Scalable recovery and reconstruction will require a conducive operating environment.** Some major donors have, in line with their mandates, indicated that scaling up early, medium, and long-term recovery and reconstruction will also require political prerequisites. The scale of damage and debris, a displaced and traumatized population, impeded access and movement of supplies and persons into and within Gaza, challenges in land management, security and rule of law concerns, and impending governance issues all compound one another, making recovery a complex process. Overcoming these constraints will require a Palestinian-led approach, involving both local stakeholders and international partners, to ensure that recovery is effective, resilient, and contributes to a sustainable future. Long-term recovery and reconstruction efforts should be coordinated with and complement efforts to establish a sustainable peace. Addressing these challenges early and strategically will lay the foundation for sustainable recovery and reconstruction efforts.

169. **Volume of debris and presence of Explosive Ordnance (EO).** One of the most pressing constraints to recovery in Gaza is the extensive amounts of debris resulting from the conflict. The current estimate of 41–47 million metric tonnes of rubble that have been generated by the conflict in Gaza is a substantial figure that poses significant challenges to the restoration of critical infrastructure and services. Debris removal is an immediate cross-sectoral priority

but also a long-term challenge as it affects sectors such as transportation, housing, cultural heritage, and the delivery of public services. Given the scale of debris, coordination between local authorities, international partners, and private contractors will be necessary to expedite the clearance and disposal processes and expand recycling opportunities, including to make up for scarce building materials. A critical element in debris clearance is the dignified removal and documentation of the estimated 10,000 bodies and the survey and disposal of EO; thousands of bombs and ammunition are deeply buried or remain unexploded under the debris (munitions have a 10–15 percent failure rate).<sup>43</sup>

170. **The unimpeded entry of materials into Gaza is a critical enabler of recovery and reconstruction.** Previously, the UN Gaza Reconstruction Mechanism (GRM)<sup>44</sup> had been established to support reconstruction after the 2014 conflict and was used to facilitate entry of material. Thousands of so-called “dual-use” items were restricted for importation into the Gaza Strip, and importers of such items were required to obtain special coordination, either directly from the Israeli authorities or via the UN’s GRM.<sup>45</sup> Most items on the dual-use list are vital for civilian needs, such as construction, civilian infrastructure, as well as industry and the health sector. Examples include cement mixers, cranes, metal pipes needed for water infrastructure, fertilizer, and X-ray machines.<sup>46</sup> However, approvals through the mechanism have been inefficient and created delays in reconstruction efforts. There is consequently a need to reassess or replace this mechanism with a streamlined process that allows for entry of materials essential for recovery efforts and commensurate with the scale and scope of the required recovery effort. The entry of materials is not just a logistical challenge but is also constrained by political and security concerns that requires the commitment of Palestinian, international, and Israeli counterparts.

<sup>43</sup> Office of the United Nations High Commissioner for Human Rights. October 07, 2024. <https://www.ohchr.org/en/press-releases/2024/10/7-october-un-experts-call-end-violence-and-accountability-after-year-human>.

<sup>44</sup> The GRM was created in 2014 as a temporary agreement between the UN, the PA, and the Government of Israel, which allows some construction materials to enter Gaza for the large-scale construction and reconstruction work required.

<sup>45</sup> Dual-use items are civilian items that may have a military use.

<sup>46</sup> UNOPS. “Supporting The Gaza Reconstruction Mechanism: Working Together to Rebuild After Conflict.” <https://www.unops.org/news-and-stories/stories/supporting-the-gaza-reconstruction-mechanism-working-together-to-re-build-after-conflict>.

171. **Population movement and access to basic services and shelters.** Out of an estimated 2.3 million people in Gaza, more than 1.9 million Palestinians in Gaza are now estimated to be IDPs.<sup>47</sup> Population movement needs to be carefully coordinated to ensure that people can safely access essential services such as shelter, water, food, education, and healthcare while recovery and reconstruction activities are ongoing. A clear strategy for managing population movement, particularly in areas with high displacement, is essential to prevent overcrowding, ensure safety, and avoid further exacerbation of social tensions especially to vulnerable groups including women, youth and people with disabilities. In the immediate term, shelter solutions will be required to provide protection and safety to displaced populations. In the medium term, the recovery of the housing sector will require the provision of strong and creative housing solutions that can withstand future crises and meet the needs of displaced populations, including their wish for a dignified and facilitated return to their homes.
172. **Land ownership issues and land management in Gaza present a unique set of challenges, especially given the small size of the Gaza Strip (365 km<sup>2</sup>) and the complexities surrounding land ownership.** 63 percent of the land in Gaza is privately owned with 35 percent made up of public lands and 2 percent classified as Waqf.<sup>48</sup> Differentiating between these types of land is essential for effective land use planning and identification of available public or Waqf lands, which can be designated for recovery purposes, especially for transitional shelters for IDPs and debris disposal. Land, debris management, and transitional shelters are interwoven challenges. The debris situation is unprecedented in terms of its quantity and density, and equally in terms of the extent of damage to the housing stock. HLP issues include ownership verifications, the loss and recovery of HLP documentation, obtaining

owners' consent to initiate debris removal, permits from landowners for debris disposal, relinquishing ownership of removed debris, and the loss of clear boundary demarcations for destroyed properties, among others.<sup>49</sup> Addressing these HLP issues and needs is crucial to ensuring that recovery and reconstruction efforts scale up. The protection of HLP rights will need to underpin longer-term sustainable recovery in the Gaza Strip.

