



# Egypt:

**An Indispensable Partner  
for the Post-War Stabilization  
of the Gaza Strip**

Ofir Winter

December 2025



**The joint Peace  
and Security Unit**  
of the Mitvim institute and Berl Katznelson Foundation

The background of the page is a map of Israel and the West Bank. Several pushpins are pinned to the map: a blue one in the northwest, a red one in the north-central area, a red one in the center, and a red one in the south. A red dashed line outlines a specific region in the central and southern parts of the map. The map is overlaid with a grid of thin lines.

**The Political-Security Unit** of the Mitvim Institute and Berl Katznelson Foundation develops and promotes the Israeli Initiative, a political paradigm to achieve the dual goals of sustainable Israeli security and resolution of the Israeli-Palestinian conflict. The vision is based on curbing Israel's annexation policy, fostering a regional approach to the conflict, and bolstering a moderate Palestinian partner as a paramount Israeli security interest. The Unit works in conjunction with elected officials and professionals in Israel and the international community and advances its proposals through public advocacy.

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## Executive Summary

The October 13, 2025 peace summit led by President Donald Trump in Sharm el-Sheikh, as well as other initiatives proposed since October 7, 2023, illustrate Egypt's vital role in efforts to end the war in Gaza and shape its future. Egypt is uniquely placed to impact the vital stabilization and reconstruction processes there due to its regional and international status as one of the Trump plan's sponsors, its border with Gaza and its ties with Israel and the Palestinian factions, its years of experience as a regional and bilateral mediator, and its willingness to assume an active role in promoting security measures in Gaza and economic and social development there.

This is the backdrop of the two strategic alternatives facing Israel. The first is to promote regional and international measures for the future of the Gaza Strip, while cooperating, bridging differences and improving dialogue with Egypt, informed by Egyptian concerns as well as justified Israeli security demands. Elements in Egypt's March 2025 comprehensive reconstruction plan for Gaza, supported by the Arab League, the Organization of Islamic Cooperation and the international community, offers Israel such an alternative. The plan also served as an important platform at the September 2025 Saudi-French UN conference and at the Sharm el-Sheikh summit.

This alternative would enable Israel and Egypt to advance a range of shared interests in the Gaza Strip: the deployment of international, Arab, and Palestinian contingents to enforce order in the Strip and demilitarize it; formulation of joint arrangements to monitor its borders; civil and economic reconstruction; establishment of an alternative Palestinian government to Hamas; strengthening regional stability and weakening the Islamist threats undermining it. The new arrangements would be geared to removing the terror threat posed by Hamas to both Israel and Egypt, restoring the control of a reformed Palestinian Authority (PA) over the Gaza Strip, and promoting gradual and conditional Israeli-Palestinian political solution.

Conversely, Israel's alternative option would be to renew its military campaign against Hamas coupled with confrontational measures vis-à-vis Egypt, such as encouraging the voluntary emigration of Gaza's residents, annexing Palestinian territories and deepening the separation between the Gaza Strip and the West Bank. This alternative would prevent renewed PA control of the Gaza Strip and therefore likely force Israel to choose between imposing military rule on the Strip, or parts of it, or enabling continued Hamas rule. This alternative would likely deter Egypt from assuming constructive roles in the Gaza Strip and exacerbate the nadir in Cairo's peace relations with Jerusalem.

The first alternative - bolstering the strategic partnership and historic peace treaty (1979) between the two countries - calls for the following Israeli and Egyptian measures:

- Formulating a joint long-term strategic vision for the Gaza Strip's future under the rule of an alternative, non-Hamas Palestinian government.
- Incorporating the Gaza solution into a gradual and conditional outline for the PA's return to Gaza and resolution of the Palestinian problem as a whole. This would be subject to the PA's performance and capacity to establish a reformed, effective, legitimate, and peaceful rule in both the Gaza Strip and the West Bank.
- Enhancing dialogue and discourse between the countries, underpinned by attention to each side's sensitivities, interests, and red lines, and avoiding unilateral moves that could be construed as a threat.
- Defining Egypt's role in stabilizing security in the Gaza Strip, with a clear mutual commitment to the goal of disarming Hamas, rejecting armed Palestinian resistance, and ending the dynamics of recurring escalation cycles between Israel and Hamas.
- Updating the security annex to the Israel-Egypt peace treaty in a manner that bolsters trust between the two military forces, while designing effective arrangements for supervising the Sinai-Gaza border crossings, preventing arms smuggling, and deploying forces in the vicinity of the Philadelphi Corridor.

- ▶ Promoting Egyptian-led reconstruction, economic development, and infrastructure projects in the Gaza Strip, with Arab and international funding. Progress on such projects would be conditioned on removing Hamas control of Gaza's government Gaza and disarming it, and on channeling the reconstruction funds solely for civilian use.
- ▶ Devising an international economic incentive package for Egypt to encourage its constructive involvement in the Gaza Strip.
- ▶ Establishing a forum led by Egypt, Israel and the United States, with the participation of other regional and international actors, to coordinate the reconstruction of the Gaza Strip, promote PA reforms, and formulate a gradual and conditional outline for resolving the Palestinian problem based on the two-state vision.

Implementation of these recommendations would contribute to enhanced cooperation between Jerusalem and Cairo and promote their security and civilian interests in the Gaza Strip. Moreover, it will help expand bilateral and multilateral ties and restore mutual trust between their governments, security establishments and peoples.

Hopefully, the Gaza challenge, which endangered the pioneering peace treaty between the two countries during the two-year Israel-Hamas war, will thus serve as a lever for restoring Israeli-Egyptian relations and provide a solid foundation for ongoing bilateral strategic cooperation and expanded regional integration.

In this context, it should be noted that the Egypt-Israel peace treaty has provided its signatories with stable security for over 46 years, and has proven a vital strategic asset for both. It therefore also serves as a positive model for future peace processes and long-term security based on an optimal power balance that ensures Israel's military advantage, and on a partnership of interests that distances the motivations for war and conflict on both sides.

This document consists of five parts: a concise overview of Egypt's changing status in the Gaza Strip from 1948 to the "Iron Swords War" (2003-2005); an analysis of the war's impact on Israel-Egypt relations;

examination of Egypt's plans for the Gaza Strip's reconstruction and of Israel's views about them; a discussion of Egypt's centrality in the Gaza Strip and its potential political-security, economic-infrastructure, and humanitarian-social-educational roles; and policy recommendations for a strategic Israel-Egypt partnership in dealing with the Gaza challenge.

## A. Historical Context

The Gaza Strip has always been integral to Israeli-Egyptian relations. Egyptian military forces invaded the nascent state of Israel through Gaza during the 1948 War of Independence, over 200,000 Palestinian refugees found themselves living in the Gaza Strip after the war, and its narrow geographical territory (about 40 kms long and 4-5 kms wide) was drawn by the terms of the February 1949 armistice agreement between the two countries. The Gaza Strip was under Egyptian administrative rule until 1967, except for a brief break during the Suez Crisis and its aftermath (1956-1957). However, Egypt did not annex the territory nor did it grant citizenship to its inhabitants or assimilate them in Egyptian society. These conditions resulted in economic, political and security instability, giving rise to fedayeen terrorism against Israel, a ballooning refugee population, deep poverty, and constant friction that prompted the deployment of the United Nations Emergency Force (UNEF, 1956-1967). Following the Six-Day War (1967), the government of Prime Minister Levi Eshkol sought to promote the Gaza Strip's territorial annexation and its residents' emigration, but international pressure foiled these plans.<sup>2</sup>

In March 1979, after four bloody wars, Egypt became the first Arab country to sign a peace treaty with Israel following arduous negotiations. Even then, Egypt insisted that it had not turned its back on the Palestinian problem and remained committed to resolving it. Delivering a historic speech to the Israeli Knesset in Jerusalem in November 1977, President Anwar Sadat called for a "just solution to the Palestinian problem," although in practice he focused more on restoring the Sinai Peninsula to Egyptian sovereignty.<sup>3</sup>

Israeli-Egyptian talks of establishing Palestinian autonomy in Judea and Samaria and the Gaza Strip began after their September 1978 Camp David Accords, but collapsed within a few short years. Over the following

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<sup>2</sup> Ofer Aderet, "Levi Eshkol: If We Don't Give Gaza Enough Water, Perhaps the Arabs Will Leave," Haaretz, Nov. 15, 2017 (in Hebrew).

<sup>3</sup> Sadat's Knesset Address <chrome-extension://efaidnbmnnnnibpcajpcgklclefindmkaj/https://m.knesset.gov.il/EN/activity/Documents/SpeechPdf/sadat.pdf>

decades, Israel vacillated between a desire to settle the Gaza Strip and hopes of jettisoning the troublesome territory by handing it to Egypt or to a peaceful Palestinian rule. The historic debate over whether Egypt could have been convinced to assume control of Gaza under terms of its peace agreement with Israel remains academic. Even if some in Israel hoped to hand the burden of responsibility for Gaza back to Egypt, they could not find a partner in Cairo for such a scheme.

Sadat's successor, President Hosni Mubarak, brokered negotiations on the withdrawal of Israeli military forces from most of the Gaza Strip and the Jericho area of the West Bank, which culminated in the Cairo Agreement (known as the "Gaza and Jericho First" deal) between Israel and the PLO (May 1994). Mubarak forced Yasser Arafat to sign the agreement in front of the television cameras by loudly whispering a juicy Arabic expletive in his ear.

At the outset of the Second Intifada (2000-2005), Mubarak convened the Taba Summit (January 2001) in a bid to avoid the collapse of Israel-PLO negotiations on a permanent status agreement, which would likely have included Palestinian control of the Gaza Strip. But unlike his firm stand during the Cairo Agreement negotiations, he refrained from pressing the parties to accept the compromises required to achieve a final agreement.

