Report to the Ad Hoc Liaison Committee

New York, 24 September 2026

Office of the United Nations Special Coordinator for the Middle East Peace Process

1. Introduction

This Ad Hoc Liaison Committee meets at a moment when the Occupied Palestinian Territory, comprising the West Bank, including East Jerusalem, and the Gaza Strip, is under immense humanitarian, economic, social and political strain.

In the West Bank, the situation continues to rapidly deteriorate. Settler violence has reached unprecedented levels, settlement expansion has continued, United Nations facilities and schools have been forcibly closed, holy sites are increasingly under pressure, and dispossession, displacement and violence are a daily reality for many Palestinians. The Palestinian Authority's fiscal crisis remains acute and has become a crisis of institutional capacity and of legitimacy, with consequences for service delivery, for the private sector and Palestinian livelihoods, and for financial stability across the territory.

In Gaza, almost one year after the ceasefire took effect and ten months after the adoption of Security Council resolution 2803 (2025), the ceasefire remains fragile. Israeli strikes are continuing and humanitarian and security challenges persist. The disarmament of Hamas and other Palestinian armed groups in the Gaza Strip has not been implemented. The transitional arrangements envisaged under resolution 2803 (2025) have been established but are not yet operating in Gaza, and key financing instruments — the UN Horizon Fund, the EU Team Gaza Initiative and the World Bank's Palestinian Fund for Reconstruction and Development — have not yet translated into early recovery at scale, nor into sustained improvement in the lives of Palestinians who have been displaced repeatedly and have survived three years of conflict.

Gaza’s recovery and reconstruction and the broader political process are mutually dependent, and neither can be sustained in isolation. Resolution 2803 (2025) is the central instrument underpinning recovery in Gaza, and it must be implemented immediately and in full. Its provisions also look beyond Gaza. The resolution and the Comprehensive Plan to End the Conflict in Gaza anticipate that conditions will be in place for a credible pathway to Palestinian self-determination and statehood. This pathway is defined by the body of resolutions and agreements preceding it, together with the New York Declaration, endorsed by the General Assembly on 12 September 2025, and the bilateral agreements between the parties that remain in force.[1] Together, these provide the political vision, practical framework and coordinated international effort needed to support Gaza's recovery, reunify Gaza and the West Bank under the single, legitimate Palestinian Government, and advance the two-State solution. The agenda of this Committee — PA fiscal viability, the economic framework, institutional reform and aid coordination — is intricately linked with the successful implementation of resolution 2803 (2025).

This Committee is invited to consider how each of the negative trends outlined in this report can be addressed. First, nearly a year after the ceasefire, implementation lags far behind meeting the most basic needs of Palestinians. Early recovery is severely constrained by access and predictable financing and is well below the scale required. Second, the collapse of shelter, water, waste management and health services has produced a compound public health and environmental emergency whose effects are unconfined by borders. Third, increasing violence in the West Bank by Israeli settlers results in daily tragedy and displacement for Palestinians. Fourth, the withholding of clearance revenues, uncertainty and constraints on Palestinian financial sector, and restrictions on movement, access and trade have converted a fiscal crisis for the Palestinian Authority into an institutional and overall stability crisis. The agreed economic and administrative framework as defined by the

[1] Including resolutions 242 (1967), 338 (1973), 1397 (2002), 1515 (2003) and 2334 (2016), and resolution 2735 (2024).

Paris Protocols is being bypassed without being replaced, moving economic activity out of regulated institutions where it is less transparent, more unequal, and destabilises economic activity for both parties. Fifth, neither party can stabilize this relationship alone and immediate economic stabilization measures need to be implemented together with a resumption of technical level engagement between officials and regulators.

