A Feasibility Framework for Palestinian Financial Agency

A Palestinian governed system for household purchasing power, transparent reserves, and local commerce

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This paper proposes a feasibility-stage project to expand Palestinians' control over household money and community investment. Its starting point is practical: let people receive and use funds through rails they already know, while placing the rules, reserve policy, and major decisions under Palestinian-led governance with public accountability.

The proposal is not a new currency or a promise that a token will appreciate. It begins with a prototype using fictional data, then asks whether a limited, lawful pilot can connect elected governance to a familiar payment flow. A speculative investment instrument and community-owned connectivity projects are later options, contingent on demonstrated need, local co-design, and a sustainable funding and legal structure.

Executive summary

Palestinian financial channels face severe strain, while digital payments have expanded rapidly in Gaza during the conflict. The World Bank describes a structural imbalance between excess physical shekel cash and scarce usable digital shekel liquidity, alongside uncertainty in correspondent banking. Its reporting also records rapid growth in Gaza's digital payment activity. Those facts strengthen the case for exploring a durable Palestinian-controlled financial system. They do not, by themselves, prove that a new system can operate reliably or reach households at scale. [1][2]

The central hypothesis is that portable purchasing power can give households more choice, make merchants compete for their business, and help build an economic base outside any single political gatekeeper. That effect depends on available goods, independent supply and payment access, reasonable fees, and protection against coercion. Money can expand agency; it cannot alone guarantee market competition, security, or democratic government.

The recommended prototype has four components: a separate Odoo.sh project for administration; a public Ethereum record for governance rules and approvals; a capped TRON USDT payment float as one candidate rail for familiar transactions; and a separately governed reserve held through a legally suitable custody arrangement. Ethereum votes would not automatically control TRON transfers. Human signers would execute approved payments and publish transaction references for reconciliation. No cross-chain bridge is needed for the first prototype.

The prototype should use fictional data and test networks. It should exclude an investment token, real beneficiary records, and live funds. Palestinian technologists, merchants, and prospective users should help shape the governance and threat model before any real-money pilot. The founding technologist can build the system without holding unilateral authority over the reserve.

1. Need and opportunity

A financial alternative is most relevant when people cannot reliably access or direct the value they already earn, save, or receive. The World Bank's 2026 economic update describes a critical shortage of digital shekel liquidity alongside large accumulations of physical cash, serious pressure on Palestinian banks, and no durable solution for correspondent banking arrangements. It also describes widening fiscal

pressure on the Palestinian Authority and increased exposure of banks to public-sector lending. These conditions indicate financial fragility and settlement risk; they do not establish that every existing Palestinian payment system has failed. [1]

Gaza is not starting from zero in digital payments. The World Bank reports that iBuraq, the Palestine Monetary Authority's instant payments system, processed about 3.5 million transactions worth approximately $442 million in Gaza in January 2026. That is evidence of use and infrastructure that a new initiative should study for interoperability. It is not proof that households have dependable access under outages or that those payment channels offer independent governance over long-term capital. [2]

Reporting from Gaza describes USDT transfers arriving quickly and some merchants accepting cryptocurrency, while also documenting unstable connectivity, incomplete merchant acceptance, and high cash-conversion costs. Those interviews suggest an adoption foothold, not universal coverage. Any plan using TRON USDT should test actual wallet, merchant, and cash-out access with Palestinian users rather than treating familiarity as a settled fact. [3][4]

The opportunity is therefore twofold: improve the ability of households to direct purchasing power, and create a transparent, community-governed pool of capital that can support local economic activity. The system should work with or complement Palestinian payment infrastructure wherever feasible, rather than duplicate it without a clear user benefit.

2. Theory of change

If people can voluntarily receive portable funds and choose where to spend them, household spending becomes a source of demand that merchants must compete to serve. If residents can also govern a reserve and direct investment, community choices can influence which businesses, services, and infrastructure receive capital. Over time, repeated participation in clear, accountable decisions may help build civic habits and independent organizations.

This is a hypothesis, not a guaranteed causal path. Historical cases show that broad economic capacity and autonomous organizations can support democratic movements, while economic growth can also coexist with authoritarian rule. The project should measure financial agency directly and avoid claiming that a wallet will disarm Hamas or automatically produce democracy.

The expected near-term outcome is narrower: people gain more control over the funds they receive; payment choices become less dependent on one distribution channel; and Palestinian-led institutions gain experience managing transparent reserves and shared decisions.

