

Involvement of the Gulf States in Rebuilding the Gaza Strip: Feasibility and Implications for Israel

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Sharing the responsibility for rebuilding the Gaza Strip with moderate regional actors, primarily Saudi Arabia and/or the United Arab Emirates, could be a possible solution for the deadlock Israel is facing regarding the war in Gaza. However, the Israeli government is not responding positively to these countries' demands to present a "day after" plan for the Strip, which is being posed as a prerequisite for sharing the burden. Their willingness to do so is also doubtful due to economic pressures and concerns that investments might become a sunk cost in a future round of conflict in the Strip. Another option is Qatari involvement, but it may also help Hamas to rebuild. The Gulf States' public willingness to contribute to rebuilding the Gaza Strip is also meant to increase pressure on Israel to end the war, but this desire will diminish once the war ends. Therefore, Israel must already secure their potential assistance in the process of shaping the mechanism for ending the war.

Nearly two years into the war in Gaza, the public discourse in Israel is not addressing the consequential issues regarding "the day after." Israel will inevitably have to address unprecedented challenges regarding rebuilding the Gaza Strip: its civilian infrastructure, life systems, and governing institutions, as well as rehabilitating both material and ideological aspects of the actual population (de-Hamasization). The reconstruction efforts must be carried out whether Israel takes control of the entire Gaza Strip and establishes a military administration there or withdraws from it as part of a settlement. Rebuilding will be necessary not as a "reward" for the Palestinians but as an Israeli interest to mitigate the humanitarian disaster, prevent anarchy, and avoid new breeding grounds for radical Islam, which will adversely affect the State of Israel for years and even decades to come. Even if Israel withdraws from the Gaza Strip and refrains from maintaining military and civilian control there, it will be necessary to rebuild housing, education, and local governance infrastructures. The Egyptians have estimated the costs of civilian reconstruction at [\\$53 billion](#); however, the actual costs might be significantly higher, given that the extent of destruction in the region has increased since Egypt published its reconstruction proposal.

Regarding the funding of Gaza Strip reconstruction, the Arab Gulf States are often mentioned as those expected to bear the economic burden. [Prime Minister Netanyahu declared](#) on several occasions that he views the Gulf States, led by Saudi Arabia and the United Arab Emirates, as those who will lead the economic and physical rehabilitation of the Strip after the war. Additionally, in February 2024, Netanyahu presented a [document titled "The Threat After Hamas,"](#) and as part of his plan for "the day after," he asserted that a comprehensive de-radicalization plan would be promoted in all religious, educational, and welfare institutions in the Gaza Strip, ["to the extent possible with the involvement and assistance of Arab countries experienced in this field."](#) Subsequently, it is necessary to explore whether the Gulf States are

indeed prepared to cooperate with the Israeli intention to impose the bulk of the costs for rebuilding the Gaza Strip on them, and under what conditions.

Saudi Arabia, the United Arab Emirates, and Qatar play different roles—sometimes complementary and sometimes competing—in the Gazan context, promoting distinct priorities: Qatar is willing to invest in the Strip seemingly almost without preconditions, aiming to preserve its influence in the region and ensure Hamas’s survival; the United Arab Emirates, in contrast, is setting security and political conditions for its investment in the Strip, while Saudi Arabia is requesting that Israel present a clear framework for establishing a Palestinian state; and Saudi Arabia is seeking to integrate the reconstruction into a strategic process that includes normalization with Israel. To elaborate:

Saudi Arabia strives to participate in a [comprehensive regional settlement](#) led by the United States, which will include the reconstruction of Gaza as part of a plan to establish a Palestinian state. It is working to form an international-Arab coalition to oversee reconstruction in the Gaza Strip but clarifies that it will not provide significant funding without transferring authority to the Palestinian Authority or another entity that garners international support. [Saudi Arabia](#) is concerned about the possibility that Gaza reconstruction projects, if carried out without clear terms, will suffer from instability or even [be destroyed in another round of conflict](#) between Israel and Hamas. Therefore, it is reported that [it wants to see](#) the disarmament of Hamas in an attempt to prevent future conflicts. This concern also pertains to its image: Direct investment that might be perceived in the Arab world as coordinated with Israel and aligned with its interests, especially if carried out within the framework of security settlements involving Israel, could damage its standing in Arab public opinion. This is why Saudi Arabia is refusing direct cooperation with the State of Israel, insisting instead on operating through broad international or Arab frameworks and on managing the reconstruction through the Palestinian Authority.

The United Arab Emirates has been demonstrating extensive humanitarian involvement in the Gaza Strip throughout the war, primarily within the framework of the UN, while consistently and [determinately](#) maintaining its relations with Israel, indicating its desire to play a key role in “the day after,” alongside or in place of Qatar. However, at least officially, Abu Dhabi is stipulating its participation in Gaza’s reconstruction on a significant change in the political and security situation in the Strip, including a demand that Israel present [a solid political vision based on the two-state model](#). The UAE [rejects any involvement of Hamas](#) in the future local governance of Gaza and is setting its complete disarmament [as a precondition](#) for any financial support. It is conducting talks with the United States and Israel regarding the establishment of a temporary administration in Gaza, which would rely on a “reformed” Palestinian Authority or on a temporary technocratic body. The difference between the Saudi position and that of the UAE, apart from the UAE’s willingness to work directly with Israel while Saudi Arabia is reluctant to do so, is that both have differing stances regarding the Palestinian Authority. Riyadh is more willing to accept the Palestinian Authority even without reform, although it is not opposed to it, while the UAE insists that the Palestinian Authority undergo comprehensive reform and even a change in its leadership in order to integrate in “the day after.”