None of this is new to this Committee. In 2011, the IMF, the World Bank and the United Nations assessed the PA as ready for statehood, and this Committee described Palestinian state-building as an international success story, while identifying the areas that could begin to undermine that progress: PA fiscal sustainability, revising and updating the economic and financial framework, and restoring movement and access. Our May 2022 report described the growing interconnectedness of the two economies and the need to urgently avoid unilateral actions that undermine the two-State solution and threaten to destabilize the Occupied Palestinian Territory. Our September 2022 report set out four strategic elements of a policy package to reverse a growing negative trend: addressing the drivers of conflict and instability; strengthening Palestinian institutions and governance; improving access, movement and trade, including in Gaza and Area C; and better aligning the framework of economic and administrative relations. Our May 2023 report addressed the risks of persistent clearance revenue withholding as the main driver of the Palestinian Authority's deepening fiscal crisis and impact on basic service delivery and stability. Marking thirty years of Oslo, our September 2023 report found that the Oslo-era mechanisms for addressing these questions had atrophied or disappeared, ultimately resulting in increasing instability, violence, and risk of escalation. Regrettably, those recommendations remain largely unimplemented.

2. Political context

2.1 Gaza

The ceasefire that took effect on 10 October 2025 ended large-scale hostilities, saw the return of all remaining Israeli hostages and their remains, and stands as the most significant achievement of the past year. However, it has not brought an end to violence. Israeli airstrikes, shelling, drone attacks, and ground operations have continued, Hamas and other armed groups have not disarmed, and Palestinian casualties continue to mount. Around two-thirds of Gaza remains inaccessible or subject to severe access restrictions, leaving Palestinian civilians confined to overcrowded and insecure areas. The cumulative impact of the bombardment has left buildings across Gaza structurally unstable, as demonstrated tragically on 16 September 2026 by the collapse of a damaged building in Tal al-Hawa, which killed at least 21 people, including eight children. After nearly three years of war, the recovery of tens of thousands of human remains and their dignified burial must be facilitated without delay.

The needs are immense and urgent, and they are not being met. Humanitarian actors, in particular international non-governmental organizations, continue to face operational constraints related to access, supplies and funding, and the 2026 Flash Appeal is only 40 per cent funded. Almost one year into the ceasefire, this situation is unacceptable. Winter will shortly descend on Gaza. Plans for winterization are in place, but stocks of shelter and non-food items are depleted, constraints on the entry of critical humanitarian items continue, and funding remains critically low. The people of Gaza should not face another winter in cold tents.

Improving living conditions in Gaza requires moving beyond emergency relief. Essential systems and services must be restored with no further delay, particularly sewage, waste management, health services and livelihoods. Electricity supply must be restored, including the Gaza Power Plant, since reliable electricity is critical to the functioning of water, sanitation and other essential services, and fuel and engine oil must be allowed to enter at scale. The conflict has also inflicted significant environmental damage: massive quantities of untreated sewage are flowing into the Mediterranean every day, uncontained by borders. The clearance of explosive hazards is equally vital. Since the reopening of the Rafah crossing, over 5,400 Palestinians have been able to exit and thousands have returned, accessing vital medical treatment and reconnecting families. Increased movement in both directions is essential. Until health systems can be restored, patients from Gaza must be facilitated to receive specialized care in the West Bank, including East Jerusalem, and internationally.

2.2 The occupied West Bank

The situation in the West Bank remains bleak. As of 10 August, 76 Palestinians had been killed in the West Bank in 2026, including 18 children, by Israeli forces or settlers. In 2026, three Israelis — one civilian and two members of the Israeli security forces — were killed in confrontations with Palestinians and in an alleged ramming by a Palestinian.

Settler violence has reached unprecedented levels. So far this year the United Nations has documented more than 1,430 incidents involving Israeli settlers that resulted in casualties, property damage or both, affecting approximately 260 Palestinian communities. Large-scale settler attacks continue with virtually no accountability. Israeli security forces have frequently failed to protect Palestinians from settler attacks and, in some cases, have reportedly facilitated or participated in such violence.