The pullout of all Israeli settlements and forces from Gaza (known as the 2005 Gaza Disengagement Plan) saw tight cooperation between Israel and Egypt. Israel's withdrawal from the Philadelphi Corridor necessitated an amendment of the peace treaty's security annex to allow for the deployment of 750 Egyptian policemen along the border to prevent the smuggling of weapons and terrorists into Gaza. Egypt warned at the time of Hamas's burgeoning power and encouraged PA Chair Mahmoud Abbas (Abu Mazen) to cooperate with Israel in order to present its Gaza withdrawal as an achievement of Palestinian diplomacy.

Israel conducted the Gaza withdrawal unilaterally, eschewing coordination with the PA, but coordinating its moves with Egypt. Egypt welcomed the Israeli disengagement, seeking to turn it into a lever for renewing

the moribund Israeli-Palestinian peace process.<sup>4</sup> In the wake of the disengagement, Egypt opened the Rafah border crossing to Sinai for the first time as an international passage under Palestinian control, supervised by EUBAM, a European Union force. Egypt praised Israel's disengagement but demanded that it be turned into leverage for renewing the peace process.

The second intifada, the collapse of the Israeli-Palestinian Oslo process and the Hamas takeover of the Gaza Strip (2007) confronted Egypt with a new problem. The narrow strip of land, which had been under its management for nearly two decades, was once again a source of trouble needing special attention. Cairo refused to recognize the Hamas regime and called for resumption of the PA's control over the Strip. It closed the crossings from Gaza into Sinai, which prompted a January 2008 Hamas bombing breach of the border fence that allowed hundreds of thousands of Gaza Palestinians to cross into Egyptian Rafah to buy essential goods. At the same time, the surge of underground smuggling between Sinai and the Gaza Strip forced Egypt to seek other solutions to address the problem. The Gaza Strip had thus quickly become a security and economic threat to Egypt, as well.<sup>5</sup>

In the previous decade, following the Arab Spring, Egypt faced a bloody wave of Islamist terrorism in the Sinai Peninsula, causing thousands of deaths and injuries among security forces and civilians. The Gaza Strip served as a logistical hinterland for Salafi-jihadi terrorist groups, with the Sinai Peninsula providing a supply route for Hamas-destined weapons and goods. Between 2013 and 2018, Egypt launched a series of operations to eradicate the terrorist threat. Israel helped Egypt by allowing it to exceed the agreed troop limits in the demilitarized zone between the two

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4 Eli Podeh, "Israel's 2005 Disengagement from Gaza: a multilateral move under unilateral façade," *Middle Eastern Studies*, G1(5) (2025), pp. 719-735.

5 Ofir Winter and Bar Lupo, "A Decade Since Hamas Takeover of Gaza: The Egyptian Perspective," in Anat Kurtz, Udi Dekel, and Benedetta Berti (eds.), *The Gaza Strip Crisis: A Response to the Challenge* (INSS Tel Aviv), 2018, pp. 111-120 (in Hebrew).

countries.<sup>6</sup> According to media reports, Israel also transferred military technology and tactical intelligence to Egypt, and operated attack aircraft in Sinai against terrorist targets. In late 2014, Egypt evacuated its side of Rafah (the border town is divided between Gaza and Egypt) in order to create a buffer zone against smuggling tunnels. Its residents were moved to the "New Rafah" in accordance with rehabilitation and development plans prepared for them. This move prompted gradual Egyptian realization that eradicating violence required a multi-layered strategy combining counter-terrorism military force with social, economic, and infrastructural reforms in order to garner local support and legitimacy.<sup>7</sup>

Relations between Egypt and Hamas remained strained in the initial years of Abdel Fattah el-Sisi's presidency (starting in 2014). The ouster of President Mohamed Morsi and outlawing of his Muslim Brotherhood movement in Egypt dealt a blow to its Palestinian affiliated branch. Moreover, the new government in Cairo accused Hamas of aiding terrorism in Sinai and training Salafist-jihadi activists there to carry out attacks in Egypt. The government threatened to impose sanctions on the movement, including legal proceedings to designate it as a terrorist organization, unless it mended its ways. The threats were accompanied by a campaign against Hamas, which was described by Egyptian media as the military wing of the Muslim Brotherhood.

Hamas found itself deeply isolated in the regional and international arenas, under growing economic distress and sustaining cumulative damage to its standing among the Arab and Palestinian public. These woes prompted the May 2017 Hamas "Document of Principles," disavowing affiliation with the Muslim Brotherhood. The document helped Hamas and Egypt reach tactical security, and economic understandings, and mobilized Hamas to help fight terrorism in the Sinai Peninsula.<sup>8</sup>

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6 Haim Koren, "Israel and Egypt: Strategic Partnership, Civil Remoteness", *Mitvim*, November 2018.

7 Johnny Issa and Ofir Winter, "On the 40th Anniversary of Israel's Withdrawal from Sinai: Is the Peninsula Becoming Integrated into Egypt?" *INSS*, May 19, 2022.

8 Gilad Sher, Liran Ofek, and Ofir Winter, "The Hamas Document of Principles: Can a Leopard Change Its Spots?" *INSS*, Research Forum, 2017.

However, despite the improved relations, Cairo continued to view Hamas as detrimental to regional stability, all the while aspiring to restore PA rule in the Gaza Strip and establish a unified Palestinian entity as strategic goals. But Egyptian efforts to promote intra-Palestinian reconciliation were foiled both by Palestinian factions and Israel's policy of deepening the separation between the Gaza Strip and the West Bank.

Despite the ongoing stalemate in the Israeli-Palestinian peace process over the past decade, Egypt has successfully re-asserted itself as a mediator - both between Israel and Hamas and Islamic Jihad in the Gaza Strip, and between Fatah and Hamas, albeit with mostly futile attempts to achieve Palestinian reconciliation. Egypt was more successful in brokering ceasefire agreements that ended several rounds of fighting between Israel and the Palestinian factions in the Gaza Strip between 2014 and 2023, after which it took part in financing and implementing reconstruction processes.

The warming of Egyptian-Qatari relations since 2021 (after years of bitter rivalry due to Qatar's support for the Muslim Brotherhood) created a dynamic of cooperation between the two countries, which have assumed complementary roles in efforts to ease tensions in the Gaza Strip by using the sticks and carrots at their disposal.<sup>9</sup>

Egypt has mostly proven to be an effective mediator, although it naturally placed its national interests at the forefront of its considerations. On the diplomatic level, mediation enhanced Egypt's regional and international standing and earned its leadership recognition and prestige. On the security level, its role in Gaza provided it with leverage and influence over Hamas and enabled it to curb the spillover of terror threats from the Gaza Strip into the Sinai Peninsula. On the economic level, Egypt - and elements close to its leadership - has derived financial dividends from control of the Rafah crossing and involvement in the reconstruction processes. And on the humanitarian level, the transfer of aid to Gazans through its territory has allowed Egypt and its police to project solidarity with the Palestinians

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<sup>9</sup> Yoel Guzansky and Ofir Winter, "[Two are Better than One: The Role of Qatar and Egypt in Gaza](#)", *INSS Insight* No. 1636, Aug. 25, 2022.

in their time of crisis.

In conclusion, Egypt has repeatedly helped Israel reach understandings on ending clashes with the Gaza Strip's Palestinian factions, enabling the Israeli government's "conflict management" approach to the conflict. At the same time, Egypt maintains its belief in the two-state vision as the desirable and just avenue for Palestinian self-determination and as a fundamental condition for expanding normalization between Israel and the Arab and Muslim world.

Despite the perpetual turmoil in Gaza, the Israel-Egypt peace treaty has proven to be an undoubtable strategic asset for both sides. It has provided a relatively quiet and stable border between them for nearly five decades, spared bloodshed, and allowed for the diversion of Israeli troops and resources to other arenas. Moreover, the agreement laid the foundation for the formation of a US-led front to deal with regional threats, and served as a cornerstone of regional stability and a pioneering precedent legitimizing the participation of other Arab countries in peaceful relations with Israel. Furthermore, although the two have not forged a warm, inclusive peace, their relationship has spawned important energy, industry, trade, and tourism collaborations.

## B. Israel-Egypt Relations Since October 7

The October 7 attack shook the status-quo established in the Gaza Strip under Hamas rule and Israeli and Egyptian auspices, and conclusively demonstrated that the conflict management strategy was no longer sustainable. The security coordination between Jerusalem and Cairo proved insufficient to stem the smuggling that enabled Hamas's military buildup. With Qatari financial support for Hamas, some of the weapons the organization amassed were sourced in Egypt, smuggled in underground and especially above the ground. An influence campaign designed to damage Egyptian-Israeli relations portrayed the weapons smuggling into Gaza as reflecting poor Egyptian governance in the Sinai, the bribing of Egyptian officers, and even a deliberate blind Egyptian eye to violations of its peace treaty commitments.<sup>10</sup> Israeli Finance Minister Bezalel Smotrich accused Egypt of "considerable responsibility for the events of October 7."<sup>11</sup> The Egyptian Ministry of Foreign Affairs vehemently rejected the allegations, calling them "irresponsible and inciting." Others in Egypt blamed Israel for the Hamas buildup, in part because Prime Minister Benjamin Netanyahu had personally approved Qatari funding for Hamas.

Tensions between the two countries persisted throughout the "Iron Swords War." Egypt vehemently opposed Donald Trump's proposal to encourage voluntary emigration of Gazans, which Israel adopted, rejecting it as politically and morally wrong for bypassing a just resolution of the Palestinian problem in Palestine. Egypt also expressed authentic fear that a massive movement of Gazans into its territory would undermine its security stability, turn Sinai into a base for violent resistance to Israel (thereby also jeopardizing the Egyptian-Israeli peace treaty), and impose upon it an economic and demographic burden.<sup>12</sup> Refusal to discuss the

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10 Bar Peleg and Omer Ben Yaakov, "[Qatargate Scandal: Deleted Posts Reveal Israeli pro-Qatar Campaign Continued Despite Hamas Attack](#)", *Haaretz*, May 19, 2025.