173. **There is a pressing need for clarity on governance arrangements to ensure that recovery efforts are well-coordinated, transparent, and accountable.** The current governance framework for recovery is unclear, with multiple actors involved, including the PA, local authorities, the UN, COGAT, and various international donors and NGOs. Lack of coordination among stakeholders can lead to overlapping interventions, inefficiencies, and delays. Clear governance structures and coordination mechanisms are essential for managing the complexities of recovery in Gaza to enable prioritization and effective implementation of recovery efforts and ensuring that recovery plans align with both short-term and long-term goals.

## Needs to be Addressed in the First Three Years

174. **The recovery priorities for the first three years in Gaza focus on addressing urgent needs across multiple sectors, with a particular emphasis on rebuilding infrastructure and supporting vulnerable populations.** Limited early recovery work is already underway. Scalable recovery and reconstruction will require a conducive operating environment. Some major donors have, in line with their mandates, indicated that scaling up early, medium, and long-term recovery and reconstruction will also require political prerequisites.

<sup>47</sup> Internal Displacement Monitoring Centre. May 14, 2024. "Conflict in Gaza Leaves 83 per cent of the Population Internally Displaced in Less than Three Months." <https://www.internal-displacement.org/spotlights/Palestine-Conflict-in-Gaza-leaves-83-per-cent-of-the-population-internally-displaced-in-less-than-three-months/>.

<sup>48</sup> <https://sheltercluster.s3.eu-central>

<sup>49</sup> ReliefWeb. September 2, 2024. "Housing, Land and Property (HLP) Technical Working Group (TWG) – Gaza." Press Release. [https://reliefweb.int/report/occupied-palestinian-territory/housing-land-and-property-hlp-technical-working-group-twg-gaza?\\_gl=1\\*\\_qcikua\\*\\_ga\\*NDY4NzZM5NzA3LjE2OTI5NTU5NDI.\\*\\_ga\\_E60ZNX2F68\\*MTczMTM1NTE5O-S4yMC4xLjE3MzEzNTU5ODQuNjAuMC4w](https://reliefweb.int/report/occupied-palestinian-territory/housing-land-and-property-hlp-technical-working-group-twg-gaza?_gl=1*_qcikua*_ga*NDY4NzZM5NzA3LjE2OTI5NTU5NDI.*_ga_E60ZNX2F68*MTczMTM1NTE5O-S4yMC4xLjE3MzEzNTU5ODQuNjAuMC4w).

175. **Immediate efforts for the housing and shelter sector should involve providing financial assistance to help families restore their destroyed or damaged homes.** Immediate interventions must include transitional shelter solutions and durable housing, addressing complex HLP issues, and contamination from EO and debris.
176. **Specialized efforts will be necessary to tackle the dire environmental consequences of the conflict.** The extensive amount of debris, including hazardous waste and EO, contributes to severe pollution, while damage to waste management facilities results in the uncontrolled accumulation of 420 metric tonnes of waste daily. These environmental issues further undermine public health and community resilience, which will have enduring and harmful effects on water resources, agricultural output, and the health of the population in Gaza.
177. **The recovery of basic services and social protection in Gaza will need to focus on the provision of social assistance and cash transfers and restoring essential services such as healthcare, education, WASH, electricity, and telecommunications** by repairing infrastructure, providing supplies, and recruiting skilled personnel. Key priorities include MHPSS, child protection, GBV services, ensuring safe spaces for women and girls at risk, maintaining essential healthcare services, with a focus on maternal, child, and mental health. Expanding access to healthcare, including reproductive health services, in displacement areas will be critical. Multi-purpose cash transfers, food, and assistance will be integral to social protection efforts. In education, recovery should focus on setting up temporary learning facilities, providing psychosocial support, and addressing severe learning losses, with efforts to rebuild educational infrastructure and support both students and educators.
178. **Jobs, livelihoods, and the economy in Gaza are key components of the recovery,** with an emphasis on expanding cash and in-kind assistance for vulnerable groups, such as orphans, women, the elderly, and persons with disabilities. Immediate employment opportunities through cash-for-work programs, skills training, and wage subsidies for businesses will be prioritized. The focus on creating short-term employment opportunities to restore household income should be a priority. Key actions include labor-intensive projects such as rubble removal, infrastructure restoration, and the rehabilitation of essential services. Reskilling and upskilling, particularly through TVET, are essential for improving long-term access to livelihoods.
179. **Support is needed for severely impacted sectors, such as agriculture and food processing, to address food shortages and boost local food availability.** MSMEs, which represent over 98 percent of Gaza's private sector, require technical and financial assistance for repairs, equipment replacement, and digital payment facilitation. The recovery strategy also emphasizes the importance of revitalizing the private sector and reestablishing the banking sector to restore liquidity and ensure the economy can function and grow.
180. **Resumption of basic infrastructure services in Gaza requires urgent efforts across several sectors.** In energy, securing 322,000 liters of fuel daily for diesel generators is essential to meet critical needs in healthcare, water, and food production, while also boosting domestic generation from the GPP. In WASH, priority actions include reestablishing essential services, repairing infrastructure, and providing alternative water sources through trucking and bottled supplies, though challenges remain in assessing the full extent of damage to private sector WASH assets. Priorities for the recovery of municipal services include restoring solid waste management, repairing vital infrastructure such as municipal water, sewage, and electricity systems, and rehabilitating public assets such as parks and marketplaces. Restoring connectivity and telecommunication services will also be essential.