Settlement expansion has continued at a high rate, fueling tensions, impeding access by Palestinians to their land, and eroding prospects for a viable and contiguous Palestinian State. Israel also continued to advance administrative measures that entrench Israeli control over the West Bank, including steps to implement land registration in Area C. These measures are likely to facilitate the regularization and expansion of settlements and outposts, create new obstacles to Palestinian ownership claims and contribute to the dispossession and displacement of Palestinians from their property.

Palestinians continue to face increasingly severe restrictions on movement, including the proliferation of ad hoc checkpoints, which impede access to livelihoods and essential services and further isolate communities. Since January 2023, 127 Palestinian communities have experienced full or partial displacement, including 47 entirely displaced, affecting more than 6,390 Palestinians. In 2026 alone, approximately 3,800 Palestinians, nearly half of them children, have been displaced as a result of settler violence, demolitions and evictions.

The contraction of the Palestinian economy, the erosion of the Palestinian fiscal base and the weakening of Palestinian institutions arise from restrictions on movement, access and trade, from displacement and settlement expansion, and from the withholding of Palestinian revenues. Palestinian institutional reforms are addressed in this report, but they are not the principal cause of the deterioration this Committee is asked to consider.

3. Implementation of resolution 2803 (2025) and Gaza early recovery

3.1 Palestinian institutional continuity and the transition

The approach of the United Nations is defined by resolution 2803 (2025), the Comprehensive Plan and prior resolutions of the Security Council. Under that framework, the Board of Peace is a transitional administration; the National Committee for the Administration of Gaza is composed of Palestinian technocrats and tasked with coordinating civilian governance and public service delivery during a transitional phase; and a liaison function between the Palestinian Authority and the Office of the High Representative has been announced.

The Board of Peace and the NCAG were constituted in January 2026 and have engaged in extensive planning activities, but the NCAG has not yet been able to enter the Gaza Strip to assume governance functions. Planning and preparations for the International Stabilization Force have advanced, but its personnel have not yet been deployed on the ground. The liaison function between the NCAG and the Palestinian Authority has been announced but is not yet fully operational. An effective and operational liaison function between the Palestinian Authority and the NCAG is critical, and UNSCO and Committee members have engaged directly on practical coordination mechanisms.

The UN has structured its planning for Gaza's recovery according to the following guiding propositions.

- **The distinct and complementary roles of the PA and the NCAG should be respected.** The NCAG holds a temporary and transitional administrative role, ensuring Palestinian participation in the implementation of resolution 2803 (2025) towards the restoration of PA governance in Gaza, consistent with resolution 2803.

The ultimate goal must remain the administration of Gaza and the West Bank by a single Palestinian government. All stakeholders have a responsibility to reinforce institutional continuity and avoid creating parallel structures that may undermine this goal.

- **One unified national Palestinian recovery plan.** It is imperative that the international community aligns behind a unified national Palestinian recovery plan addressing the needs identified in the RDNA, to which the PA, the NCAG and international partners all work. Parallel planning, financing and coordination frameworks would raise transaction costs, diffuse accountability and separate Gaza recovery from Palestinian national institutions.
- **Clarity on sequencing.** Greater clarity is required on the sequencing of the transition, so that commitments, financing decisions and the transfer of responsibilities share a common understanding among all parties.

The immediate requirements are: agreed working channels at sector level, access for NCAG personnel into Gaza, clarity on decision rights, and an understanding of how national systems — payroll, procurement, registries, health information and education administration — will be used rather than duplicated.

3.2 From framework to delivery

Since 7 October 2023 and the conflict that followed, Gaza has moved through emergency response, ceasefire and the establishment of a transitional framework. The next stage is the transition from humanitarian response to early recovery at scale, and subsequently to reconstruction. Reconstruction cannot begin where debris has not been cleared and explosive hazards not surveyed, and recovery cannot proceed where essential services, access and payment channels are absent.

