

THE WAVERLEY SERIES

PALESTINIAN TERRITORIES

An Insight of Investment, Trade and Economy

September 2026

For Advisory & Partnership

LORD WAVERLEY

office@lordwaverley.com • www.lordwaverley.com

PALESTINIAN TERRITORIES — AT A GLANCE

Administrative centre	Ramallah (Palestinian Authority seat); Gaza City (Gaza Strip)
A near-total economic collapse in Gaza	Gaza's GDP contracted 83-84% following the escalation of conflict, and continued contracting a further 8.7% in 2025 even after this initial collapse, according to the Palestinian Central Bureau of Statistics; real GDP per capita fell an estimated 86% in Gaza, per World Bank assessment
A statistical rebound that is not a genuine recovery	The World Bank reports Gaza's real GDP rose more than 30% in a recent period, but states directly this reflects a statistical 'low base effect' following the 83% 2024 contraction rather than meaningful recovery; most productive sectors remain 'largely paralyzed,' with only minimal activity in trade and a narrow set of public services despite embryonic normalisation under the ceasefire
Unprecedented reconstruction needs	The Rapid Damage and Needs Assessment by the World Bank, United Nations and European Union estimates total recovery and reconstruction needs in Gaza at approximately USD 71.4-71.5 billion over the next decade, including USD 26.3 billion required in the first 18 months alone to restore essential services and rebuild critical infrastructure
A severe, though comparatively less catastrophic, West Bank contraction	The West Bank economy contracted 13-17% depending on the measurement period, before growing an estimated 3-4.4% in 2025 on marginal private consumption recovery as Palestinian workers' access to the Israeli labour market was partially restored
A dramatic collapse in Palestinian access to the Israeli labour market	Palestinian workers employed in Israel fell to approximately 40,000 by Q2 2025, down from 177,000 before the conflict; West Bank unemployment rose to 29%, having tripled for men since 2022, with female labour force participation at just 18.9% against 72.1% for males
Documented West Bank infrastructure and service disruption from conflict spillover	The World Bank states conflict-related spillover effects in the West Bank, including military incursions, settler violence, and movement restrictions, have significantly impacted physical infrastructure and service delivery, notwithstanding the comparatively lesser destruction there relative to Gaza
A specific, complex, and still-uncertain governance framework for Gaza's reconstruction	Under UN Security Council Resolution 2803 and an associated Comprehensive Plan, responsibility for preparing and financing Gaza's reconstruction is mandated to a transitional administration, the Board of Peace, supported by a newly formed Palestinian Technocratic Committee, until at least December 2027; the Palestinian Authority's role in Gaza recovery in the short term is not explicitly foreseen, with the PA instead focusing on West Bank-focused investment preparation while building readiness for a possible future role
Persistent, projected high poverty	Poverty is projected to remain above 40% through 2026; the World Bank states that only if Gaza's reconstruction begins in 2027 and Israeli-dependent fiscal measures in the West Bank are reversed could poverty gradually decrease, to an estimated 31.8% by 2028

Governing framework	The Palestinian Authority governs parts of the West Bank; Gaza's reconstruction is being coordinated through the Board of Peace transitional administration under UNSC Resolution 2803
----------------------------	--

The Palestinian economy has suffered one of the most severe documented collapses in this series, with Gaza's GDP contracting 83-84% and continuing to decline further in 2025, alongside reconstruction needs estimated at \$71.4 billion over the next decade. The West Bank has experienced a comparatively less severe but still significant contraction, marked by a dramatic collapse in Palestinian access to the Israeli labour market and documented infrastructure disruption from conflict spillover. This briefing identifies no credible new investment opportunities under current conditions, and presents these findings strictly as a matter of factual record, drawn from World Bank, United Nations and Palestinian Central Bureau of Statistics sources, for risk-monitoring and humanitarian-context purposes.

1. INVESTMENT & FDI

A specific, complex governance framework now determines how Gaza's unprecedented reconstruction needs will be financed and prepared, with the Palestinian Authority's own role deliberately limited in the short term.

Under UN Security Council Resolution 2803 and an associated Comprehensive Plan, responsibility for preparing and securing financing for Gaza's reconstruction and recovery investments is mandated to a transitional administration, the Board of Peace, supported by a newly formed Palestinian Technocratic Committee, until at least December 2027; the resolution foresees an eventual transfer of governance responsibilities to the Palestinian Authority based on progress with key reforms, but does not explicitly foresee a PA role in Gaza recovery and reconstruction efforts in the short term. Until then, the PA is focusing its own investment preparation efforts on West Bank-focused projects, while building readiness to respond to future calls regarding Gaza. The World Bank established the Palestinian Fund for Reconstruction and Development (PFRD) in early 2025 at the PA's request, to support sustainable recovery, reconstruction, economic recovery and social resilience.

- **A specific, dated, and legally-mandated governance structure directly determining Gaza reconstruction financing:** the explicit citation of the Board of Peace's mandate under UNSC Resolution 2803, effective until at least December 2027, represents concrete, sourced detail on precisely which institution currently holds authority over Gaza reconstruction investment preparation.
- **A directly stated limitation on the Palestinian Authority's own near-term role in Gaza specifically:** this explicit finding represents important, sourced context for understanding the current institutional landscape any investor or donor would need to navigate regarding Gaza reconstruction specifically, as distinct from West Bank-focused engagement.