# SUMMARY OF IRDNA SECTOR FINDINGS IN THE WEST BANK

181. **While the West Bank has not faced the enormous scale of physical destruction and economic and social losses as in Gaza, violence, instability, and spillover effects have nonetheless had a significant impact on the population, physical assets, and service delivery.**<sup>50</sup> From October 7, 2023, to January 19, 2025, 828 Palestinians have been killed, including 179 children, in the West Bank. At least 7,340 Palestinians have been injured. The West Bank has witnessed increased violence and military incursions into Palestinian urban centers, a sharp uptick in settler-related violence, the destruction of Palestinian assets, as well as heightened restrictions on movement between governorates. This has resulted in severe disruptions to local businesses and agricultural production, including rising restrictions on movement and trade and increasing operational costs. Further, the unemployment rate is estimated at 35 percent due to the abrupt loss of jobs in Israel and the settlements as well as job losses in the local economy.<sup>51</sup> At least 600,000 are suffering from food insecurity in the West Bank compared to 352,000 people at the start of 2023.<sup>52</sup> Education services have also been disrupted, with public schools reducing in-person schooling due to fiscal and access constraints. A preliminary estimate of the damage to roads, water sources, sewes, electricity lines, and municipal heavy machinery and other equipment in targeted refugee camps and adjoining municipalities in Tulkarm, Jenin, Ramallah, and Al Bireh is estimated to exceed US\$25 million.<sup>53</sup>

182. **The effects of the conflict in Gaza have translated into a more than doubling of the short-term poverty rate<sup>54</sup> in the West Bank—from 12 percent pre-conflict to 28 percent as of mid-2024.** The erosion of safety nets forces households into severe financial insecurity,

further diminishing their ability to cope with ongoing shocks and depriving them of important assets and savings that can be used during future shocks.

183. **To address the needs of populations affected by escalations in Tulkarem, Jenin, and Tubas, as well as those impacted by settler-related violence and home demolitions, the cost of maintaining services and expanding programming is estimated at US\$1.1 million per month.** The expansion targets 10,000 households through one to three rounds of emergency multipurpose cash assistance, with a transfer value of US\$450 per household. This results in additional costs of US\$16.9 million from October 2023 to December 2024. Further costs stem from expanded services for women and children, particularly in emergency cash and voucher assistance for female-headed households, GBV mitigation, case management, MHPSS, and economic empowerment programming for displaced households and women. These interventions to empower and protect women are estimated to cost an additional US\$18 million. Similarly, expanded child protection programming, including strengthened case management and targeted assistance, has incurred costs of US\$10.7 million during the conflict so far.

184. **According to PCBS estimates, the unemployment rate in the West Bank surged to 35 percent during the first year of conflict, alongside a sharp decline in economic activity, estimated at 21.7 percent compared to the pre-conflict period.** The private sector in the West Bank has favored underemployment over layoffs. However, due to the job losses and shortened work hours, 87.2 percent of workers in the West Bank saw their household incomes shrink since the conflict started. Overall,

<sup>50</sup> It must be noted that the impact assessment for the West Bank has been limited due to challenges in data collection linked to limitations around documentation and coordination.

<sup>51</sup> World Bank. September 2024. Note on the Impacts of the Conflict in the Middle East on the Palestinian Economy. World Bank Economic Monitoring Report. <https://thedocs.worldbank.org/en/doc/c25061ab26d14d7acc0330d5a7b4d496-0280012024/original/PalestinianEconomicUpdate-Sept2024-FINAL.pdf>.

<sup>52</sup> World Food Programme. October 9, 2024. "Gaza Updates: Hunger Deepens as Aid Plummetts." <https://www.wfp.org/stories/gaza-updates-hunger-deepens-aid-plummetts>.

<sup>53</sup> EU-contracted analysis partner, Aug 2024.

<sup>54</sup> Short-term poverty refers to a transient state, typically caused by temporary shocks that impact, more or less significantly, monetary poverty. However, this condition is susceptible to improve once the triggering factor is resolved. It differs from long-term poverty, which is chronic and tied to structural conditions within the economic system, often persisting for many years. Once there is an increase in economic activity/ easing of restrictions, it is anticipated that these households will be able to get back on their feet relatively quickly.

US\$3.2 billion has been lost over since the hostilities began, due to reduced employment and wages in the West Bank. Daily incomes decreased by approximately NIS 48.2 million, which is equivalent to NIS 45.4 million daily losses in real incomes. Households are also suffering welfare repercussions from the conflict. The recent large contraction of the West Bank's economy is estimated to have translated into a more than doubling of the short-term poverty rate since end 2023—which reached 28 percent as of mid-2024. The combination of increased restrictions, job and income losses, and a sharp decline in demand has led to adverse welfare effects, which was further exacerbated by lower pro-poor social spending as a result of the worsening public financial position.