Qatar is combining mediation efforts, humanitarian aid, and active political involvement. Its official position emphasizes the necessity for [rapid reconstruction](#) of the infrastructure in the Strip, ostensibly without preconditions, stemming from a fundamental interest to retain Hamas, also as a focal point of its influence in the future. However, Qatar, which is engaging with Israel while also maintaining close relations with Hamas, is concerned about being perceived as “abandoning” the Palestinians or fully aligning with the American-Israeli stance. Therefore, it strives to ensure that its assistance will be preserved within a humanitarian-political framework that emphasizes its independence and role as a mediator. Qatari spokespersons evade the question of the potential return of the Palestinian Authority to control the Gaza Strip, stating only that “[it is a Palestinian matter](#)—who will lead after the war, Hamas or the PA.” Recently, however, Qatar has also been cooperating with initiatives aimed at disarming the organization, likely due to Arab and/or American pressure. Thus, for example, within the framework of the Saudi-French initiative to promote the two-state vision, Qatar joined the Arab countries in July 2025 [in calling for an end to Hamas’s rule in the Gaza Strip and for the organization’s disarmament](#).

The Gulf States aim to achieve various benefits through their potential investment in the Gaza Strip—primarily economic (i.e., return on investment and even profit generation), creating influence in the markets they invest in, and strengthening regional stability, which is a clear national security interest for them. Beyond that, they are undoubtedly also considering their influence on the future of the Palestinian arena and the ability to achieve this through investments in reconstruction projects in the Gaza Strip. However, the prevailing sense in the Gulf States is that their involvement in the Gaza Strip is only sought in the context of funding, which causes considerable antagonism. Saudi Arabia and the United Arab Emirates are therefore imposing clear [political and security conditions](#) and demanding concrete influence over project management to prevent their investments from being wasted. The expected economic benefit from investing in the Gaza Strip is quite limited (except, perhaps, for the potential of the gas field off its coast). This is also why they are not quick to declare how much they are willing to invest in the Strip, as long as they do not see progress on issues they deem important—disarming Hamas, creating an agreed governing framework, and guaranteeing the protection of their investments in the long term.

Furthermore, the Gulf States have broad regional interests and have committed to investing in extensive development and reconstruction projects in other arenas, [primarily in Syria and Lebanon](#), which may be more attractive to them and hold greater geostrategic significance. Moreover, they are currently under considerable economic pressure, primarily due to the decline in oil prices, which may negatively impact their willingness to invest in Gaza. The decline in oil prices exacerbates the fiscal challenge for Saudi Arabia, the United Arab Emirates, and Qatar, although each has entered this period with varying degrees of dependency on energy revenues.

- In Saudi Arabia, which is advancing capital-intensive projects as part of “Saudi Vision 2030,” the decline in prices has impacted expected revenues and led to increased reliance on debt markets, raising investors’ doubts about the pace of economic diversification and the kingdom’s ability to maintain the planned level of investments abroad and even within its own borders. The Saudi interest is primarily to complete

domestic projects, since they are expected to translate into welfare and stability, and only afterward to invest abroad.

- In the United Arab Emirates, which relies less on oil revenues but uses them to finance some of its global initiatives, there is a noticeable decrease in financial flexibility, particularly in the ability to expand foreign investments, although growth forecasts remain positive.
- In Qatar, the relative advantage of exporting liquefied natural gas has mitigated the immediate impact, but it is also operating cautiously due to energy price volatility, particularly in light of ongoing investments in expanding production capacity and capital-intensive international projects.

Conclusion and Implications

The involvement of Arab states, particularly the Gulf States, is essential for the success of reconstruction processes in the Gaza Strip. However, it is unclear what their motivation will be to engage in these processes and channel funds to the Strip. Past experience has proven that investing in the Strip is not a secure investment due to recurring rounds of fighting every few years.

The costs involved in the civilian rehabilitation of the Gaza Strip are estimated at tens of billions of dollars, and the ongoing costs of running Gaza—in a scenario where it is occupied by Israel—are estimated at tens of billions of shekels annually; these are unreasonable costs for the Israeli economy, and the Israeli government continues to present the Gulf States as the primary budgetary source of funding. Therefore, four possible courses of action are derived from the Israeli government's declared strategy of economic reliance on the Gulf States for the rehabilitation and civil administration of the Gaza Strip: agreeing to the demand of Saudi Arabia and the United Arab Emirates to replace Hamas's rule with a Palestinian Authority-affiliated government, as part of a framework for a two-state solution settlement; economic reliance on Qatar, necessarily renewing Hamas's status in the Strip; waiving assistance from the Gulf States and placing the burden of reconstruction on Israel's shoulders, at a tremendous economic cost; and not rebuilding the Gaza Strip, which would foster an environment of anarchy and religious extremism, along with the security threats and instability that would ensue.

The Gulf States' public willingness to contribute to the Gaza Strip's reconstruction is largely aimed at increasing pressure to end the war. However, it is estimated that once the war ends, this desire of theirs will diminish. Therefore, Israel must already secure assistance from the Gulf States as part of a mechanism for ending the war.