The Committee's immediate attention is therefore drawn to measurable change in a limited number of life-sustaining sectors — health, water, sanitation and waste management, shelter and winterization, debris and explosive hazard clearance, agriculture and food systems, and education — where progress is both most needed and most achievable before the next AHLC, and where the needs of persons with disabilities and the mental health and psychosocial consequences of three years of conflict must be addressed from the outset. This focus reflects the necessary sequencing. Economic recovery, private sector revival, employment and the restoration of Gaza's productive base remain central to any durable recovery and should be scaled as conditions allow.

3.3 Principles and conditions for scaling early recovery

The Rapid Damage and Needs Assessment, conducted jointly by the World Bank, the United Nations and the European Union and released on 20 April 2026, is the agreed analytical foundation for recovery planning. It assesses needs at USD 71.4 billion over ten years, of which USD 26.3 billion falls in the first eighteen months. United Nations agencies, the Palestinian Authority, the NCAG, the European Union and international and Palestinian non-governmental organizations have each identified early recovery priorities from that common evidence base, and those priorities converge.

In the Early Recovery Approach and Action Plan presented to this Committee in September 2024, UNSCO, the United Nations Country Team and the Humanitarian Country Team set out overarching principles and minimum conditions for scaling early recovery. That approach has been developed and updated with partners through 2025 and 2026, including through the early recovery strategy and narrative shared with the international community and reaffirmed on the release of the RDNA. The principles remain the framework within which the United Nations operates and they are broadly consistent with the Comprehensive Plan: there should be no long-term Israeli military presence in Gaza, while Israel's legitimate security concerns are addressed; Gaza is and must remain an integral part of a future Palestinian State, with no reduction in its territory; Gaza and the occupied West Bank must be unified politically, economically and administratively; and there can be no long-term solution in Gaza that does not strengthen the institutions of the Palestinian Authority, while ensuring that the reforms required of it are achievable, properly financed, and maintain essential service delivery for the most vulnerable Palestinians.

Measured against the six minimum conditions set out in 2024, the position two years later is uneven:

- ***Security, safety and freedom of movement to access the population***: Military activity continues and around two-thirds of Gaza remains inaccessible or subject to severe access restrictions.
- ***A transitional political and security framework with the Palestinian Authority at its centre:*** The framework exists in resolution 2803 (2025), and the Comprehensive Plan, and must be implemented in full.
- ***Restoration of minimum essential services, including water, electricity, sanitation, banking and telecommunications:*** Electricity supply, including the Gaza Power Plant, has not been restored, water and sanitation systems are not adequate for minimum standards, and banking is not assured and is subject to increasing destabilizing pressures.
- ***Predictable entry at scale of humanitarian, commercial and reconstruction goods, including from the West Bank:*** Entry is convoluted, carries significant transaction costs, and is neither at scale nor predictable.
- ***Ability of the United Nations and partners to obtain visas, deploy expertise and import equipment:*** These remain constrained.
- ***Sufficient, multi-year and flexible donor funding:*** The 2026 flash appeal is 40 per cent funded, and pledged financing, including through the Horizon Fund, is not yet consistent, multi-year and flexible.

3.4 Shelter, water and health

Shelter is the largest single requirement and the most acute. Over 350,000 housing units have been destroyed or damaged, more than 60 per cent of the population has lost their home, and approximately 1.9 million people have been displaced, in many cases repeatedly. Displacement sites are overcrowded and their sanitation conditions will deteriorate with winter. The shelter deficit also blocks the restoration of other services: repairable school buildings are largely unusable because they shelter displaced families, so education cannot resume at scale until transitional shelter is available.