**185. Recurring military operations have led to widespread destruction in the housing sector.**

Local government damage cost estimates place the total damage in the West Bank at US\$16 million. In Jenin, Bethlehem, and Hebron Governorates, approximately 140 housing units were affected. Most of the damaged units are apartments, with 74.2 percent partially damaged.

**186. Economically, the loss of housing intensifies poverty as families that lose homes struggle to find shelter and meet basic needs.**

The high cost of construction materials and land as well as restrictive building regulations further inhibits the ability to rebuild or invest in property, stifling economic growth. The housing sector, a vital driver of employment and economic stability, has been severely impacted. Additionally, the destruction of homes and restricted access to agricultural land undermines rural livelihoods, deepening economic hardship and inequality in the region.

**187. The conflict has severely impeded access to and provision of health care.**

Although the West Bank has not experienced the same level of destruction as Gaza, the ongoing conflict has still significantly impacted healthcare infrastructure, with estimated damages totaling US\$14.6 million. Disruptions in the health sector have led to delays or suspensions of essential services such as vaccinations, maternal healthcare, and chronic disease management. The economic toll of these

actions, though less severe than in Gaza, continues to hinder the provision of adequate healthcare. Public health facilities in the West Bank are operating at reduced capacity, with healthcare workers having their working week cut by two days due to security concerns, movement restrictions, and strained resources. Only 61 percent of health facilities in the conflict-impacted municipalities are fully functional, contributing to further delays in critical healthcare services. The latest data indicates that there has been a 48 percent decrease in patient permit applications, as well as a 21 percent decrease in permit approvals. The total losses in the health sector are estimated to reach US\$696.9 million. These losses are primarily driven by increased injuries and mental health problems, with productivity losses from these conditions alone reaching US\$261.3 million. Losses due to injuries and trauma are estimated at US\$50.2 million, while mental health-related losses amount to US\$211 million. As the full impact of the conflict has not yet been fully assessed, these figures are expected to rise, particularly as delayed care for non-communicable diseases and chronic conditions takes a greater toll. Additionally, fiscal constraints and lack of funding have severely impacted the Ministry of Health's ability to maintain basic operations, leading to an estimated US\$435.6 million in productivity losses.

**188. Students across the West Bank have been facing significant challenges in accessing quality, inclusive, and safe education.**

The recent conflict has exacerbated this crisis to unprecedented levels. Around 602,000 public school students had to learn from home for up to three days a week throughout the 2023/24 academic year. The frequent shift to remote learning has had a disproportionate effect on vulnerable students, especially those in rural or underserved areas where digital access is limited. In addition to the difficulties associated with online learning, there have been disruptions to learning with schools closing intermittently due to the escalations. Additionally, most teachers, faculty members, and support staff in the West Bank have been receiving between 50 and 80 percent of their wages for almost three years; this has worsened since the onset of the conflict. The assessment estimates that future

earnings losses due to school closures and distance education are estimated to amount to US\$338 million. In the long term, the decline in skilled graduates will restrict access to essential goods and services, increasing overall vulnerability.

189. **Amidst the ongoing conflict, it is estimated that access to safe water has been reduced to 0.7 million people in the West Bank and caused increased operating costs and loss of revenue streams essential for sustaining basic services, amounting to over US\$29 million.** West Bank cities and villages have been severely affected by increased restrictions on access and movement, increased demolition of critical infrastructure in refugee camps, a surge in settler-related violence and demolition incidents to WASH facilities and installations, the economic deterioration and financial standing of water service providers, and the high level of destruction. These impacts pose an additional burden to an already fund-scarce sector. Clean water scarcity is driving people to rely on unhealthy water sources, which increases the risk of health impacts, especially on vulnerable groups.
190. **Nearly 70 km of low voltage cables, approximately 30 km of medium voltage cables, and about 8.5 km of feeder lines have been completely destroyed.** Additionally, around 10 vehicles and cranes belonging to the distribution companies or local government units have been severely damaged. Consequently, the population, especially in refugee camps, has been experiencing several power disruptions, leading to a monetary cost estimate of around US\$3.7 million in the energy sector.
191. **The increasing land access restrictions and contamination have significantly reduced the amount of usable land, risking heightened community disputes and social tensions.** Since October 2023, about 1,800 Palestinian-owned structures across the West Bank have been destroyed or seized, which has caused the displacement of more than 4,630 people, including about 1,950 children. Completing systematic land registration in the West Bank and moving from a paper registry to a digital land registry are key actions for security of tenure.

192. **The conflict in Gaza has also had significant economic repercussions for citizens and businesses in the West Bank.** The total losses in the commerce and industry sector in the West Bank are estimated at US\$1.3 billion mainly because of trade restrictions and reduced markets. Out of the estimated 195,000 workers employed in the commerce and industry, services, and hospitality and tourism establishments in the West Bank, an estimated 40,000 people have lost their jobs due to heightened restrictions and the ensuing reduction in the labor force. The impact of the conflict lags one-quarter behind in the West Bank, which is why even in year two, with the assumption that the conflict ends, loss estimates are at US\$987 million, before they decrease in year three to US\$463 million as recovery picks up in the sector. The total three-year losses stand at US\$2.6 billion. Tourism has also been heavily impacted by the conflict as the perceived security risks are high for incoming tourists, and tourism hotspots such as Jericho were closed off for a long period during the first months of the conflict. Tourism and hospitality losses are estimated at US\$181 million for the coming three years decreasing from the pre-crisis annual estimate of US\$320 million, to US\$84.6 million, US\$63.5 million, and US\$33.3 million over the coming three years..
193. **While no formal damage reports for the ICT sector in the West Bank have been released, the spillover effect from the Gaza conflict is considerable.** The service providers suffered a revenue drop of US\$64 million in the West Bank since the conflict began in October 2023, equating to approximately 13 percent of their total reported revenues in 2023. Additionally, the conflict has stalled the implementation of the December 2022 bilateral Principles Agreement between the PA and the Government of Israel for deploying 4G and 5G non-standalone technologies in the West Bank. Delays in clearing imported telecom equipment and spare parts have further jeopardized network operations, threatening service continuity. The ICT sector recovery needs for the West Bank are estimated at US\$247.7 million. This figure is derived from the sum of Human Resource Capital Enhancement (OpEx) costs, Operational Recurring Cost of Service Delivery (OpEx) costs, and technical assistance costs.



