



The Autonomous Administration of North and East Syria Framework and Resources

Background Paper

October 2019

Background

On January 2014, number of parties, social actors and civil institutions announced the formation of the Autonomous Administration of North and East Syria (AANES) to fill the power-vacuum present at the time in the Syrian Kurdish regions. The AANES was governed by members appointed from the region's local components and was based on the provisions of a social contract governing the foundations of the relationship between national, ethnic and religious components of society in Rojava. The first step was the establishment of three cantons in three geographically separate Kurdish areas: Al-Jazira region located in the far northwest of Syria, Kobani in its centre, and Afrin in the westernmost region.

The AANES assumed its role within the geographically separate districts by establishing a joint coordination on 27/3/2014 to provide necessary services to locals and to protect its components through security and service institutions such as councils, communes in villages, neighborhoods and cities.

The AANES has managed to grow in terms of its institutions and their functions, despite facing various pressures mostly in the form of military operations, especially the isolated Afrin canton. The successes of the AANES in developing its administrative system raised doubts among Syrian opposition groups as well as the terrorist organization of ISIL. It wasn't long after the establishment of the AANES that the terrorist organization launched its first major military campaign against Kobani on 13/9/2014, nine months after its formation.

It is evident that ISIL's goal was to expand its so-called state, which claimed the Syrian city of Raqqa as its capital, and to crush any Kurdish dream of establishing any form of autonomous-governance. ISIL's aimed to stretch its control over a large geographical territory, creating an uninterrupted extension with Turkey which, according to statistics, was the main country of entry for ISIL members and a supplier of logistical support via the Tal-Abyad border crossing. Turkey closed that crossing after the Syrian Democratic Forces (SDF), formed on 10/10/2015, managed to liberate Tal-Abyad and was tasked with the mission to liberate all ISIL-controlled areas of Al-Jazira, Raqqa, Al-Tabqa, Deir Al-Zor and Manbij.

ISIL began to retreat in the face of SDF advances and the strikes conducted by the international coalition led by the U.S. The geographical area under the organization's control dwindled until it

gradually lost control over all the territories the SDF seized after the Battle of Al-Baghouz in March 2019.

After the SDF managed to take control over vast swathes of land following the defeat of ISIL, the need for an autonomous body that brings together all the autonomous administrations and local councils in north and east Syria (NES) was more urgent than ever due to a number of reasons. Chief among these was the need to provide basic life necessities for populations living within the SDF-controlled territories as well as building a political and administrative system that ensures the gains of the region's components are protected.

Therefore, at the third conference in the city of Tabqa on 7/16/2018, the Syrian Democratic Council (SDC) came to the decision that an autonomous administration for NES should be established, and a preparatory committee was formed to take the necessary measures to create the AANES. The formation of the AANES General Council, consisting of 70 members, was announced at the meeting held by the preparatory committee in the town of Ain Issa on 9/6/2018 with the attendance of the heads and members of the joint seven autonomous and civil administrations.

The structure of AANES

The AANES is comprised of The General Council, the Executive Council and the Judicial Council. This organizational structure demonstrates that NES combines separate bodies for each of the legislative, executive and judicial branches, as is any political system based on the principle of separation of the three powers.

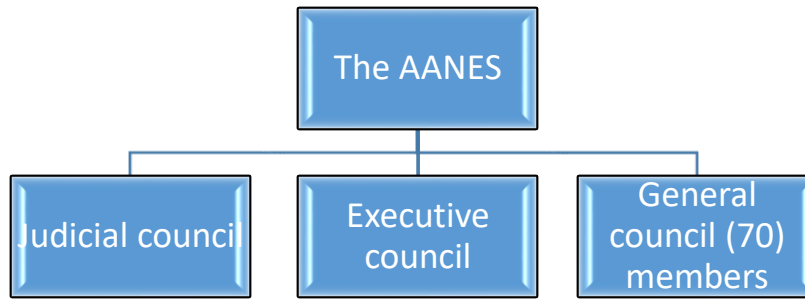


Figure 1 Structure of Aeneous Administration

The NES committees and its affiliate bureaus are comprised of civil and autonomous bodies and committees in:

- ◆ The Autonomous Administration in Al-Jazira
- ◆ The Autonomous Administration in the Euphrates region
- ◆ The Autonomous Administration in Afrin
- ◆ The Civil Administration in Manbjji
- ◆ The Civil Administration in Al-Tabqa
- ◆ The Civil Administration in Raqqa
- ◆ The Civil Administration in Deir Al-Zor

The General Council:

The AANES’ general council consists of 70 members. Among them are 49 representatives of the seven autonomous and civil administrations, at an average of 10 members from each administration or council, and 21 members drawn from technocrats.

Executive Council:

The General Council put both Mr. Hamed Al-Mehbash and Mr. Pervan Khaled in charge of establishing the NES’s Executive Council within 21 days, during the session held on September 6th 2018. The council, made up of nine committees and seven bureaus, was formed on 7/10/2018.