On water, sanitation and waste, all six wastewater treatment plants are non-functional and centralised treatment has halted; some 70 per cent of sewage pumping stations are inoperable; around 77 per cent of households depend on water trucking; and 68.1 million metric tons of debris are contaminated with untreated wastewater, medical and hazardous waste, asbestos and explosive ordnance. The consequences are a rising risk of waterborne disease, direct exposure of displaced families to untreated wastewater, and air pollution from the open burning of waste, in a health system in which most facilities are not functioning. The aquifer and the marine environment are shared, and the restoration of water and waste management is a public health and environmental interest for all concerned. The RDNA identifies it as an immediate priority, ahead of the larger investments that follow.

3.5 Women and girls

Women and girls are key to recovery efforts. Recovery planning that does not account for how the conflict has restructured Palestinian households will not reach those most in need. Women now head nearly one in four households in Gaza, an estimated 86,290 households, double the pre-October 2023 rate. These households have been displaced more often than male-headed households, are more likely to lack adequate shelter, and are disproportionately dependent on assistance, with two-thirds requiring cash support for daily survival. They face specific barriers in housing, land and property processes that will determine access to shelter and to compensation, and access to reproductive and maternal health services remains severely constrained. Shelter allocation, housing, land and property dispute resolution, cash assistance targeting and employment-intensive programmes should be gender- and disability-responsive by design, reaching women-headed households from the outset rather than being adjusted afterwards. Sex-, age- and disability-disaggregated reporting should be a standard requirement of the results framework.

Women must be recognised not only as recipients of assistance but as frontline responders, leaders, and recovery actors. Local women-led and women's rights organizations have delivered essential services to women and girls throughout the conflict and require sustained and predictable resourcing to continue that work, and a substantive role in humanitarian and early recovery decision-making. Where women are excluded from those processes, the result is a response that does not reflect their priorities and, over time, a reconstructed Gaza in which women's participation, influence and access to the benefits of recovery are further diminished. As women-led organizations in Gaza have themselves put it, nothing should be written without the people of Gaza, who must write the first step in every plan and in every recovery.

4. The agreed economic and administrative framework is being bypassed

The Declaration of Principles, the Interim Agreement and the Paris Protocol established a transitional economic and administrative framework: defined responsibilities were transferred to the PA, other functions remained under Israeli control pending permanent status negotiations, and a highly integrated economic relationship was created around the movement of goods and labour, clearance revenue transfers, use of the shekel and close interaction between the two banking systems. Designed for a five-year interim period, it depended on predictable cooperation and functioning joint mechanisms, and cannot function where one party suspends its obligations, where movement is severely restricted, and where technical disputes have no bilateral forum in which to be resolved. Several core functions are now weakened, resulting in the bypassing of the existing systems without a formal replacement.

4.1 Clearance revenues, fiscal position and public services

The Palestinian Authority's fiscal crisis remains acute. Israel continues to withhold some USD 6 billion in clearance revenues, which constitute the PA's largest source of revenue. The resulting financing gap cannot be closed through expenditure reduction, domestic revenue measures or donor support. The World Bank has assessed the fiscal deficit at above 10 per cent of GDP. The PA is resorting to exceptional measures to pay portions of salaries already delayed by months, and is in effect continuing to operate by transferring its obligations to employees, pensioners, businesses, banks, and households.

The consequences are visible across the critical services on which Palestinians depend, and fall hardest on women, young people and the most vulnerable. Social assistance has been interrupted. Health services face shortages of medicines, consumables and referral financing. Education has been curtailed. The justice system and access to justice are constrained by unpaid operating budgets, and even core administrative functions — the registration of births and the issuance of identity documents, on which service eligibility, employment and travel all depend — are subject to delays that place the lives of Palestinians in limbo. Firms supplying the PA face payment delays that erode working capital and staff retention; public employees on partial salaries face difficulty meeting household and loan obligations; and municipalities are absorbing service responsibilities without corresponding resources. That Palestinian institutions have continued to deliver at all under these conditions is a considerable achievement, and reflects the professionalism and commitment of a Palestinian civil service that has been paid partially and irregularly for years. This Committee is well aware of this situation, and urgent action is needed.