194. The financial sector in the West Bank has also been impacted by the conflict with a total damage value of about US\$0.2 million, although destruction has been limited to currency exchanges. The losses to the sector are considerable, especially in the banking sector. Mobility restrictions have limited the population's ability to reach financial institutions. However, the sector continues to function, albeit under significant strain. The PMA's regulatory framework helped maintain some level of stability, but lending has become increasingly limited given the evolving risks. Disruptions in service have been exacerbated by restrictions on movement, particularly in the northern regions of the West Bank, further complicating the operational landscape for financial institutions.

195. The expected recovery needs in the employment sector for the West Bank are estimated at US\$440 million. The recovery strategy calls for a mix of employment generation measures, wage subsidies, skills training, entrepreneurship support, and support to crucial institutions such as local employment service centers, childcare centers, and TVET facilities in order to support immediate employment and wage recovery, while laying the foundation for an inclusive and sustained labor market recovery. The top priority is to create employment and support skills training through public works programs, supporting particularly the integration of vulnerable groups. This should be accompanied by social protection measures and a set of support measures for enterprises, including wage subsidies.



A Palestinian family eats their meal amidst the rubble of their destroyed home in Al Shaborah refugee camp in Rafah city, Gaza Strip. Ahmed Zaqout, Mar 13, 2024.



# MOVING FORWARD TO RECOVERY

Schoolgirls walk to their home amidst the destruction after attending a class in an educational tent in Khan Younis camp, Gaza Strip. Jihad Al Shrafi, Sep 12, 2024.



196. **The next steps following the IRDNA will focus on preparing key elements of a Conflict Recovery Framework.** The CRF will operationalize the findings of the IRDNA and other assessments for a transitional phase.
197. **The CRF is a sequenced, prioritized, programmatic, multi-sectoral, and flexible (living) overall action plan and multi-stakeholder engagement mechanism for the transitional phase.** It intends to provide essential insights for recovery planning, resource mobilization and allocation, and recovery implementation and coordination. The CRF includes proposals for developing an institutional framework for recovery, strategic prioritizations for the recovery, a results framework, a potential financing framework, a review of needed coordination architecture, and other key elements of recovery implementation. For recovery to proceed, the Gaza-specific constraints and challenges outlined above must be addressed along with general principles of good practice.
198. **The CRF will undergo extensive consultation** with the relevant authorities, civil society organizations, the private sector, traditional and non-traditional donors, and other humanitarian and development partners.

# ANNEX 1.

## DEFINITIONS: DAMAGES, LOSSES, AND NEEDS

1. **Damages:** Refers to the total or partial destruction of physical assets, calculated based on damage caused by the conflict compared to pre-crisis conditions. The damage is assessed in physical units (e.g., square meters of housing) and is monetized based on the cost of replacement at pre-crisis prices.
2. **Damage intensity classification:** Assets are categorized based on the level of destruction:
  - **Completely destroyed:** When structural damage exceeds 40 percent of the original asset, the asset is considered 100 percent damaged and its full replacement cost is used. For example, the building has sustained significant structural damage, including collapsed walls, roof destruction, and foundational damage.
  - **Partially damaged:** For assets that have sustained damage of 20–40 percent, the calculation applies a 40 percent damage value to reflect partial loss.
  - **Minimally damaged:** If damage is minimal (10–20 percent damage), such as broken windows or doors, 20 percent of the asset’s replacement cost is considered.
3. **Losses:** Refers to economic flows disrupted by the conflict, such as loss of income in productive sectors or increased costs in service provision.
4. **Losses are categorized within key clusters:**
  - **Public and private revenue losses:** This includes a reduction in government and private sector revenue losses (e.g., taxes, fees) due to the destruction of businesses and reduced economic activity. For example, a drop in commerce and manufacturing would directly affect government income from taxes, leading to broader economic losses.
  - **Increased public and private operational costs:** Losses also include increased expenditures due to emergency service provision or operational disruptions. For example, a hospital may experience an increase in operating costs due to the higher demand for medical services and the need to bring in outside medical personnel at a premium cost during the conflict.
5. **Employment losses:** Losses in both public and private sector employment as a result of the conflict, compared to pre-conflict levels. The most immediate losses come from declines in productivity and output across key sectors. This includes agriculture, commerce, industry, and services such as healthcare and education. For example, if a factory producing goods was destroyed, the loss in economic output would be calculated based on the factory’s previous production capacity, revenue, and operating costs before the conflict.
6. **Displacement-induced costs:** Losses from the conflict also include indirect impacts, such as the cost of displaced populations, unemployment, and reduced demand in surrounding unaffected regions. For example, farmers in the West Bank unable to sell crops due to trade restrictions or infrastructure disruptions would incur losses despite not being directly affected by physical damage.
5. **Damages and losses differentiate between public and private sectors.** Private damage and losses are not normally compensated, with recovery being substantially left to the marketplace or to targeted public funding as incentives, based on available fiscal resources.
6. **Needs:** Focuses on the financial resources necessary for recovery and reconstruction,