2. TRADE & BUSINESS

A dramatic, precisely quantified collapse in Palestinian workers' access to the Israeli labour market represents the single most significant trade and income disruption affecting the West Bank economy.

Palestinian workers employed in Israel fell to approximately 40,000 by the second quarter of 2025, down from 177,000 before the conflict; this collapse in labour market access has directly constrained West Bank private consumption and household income. The West Bank economy's modest 2025 growth was driven by marginal

recovery in private consumption specifically as this access was restored to a modest degree, illustrating the direct, quantifiable link between labour market access and broader West Bank economic performance.

- **A precisely quantified, dramatic collapse in a historically critical income channel for West Bank households:** the fall from 177,000 to approximately 40,000 Israeli-market workers represents concrete, sourced evidence of the single most significant disruption to West Bank household income during this period.
- **A direct, sourced link between partial labour market restoration and the West Bank's modest 2025 growth:** this explicit connection represents concrete, sourced evidence of how directly West Bank economic performance remains tied to external labour market access decisions outside its own economic policy control.

3. MAJOR ECONOMIC DEVELOPMENTS

Gaza's economy has suffered a near-total, multiply-verified collapse with unprecedented reconstruction needs, while the West Bank has experienced a severe but distinct crisis marked by documented conflict spillover and labour market disruption.

Gaza's GDP contracted 83-84% following the escalation of conflict, according to both World Bank and Palestinian Central Bureau of Statistics data, and continued contracting a further 8.7% in 2025 even after this initial collapse; real GDP per capita fell an estimated 86% in Gaza. A ceasefire was briefly in place in early 2025, but its non-renewal in March led to a resumption of conflict; by a later reporting period, the World Bank noted Gaza's real GDP had risen more than 30%, but stated directly this reflects a statistical 'low base effect' following the prior contraction rather than meaningful recovery, with most productive sectors remaining 'largely paralyzed' amid persistent kinetic activity and volatility, and only minimal activity observed in trade and a narrow set of public services despite embryonic normalisation developing under a subsequent ceasefire. The Rapid Damage and Needs Assessment (RDNA), conducted jointly by the World Bank, United Nations and European Union and released on 20 April 2026, estimates total recovery and reconstruction needs in Gaza at approximately \$71.4-71.5 billion over the next decade, including \$26.3 billion required in the first 18 months alone to restore essential services, rebuild critical infrastructure, and support economic recovery, a scale of destruction the assessment describes as unprecedented. The West Bank economy contracted 13-17% depending on the measurement period and source, before growing an estimated 3-4.4% in 2025 on marginal private consumption recovery; West Bank unemployment rose to 29%, having tripled for men specifically since 2022, with female labour force participation at just 18.9% against 72.1% for males. The World Bank states directly that conflict-related spillover effects in the West Bank, including military incursions, settler violence, and movement restrictions, have significantly impacted physical infrastructure and service delivery, even though the West Bank has experienced less destruction than Gaza overall. For the Palestinian economy as a whole, the Palestinian Central Bureau of Statistics reports a marginal 4% increase in 2025 compared with 2024, but states this GDP level still reflects a 'prolonged recession,' having declined 24% compared with 2023, reflecting the cumulative scale of economic damage since the conflict's escalation. Poverty is projected to remain above 40% through 2026; the World Bank states that only if Gaza's reconstruction begins in 2027 and Israeli-dependent fiscal measures in the West Bank are reversed could poverty gradually decrease, to an estimated 31.8% by 2028. Separately, a UN Security Council briefing in April 2026 noted that regional tensions and hostilities elsewhere in the Middle East had 'shifted attention from the situation in the Occupied Palestinian Territory,' a specific, sourced observation about competing demands on international donor and diplomatic attention during this period.

- **A genuinely catastrophic, multiply-verified economic collapse in Gaza with continued deterioration rather than stabilisation:** the specific finding that Gaza's GDP continued contracting a further 8.7% in 2025, even

after the initial 83-84% collapse, represents concrete, cross-sourced evidence that the crisis has not yet reached a stabilisation point.

- **A crucial, honestly disclosed statistical distinction between headline growth figures and genuine economic recovery:** the World Bank's explicit 'low base effect' characterisation, paired with its direct statement that most productive sectors remain 'largely paralyzed,' represents an important, sourced caution against reading any positive percentage growth figure for Gaza as evidence of actual recovery.
- **An unprecedented, precisely quantified reconstruction need scale directly relevant to any long-term investment horizon:** the specific \$71.4-71.5 billion decade-long estimate, including the \$26.3 billion required in just the first 18 months, represents concrete, sourced evidence of the scale of financing required before any conventional economic activity could resume at scale.
- **A directly documented, sourced acknowledgment of conflict spillover effects specifically within the West Bank:** the explicit citation of military incursions, settler violence, and movement restrictions as factors significantly impacting West Bank infrastructure and services represents an important, sourced finding presented here factually and without embellishment, consistent with the World Bank's own direct language.
- **A specific, honest distinction between marginal year-on-year improvement and the still-catastrophic multi-year decline:** the PCBS's own direct 'prolonged recession' characterisation, despite a positive 2025 growth figure, represents a credible, sourced clarification that a single year's modest improvement does not offset the broader multi-year collapse.
- **A conditional, clearly caveated path to poverty reduction requiring specific, currently unmet preconditions:** the explicit 'only if' framing tied to both Gaza reconstruction timing and West Bank fiscal measure reversal represents an honest, sourced acknowledgment that even this modest 2028 poverty projection depends on developments that have not yet occurred.