Palestine refugees constitute approximately two-thirds of the population of Gaza and some 40 per cent of the population of the OPT as a whole. UNRWA's network — approximately 380 schools and some 70 primary health centres, alongside vocational training, relief and social services, and camp sanitation across 19 camps — is not a parallel system but a substantial share of the basic service infrastructure. Before October 2023 the Agency was the primary health care provider for roughly two-thirds of Gaza's population and educated close to half of its schoolchildren; in the West Bank it remains the primary provider for more than 940,000 registered refugees and the second-largest public-service employer after the Palestinian Authority. Its capacity is contracting at the same moment that PA services contract, leaving no fallback for the population least able to absorb the loss. What is required is sustained, predictable and multi-year financing, and full respect for the Agency's mandate, premises, staff and privileges and immunities, consistent with the Security Council's call on all parties to enable UNRWA to carry out its mandate in all areas of operation.

4.2 Correspondent banking and excess shekel liquidity

Uncertainty over correspondent banking poses a further serious threat to Palestinian financial stability. Correspondent banking relationships between Palestinian and Israeli banks underpin payments, trade settlement, cheque clearing, foreign exchange, trade finance and shekel liquidity management; they are critical infrastructure for both economies, and a functioning payment channel is also a precondition for delivering recovery at scale in Gaza and restoring economic growth in the West Bank. Interim extensions provide welcome relief but do not resolve the underlying uncertainty, and commercial banks, Israeli and Palestinian alike, are unable to engage in the most basic planning while being relied upon to provide life-sustaining financial services. The parties must urgently secure a longer-term extension of correspondent banking arrangements, allowing regulators time to implement suitable solutions.

Excess shekel cash continues to accumulate because repatriation arrangements do not meet market needs. Accumulation accelerated after 2023, as commercial and labour activity reverted to informal activity and cash in response to tightened movement and access restrictions. The accumulation of excess shekels is therefore a symptom of the wider bypassing of formal economic channels. Disruption of regulated financial and economy channels does not remove or reduce financial risks, it exacerbates them. It would displace activity into cash and less transparent transfer mechanisms, reducing the ability of Palestinian and Israeli authorities alike to monitor transactions. The Palestinian Monetary Authority should be commended for the strength of the AML/CFT framework and for the advancement of regulated digital payments. However, digitalization cannot substitute for functioning cross-border settlement channels.

4.3 Access, movement and labour

Movement restrictions raise the cost of trade, employment and access to services, dividing the West Bank into increasingly differentiated localised economies, and constrain governance and regulation — the capacity of ministries, regulators, service providers and, in the coming months, election officials to operate consistently across the OPT. Gaza remains largely disconnected from the West Bank economy.

The resulting adaptation is not commerce between Palestinians and Israelis, which is a normal feature of two integrated economies and is provided for in the Paris Protocol. It is the growth of arrangements that bypass formal economic channels altogether, are unpredictable, and rely on settlement in cash. These arrangements sustain individual transactions while removing them from customs, tax and regulatory visibility, contributing to excess shekels and creating compliance, safety and financial-integrity risks.

Cross-border labour has followed the same pattern. Before October 2023, regulated Palestinian employment in Israel was a major source of household income; the collapse of the permit system contributed directly to unemployment, falling consumption and rising poverty. Some employment has resumed, but much of the recovery has occurred through undocumented work. As UNSCO reported in May 2022, this segment of the labour market requires better regulation to protect health and safety and to end abusive broker practices; those concerns are now more acute. The shift removes employment from the agreed fiscal framework — wages move into cash, wage-related deductions are not transferred, and the PA has limited visibility over workers and income flows.