11 "[Israel's finance minister blames Egypt for 7 October attack](#)", *Middle East Monitor*, Feb. 13, 2024.

12 "[Sisi says Israel can transfer Palestinians in Gaza to Negev desert](#)", *Middle East Eye*, 18 Oct. 2023.

Trump proposal of what Egypt described as “forced displacement,” led Sisi to decline a February 2025 invitation to a summit meeting with his American counterpart at the White House, and gave rise to formulation of an alternative Egyptian plan to end the war and rebuild Gaza (as presented in more detail below).<sup>13</sup>

Egypt’s desire to restore PA rule in Gaza and boost the Strip’s links to the West Bank was another significant bone of contention between Cairo and Jerusalem. While Israel rejected a power handover in Gaza to Abu Mazen, Egypt insisted that the PA was the only political body assured of broad internal and external legitimacy to represent the Palestinian people. This Egyptian view has been accepted by the international community and by most countries in the region. Moreover, Egypt argues that the problem of the Gaza Strip cannot be resolved as a stand-alone issue and must be addressed within the overall context of Palestinian self-determination and the West Bank’s future. In the absence of a real political horizon gradually leading to a two-state reality, Egypt fears that the Palestinian problem will continue to threaten not only its own security but also regional stability.

Israel and Egypt were also divided on how to deal with Hamas. Israel had defined the destruction of Hamas’s military and governmental capabilities as a strategic goal of the war. Egypt, on the other hand, doubted the feasibility of realizing this goal within a reasonable timeframe, if at all, and worried about the negative consequences of a protracted war on its economy and security. Moreover, Egypt expressed an ambivalent attitude toward Hamas. On the one hand, it criticized the organization’s refusal to recognize the PA and hand over its weapons to its control.<sup>14</sup> On the other hand, it saw Hamas as part of Palestinian society and a resistance force that enjoyed broad public legitimacy and could not be disarmed without its consent.<sup>15</sup> Thus, it was inclined to allow Hamas to remain in Gaza as a

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<sup>13</sup> “Egypt’s President Sisi to stay away from White House if Gaza displacement on agenda”, *Reuters*, Feb. 13, 2025.

<sup>14</sup> Abdel Moneim Saeed, “The Two-State Solution Problem”, *AlMasry Alyoum*, Aug. 31, 2025.

<sup>15</sup> “A Look at the Day After”, Egyptian Center for Strategic Studies, 2023. (in Arabic)

weakened group, at least for the interim, that would not prevent the PA's governance and not force Arab or Palestinian forces to fight it.<sup>16</sup> In fact, Egypt was careful not to rule out Hamas's continued hold on weapons in the absence of a real political horizon for the establishment of a Palestinian state that would ostensibly remove the motive and justification for armed resistance. Trump's plan (October 2025) for ending the war in Gaza largely adopted the Egyptian approach, advocating the disarming of Hamas as a gradual process.<sup>17</sup>

Three additional issues clouded relations between Israel and Egypt throughout the war. The first pertained to the deployment of IDF forces in the Gaza Strip, particularly along the Philadelphi Corridor, given Egypt's deployment of military forces along the border. The second disagreement concerned the control mechanisms needed to prevent smuggling along the Philadelphi Corridor and through the Rafah border crossings. Discussion of the issue by military officers from both countries was halted when Israeli forces entered Rafah before any agreements were reached.<sup>18</sup>

The third point of contention involved security checks and distribution of humanitarian aid. Egypt, as a gateway to Gaza, regarded the aid as a means to demonstrate solidarity with the Palestinians and prevent a humanitarian crisis that could spill over into its territory. The issue grew in importance as the war dragged on and the distress in Gaza deepened, with the Muslim Brotherhood exploiting it to slam the Egyptian government for its "incompetence" and to exert pressure on it to help the "resistance." At the same time, Egypt derived political and economic dividends as an aid conduit, which boosted its regional and international status and equity.

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16 "Articles in the Egyptian official daily Al-Ahram oppose the disarming of Hamas: It will allow Israel to annex the Gaza Strip and expel its residents," MEMRI, April 17, 2025.

17 The Trump plan calls for "a process of demilitarization of Gaza under the supervision of independent monitors, which will include placing weapons permanently beyond use through an agreed process of decommissioning".

18 "Netanyahu's office denies Israel open to pullout from Gaza-Egypt border", *Times of Israel*, July 12, 2024.

Along with recognition of Qatar's influence on Hamas in negotiating hostage deals and ceasefire agreements with Israel, Egypt was dissatisfied with the dominant role that Israel and the United States handed Qatar in the mediation talks. At certain times, the mediation efforts' center of gravity shifted from Cairo to Doha, with Egypt losing its most powerful leverage on Hamas, control of the Rafah crossing after Israel took it over. Furthermore, Qatar's position at the expense of Egypt in the mediation efforts after October 7 stemmed from the advantage Hamas enjoyed by holding dozens of Israeli hostages. Hamas was thus well placed to force acceptance of mediation by Qatar, the seat of its exiled leadership and supporter of its survival. Moreover, some Israeli and American officials favored Qatari mediation citing its greater effectiveness.<sup>19</sup>

Despite public Egyptian threats that the peace agreement could be jeopardized by Israeli actions perceived as threatening Egypt's national security, and the absence of direct and continuous dialogue during the war between al-Sisi and Netanyahu, quiet strategic-security dialogue between the respective security agencies was carefully maintained and helped bridge tactical gaps and prevent misunderstandings between the parties. Moreover, the 46-year Israeli-Egyptian peace treaty proved - and not for the first time - its resilience to crises, including a bloody and protracted war. While Cairo adopted protest measures, such as delaying approval of a new Israeli ambassador appointed to Egypt and recalling its ambassador from Tel Aviv, it remained faithful to its strategic choice of peace and did not sever diplomatic relations with Israel. However, the return of relations to their pre-war track still depends on implementation of the plan to end the Gaza war, endorsed in October 2025 in Sharm el-Sheikh by Egypt, the United States, Qatar and Turkey under President Trump's auspices.<sup>20</sup>

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<sup>19</sup> Dr. Moran Zaga, Ariel Admoni and Maryann Bisharat, "[Israel's Policy on Qatar After Oct. 7](#)," Mitvim Institute, December 2023.

<sup>20</sup> Ahmed Adali, "[Will the cessation of the 'Gaza War' calm tensions between Egypt and Israel?](#)" Asharq al-Awsat, Oct. 14, 2025. (in Arabic)

Their differences of opinion notwithstanding, the two countries share similar strategic interests regarding Gaza: easing the security threat it poses to both countries and curbing radical terrorist elements on both sides of the border; replacing the Hamas regime with a stable, peaceful and cooperative governing body; eroding radical Islamist influences on Gaza from Iran, Turkey and Qatar, and elsewhere; thwarting the smuggling of weapons and goods between Egypt and Gaza, while jointly monitoring the Gaza-Sinai border; and multilateral economic, trade, energy, transportation, and infrastructure cooperation with Israeli and Egyptian participation to promote stable peace, security, and prosperity in the Gaza Strip over time.

## C. The Egyptian Plan to Rebuild Gaza

Egypt's willingness to play key roles in the Gaza Strip and the Palestinian arena was evident in a number of outlines it proposed for ending the war. In March 2025, the Arab League approved the Egyptian plan for the reconstruction and development of Gaza,<sup>21</sup> partly in response to President Trump's proposed emigration of Palestinians from the Gaza Strip.<sup>22</sup> The Egyptian plan was not merely declarative. It was intended to be operational, relying on studies by the World Bank and the United Nations Development Agency.<sup>23</sup> Since its introduction, Egypt has reiterated its commitment to the blueprint on several occasions. The plan was also approved at the emergency meeting of the Organization of Islamic Cooperation in Jeddah,<sup>24</sup> and it was referenced within the framework of the July 2025 "New York Declaration" issued at a UN conference to promote the two-state solution of the Palestinian problem. The international conference was held under the auspices of France and Saudi Arabia, and drew broad support by Egypt and other Arab states.<sup>25</sup> Many of the Egyptian plan's components were adopted by President Trump at the Sharm el-Sheikh summit as the basis for Gaza's reconstruction efforts.<sup>26</sup>

The Egyptian plan stipulates that ending the war and defining a horizon for a political settlement are a necessary basis for rebuilding Gaza and providing a deep-rooted and long-term response to violence and terrorism. Implementation of the proposed roadmap \$53 billion is spread over five years (until 2030) and divided into three phases. The first phase (which

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21 "Early Recovery, Reconstruction, and Development of Gaza", March 2025.

22 "Arab summit adopts Egyptian Gaza reconstruction plan", *Reuters*, March 4, 2025

23 Dina Ihab, "Emergency Arab Summit in Cairo: A Unified Position to Confront the Dangers of Liquidating the Palestinian Cause", Shaf Center, March 5, 2025. (in Arabic)

24 Agencies and Jacob Magid, "Islamic nations adopt Arab counter to Trump's Gaza takeover plan," *Times of Israel*, March 8, 2025.

25 "New York Declaration on the Peaceful Settlement of the Question of Palestine and the Implementation of the Two-State Solution", July 29, 2025.

