

Palestine Economic Policy
Research Institute (MAS)



معهد ابحاث السياسات
الاقتصادية الفلسطينية (ماس)

ABSTRACT

Status Update- Nov 2025: Rapid Capacity Assessment of Gaza Strip's Municipalities

2026



**Palestine Economic Policy
Research Institute (MAS)**

Status Update- Nov 2025: Rapid Capacity Assessment of Gaza Strip’s Municipalities

Researcher: Dr. Ammar Qidreh



This study was prepared by MAS as part of the “Transparency, Evidence, Efficiency, Effectiveness and Accountability TEA³ Programme” implemented by the United Nations Development Programme (UNDP), with funding from the British Consulate General-Jerusalem (FCDO), the Swedish International Development Cooperation Agency (Sida) and The Australian Department of Foreign Affairs and Trade (DFAT).

ABSTRACT

This report presents the findings of a rapid municipal capacity and damage assessment conducted across all 25 municipalities of the Gaza Strip. The study was commissioned by United Nations Development Programme/ Programme of Assistance to the Palestinian People (UNDP/PAPP) following the ceasefire in early October 2025 and the subsequent expansion of Israeli ground operations, which caused a dramatic deterioration in conditions and created the need to update the previous assessments. Its primary purpose is to provide an evidence-based snapshot of the operational status, urgent needs, and recovery costs for local governance structures, thereby guiding immediate life-saving interventions and informing realistic, municipality-led recovery planning.

The assessment reveals a near-total systemic collapse of municipal governance. Key findings include:

- **Catastrophic Physical Destruction:** Preliminary damage assessments indicate a \$4.12 billion recovery cost for 18 critical service sectors. Core infrastructure is obliterated, with 9,627 km of roads and over 3,400 km of combined water and sewage networks damaged or destroyed. Civic infrastructure has been erased, with over 90% of municipal buildings, markets, and public spaces completely damaged.
- **Decimation of Human Capital:** The municipal workforce has been reduced by 42% (1,738 staff), with 231 killed and 249 injured during the recent aggression. In the worst-affected areas, staff retention falls below 35%. The remaining personnel operate under "Severe" or "Critical" conditions, with no salaries, destroyed workspaces, and no operational tools, rendering 80% of municipalities "Collapsed."
- **Financial and Governance Collapse:** Municipal revenue streams were almost entirely eliminated, with an estimated \$162.75 million in losses, eliminating any operational budget. In the vacuum, Local Committees have emerged as essential, volunteer-based service providers. However, formal coordination with international actors and central government has broken down, creating a fragmented, unsustainable response.

The recovery must be structured around three critical phases, each addressing foundational needs before progressing to the next:

Urgent Priorities (0-6 Months): Restore Basic Operations and Access.

The immediate focus must be on survival and restarting minimal municipal functions. This requires clearing debris to open roads for access; restoring basic water and sanitation services; providing the fuel, spare parts, and temporary operational bases needed for these tasks and paying staff salaries to stabilize the workforce.

Medium-Term Priorities (6-18 Months): Rehabilitate Infrastructure and Institutional Capacity.

The focus shifts to systematic rehabilitation. Key actions include: drilling new water wells and extending repaired networks; reconstructing road networks and municipal facilities; ensuring

sustained salary payments and operational budgets; and procuring the core fleet of vehicles and equipment for service delivery.

Long-Term Priorities (18+ Months): Achieve Sustainable Reconstruction.

The final phase focuses on rebuilding permanent municipal systems capable of sustaining services and future shocks. This entails: constructing permanent civic infrastructure and wastewater treatment plants; executing comprehensive urban rebuilding guided by modern plans; transitioning to renewable energy and smart systems; and integrating the reconstruction of economic hubs and social services for holistic community recovery.

The scale of the crisis requires a fundamental shift in how recovery efforts are designed and implemented. Recovery efforts will not be sustainable unless municipal institutions regain the minimum capacity to plan, coordinate, and implement interventions through emergency salary support and basic operational capacity. All subsequent efforts must be municipally-led and community-anchored, ensuring that the huge task of rebuilding physical infrastructure goes hand-in-hand with restoring legitimate, capable, and resilient local governance.