3. Proposed system

Component	Proposed function	Status
Household wallet	Receives stable-value funds that recipients may spend, save, or transfer voluntarily.	Design and access model to be tested.
Payment rail	Use a familiar digital payment route; TRON USDT is a candidate for a limited operating float, subject to due diligence.	Candidate, not a final selection.
Public governance record	Publish the charter, votes, budgets, treasury movements, fees, and reconciliation data.	Ethereum is a candidate for governance records.
Reserve	Hold larger funds separately from the payment float, under elected oversight and legally suitable custody.	Custodian and legal structure unresolved.
Local commerce	Let independent merchants compete for customers; consider later contracts or grants for productive local assets.	Requires supply and merchant access.

Component	Proposed function	Status
Investment instrument	Possible optional investment vehicle with defined asset rights and risk disclosures.	Later roadmap only; excluded from prototype.

4. Prototype architecture

Administration and records

Use a separate Odoo.sh project, isolated from any existing business database. In the prototype it can manage fictional enrollment records, consent flows, support cases, governance proposals, budget approvals, reconciliation, and public reporting. The prototype should not collect real Gaza identities, wallet keys, family information, or location data.

Governance and public accountability

Ethereum could host or anchor the project charter, governance proposals, vote results, treasury policy, and records of approved budgets. This creates a public reference point for decisions. It does not make Ethereum voters technically capable of controlling a TRON wallet without a bridge or a human execution process.

Familiar payment flow

A limited TRON USDT float could be used for a later pilot if Palestinian participants confirm that recipients and merchants can use it. USDT is a centrally issued asset; the issuer’s reserve reporting, redemption terms, ability to freeze tokens, and supported-chain policies must be part of due diligence. Tether announced a KPMG audit of its 2025 financial statements in August 2026; Reuters reported that the audit report was not publicly available at the time of its coverage. The project should assess the underlying report and redemption arrangements before relying on USDT. [5][6]

Ethereum approvals and TRON execution should be linked through a public reconciliation process. For an initial pilot, elected signers could execute a capped payout after an approved decision and publish the TRON transaction references with the matching Ethereum approval. This is auditable, but it relies on signers honoring the governance process. The charter must define their authority, limits, replacement, and consequences for noncompliance.

Do not add a cross-chain bridge in the first prototype. Bridges introduce smart-contract, counterparty, and operational risks. A later design can evaluate them only if automatic enforcement materially improves the system and the trust assumptions are acceptable. [7]

5. Governance and legitimacy

Palestinian participation must begin at design time. Palestinian technologists, merchants, potential recipients, finance professionals, and community organizations should help set the charter, wallet experience, eligibility rules, transparency policy, and threat model. The project should not ask residents to ratify a finished system designed elsewhere.

- Residents elect reserve trustees and approve major reserve-policy changes, annual budgets, spending limits, and amendments to the charter.
- Voting power is person-based rather than proportional to token holdings. A speculative token or large donation should not purchase additional control over community funds.
- The founder’s role is technical architect and steward. The founder should have no unilateral spending authority, reserve key, or power to override binding votes.

- Reserve signers operate through a defined multisignature threshold, with rotation, conflict-of-interest rules, public transaction reporting, and an independent audit.
- The system needs a fair participation and recovery model for people without documents, people who lose devices or keys, displaced households, and people with disabilities. Eligibility and appeals should be co-designed and documented before a live pilot.

A vote is meaningful only when the people who hold the keys, custody relationship, or payment accounts are bound by the result. This link between public governance and actual control is one of the project's central design tests.

6. Transparency and recipient safety

The institution can publish its full financial and governance activity: incoming funds, reserve balances, fees, treasury transfers, votes, budgets, auditors, and aggregate distributions. Independent reviewers should be able to reconcile the published balances and payouts.

Direct USDT transfers on TRON expose wallet addresses, transfer amounts, and timing on a public ledger. A transaction does not ordinarily state what a person bought, but linking a wallet to a recipient can reveal a household's financial pattern. The project should not publish a name-to-wallet directory or append purchase details to public transaction data. Public accountability for institutional funds and public exposure of every household purchase are distinct design choices.

Before any real-money pilot, Palestinian participants should review the public-disclosure rules and decide what may be visible, to whom, and with what consent. If transaction-level privacy is required, ordinary direct public-chain payments may not meet the requirement; the project would need to compare privacy-preserving or account-based payment models and their own trade-offs.