26 "The Challenges of the Egyptian Plan to Rehabilitate Gaza", *Al Arabi Al Jadeed*, Oct. 15, 2025. (in Arabic)

will last six months and cost \$3 billion) will comprise declaration of a permanent ceasefire and an initial humanitarian response, establishment of a Palestinian technocratic administration to replace Hamas and run Gaza for six months, and deployment of Palestinian police forces, trained in Egypt and Jordan, to help re-instate the PA, subject to its deep reforms. The second and third phases (to last, respectively, two years and cost \$20 billion, and 2.5 years at a cost of \$30 billion) will see the launch of a comprehensive program to rehabilitate Gaza's housing, agriculture, trade, employment, social services, education and health systems, transportation infrastructure, and water and electricity supplies.

Funding for the program would be provided by the United Nations, international financial institutions, donor countries, investment funds, government development agencies, development banks, investments by multinational corporations, and civil society organizations. To that end, an internationally supervised mutual fund will be established to assist in managing financial liabilities, ensure transparency, and supervise the use of the allocated resources. A ministerial conference to be convened in Cairo with the participation of the players involved, and in coordination with the PA and the UN, will serve as a platform to mobilize the necessary resources for Gaza's reconstruction and to discuss proposed projects. Contrary to the spirit of Trump's 20-point Gaza plan, funding of the reconstruction will be a philanthropic endeavor rather than a profit-making enterprise. The plan's authors note that it will be difficult to raise Gulf capital without reliable guarantees of a permanent and stable ceasefire and the disarmament of Hamas.<sup>27</sup>

The Egyptian plan was designed to serve as a basis for discussion of arrangements for Gaza's future. It is technically and logistically detailed, but also flexible to change, both on the part of the PA (which has conveyed its comments to Cairo) and of Israel (which has not done so). Specifics, such as the duration of each phase, conditions for the transition from

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<sup>27</sup> Danny Zaken, "The Process of Ending the War is on the Verge of Collapse: The Unusual Warning of Saudi Arabia and the United Arab Emirates," *Israel Hayom*, Oct. 16, 2025. (in Hebrew)

one stage to another, the identity of the technocratic administration leadership, the role of Israel and the countries of the region, are all open to discussion once the parties accept the general guidelines as a framework of principle.

The plan is geared toward a number of Egyptian objectives, such as providing an Arab alternative to thwart plans for the forced displacement of the Gaza's Strip's Palestinian population (as Trump suggested) and/or Israel's annexation of Palestinian territories, which, in Cairo's view, could undermine the foundations of Middle East peace. Efforts to end the war were also geared to reducing some of the economic damage Egypt had incurred, ease human suffering in the Gaza Strip and enable the start of reconstruction processes. An alternative governing body to Hamas, as proposed in the roadmap, is meant to pave the way for renewed PA control of the Gaza Strip, improve prospects of an eventual two-state solution to the Palestinian problem, and mobilize a regional and international support framework with US involvement to assist in the plan's implementation.

Israel has formally rejected the Egyptian plan and expressed a preference for Trump's population displacement idea, whereas the PA and even Hamas have welcomed it.<sup>28</sup> Israeli Opposition Leader and former Prime Minister Yair Lapid proposed an alternative to the Egyptian plan, which calls for granting Egypt a 15-year mandate to administer the Gaza Strip in exchange for international forgiveness of its \$150 billion foreign debt.<sup>29</sup> The Egyptian Foreign Ministry rejected the idea, describing it as a "half-solution" that would fail to resolve the conflict.<sup>30</sup> What is more, by assuming responsibility for the Gaza Strip Egypt would be exposing itself to danger, including potential Hamas assassination of its soldiers, accusations of disloyalty to the Palestinian cause and of collaboration with Israel, terror attacks that could undermine the peace treaty with

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<sup>28</sup> Reuters, "Israel criticizes Cairo Arab summit outcome, Hamas welcomes it", March 5, 2025.

<sup>29</sup> Hannah Sarisohn, "Lapid's post-war plan leaves Egypt in charge of Gaza for 15 years", *The Jerusalem Post*, Feb. 25, 2025.

<sup>30</sup> "Egypt Rejects Lapid Plan for It to Run Gaza as 'Unacceptable'", *AFP*, Times of Israel, Feb. 26, 2025.

Israel, and management of a complex political and tribal system likely to generate friction with the residents of Gaza and the Palestinians, in general.

## D. Egypt's Key Post-War Palestinian Arena Role

Egypt is expected to play an indispensable role in post-war arrangements for the Gaza Strip, in particular, and the Palestinian arena, in general. Its centrality is grounded in solid historical, geographical, and political fact.

1. Egypt has traditionally taken the lead in shaping relations between the Arab world and Israel, both vis-a-vis the Palestinian arena and the regional and international systems. Its pioneering peace treaty with Israel, the long border shared by the two countries, and its strategic position on the Gaza-Sinai border (the 14km-long Philadelphi Corridor) and on the regional map also attest to its centrality. Coordination with Egypt would therefore be essential to blocking border tunnel smuggling by building a ground barrier, installing underground warning systems and deploying international forces. In other words, Egypt's inclusion in future security arrangements for the Gaza Strip is an essential condition for preventing future fighting.
2. Egypt's proximity to the Gaza Strip also provides it with clear leverage in regard to arrangements for the territory's future. Its Rafah and Salah al-Din border crossings from and to Gaza provide the enclave's only gates for the passage of people and goods that are not under Israel's exclusive control and do not lead to its territory. This, in turn, provides it with leverage over a future Gaza government that wishes to allow its residents freedom of movement, connect them to the outside world, rehabilitate the economy and infrastructure, and prevent attempts by Hamas, Islamic Jihad and other terror organizations to rebuild their military and governmental capabilities.
3. Egypt is expected to play key roles in the process of rebuilding Gaza, re-establishing the PA as its governing body and stabilizing its control. Like Israel, Egypt seeks to remove Hamas control and see its weapons handed over to a legitimate Palestinian government. It enjoys long-standing, open communication channels and discourse platforms with

the main Palestinian factions, including Fatah, Hamas and Islamic Jihad, rich experience in Israeli-Palestinian and intra-Palestinian mediation, and broad Arab and international recognition of its unique roles.

Moreover, Egypt has previous experience in rebuilding Gaza after previous rounds of Israel-Hamas fighting, albeit on a smaller scale than would be required after the latest war. Its geographic position is also unique as a conduit for the entry of the humanitarian aid, engineering and construction equipment and raw materials necessary for reconstruction. And last but not least, it has a vital interest in ensuring the Gaza Strip's successful reconstruction to prevent a massive refugee exodus into its territory.

4. Egypt's economic interests also serve as strong motivators for ensuring a stable order in the Gaza Strip. The two-year war and resulting Houthi attacks on Red Sea shipping undercut Egypt's Suez Canal revenues to the tune of over \$9 billion, and glaringly illustrated the direct damage inherent in any future Gaza escalation. Moreover, Egypt is well aware of the direct economic gains it can expect by serving as a conduit for the passage of funds, engineering equipment and raw materials, and as a result of its construction companies and suppliers' participation in the reconstruction processes.
5. Egypt also has strong security interests in shaping a stable order in Gaza to confront the intertwined terrorist threats in the Gaza Strip and the Sinai Peninsula. Events of the past decade have illustrated that the entrenchment of terrorist groups on one side of the border fuels the threats on the other side, and vice versa. These threats have endangered the national security of both Egypt and Israel, and underpinned their cooperation on the coordinated and integrated solutions that had long fostered trust between their security agencies.

Future developments could potentially affect Egypt's role in Gaza. Such was the case during the "Iron Swords War," when Israel took over the Philadelphi Corridor, cutting off the Gaza Strip from Egypt. The move was intended to deprive Hamas of control over the territory's border crossings, an important symbol of sovereignty, and to block weapons smuggling into

the Gaza Strip. But it also deprived Egypt of a major leverage of influence. In any case, Egypt is likely to play a key role in any new security regime along the Gaza border, barring disruption by Israeli measures that it perceives violating its sovereign border, such as encouraging the illegal passage of Gazans into the Sinai Peninsula.

## 1. Egypt's Potential Political and Security Roles

Israel and Egypt share a broad spectrum of political-security interests in the Gaza arena. These include the significant weakening of Hamas and the end of its rule; the establishment of a new and stable Palestinian governmental framework that will thwart terrorist activity against Israel and Egypt and seek permanent and peaceful political settlements; preventing the infiltration into Gaza of radical elements affiliated with the axis of resistance and Iran; and implementing agreed security mechanisms along the Philadelphi Corridor to prevent friction between the Israeli and Egyptian armies and bolster their capacity to thwart weapons smuggling into the Gaza Strip and address other security threats.

Subject to the creation of a credible path to resolving the Israeli-Palestinian conflict on the basis of a two-state solution, these converging interests could serve as the basis of a joint post-war Israeli-Egyptian political-security vision. Based on Egyptian and international plans, Egypt's political-security framework would include the following components:

**A. Demilitarizing the Gaza Strip:** Egypt recognizes the pitfalls of allowing Palestinian armed factions to operate in Gaza after the war, but contrary to Israel's position, its own does not condition the end of the war on the immediate disarming of Hamas. The correct and more realistic order of events in Cairo's view foresees a limited interim period during which a PA-affiliated Palestinian police force will deploy in the Gaza Strip and gradually pave the way for the PA's return. At a time to be determined during the process, Hamas will be required to recognize the legitimate and sovereign Palestinian governing body and cede its weapons to it. Foreign Minister Badr Ahmed Mohamed Abdelatty noted

in this context in August 2025 that "the creation of a political horizon for the establishment of a Palestinian state is what will ensure the exclusivity of arms in the hands of the state."<sup>31</sup>

A similar position was put forth in the New York Declaration, supported and promoted by Egypt, which adopted the "one state, one government, one law, one weapon" vision laid down by Abu Mazen. The Declaration calls for Gaza's demilitarization leading to the end of Hamas rule and the transfer of its weapons to the PA, helped by international forces, which may also include an Egyptian contingent.