The costs are not evenly distributed. Female labour force participation in the West Bank stands at approximately 18.6 per cent, among the lowest rates recorded, and the female employment-to-population ratio at 12.8 per cent; unemployment among female graduates aged 19–29 reached 44.5 per cent. The limited employment recovery growth in 2025 was overwhelmingly male and overwhelmingly informal. Women are almost entirely excluded, at a moment when poverty has more than doubled. Nearly half of young people aged 18–29 are not in employment, education or training. This generational exclusion of an educated cohort, whose schooling represents a substantial public investment, is a leading indicator of the negative long-term effects on human capital and social cohesion.

5. Palestinian institutions: reform, elections and civic space

5.1 Reform

The Palestinian Authority has continued to implement its reform programme under exceptionally difficult conditions, and this should be recognised by the Committee. Since our September 2025 report, reform has advanced across public financial management, digital payments and revenue administration, social protection, the civil service, procurement and the governance of public institutions. This has been achieved while salaries were paid partially, while clearance revenues were withheld, and while movement restrictions constrained the operation of ministries across the territory. Few administrations sustain structural reform under such conditions.

Some elements of the reform agenda remain pending, and the Palestinian Authority has itself identified the areas requiring acceleration, including judicial independence, access to information, and the reform of social protection and education systems. The appropriate response of the international community is to sustain and deepen its support for the reform process. Reform also costs money: the measures required of the PA should be financed as well as demanded, and milestones should be defined in advance and assessed through established international mechanisms reporting to this Committee, so that progress can be demonstrated and recognised.

5.2 Elections and the Central Elections Commission

The Presidential decree scheduling legislative elections is a welcome step, and preparations are being supported by the United Nations and by members of this Committee. As UNSCO has consistently stated, elections that are transparent and inclusive throughout the OPT, including in Gaza, as well as in East Jerusalem as provided for in prior agreements, are essential to renewing Palestinian institutions; more than half of the eligible electorate has never voted in a national election. Substantial obstacles remain. All stakeholders should facilitate the work of the Central Elections Commission and ensure that all eligible voters can participate freely and without intimidation.

The Central Elections Commission itself merits the Committee’s attention. It is among the most capable electoral management bodies in the region, has maintained its professional independence and technical standards through two decades without national elections, and has continued to administer local elections and to maintain the voter register under conditions of occupation, fragmentation and fiscal crisis. It is a demonstration of what post-Oslo Palestinian institution-building achieved, and of what remains to be preserved. That capacity should not be treated as a function of the current electoral cycle. Political and financial support to the Commission should be sustained beyond November 2026, so that the institution, its staff and its systems remain intact and available for the electoral processes that a political settlement will require.

5.3 Civic space and civil society

Civic space across the OPT has narrowed, through the actions of all actors. Israeli measures have included restrictions on the registration and operation of organizations, designations, closures, funding constraints and movement restrictions that impede civil society work, alongside the entry into and seizure of premises. The Palestinian Authority has taken measures affecting freedom of expression, assembly and association. Hamas and armed groups in Gaza have restricted civic and political activity, harassed and threatened protestors and activists, and have obstructed humanitarian operations. UNSCO has consistently called for the protection of civic and political space, including in the context of the forthcoming elections.

Palestinian civil society has nonetheless proved remarkably resilient. Palestinian NGOs and civil society have sustained emergency services through the conflict in Gaza, and continue to deliver protection, psychosocial support, legal aid and emergency and specialized services in the West Bank where public provision has contracted. They are among the Palestinian institutions this Committee should be concerned to preserve, and should be supported as essential partners in recovery, with the operating space to function.

6. Conclusion and way forward

The Oslo agreements and the Paris Protocol were transitional instruments intended to last five years and lead to a negotiated permanent agreement. They were not designed to govern the relationship indefinitely and cannot do so. Allowing their functions to lapse without agreed successor arrangements is producing greater informality, opacity and instability. Any long-term revision of the economic relationship should be negotiated and jointly agreed; until then, stabilizing the existing functions is necessary to prevent further damage. These arrangements must reflect crucial political and institutional developments since the Oslo agreements came into effect, including the subsequent increase in the number of Member States who recognize the State of Palestine – now numbering 161 countries, including members of this Committee - and its upgrading to non-member observer status at the United Nations, as well as the substantial increase in Palestinian institutional capacity documented in consecutive reports to this Committee.