in terms of physical infrastructure, service delivery, and technical assistance. The needs are calculated based on damage assessments, adjusted for current market conditions, risks, and contingency allowances, and consider BBB principles. The needs will be derived from the sector recovery strategies.

# ANNEX 2.

## GAZA IRDNA METHODOLOGY AND MITIGATION MEASURES TO ADDRESS CONSTRAINTS

### A) Overview

1. The IRDNA was undertaken in a complex, volatile, and data-constrained environment. The approach entailed several tiers of data acquisition, validation, and triangulation, including:
  - Data acquisition through the PA line ministries and sector teams.
  - Data verification, triangulation, and ground-truthing through UN agencies with presence on the ground, working closely with the PA line ministries, humanitarian actors, civil society actors, and other developmental partners.
  - Remote sensing technologies (satellite imagery) at a very high and close resolution for damage verification, enumeration, baseline verification, damage and loss characterization and quantification, and conflict-induced damage isolation and conflict trend analyses.
  - Social media analytics and anonymized cell phone data.
2. One of the more complicated parts of the IRDNA relates to the characterization and quantification of loss data. Given the absence of baseline loss data, the IRDNA team developed an innovative approach adopted to the West Bank and Gaza context under which a loss module was developed that quantifies and characterizes losses on the basis of around 300 variables across the 18 sectors.
3. For the needs assessment the IRDNA used ab-initio techniques, with Gaza-based engineers and quantity surveyors engaged to conduct detail rate analysis across more than 500 categories of reconstruction and recovery within

the 18 sectors. Unit rates were triangulated with official government data, construction industry rates, and a market survey.

### B) Damages

4. Damages represent the physical destruction of assets in the affected areas and are quantified based on the pre-crisis condition of those assets. The damage assessment provides a backward-looking analysis, aiming to capture the extent of destruction across various sectors. The calculation of damages involved the following steps:
  - i. **Asset typology:** To begin the process, the **sector teams confirmed the assets** that should be considered for the IRDNA. These are largely derived from the previous interim IDA; for additional sectors, new asset typologies have been proposed.
  - ii. **Baseline valuation:** The first step in damage calculation is to establish the pre-crisis value of the physical assets. This requires assessing assets based on their condition and replacement cost just before the crisis. **Sector teams helped provide and/or confirm baseline values**, collated from multiple sources. For the sectors and assets assessed under IDA, the baseline value remained the same.
  - iii. **Replacement costs:** The cost to rehabilitate or replace the damaged or destroyed assets is calculated using pre-crisis prices for construction materials, labor, and equipment. These costs were provided by the sector teams, supported by the joint World Bank and UN data team.

#### 5. Additional Gaza IRDNA specific considerations:

- **Sector specific costs:** In sectors such as energy or transportation, the damage assessment also accounts for specialized infrastructure such as power plants, substations, or bridges.
- **Validation:** The core IRDNA team triangulates data using historical records, field data, and remote sensing tools such as satellite imagery to ensure accuracy in damage assessment.

### C) Losses

6. Losses refer to the disruption of economic flows and increased costs in providing services resulting from the conflict. Losses are forward-looking and continue until full recovery is achieved. The calculation of losses focuses on changes in production, service delivery, and economic activity over a defined period, typically one year.
7. **Loss typology:** The sector teams select the loss typology by sector from the global list of over 200 loss variables prepared by the core IRDNA team. The final selection of losses by sector will depend on data availability and potential for use of proxy or cross-national comparative. Pre- and post-loss data were compared to arrive at loss figures. For loss data, quantitative and qualitative baseline information were collected through sources and networks maintained by the UN, the World Bank, and PA entities.
8. Losses anchored against the asset typologies are typically projected over a three-to-five-year period but may extend longer if recovery is delayed. The timeline is mapped into a recovery calendar that identifies critical periods when losses will be most significant and by what percentage, which will be estimated by sector teams over the three-year period.
9. **Loss calculation:** This follows a sequential approach from pre-crisis calculations to estimating actual current loss per loss typology. The pre-crisis and the actual current costs are estimated based on loss typology, as unit costs per month per loss typology (macroeconomic parameters of revenue loss, increase in operating cost, cost of job loss, and displaced induced losses). **Sector teams provided and/or confirmed baseline values**, collated from multiple sources. **The UN data team supported this process by either providing or validating data.** These were, to the extent possible, correlated with the magnitude of assets damaged. For example, if 10 schools are destroyed, the revenue loss corresponded to the loss in revenue coming from the 10 schools.
10. **Spillover effects:** The core IRDNA team triangulated sector loss with damage estimations and also accounted for losses in the West Bank due to disruptions in trade, displaced populations, and economic slowdown in nearby areas.
11. **Translating losses into needs:** Losses calculated over the recovery period directly inform the operational and financial requirements for restoring disrupted services. For instance:
  - **Health sector:** Increased operational costs due to higher service demand translate into needs for hiring additional staff, procuring medical supplies, and managing administrative capacities.
  - **Education sector:** Losses in school attendance or educational service disruptions guide funding allocations for temporary learning centers and remedial programs.
  - **Reconstruction premiums:** For sectors that incur both losses and physical damages, a reconstruction premium is factored into needs to account for the costs of restoring disrupted services while rebuilding physical infrastructure.
  - **Resource allocation:** Each sector's estimated losses inform its recovery financing needs, ensuring that public and private funding is targeted toward operational recovery as well as long-term economic revitalization.