For Egypt, the success of the demilitarization process is dependent on resumption of PA control over the Gaza Strip and the creation of a political horizon gradually leading to a two-state reality - Israel alongside an independent, sovereign and demilitarized Palestinian state. In Egypt's view, absent a political horizon, any foreign entity involved in disarming Hamas will be perceived as an "occupying force" filling the IDF's shoes and will not enjoy the Palestinian and Arab legitimacy vital to its mission.

Egypt itself has reservations about assuming a direct role in the disarmament of Hamas. As previously mentioned, it also rejects a temporary mandate in the Gaza Strip, along the lines of the Lapid proposal, fearing accusations of cooperation with Israel and betrayal of the Palestinian cause, believing that Hamas is more likely to accept the legitimacy of a PA-led demilitarization process. Egypt is also concerned that assuming responsibility for security in Gaza could generate friction with Israel, jeopardizing the peace treaty between the two countries.

**B. Establishing an Interim Gaza Administration:** Egypt supports the formation of a government of Palestinian technocrats chosen by the Palestinian factions, approved by Israel, and operating in loose affiliation with the PA in order to administer Gaza in the interim phase and pave

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<sup>31</sup> Itamar Eichner, Noa Lutsky, Einav Halabi, and Dan Oren, "Will Negotiations Be Renewed? Contacts in Cairo and Call to Bring the Palestinian Authority into Gaza", *Ynet*, Aug. 13, 2025. (in Hebrew)

the way for a full PA return to the territory.<sup>32</sup> For Cairo, this Palestinian governing alternative is a means to erode the Hamas hold over Gazans' daily lives by providing them with food, social services, education, and indoctrination. In its view, advancing an Israeli-Palestinian political process will gradually create conditions to neutralize Hamas as a military force and enhance PA legitimacy in Gaza.

**C. Training Palestinian Police Forces in Egypt and Jordan:** The Egyptian plan calls for training a non-Hamas Palestinian police force in Egypt and Jordan to assume responsibility for security in the Gaza Strip during the transition period. Both countries are seeking financial backing for the move and regional and international partnerships. The force's mandate would be based on the principle of security in the Gaza Strip as an "exclusive Palestinian responsibility" to be subordinated to the PA at the end of the process under one law and a monopoly on the use of force. Egyptian Foreign Minister Abdelatty reported in March and July 2025 that Egypt and Jordan had already begun training Palestinian forces. According to Abdelatty and other reports, Egypt has trained hundreds of Palestinian policemen for security positions in Gaza. At the start of the ceasefire in October 2025, the PA also appointed about 5,500 police officers, a number expected to eventually reach 10,000.<sup>33</sup> The Egyptian foreign minister expressed his hope that success by Palestinian forces in enforcing the law in the Gaza Strip and the West Bank would contribute to a favorable climate for the establishment of a viable Palestinian state and the renewal of the peace process.<sup>34</sup>

**D. Deployment of an International Peacekeeping Force:** The Egyptian plan calls for deployment of an international UN peacekeeping force in the Gaza Strip and the West Bank, in conjunction with the entry of European EUBAM and EUPOL-COPS forces. Trump's 20-point plan also

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32 "Egyptian FM: 15 Palestinian technocrats approved to manage postwar Gaza", AP, *Times of Israel*, Oct. 14, 2025.

33 "Egypt trains Palestinian police force for the post-war phase in Gaza", *Palestine News Network*, Nov. 11, 2025.

34 "Not just a mediator: Egypt takes off its gloves and prepares to take control of Gaza", *News Agencies and Maariv*, Aug. 28, 2025. (in Hebrew)

adopted the idea of establishing an International Stabilization Force (ISF) that would operate concurrently with a gradual Israeli withdrawal from the Gaza Strip and the training and deployment of the Palestinian police force.

In Egypt's view, the international force will boost both Palestinian and Israeli security, supervising the ceasefire and conducting civilian policing tasks. To avoid the semblance of being an Israeli "proxy," the PA will "invite" the force within the framework of creating a political horizon for establishment of a Palestinian state. As for its powers, Cairo prefers that the international force avoid direct conflict with Hamas to force its disarmament. It should rather act in agreement with the parties to help establish a Palestinian government for the transition to a new and permanent order. According to Abdelatty, Egypt would be willing to help such an international force and may join it under these conditions. An international stabilization force is expected to number at least 1,000 troops and to consolidate, deploy and begin operations in conjunction with implementation of the second stage of Israel's withdrawal from Gaza.<sup>35</sup>

- E. Establishing an Effective Anti-Smuggling Regime:** Egypt demonstrated willingness throughout the war to discuss with Israel and the United States the construction of a new barrier along the Philadelphi Corridor that would meet Israel's security needs and rely on joint control mechanisms. Security officials from the three countries met in Cairo to discuss the issue. Egypt will have to work in close coordination with Israel and third parties to curb smuggling above and below the border fence. Among the solutions discussed are the construction of an underground concrete slurry wall equipped with advanced sensors along the Philadelphi Corridor (similar to the existing barrier on the Israel-Gaza border) and the return of the European Union Task Force (EUBAM) that was stationed at the Rafah crossing after Israel's disengagement from Gaza (2005-2007). The force was ready to resume its border crossing

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**35** "The agreement faces its first obstacle | The Beginning of the Second Phase: The Return of the Threat of War", *Al Akhbar*, Oct. 15, 2025. (in Arabic)

supervision in October 2025 following the Israel-Hamas ceasefire.<sup>36</sup>

**F. Maintaining Israeli Access and Operational Capability in the Gaza Strip:**

Egypt's official position calls for a full Israeli withdrawal from the Gaza Strip, but it is expected to agree to the preservation of a temporary or permanent Israeli security perimeter along the Gaza border. Egypt may also accept, at least tacitly, Israeli actions to foil terrorist threats in areas where no other monitoring forces are deployed in order to maintain de facto IDF enforcement in Gaza, similar to its current West Bank presence.

**G. Updating the Peace Treaty's Security Annex:** The changes since the signing of the peace treaty (1979) have long necessitated minor amendments to the military and security annex (Annex I), first with the Gaza disengagement plan (the 2005 Border Police Forces Agreement) and later with the 2021 deployment of Egyptian border police forces in the Rafah area. The two countries will have an opportunity to update the annex once again in accordance with the newly created circumstances in order to avoid violating the agreement, strengthen mutual trust and improve relations. This update may relate to border monitoring activity, changes in the scope of the authorized troop presence in the demilitarized zones, coordination in the fight against terrorism in the Sinai, defining the powers of the multilateral force (MFO) that supervises the military infrastructure and Egyptian deployment in the Sinai, and increasing the transparency of security coordination in both countries vis-à-vis their public.<sup>37</sup>

**H. Enhancing Israeli-Arab Normalization:** In Cairo's view, stabilizing the Israeli-Palestinian arena would enable the Israeli state, living in peace and security alongside the future Palestinian state, to deepen its regional integration and strengthen bilateral and multilateral relations with Egypt in the spirit of the Arab Peace Initiative. According to the

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<sup>36</sup> Hadas Lorber, "A 'Revitalized' EUBAM Rafah? One Avenue for Eu's Involvement in the 'Day After' in Gaza," Mitvim Institute, February 2025.

<sup>37</sup> Barak Ravid, "Netanyahu asked US to press Egypt on Sinai military buildup", *Axios*, Sept. 20, 2025.

concept presented in the New York Declaration, and subsequently outlined by Egypt's Foreign Minister, full integration entailing peaceful, cooperative relations between Israel and 57 Arab and Islamic countries depends not only on ending the war in Gaza, but also on paving a path to ending the Palestinian-Israeli conflict and establishing an independent Palestinian state.<sup>38</sup>

Such progress may enable the reconvening of the Negev Forum established in 2022 by Israel with the participation of Bahrain, Egypt, Morocco, the United Arab Emirates, and the United States. The forum was formed to advance regional cooperation through working groups on food security and water technologies, clean energy, tourism, health, education and coexistence, and regional security. Such progress may also revive the momentum of the Eastern Mediterranean Gas Forum (EMGF) and accelerate bilateral and multilateral cooperation on trade, infrastructure, and regional security, while establishing regional and international frameworks supporting normalization.

**I. Reviving the Israeli-Palestinian Peace Process with Egyptian Involvement:**

Egypt sees the Gaza reconstruction plan as a first step on the road to renewing PA-Israeli negotiations on ending the conflict, a process to which it hoped to contribute as an experienced mediator with leverage over the Palestinians. This broad view is intended to prevent partial and/or unilateral arrangements limited to the Gaza issue, which, in its assessment, would only result in additional rounds of violence and sink prospects of an arrangement for the Gaza Strip and its rebuilding.

**J. Reconnecting the Gaza Strip with the West Bank:** Even before the war, and all the more so in its aftermath, Egypt advocated for the PA's return to the Gaza Strip and the establishment of a unified and agreed Ramallah-based Palestinian government as the basis for promoting a two-state solution to the Israeli-Palestinian conflict. To this end, Egypt has been mediating agreements between the Palestinian factions and

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<sup>38</sup> Samr Nasser, "Foreign Minister: 57 countries ready to normalize relations with Israel on condition of a ceasefire and the establishment of a Palestinian state", *Al-Ahram*, Oct. 7, 2025.

exerting pressure on them to bridge their differences. It is expected to assist the PA not only in rebuilding Gaza, but also in achieving a Palestinian-Arab consensus on effective PA control of the Gaza Strip and on enhancing internal and external recognition of its legitimate governmental status.