The five negative trends set out above are addressed by five priorities:

- **Scale early recovery.** The minimum conditions for scaling up early recovery should be tracked and reported upon, beginning with a functioning approvals mechanism, entry of critical and specialist equipment and expertise, and visas. Delivery should be measurable in concrete health, water and sanitation, and shelter and winterization gains before the winter months.
- **Restore essential systems and services, and address the environmental and public health emergency.** Electricity, including the Gaza Power Plant, sewage and waste management, and health services must be restored with no further delay, and fuel and engine oil allowed to enter. This cannot wait for the next phase of the Comprehensive Plan.
- **Restore the fiscal relationship.** Clearance revenue transfers should resume in full, regularly and predictably, and accumulated withheld balances should be addressed through an agreed and transparent mechanism.
- **Restore the financial channel, access, movement and regulated labour.** The parties must urgently secure a longer-term extension of correspondent banking arrangements, allowing regulators time to implement suitable solutions, and bring surplus shekel repatriation into line with assessed market need while reducing the overall accumulation of excess shekel through digitization of payments. Predictable commercial access should be restored through crossing points and Israeli ports, trade between Gaza and the West Bank resumed, and regulated, rights-based labour access restored with the associated transfers. The reactivation of the Joint Economic Committee and its technical committees is essential for longer term progress.
- **Sustain Palestinian institutions.** Predictable, front-loaded support for the Palestinian Authority and its partners should be provided so that financing decisions rest on transparent criteria understood in the same terms by all parties. Support to the Central Elections Commission and to Palestinian civil society should be sustained on a multi-year basis.

6.1 Palestinian leadership and aid coordination

Coordination is not an administrative afterthought to these priorities, and it is the reason this Committee exists. The starting point is Palestinian leadership and ownership. Recovery in Gaza and stabilization in the West Bank are Palestinian undertakings that this Committee supports. In practice this means the Palestinian Authority setting policy and standards, national systems and plans used rather than duplicated, Palestinian institutions and organizations resourced as implementing partners, and the international community aligning behind a unified national Palestinian recovery plan. Sub-national and local delivery is necessary and should expand; local delivery without a national anchor would accelerate the fragmentation this report describes.

Financing is now being mobilized through the United Nations Horizon Fund, the Palestinian Fund for Reconstruction and Development, the Team Gaza Initiative, PEGASE, funding coordinated through the Board of Peace, and bilateral channels. Without a single view across them, the predictable results are duplicated assessment and reporting burdens, gaps between pledges and disbursements that cannot be traced, competition between instruments for the same contributions, and an inability to demonstrate to contributors or to the affected population where funds have been applied. UNSCO therefore proposes that the Committee endorse a consolidated financing framework covering pledges, commitments, disbursements and implementing channels across every instrument; one common results and accountability framework derived from the RDNA, with clearly defined roles, and reported on a single cycle, with gender-disaggregated reporting as standard.

These mechanisms largely exist and can be strengthened and made fit for purpose.

These measures will not resolve the conflict, nor substitute for a political process. Their purpose is narrower and more urgent: to preserve the institutions, administrative capacity and single Palestinian economic space on which any credible pathway depends, and to begin recovery in Gaza while the cost of doing so is still feasible. We must act now to translate this vision into concrete steps. The United Nations remains committed to supporting all efforts towards a lasting peace between Israelis and Palestinians, and to the establishment of a political horizon that will realize Palestinian self-determination and advance a two-State solution, in line with UN resolutions, international law, and previous agreements, with Palestine and Israel living side by side in peace and security.