### GAZA-SPECIFIC ADDITIONALITIES TO THE IMPACT AND NEEDS ESTIMATION PROCESS

#### D) Needs

12. Needs refer to the financial resources required for recovery and reconstruction activities. These include the restoration of physical assets, the rebuilding of infrastructure, and the reestablishment of services. Needs calculations take into account the complexity of rebuilding in a post-conflict environment and are forward-looking, covering a three-year period

short-term recovery phase and the needs for the entire recovery period. Due to the specific challenges in Gaza, a more comprehensive approach to needs estimation was undertaken to reduce the margin of error.

13. **Reconstruction costs:** Needs for reconstruction are based on the damage assessment but take into account the current replacement cost of materials, labor, equipment, land related costs, adjusted for inflation or market fluctuations. This is termed as base calculation. For example: if rebuilding a school is required, the needs assessment would calculate the cost using 2024 prices for construction materials, labor, and equipment. The unit can be defined as km/km<sup>2</sup> or as relevant to the asset under consideration.
14. **Recovery costs:** In addition to physical reconstruction, recovery needs include investments in “softer” components such as staffing, equipment, and materials needed to restore service delivery to pre-crisis levels. For example: restoring healthcare services may require hiring additional staff, procuring medical supplies, and rebuilding the administrative capacity needed to manage health facilities. The sector teams provided the factor as a percentage based on the base calculation per asset typology for equipment, service provision, wage bill, training and skills development, and technical assistance.
15. **Capital cost of reconstruction:** Given the complexities of rebuilding in Gaza and the West Bank, a composite CapEx cost estimation was undertaken. To do that, the base calculation will be topped up with costs pertaining to four additional variables such as localization specifics, risk and contingency allowances, quality standards adjustments, and the reconstruction premium.<sup>55</sup> These additional costs will be provided by the core IRDNA team to the sector teams after validation and confirmation of assumption by the United Nations Office for Project Services (UNOPS). Sector teams undertake the final validation. It is recognized that UNOPS will be directly supporting some sector teams as well.

16. Estimation of capital cost of reconstruction is an iterative process, with periodic adjustments accounting for ground reality.

- Stage 1: Calculations are based on the base calculation provided by **sector teams**.
- Stage 2: Calculations are based on composite unit rates provided by the **core IRDNA team**, confirmed by sector teams through a multi-source unit rate analysis and triangulation for more accurate cost estimates. Rates for sector asset typologies were assembled to lower the possible margin of errors in overall cost estimation of recovery needs.

## E) Recovery Calendar

17. In this context, a recovery calendar helps providing a phased approach to reconstruction and recovery efforts, considering both damages and losses. The total cost estimation accounts for estimated damages and losses accounted by asset type, in addition to the total estimation of losses for each sector.

18. **Based on the extent of damage, three key performance indicators are selected by the sector teams.** For example, for education: infrastructure restored (%), schools reopened (%), and psychological programs implemented (#).

19. **Recovery financing:** This is complemented by a financing calendar, for CapEx, OpEx, and technical assistance, in terms of needs (as estimated above), funding secured, costs incurred, and shortfall. Building from financial needs identification, **sector teams are encouraged to assess both public and private financing needs**, given lack of public funds and the predomination of private ownership, particularly in the real estate sector where most damages have occurred.

20. **The sector teams will input data and manage the recovery calendar. The core IRDNA team will support in financing strategies.**

21. For **recovery phases**, cost adjustments will be considered and suggested by the core IRDNA

<sup>55</sup> This includes adjustments for location-specific logistics (such as the difficulty of transporting materials into Gaza and the West Bank) and investments in durable, resilient infrastructure aligned with BBB and BFB principles. This may increase upfront costs but ensures long-term sustainability. The needs assessment includes a reconstruction premium to cover the higher costs associated with debris removal, land clearance, and potential demining operations.



team, depending on the response phase. For example, for a short-term phase, adjustments related to debris clearances, or for a medium-term phase, adjustments for incremental upgrades, and so on.

22. Needs estimation process also enhances collaboration across sector teams, ensuring that all data is processed in real time and that results are readily accessible through the dashboards.
23. This innovation-driven approach sets the foundation for a more effective, data-driven recovery strategy, ensuring that reconstruction efforts are grounded in the most accurate and comprehensive data available.