In this context, the Egyptian plan includes support for deep reform of the PA by building resilient and sustainable institutions capable of realizing the aspirations of the Palestinian people on the path to freedom and independence. Reforms mentioned in the plan include holding parliamentary and presidential elections within a year, improving public services, encouraging economic development, empowering women and youth, and adhering to principles of transparency and accountability. The reforms are designed to create an effective Palestinian government devoted to providing services for its citizens, and lays the foundation for security, peace, and prosperity. The New York Declaration also includes support by the European Union and Arab League for PA reforms, with an emphasis on transparent governance, combating incitement, and improving the business and development environment. The Declaration promises that support for the reforms would also translate into political and financial aid and the convening of an international donor conference in Cairo.

## **2. Egypt's Potential Economic and Infrastructural Roles**

Since the establishment of the peace agreement with Israel, Egypt has viewed initiatives to strengthen civil connections with the Gaza Strip with suspicion, fearing that Israel might seek to shift the Gaza burden onto it and thereby evade a comprehensive solution to the Palestinian issue. Nevertheless, opportunities to exert influence in Gaza, gain economic dividends, and bolster its regional and international standing—as well as a genuine sense of solidarity with the Palestinians and public pressure on the regime-created cracks in Egypt's position over the past decade. These considerations gradually led to increased Egyptian involvement

in the Gaza Strip and a greater willingness to take on active roles in its reconstruction and development.

As illustrated by its Gaza reconstruction plan, Egypt expects to boost its involvement in the Gaza Strip after the war, in part to prevent Gazans from emigrating to Egypt, but it has set certain conditions. Egypt wants Gaza's economic and infrastructural reconstruction to be promoted in the context of a political horizon for the Palestinians, i.e., the paving of a path to the establishment of a Palestinian state, and not, for example, through the Gaza's Strip's permanent annexation to Egypt or Israel. If its terms are met, Egypt is likely to mobilize its diverse capabilities along with other regional and international actors, and subject to Israeli cooperation, in order to shape various aspects of life in Gaza:

**A. Housing and Reconstruction:** In accordance with the Egyptian plan, Gaza's physical reconstruction will comprise three stages: 1) 200,000 temporary housing units will be provided in the first six months for some 1.5 million internally displaced people (IDPs) at seven sites throughout the Gaza Strip, and renovation will begin of structures that can be saved. This stage will also include removing rubble and clearing the Strip's north-south Salah al-Din route for the movement of vehicles and construction equipment, as well as the disposal of unexploded ordnances, explosive devices and missiles. 2) The second phase lasting two years will include the construction of permanent housing for the displaced, preparation of agricultural land, development of electricity and communications infrastructure, and the establishment of essential services. 3) In the third phase, which will be spread out over 2.5 years, construction will continue of infrastructure, services, public facilities, and 200,000 additional permanent housing units, which, together with the existing units, will provide capacity for about 2.75 million inhabitants.

**B. Energy:** Even before the October 7 massacre, reports emerged that the Egyptian power plant in the coastal Sinai town of Al-Arish could make up part of the power shortage (up to 300 megawatts) in the Gaza Strip. This would require construction of power lines from Al-Arish

to the Rafah border, thereby also promoting Egypt's strategic decision to become a regional energy hub.<sup>39</sup> Such infrastructure projects based on the synergy between available Sinai Peninsula energy supply and Gaza Strip demand are likely to experience renewed momentum, with the Egyptian roadmap for Gaza emphasizing the development of green energy sources as an integral part of reconstruction efforts. Additional energy potential lies in the Egyptian-Palestinian development of the "Gaza Marine" gas field off the Gaza coast, in coordination with Israel, within the framework of Gaza's rehabilitation under an alternative Palestinian leadership to Hamas.<sup>40</sup>

The natural gas reservoir holds an estimated 30 billion cubic meters (BCM) of natural gas with annual yield potential of about 2 BCM, sufficient to meet the Gaza Strip's energy needs for several years and enable the sale of surplus gas at a potential \$2.7 billion profit for Egypt.<sup>41</sup>

In February 2021, Egypt and the PA (the sovereign power of the reservoir) signed a memorandum of understanding on cooperation in the development of the gas field and the transmission of gas to the Gaza Strip and Egypt for liquefaction and internal consumption.<sup>42</sup> In July 2023, Israel approved the project, subject to preservation of its security and political interests, but further progress was suspended due to the war that broke out three months later. Renewing the project will help stabilize the Gaza Strip, contribute somewhat to the Egyptian gas market, and refute conspiracy theories circulating in Arab media and some Western outlets alleging that one of Israel's war goals was to

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39 Sally Ibrahim, "Gas and the blockade: Egypt's economic plan for Gaza", *The New Arab*, June 13, 2023.

40 Ofir Winter, "Light in the Darkness: How Can Israel-Egypt Energy Relations be Strengthened?" *INSS policy paper*, December 2024.

41 Elai Rettig and Benny Spanier, "Why Israel Approved Development of the Gaza Marine Gas Field", *BESA*, July 17, 2023.

42 Mona Sukkarieh, "Between tales and facts: The long saga of Gaza Marine", *Issam Fares Institute for Public Policy & International Affairs*, February 2024.

wrest control of Palestinian gas resources from their rightful owners.<sup>43</sup>

**C. Joint Industry and Trade Centers on the Gaza-Egypt Border:** The establishment of industrial zones in the Gaza Strip in general, and along its border with Egypt in particular, is likely to attract foreign investment, strengthen trade between Sinai and Gaza and markets beyond, and create jobs. Such economic development, it is hoped, will reduce smuggling, illegal trade and terrorism. According to the Egyptian plan, the third and final phase of the reconstruction will include the establishment of industrial and agricultural zones in the Gaza Strip, where residents will engage in agricultural industry, food production, light industries, and handicrafts, strengthen local economic resilience and create jobs.

The industrial and commercial zone on the Gaza border could be integrated into the December 2004 Qualified Industrial Zone (QIZ) agreement between Egypt, Israel and the United States, which offers cooperation incentives for Israeli and Egyptian companies through customs duty exemptions on exports to the American market of Egyptian products with Israeli input (at least 10.5%). The agreement has provided livelihoods for hundreds of thousands of workers over the years.

**D. Traffic and Commerce:** The sea and air ports that Egypt has developed and expanded in recent years in Al-Arish are likely to also serve Gaza, enabling the export and import of goods, at least in the interim period until independent ports are established within the Gaza Strip.<sup>44</sup> Discussion of expanding trade between Egypt and the Gaza Strip began in Cairo even before the war, and included expanding the port of Al-Arish and the construction of a secondary port in Gaza under Egyptian supervision and management. The discussions also included construction of a highway and railways to connect the Gaza Strip to Al-Arish (a distance of about 50 kms) for overland transfer of export goods to Sinai ports, and the development of monitored trade routes

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<sup>43</sup> Elai Rettig and Lee Wilcox, "The Gaza Oil Myth", BESA, October 27, 2024.

<sup>44</sup> Mohammed Hussein, "2024 is the year of transforming the port of el-Arish into a global marina", *Al-Youm al-Saba'a*, Dec. 23, 2024. (in Arabic)

between Gaza and foreign markets, which could now assist in the reconstruction process.<sup>45</sup>

Closer economic cooperation between the Gaza Strip and Egypt could serve a range of Egyptian aspirations, among them: 1)Turning Al-Arish into a leading Mediterranean trade and export hub linking North Africa, the Middle East, and Europe; 2)Attracting local and international investments to northern Sinai; 3)Creating employment opportunities for residents of northern Sinai and raising their standard of living; 4) Strengthening stability and governance in a district that has suffered for years from economic and social hardship, feelings of discrimination and alienation, and Salafi-jihadist terrorism.

Moreover, consideration could be given to integrating Egypt and the Gaza Strip into the India-Middle East-Europe Economic Corridor (IMEC). Trump administration associates have also proposed a regional "Abraham Corridor" to include transportation infrastructure of trains and ports connecting Israel and Egypt to the Gulf states. The plan includes a logistics zone in Rafah (Abraham's Gate) for goods from the entire region, complement existing infrastructure in Al-Arish and Israel, and financial support and budgeting by international institutions such as the World Bank, the United Nations and the European Union.<sup>46</sup>

**E. Expanding Gaza's Area:** Egypt's Gaza reconstruction plan includes a proposal to use 50 million tons of debris from Gaza's ruins and 200 million cubic meters of sea sand and stones, mostly from Egypt, to expand the Gaza Strip by 14 square kilometers (about 2% of its original area). This idea corresponds with a plan put forward in 2016 by then-Transportation Minister and current Defense Minister Yisrael Katz for the construction of an international artificial island connected to the Gaza shore by a bridge under security control. Such an island would provide the Gaza Strip with controlled humanitarian and commercial

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45 Yasmin Karam, "Kamel Al-Wazir: We plan to extend a railway line from Al-Arish to Rafah to facilitate the transfer of aid to Gaza", *Al-Masri al-Youm*, Oct. 16, 2025.

46 "From a Demolished Iranian Proxy to a Prosperous Abrahamic Ally", promotional content in the *Washington Post*, September 2025.

access to the world and effectively increase its territory, without endangering Israel's security or violating its territorial rights. Despite its advantages, the plan's implications and feasibility have raised economic and environmental question marks.<sup>47</sup>

**F. Water.** North Sinai and the Gaza Strip face severe and chronic shortages of drinking and irrigation water. Some solutions to the water scarcity, based on regional infrastructure, already exist in the Sinai Peninsula. Others are in the planning, such as solar-based desalination plants. Since 2019, Egypt has inaugurated several desalination plants in the Al-Arish area, intended mainly to serve the population of northern Sinai (including Egypt's Rafah). But the plants' capacity is limited due to technical and other difficulties, and it is unclear if and when they will be up to full capacity to serve Gaza.<sup>48</sup>

The UAE has established six water desalination plants at the outset of the war in Egyptian territory, near the Rafah crossing, and began pumping water to the Gaza Strip in 2024, mainly to the Rafah and al-Mawasi areas, alleviating some of the population's distress.<sup>49</sup> In July 2025, Israel approved the installation of a direct water pipeline from Egyptian Rafah to the southern Gaza Strip. The 7.5-kilometer line is expected to provide purified water to about 600,000 residents in the first stage,<sup>50</sup> and subsequently to over a million.<sup>51</sup>

The multilateral humanitarian project is supported by the UAE, Egypt and Israel, providing a potential leverage for the second phase of Gaza's rehabilitation to include two desalination plants, water storage facilities for drinking, firefighting and irrigation, and two sewage treatment stations.