7. Main risks and tests

Risk	Why it matters	Test or response
Weak connectivity and power	A wallet can fail at the moment of purchase; Gaza telecom infrastructure has suffered extensive damage and depends on power and backhaul.	Test completion rates, outages, device access, and fallback methods with users. Do not assume a live internet connection.
Merchant and supply concentration	More household money may raise prices or flow through a small number of suppliers if goods and merchants are constrained.	Measure prices, stock availability, fees, merchant choice, and concentration before and during a pilot.
Coercion or extraction	An armed group or local gatekeeper could pressure merchants, signers, or recipients outside the blockchain.	Use a participant-led threat model; avoid political conditions; create independent grievance and incident channels.
Public transaction exposure	Wallet links and spending patterns can be inferred from public transfers or off-chain records.	Publish institutional flows; keep recipient identity links and item-level purchases out of public records.
Issuer, custody, and bridge failure	A stablecoin may be frozen or fail to redeem; a custodian or bridge can become a point of control or loss.	Keep the operational float capped; vet reserves and redemption; use independent custody and avoid bridges in the prototype.
Governance capture	Donors, wealthy token holders, founders, or coerced participants could dominate decisions.	Use person-based voting, Palestinian co-design, independent signers, rotation, and clear conflicts rules.
Legal and sanctions exposure	Token issuance, custody, transfers, and investment offers can trigger financial regulation and compliance duties.	Obtain specialist legal review and use legally permitted financial partners before handling real funds.

Gaza’s damaged telecommunications system is a direct feasibility constraint. The World Bank’s September 2025 economic update described extensive damage to telecom infrastructure and costly reliance on fuel to power remaining networks. Later network-coverage figures should be read alongside service quality, backhaul, electricity, and outages. [8]

8. Capital scale

Universal purchasing power requires substantial committed funding. The examples below are arithmetic illustrations using 2.1 million potential participants, the population figure used in earlier discussion. They are not population estimates or proposed benefit levels.

Illustrative benefit	Scale at 2.1 million participants
$1,000 one-time	$2.1 billion
$100 per month	$210 million per month; $2.52 billion per year
$100 per month for 10,000 pilot participants	$1 million per month; $12 million per year

A speculative token cannot create this funding by itself. Any long-term value must come from contributed capital, productive assets, business income, or other defined cash flows. The prototype should test governance and payment usability without suggesting that token appreciation will make every participant wealthy.

9. Later opportunity for community-owned connectivity

A Helium-inspired connectivity program could fit a later productive-investment phase. Helium operates two different networks: a community-deployed Wi-Fi cellular-offload network, and a LoRaWAN network for low-bandwidth IoT messages. Wi-Fi hotspots need power and an internet connection; LoRaWAN is suited to small sensor reports, not general internet access. Helium rewards eligible hotspot operators for providing coverage and carrying traffic. [9][10]

A Palestinian-owned cooperative could eventually receive grants or contracts to build and maintain connectivity at community hubs, markets, clinics, or learning spaces, provided it has lawful spectrum and telecom permissions, reliable backhaul, power, hardware access, and local maintenance. Solar-backed Wi-Fi and Helium-style incentives could be evaluated as one technical option. LoRaWAN might support non-sensitive monitoring of water storage, pumps, or power equipment.

This is not a near-term assumption. The project should first test the financial-governance model. Any later connectivity pilot needs an independent technical and safety review, particularly around service reliability, public hotspot location data, network security, and dependence on a single Helium-related service or token. Coverage rewards should supplement a sustainable operating budget rather than serve as its only revenue.

10. Phased roadmap

Phase	Work	Gate to continue
0. Co-design	Recruit Palestinian technical and community partners; define user problem, eligibility principles, charter, transparency rules, and legal questions.	A Palestinian-led design group and documented requirements.
1. No-money	Build isolated Odoo.sh workflows, simulated Ethereum governance, a	Users can complete and

Phase	Work	Gate to continue
prototype	public dashboard, and test-network payment flows using fictional data.	understand the full flow; privacy and access issues are documented.
2. Feasibility validation	Check wallet access, merchant acceptance, fees, cash-out, internet interruptions, supply constraints, recovery, and existing Palestinian payment-system integration.	A viable lawful partner and evidence of real user and merchant demand.
3. Capped pilot	If lawful and funded, issue a limited stable-value benefit through an established payment rail, with a capped operational float and independent reconciliation.	Independent audit, acceptable net value to recipients, and no unresolved severe safety issue.
4. Community investment	Explore a separate Palestinian-governed investment fund or connectivity cooperative with defined asset rights, revenue, and risks.	Demonstrated governance, a credible asset base, legal structure, and community approval.