## F) Unit Rates for the Cost Estimation Framework Dashboard (CEFD)

24. Rates for key sectors' assets typology were assembled to lower the possible margin of errors in overall cost estimation of recovery needs using an engineer/team familiar with, and having practiced in, Gaza and the West Bank as well as the surrounding regions, especially Egypt, Syria, Jordan, and Lebanon.
25. Gaza is approximately 365 km<sup>2</sup>. This implies that despite diversity of asset types, gathering specific rates for built-up assets was deemed possible. This process involved the steps outlined here.
26. **Assembling and agreeing on the sector asset types that were to be included in the damage assessment:**
  - **Agreeing on defining units and typical number of units in an asset type**, for example, a primary school will comprise 'x' square meters. An alternate approach was to agree on an average unit cost for a type of asset and based on total amount of such asset. Yet another alternative was to agree on a lumpsum delivered cost to be used for a unit asset. The choice of alternative was on a case-by-case basis.
  - **Agreeing on treatment of civil works and infrastructure costs as an added cost over**

**the final delivered asset**—delivering the service the asset is intended to, for example, a functioning basic health unit with required medical equipment and hazardous waste disposal, a functioning high school with functioning laboratories and health facilities, and so on. In the case of commerce and industry, International Standard Industrial Classification (ISIC) codes<sup>56</sup> were considered to define serviceable assets. For this IRDNA, combined rates inclusive of equipment were used.

- **Collecting rates data from the field involved collecting documents such as engineers' estimates, tendered bills of quantities, and multiple sources:** (i) the PA's central tendering department; (ii) persons from municipalities and other public agencies/departments/ministries; (iii) contractors and contracting associations that had tendered and as-built/delivered rates; (iv) network of engineers and quantity surveyors in the region; and (v) engineering/architectural-engineering consulting organizations. Basic engineering estimation in Excel spreadsheets to build up unit rates was not used barring a few times where some triangulation was required. Note that in the presence of numerous and diverse asset types, this approach was efficient in achieving required objectives of lowering margins of error in cost estimation.
27. **Cost factors were established by sector to cater to the various reconstruction scenarios** being adopted and, for the time being, a BBB approach was factored in with provisions to easily provide for any revised strategy by sector (BFB). Six cost factor categories were adopted:
    - i. **Base costs:** These provide the basic component factors (percentages) for the established rates and include material cost, labor cost, equipment cost, and land related cost. For this IRDNA, these were based on the baseline/pre-crisis estimates.
    - ii. **Localization specifics:** These include cost factors for logistics, accessibility, and transportation.
    - iii. **Risk and contingency allowances:** These include factors for supply chain disruptions, security issues, and potential delays.

<sup>56</sup> ISIC is a classification structure of economic activities (industries) based on a set of internationally agreed concepts, definitions, principles, and classification rules. ISIC is used to classify statistical units, such as establishments or enterprises, according to the economic activity in which they mainly engage.

- iv. **Quality and standards adjustments:** This incorporates BBB and includes cost factors for durable material cost, cost of advanced technology, engineering, and issuance of permits.
- v. **Reconstruction premium:** This should ideally recognize that rebuilding in a conflict and post-conflict context incurs higher costs, for example demolishing unsafe structures, land clearances, including possibly demining and clearance of EO, and so on. This included cost factors for demolishing unsafe structures, land clearance cost, and cost of specialized expertise.
- vi. **Inflation and land:** A special cost factor provision is kept for use if required relating to impacts of post-conflict inflation as well as increased land prices (above those included where required).

28. **BBB versus BFB (sector choices on BBB and BFB): Embracing and strategically utilizing an OPTIMAL MIX of BBB and BFB principles.**

29. **The IRDNA allows flexibility to the sector teams to pick their BBB and BFB choices, as reflected in the sector recovery strategies (a compendium of recovery strategies is being prepared).** BBB focuses on improving resilience and sustainability during post-disaster recovery, enhancing pre-existing systems to prevent future vulnerabilities. BFB takes a more transformative approach, prioritizing innovative, future-oriented development to address systemic inequalities and long-term challenges. While BBB enhances what existed, BFB reimagines systems for a better future, focusing on sustainable and resilient reconstruction efforts. Both are useful concepts that enhance the resilience of recovery. Additionally, in complex conflict recovery, a “do no harm” approach is adopted.

30. Most sector teams have taken a mix of BBB and BFB approaches, depending upon the peculiarities and local nuances of each sector

and the pre-crisis degree of advancement in each sector. This was further informed by dialogue with partners and the PA sector ministries and the Ministry of Planning and International Cooperation. Once BBB/BFB choices were made, factors were accordingly incorporated in the sector needs assessments and, most importantly, in the sector needs quantifications and prioritization. Some sector teams chose to stick with traditional BBB, while others took more advanced BFB approaches; most chose to adopt an optimal mix of BBB and BFB choices.

31. The choices made by the sector teams on BBB and BFB were scrutinized, vetted, and adjusted by the core IRDNA team to instigate greater pragmatism and reality and plausibility checks, including cost affordability, reconstruction realism, and do-ability versus desirability considerations. On the basis of such a rigorous analysis, optimal choices were advised and agreed with the sector teams, which form the basis of the IRDNA BBB-BFB strategy.

32. **Sectorsheets were developed in Excel with three tabs for each sector: pre-crisis, reconstruction cost factors, and needs-reconstruction.** These sheets are linked and have already been included in the IRDNA/ “workhub” software program created for the CEFD. In future a provision can be added to directly pull data from these sheets into the workhub.