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47 Donald Macintyre, "Israeli minister seeks cabinet backing for Gaza artificial island plan", *The Guardian*, June 22, 2016.

48 Mohamed Salman, "North Sinai's Thirst: A Deepening Water Crisis," *Zawia3*, May 16, 2025.

49 WAM, "UAE opens desalination plants in Rafah to pump water to Gaza," *Khaleej Times*, Jan. 1, 2024.

50 Itamar Eichner, "IDF: Advancing initiative to connect water line from Egyptian desalination plant to Gaza," *Ynet*, July 27, 2025.

51 "UAE Opens Water Pipeline to Gaza", *Arab News*, Aug. 29, 2025.

**G. Integrated Tourism Projects:** The Gaza Strip's location on the Mediterranean coast makes it a potential tourism attraction and a source of income for its residents in the medium and long term. US President Donald Trump identified this potential, calling to turn Gaza into the "Riviera" of the Middle East.<sup>52</sup> Annual tourism profits from plans proposed by his associates, including 40 luxury hotels,<sup>53</sup> are estimated at \$3 billion.

The Egyptian reconstruction plan also identified the potential for the development of marine tourism, including ports, resorts, public beaches, parks, and facilities on about 2,000 dunams (2.4% of Gaza's area). Unlike Trump's vision, the Egyptian plan emphasizes preservation of Gaza's Arab-Palestinian identity. Moreover, development of Gaza tourism is likely to be integrated at some point into tourism projects Egypt is promoting for the northern Sinai area, subject to a significant improvement in the security situation. These initiatives also provide potential for cooperation in this field with the PA, Israel, Saudi Arabia and Jordan.<sup>54</sup>

### 3. Egypt's Potential Humanitarian, Social and Educational Roles

Egypt transferred Israeli-vetted humanitarian aid to the Gaza Strip throughout the war, and allowed the passage of hundreds of thousands of civilians and wounded Gazans into its territory. After Israel took control of the Rafah crossing in May 2024, most of the Egyptian aid was diverted to Israel's Kerem Shalom crossing. The closure of the Rafah crossing created logistical difficulties for the delivery of food, medicine, clothing, and tents, and contributed to the worsening humanitarian situation in Gaza.<sup>55</sup> However, Egypt continued to play a significant role in the aid's

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52 "President Trump: Gaza Strip could be the 'Riviera of the Middle East'," *CNBC*, Feb. 5, 2025.

53 "Humanitarian aid stuck at Rafah crossing as Gaza crisis worsens," *Xinhua*, Aug. 8, 2024

54 "From a Demolished Iranian Proxy to a Prosperous Abrahamic Ally", *Washington Post* promotional content, September 2025.

55 Mustafa Marie, "Discover Egypt's paradise, North Sinai," *Egypt Today*, April 26, 2022.

delivery despite the difficulties, viewing the alleviation of the suffering in Gaza as a reflection of its solidarity with the residents, as well as a lever to strengthen its regional and international standing and a barrier to the spillover of the crisis and the influx of refugees into its territory.

Egypt was suspicious of Israel's attempts to provide targeted responses to Gaza's humanitarian distress without addressing the fundamental policy issues related to the "day after the war" and to the PA's reinstatement in Gaza. These suspicions were exacerbated in May 2025, when Israel handed responsibility for aid provision and distribution to the Gaza Humanitarian Fund (GHF) and local Palestinian militias. Cairo viewed both moves as a cover for a far-right Israeli-American strategy to push the Gaza population into narrow aid delivery areas and thus accelerate plans for their forced or voluntary departure.<sup>56</sup>

The difficulties in implementing the Israeli-American aid initiatives bolstered Egypt's insistence that the humanitarian problem must be addressed within a comprehensive vision to end the war, restore the PA as the Gaza Strip's legitimate governing body, and pave the way for establishment of an independent Palestinian state alongside Israel.

If the ceasefire agreement lasts, Egypt's roles may expand beyond providing and transferring direct or indirect humanitarian aid to include:

**A. Involvement in Humanitarian Aid Efforts:** Egypt is expected to have an increased role, along with other actors, in finding solutions for Gaza's refugees and displaced persons and helping re-establish medical, educational and welfare services for them. As the New York Declaration stipulated, the reconstruction process will be carried out quickly, "leaving the Palestinians on their land," in line with Egypt's position against their resettlement in Sinai or elsewhere outside Gaza.

**B. Helping Israel Locate and Return Hostage Remains:** Following the October 2025 ceasefire, heavy Egyptian engineering vehicles entered the Gaza Strip in coordination with Israel and the United States to help extract

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<sup>56</sup> For example: "[Amid Mahmoud Mohi al-Din: The Shin Bet recruited Yasser Abu Shabab](#)," *Sada Al-Balad*, July 12, 2025. (in Arabic)

the bodies of Israeli hostages from the rubble. The Egyptian equipment operated in accordance with Israeli intelligence information, with Israel viewing this as a preferred alternative to introduction of Turkish teams and equipment that would provide Ankara with a foothold in the Gaza Strip.<sup>57</sup>

This cooperation notwithstanding, Jerusalem and Cairo are divided over the future of the United Nations Relief and Works Agency (UNRWA), which is tasked with assisting Palestinian refugees. In October 2024, the Knesset approved legislation freezing UNRWA's activities after identifying links between its Gaza employees and Hamas, including the involvement of UNRWA personnel in the October 7 massacre and in propagation of anti-Israel incitement in the Gaza schools the agency operates.<sup>58</sup> Israel opposes UNRWA's continued mandate, claiming it serves to perpetuate the Palestinian refugee problem.

On the other hand, Egypt and other international actors view UNRWA as a legitimate body established by UN Resolution 302 (1949). Its Gaza reconstruction plan calls for continued political, legal, and financial support for UNRWA's humanitarian missions in the Gaza Strip, the West Bank and Jerusalem, and condemns Israeli efforts to legislate an end to the agency's operations. The New York Declaration adopted a slightly different position, expressing support for UNRWA's continued mandate and funding, but limiting them to a timetable that would eventually transfer its services to accredited and effective Palestinian institutions.

**C. Mobilizing Funding:** Egypt hosted international donor conferences for Gaza's reconstruction following previous rounds of fighting between Hamas and Israel,<sup>59</sup> and has called for a similar event be held in Cairo after the 2023-2025 war. The Egyptian plan and the New York Declaration included calls for the establishment of dedicated international funds

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<sup>57</sup> Smadar Peri, "The Egyptian Cover Story," *Ynet*, Oct. 27, 2025. (in Hebrew)

<sup>58</sup> "Approved in final readings: Prohibition on UNRWA's activity within the sovereign territory of the State of Israel", *Knesset*, Oct. 29, 2024.

<sup>59</sup> "\$5.4 billion pledged at international donor conference for Gaza and Palestine held in Cairo", UN, Oct. 12, 2014.

to channel donations from countries and institutions to programs for Gaza's reconstruction, assistance for its residents and the care of orphans. The Egyptian plan and the New York Declaration also called for an international donor conference to raise funding for implementing the PA reforms necessary to advance the restoration of its rule to the Gaza Strip.

**D. Involvement in De-Radicalization Initiatives for Educational and Religious**

**Institutions:** Islamist terrorist groups have for decades threatened Egypt's security and identity. After the June 2013 revolution, the current Egyptian regime outlawed the Muslim Brotherhood and promoted "renewed religious discourse" by controlling curricula, mosque sermons and the media. The Egyptian experience could serve it well in dealing with Hamas, a subsidiary of the Muslim Brotherhood, regarding the future of the Gaza Strip. In this context, the Egyptian plan emphasizes the need to preserve the deep-rooted Palestinian identity as part of the reconstruction process, including the use of various types of limestone and dolomite known as "Jerusalem stone," used for construction in this region since biblical times. Such measures, including cultivation of olive tree groves as iconic symbols of steadfastness, are intended to strengthen Gazans' connection to their local heritage and provide a counterweight to voluntary migration programs. They could also help foster an alternative ethos to that of Hamas, one that places the particular Palestinian national identity before the pan-Islamic religious one.

The Egyptian plan includes the construction of educational institutions, such as schools and universities, as well as 200 mosques and 10 churches for the use of the Gaza population. Egyptian involvement in the construction of the houses of worship could also have an impact on the identity of the preachers who will officiate at them and on the content of the services they offer Muslim and Christian communities. However, Al-Azhar, Egypt's most prominent religious body, is an unlikely candidate to carry out direct constructive roles in the vital de-radicalization processes in Gaza. The state-affiliated institution has praised the October 7 massacre and fueled

hatred, violence and terrorism since the beginning of the Gaza war.<sup>60</sup>

The New York Declaration and Trump's 20-point plan, while not directly setting out Egypt's role, include an explicit commitment to support measures and programs aimed at combating extremism, incitement, dehumanization, violence and terrorism, as well as discriminatory practices and hate speech. The Declaration emphasizes the need to promote a culture of peace in schools in Palestine and Israel and to amend Palestinian and Israeli curricula, establishing an international mechanism to monitor them and ensure that both sides meet the reform goals set for them. Egypt's positive experience in amending textbooks over the past decade may help it devise Palestinian curricula that foster values of peace, tolerance, and coexistence.<sup>61</sup> The Trump plan also calls for interreligious dialogue aimed at fostering conciliatory narratives among Palestinians and Israelis.