11. Measures of success

- Recipient control: share of participants who can independently access and use funds; rate of key recovery and payment completion.
- Net purchasing power: value retained after transfer, merchant, and cash-out fees; changes in prices and availability for a defined basket of goods.
- Market choice: number and variety of participating merchants, concentration of payments, and ability for small businesses to join.
- Governance: participation and representation in votes; time to execute approved decisions; independent audit findings; trustee replacement and appeals.
- Resilience: successful payment completion during outages, power interruption, or loss of a primary provider; recovery time after disruption.
- Safety: reported coercion, account freezes, data exposure, or retaliation; resolution time and independent review.

A pilot should be considered unsuccessful if it moves money but recipients cannot spend it reliably, if fees consume a material share of the benefit, if one actor can unilaterally control funds, or if participation creates unacceptable risk.

12. Open decisions

- Who is the initial beneficiary group, and how will participation remain voluntary and fair?
- Should governance begin with a Palestinian-led council and later introduce person-based voting, or can a safe and representative voting model be established immediately?
- Which existing Palestinian wallet, payment, and merchant systems can the project interoperate with?
- What legal structure can hold reserves and execute payments in a way that is lawful, auditable, and accountable to Palestinian participants?
- What level of transaction transparency is compatible with recipient safety?
- What funding source can support a capped pilot without requiring speculative-token demand?
- Which local actors can maintain community connectivity assets if that later phase proves valuable?

Conclusion

The financial case is stronger because the need is urgent and digital payment behavior already exists. The implementation case remains conditional on Palestinian-led governance, reliable local access, available goods, lawful custody and payment partners, and protection against coercion and data exposure.

The next responsible step is a no-money prototype built from this feasibility framework. The prototype should make the governance and payment flow concrete, test assumptions with Palestinian users and merchants, and keep speculative investment out of the first release. If those tests succeed, the project can consider a capped payment pilot and, later, community-owned productive assets such as connectivity infrastructure.

Sources and evidence notes

[1] World Bank Group, West Bank and Gaza country economic update, Fall 2026. Current country page includes financial-sector liquidity and correspondent-banking conditions. Source

[2] World Bank, Palestinian Economic Monitoring Report, 19 May 2026. Includes PMA-reported iBuraq digital payment activity and liquidity conditions. Source

[3] Atlantic Council, Currency policy options for the Palestinian economy, 2026. Policy analysis of digital payment adoption and currency constraints. Source

[4] Ahmed Dremly, From cash brokers to crypto, Gazans struggle to stay financially afloat, +972 Magazine, 19 December 2025. Interview-based reporting; examples are not a representative survey. Source

[5] Tether, Tether Completes the Largest Inaugural Financial Audit in History, 13 August 2026. Issuer announcement regarding its 2025 financial statements. Source

[6] Reuters, Stablecoin issuer Tether says KPMG US has audited its 2025 statements, 14 August 2026. Reports that the audit report itself was not publicly available at publication. Source

[7] Ethereum.org, Bridges. Explains smart-contract, counterparty, and systemic risks associated with blockchain bridges. Source

[8] World Bank, Palestinian Economic Update, September 2025. Discusses Gaza telecom infrastructure damage, power, and service constraints. Source

[9] Helium Documentation, The Helium Network and The Mobile Network. Describes its community-operated LoRaWAN IoT network and mobile Wi-Fi offload network. Source

[10] Helium Documentation, Understanding LoRaWAN. Describes the protocol’s low-bandwidth sensor use and gateway-to-network-server architecture. Source

[11] U.S. Securities and Exchange Commission, Transactions Involving Crypto Assets, 22 April 2026. General overview of when crypto offerings may involve securities. Source

[12] United States Code, 12 U.S.C. §§ 5902–5903, payment stablecoin issuance and requirements. Legal review is required for any proposed U.S.-connected activity. Source

Evidence note: Public financial-system statistics and digital-payment figures are dated and may change quickly. The crypto adoption examples cited above are interview reporting and do not establish population-wide usage. This concept paper distinguishes documented observations from design hypotheses and recommendations.