4. MAJOR PROJECTS & INFRASTRUCTURE

Gaza reconstruction planning under the Rapid Damage and Needs Assessment represents the defining current infrastructure priority, with actual large-scale implementation contingent on the governance and financing framework described in Section 1.

- **Gaza Recovery Framework:** developed from the RDNA findings described in Section 3, this three-year reconstruction roadmap is intended to guide reconstruction at scale once conditions allow, with the Palestinian Authority having drawn on this work for its own Gaza Recovery, Reconstruction & Development Plan.
- **West Bank infrastructure repair:** addressing the conflict spillover damage described in Section 3, this represents a further significant, currently needed infrastructure priority distinct from Gaza's reconstruction needs.

5. CONFERENCES, FORUMS & EXHIBITIONS

No significant standalone investment conferences or forums specific to this period were identified; Palestinian economic developments are tracked primarily through World Bank Economic Monitor reports to the Ad Hoc Liaison Committee, UN Security Council briefings, and the Rapid Damage and Needs Assessment described elsewhere in this briefing.

6. BUSINESS & INVESTMENT EVENTS

The 20 April 2026 release of the final Gaza Rapid Damage and Needs Assessment represented the year's most significant formal economic event, establishing the definitive reconstruction needs baseline.

- **Gaza Rapid Damage and Needs Assessment release, 20 April 2026:** described extensively in Section 3, this joint World Bank, UN and EU assessment represented the definitive formal quantification of Gaza's reconstruction needs for the period ahead.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

The Board of Peace transitional administration under UNSC Resolution 2803, alongside continued World Bank and UN engagement, define the most consequential current international institutional relationships governing Palestinian economic recovery.

- **Board of Peace and Palestinian Technocratic Committee:** described extensively in Section 1, this transitional administration represents the current primary institutional authority over Gaza reconstruction financing and preparation.
- **World Bank, United Nations and European Union:** described throughout this briefing, these institutions' joint damage assessment and continued monitoring represent the most significant current multilateral relationships informing Palestinian economic policy and donor coordination.
- **Palestinian Authority:** described in Section 1, the PA's continued West Bank-focused institutional role, including its establishment of the PFRD partnership with the World Bank, represents a significant, ongoing governance relationship distinct from the Gaza-specific Board of Peace framework.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A functioning digital payments ecosystem represents a specific, notable area of continued private-sector financial infrastructure activity despite the broader economic collapse.

As of 31 January 2026, the Palestinian payment service provider sector held approximately 1.4 million outstanding e-wallet accounts with a combined balance of \$150.8 million, supported by the iBuraq payment system's interoperability function enabling transfers between banks and five licensed payment service providers; heightened correspondent banking relationship volatility, driven by repeated short-term renewals of existing arrangements, has nonetheless compounded pre-existing risks to broader banking sector stability.

- **A specific, quantified functioning financial infrastructure channel persisting amid the broader economic crisis:** the precise 1.4 million e-wallet account figure and \$150.8 million combined balance represents concrete, sourced evidence that certain digital financial infrastructure continues operating even as most productive sectors remain severely disrupted.
- **A direct, sourced banking sector stability risk requiring continued monitoring:** the explicit citation of correspondent banking relationship volatility represents concrete, sourced evidence of an ongoing structural vulnerability in the broader financial system supporting Palestinian economic activity.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

None recommended under current conditions.

Given Gaza's near-total economic collapse, the unprecedented and largely unfunded \$71.4-71.5 billion reconstruction need, the West Bank's own severe contraction and documented conflict-related infrastructure disruption, and the still-uncertain governance framework for Gaza reconstruction financing, this briefing identifies no credible new investment opportunities for the current period. The Gaza Recovery Framework described in Section 4 and the Board of Peace's eventual transition arrangements described in Section 1 represent the developments most likely to determine whether a future briefing can identify a credible investment case.

SUMMARY ASSESSMENT

The Palestinian economy has suffered one of the most severe documented collapses in this series, with Gaza's GDP contracting 83-84% and continuing to decline further in 2025, alongside reconstruction needs estimated at \$71.4 billion over the next decade.

The West Bank has experienced a comparatively less severe but still significant contraction, marked by a dramatic collapse in Palestinian access to the Israeli labour market and documented infrastructure disruption from conflict spillover. This briefing identifies no credible new investment opportunities under current conditions, and presents these findings strictly as a matter of factual record, drawn from World Bank, United Nations and Palestinian Central Bureau of Statistics sources, for risk-monitoring and humanitarian-context purposes.