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**60** Ofir Winter and Michael Barak, "[From Moderate Islam to Radical Islam? Al-Azhar Stands with Hamas](#)", *INSS Insight* No. 1777, Nov. 2, 2023

**61** Eldad Pardo and Ofir Winter, "[Israel and Jews in Egyptian Textbooks-A Forward-Looking Perspective](#)", *INSS Special Report*, Feb. 4, 2024.

# Recommendations for Closer Israel-Egypt Cooperation

Egypt is a key and irreplaceable player in shaping the future of the Gaza Strip, in particular, and of the Palestinian arena, in general, by virtue of geographical, political, and historical circumstances. Its involvement is expected to expand after the war, subject to the progress of reconstruction efforts and their implementation. Future arrangements for the Gaza Strip will therefore require close and productive Israeli-Egyptian cooperation to provide new security, political, economic, infrastructure, humanitarian and educational responses to its challenges. The lessons of October 7 should serve as driving forces of a joint Israeli-Egyptian strategic vision for Gaza's future and as a basis for closer partnership between them. To this end, the two countries must bridge gaps in their positions and ease tensions, overcome strategic and tactical disagreements, and restore relations of trust and cooperation.

Just as the war in Gaza confronted Israel and Egypt with a range of challenges, it also offers a variety of opportunities to leverage Egypt's central roles in the Palestinian arena in order to forge a new, stable, and safer reality in the Gaza Strip and to strengthen the foundations for peace between Jerusalem and Cairo. Israel should view Egypt as a vital partner to achieve the central goal of eradicating Hamas as a governing force, and cooperate closely with it in formulating secure border arrangements, promoting reconstruction and de-radicalization processes in Palestinian society, and laying the groundwork for broad regional integration. The wiser Israel is in recognizing Egypt's aspirations, sensitivities, and interests, the greater the inputs that Egypt will offer for the day after the war and stronger Israeli-Egyptian peace relations.

In order to make the most of the emerging opportunities, Israel and Egypt would be well advised to focus on the following:

- 1. Formulating a Shared Strategic Vision for the Gaza Strip's Future:** Egypt invested considerable effort in formulating a detailed reconstruction

plan, with broad Arab and international support, which was referenced in the New York Declaration and influenced the Trump plan. Israel is not expected to adopt the Egyptian plan in its entirety, but would do well to examine it seriously at least as a basis for an in-depth dialogue with Cairo on an integrated plan that meets both countries' basic conditions. These include, first and foremost, an agreed and credible outline for disarming Hamas; a gradual and conditional transfer of responsibility for the Gaza Strip to the PA; and the involvement of Egypt and other countries in the interim period of launching Gaza's demilitarization, reconstruction and rehabilitation processes.

### **2. Enhancing Discourse and Sensitivity to Each Side's Concerns and Goals:**

Israel should refrain from promoting unilateral measures perceived as inimical to Egypt's fundamental interests and sovereign borders, such as population displacement or expulsion, or territorial annexation. Israel's military power must be translated into a stabilizing force for regional order, through dialogue with Egypt, and not into a one-dimensional militaristic policy which inflames Egyptian fears of "Israeli hegemony."<sup>62</sup> In this context, Israel cannot impose on Egypt measures intended to undermine the Palestinian national idea, in the spirit of Bezalel Smotrich's recently unveiled plan to annex 82% of the West Bank to Israel. By the same token, Israel cannot expect Egypt to impose its sovereignty over the Gaza Strip, a move that will pit it headlong against Hamas and Fatah, jeopardize the regime's stability and generate friction with Israel to the detriment of the peace treaty between the two countries.

Improved mutual discourse and attentiveness are essential to achieving a blueprint that defeats Hamas and hands Israel the "ultimate victory" to which it aspires, but also allows Egypt to promote its position in Arab public opinion as an instrumental factor in restoring PA rule in Gaza, without doing so on Israel's behalf.

### **3. Egyptian Involvement in Gaza's Stability and Demilitarization: Egypt must help Israel promote arrangements that deprive Hamas of**

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<sup>62</sup> Ofir Winter and Amira Oron, "After the war with Iran, Egypt and Jordan are afraid of an Israeli takeover", *Haaretz*, July 1, 2025. (in Hebrew)

governing power in Gaza, ensure that all weapons in the enclave are placed under the control of the legitimate central government, and at the same time allow Israel to maintain the means and authority to thwart security threats. To this end, Egypt could take part in the formation and leadership of the International Stabilization Force (ISF) as stipulated in the Trump plan for stabilizing the Gaza Strip and helping to disarm Hamas and exclude it from political power. These actions must underscore that the Arab and international effort against Hamas are not intended to harm the Palestinians, but rather to serve their interests and the stability of the region as a whole. The leadership in Cairo can help Jerusalem mobilize Israeli public opinion to support the return of the PA through direct public diplomacy. This would entail, for example, interviews by Egyptian leaders and top officials to the Israeli media emphasizing Egypt's commitment to replacing the Hamas regime and promoting regional peace and normalization.

Deeper security involvement in the Gaza Strip will also bolster Egypt's role as the top mediator between Israel and the Palestinians, and its position as the key player in Gaza's post-war reconstruction, thus sidelining Qatar and Turkey to some extent.

- 4. Updating Security Arrangements Around the Philadelphi Route and the Gaza-Sinai Border Crossings:** The post-war circumstances require a new effective and intrusive monitoring and supervisory mechanism to thwart the smuggling of weapons above and below ground on the Gaza-Sinai border, prevent Hamas and Islamic Jihad from re-arming, and ensure that the war in Gaza is not just one more "round of fighting" that ends with a temporary ceasefire. In this context, there is room for Israeli-Egyptian discussion on updating the security annex of their peace agreement and the roles of international forces operating in Sinai and Gaza, such as EUBAM, ISF, MFO, and EUPOL-COPPS (the European force training Palestinian police), while preserving the sovereignty and vital interests of both countries. These steps will contribute to improved security in the Gaza Strip and on the Israeli-Egyptian border, boost trust between the security forces on both sides, and have a positive

impact on relations between the countries as a whole.

- 5. Promoting Egyptian-led Rehabilitation and Development:** Israel should encourage Egypt's direct and deep involvement in the reconstruction of the Gaza Strip after the war. Both countries should condition progress of the reconstruction process on the disarming of Hamas and on the use of the reconstruction funds solely for civilian purposes.

As indicated by the Egyptian plan, Cairo's aspiration is not only to serve as a conduit for the delivery of humanitarian aid, but also to play a central role in implementing long-term infrastructure projects (some of them through Egyptian companies) in the fields of housing, energy, water, transportation, health, and education. Infrastructure development, along with the use of that already in place in northern Sinai, such as sea and air ports, roads, desalination plants, water lines, and power plants, could meet some of Gaza's needs and contribute to regional integration processes.

Egypt would thus benefit from investments and economic gains and strengthen its regional standing, its influence in the Palestinian arena, and stability on its southern border. Israel, for its part, will benefit from stabilizing the situation in Gaza, while safeguarding its political and security interests, reducing its direct involvement in the Gaza Strip, and increasing its residents' sense of sovereignty over the land.

- 6. Offering Egypt Economic Incentives:** Israel should encourage regional and international entities, including the Gulf states, the United States, the European Union, China, and global financial institutions, to offer Egypt an attractive package of economic incentives as inducement to deepen its constructive involvement in Gaza. These incentives may include designated development grants for northern Sinai, investments in civilian infrastructure for cross-border use in Gaza and Sinai, and a certain external debt write-off. To this end, Trump's 2020 "Peace to Prosperity" plan, which offered Egypt billions of dollars for infrastructure development and employment projects, mainly in Sinai, could be revised and updated.

At the same time, Israel must recognize that these incentives, even if they encourage Egypt's commitment to resolving the Gaza Strip crisis and increase its responsiveness to Israel's strategic needs, will not detract from its principled positions on the Palestinian issue.

**7. Promoting Dialogue and Regional Cooperation Frameworks:** The reconstruction process in Gaza should be accompanied by the establishment of a permanent forum for political, security, economic and humanitarian coordination, led by Egypt, Israel, and the United States, with the participation of other countries from the region and beyond (and the reformed PA, as well). Such a forum could serve as a framework for dealing with challenges in the Palestinian arena, promoting shared economic interests, building mutual trust, easing tensions and resolving disputes, as well as mitigating the harmful power of pro-Islamist actors, such as Qatar and Turkey. Anchoring Cairo's leading role in the forum will strengthen its regional standing, increase its commitment to reconstruction and development projects, and draw it into regional integration efforts - all of which are also in Israel's interest. Moreover, consideration could be given to expanding the QIZ mechanism between Washington, Cairo, and Jerusalem in order to establish industrial zones near the Sinai-Gaza border recognized by the United States for duty-free purposes.

In conclusion, failure or success to cement a strategic Israeli-Egyptian partnership will shape the Gaza Strip's future and the peaceful relations between Israel and Egypt. Conversely, lack of Israeli-Egyptian cooperation will increase the risk of renewed escalation, undermine the response to Gaza's humanitarian crisis and further damage the relationship between the two countries, handing Hamas the kind of strategic victory it aspired to achieve on October 7, 2023.

On the other hand, a path of strategic Israeli-Egyptian coordination could help in the disarmament of Hamas, prevent its rearmament, accelerate Gaza's reconstruction, bolster stability in the Sinai, and integrate the Gaza Strip into a promising new Israeli-Palestinian and regional vision. Along with bolstering peaceful relations between the two countries, such a path

will serve as a buffer against radical Islamist elements seeking to benefit from Gaza's devastation, and provide a shared dividend for Israel, Egypt, and other proponents of peace, stability and prosperity in the Middle East.



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