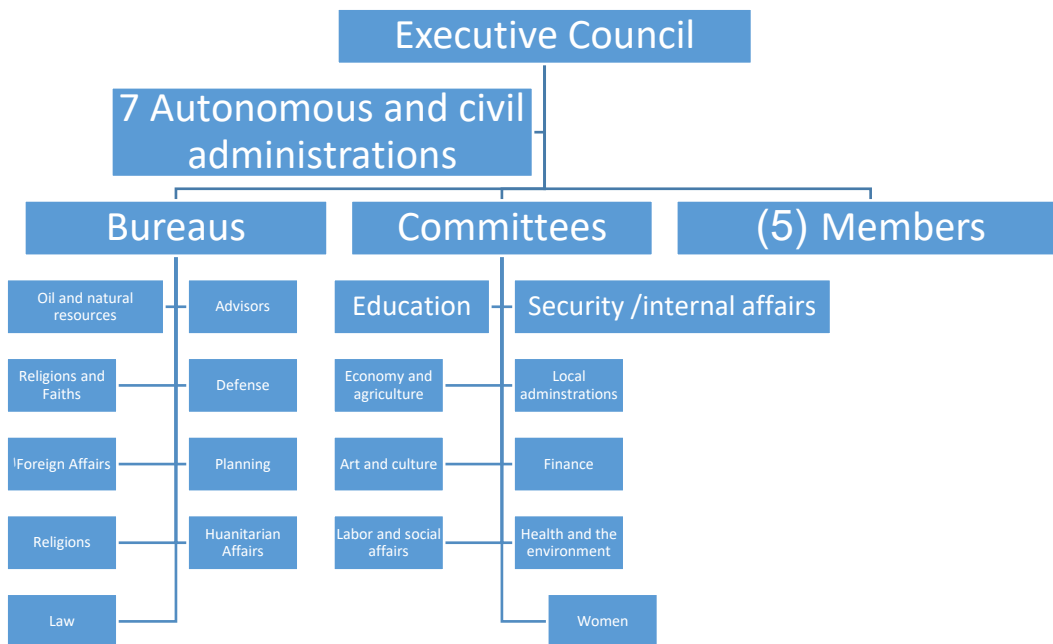


Figure 2 structure of Executive Council at the autonomous administration

The Judicial Council:

The Judicial Council is the supreme authority overseeing social justice institutions and it is responsible for managing and organizing the justice system throughout NES. Its members are elected.

The NES' economic resources

The AANES currently controls an estimated 44,000 square meters of land, amounting to 24% of the total area of Syria. The area is considered one of the most prosperous regions in the country thanks to its vast cultivable lands and its richness in water and various fossil resources, especially oil and gas. Therefore, the region boasts diverse economic resources and multiple sources of public revenue, which equips it with negotiating leverage in determining Syria's future path. Its economic resources are summarized below.

Energy

Renewable energy sources

Water and solar energy are among the most important sources of renewable energy in NES. However, solar energy investment is limited to a few households, despite its availability on most days of the year. The number of sunny days in NES exceeds 300 days per year.

Hydropower

The autonomous regions of NES are considered to be among the richest in water, as they are located between the first, second and third settlement areas. The average rainfall for the period between 2008 and 2017 was as follows: Qamishli 309.1 mm, Derik 458.5 mm, Amuda 313.8 mm, and Derbasiya 359.6 mm. Additionally, water contributes to agricultural stability and securing near-constant sources of income for citizens, further supplemented by seven rivers flow through the region, the most important of which are the Euphrates and Tigris.

15 dams and surface dams have been built on these rivers. They are located in the provinces of Raqqa and Hasaka and their water storage capacity exceeds 30.37 billion cubic meters, distributed as follows:

Table (1)

	Dam	Storage Capacity
1	Euphrates	27 billion m ³
2	Tishrin	1.88 billion m ³
3	The Baath	0.09 billion m ³
4	Al-Khabour Basin Dams (12 dams)	1.4 billion m ³
Total	15 Dams	30.37 billion m³

Source: Prepared by the researcher, based on dam's storage capacity statistics.

The water of the Tishrin, Euphrates and the Baath dams on the Euphrates, the largest river that passes through Syrian territory, serves to generate electric power. These dams produce hydroelectric energy as shown below:

- ◆ The Euphrates Dam: The largest water dam in Syria, boasting a production capacity of 880 megawatts per day, operating eight turbines, each with a capacity of 110 megawatts, in addition to making use of the dam's water to irrigate an area of 640,000 hectares of agricultural land.
- ◆ The Baath Dam: A regulatory dam for the water that passes from the Euphrates Dam, which increases the production capacity of the Euphrates Dam by 80 megawatts per day when operating at its maximum capacity. The dam's generating capacity is 75 megawatt hours of electrical energy, through three turbines, each with a capacity of 25 megawatts.
- ◆ Tishrin Dam: The production capacity of the Tishrin Dam is 630 megawatts of electricity, which it generates through six turbines each with a production capacity of 105 megawatts.

The Euphrates River is the lifeblood of the provinces of Raqqa, Deir Al-Zor, and a part of the Aleppo province. Passes through Syria, it is almost 600 km long, and gives life to an area of 640 thousand hectares of land.

The production capacity of all dams in the AANES areas is 1585 megawatts of electricity, which is equivalent to 20% of the electric energy generated by gas, steam and oil generating stations in all of Syria (7860.5 megawatts). If they are running at full capacity, it almost suffices to continuously supply the AANES areas with electric power.

Currently, research is conducted to see if it can also provide electricity to the AANES areas in Manbij, Al-Tabqa, Raqqa, Deir al-Zor and the Euphrates region, which includes Kobani and Tal Abyad. If so, it could contribute to developing and accelerating the infrastructure rehabilitation of the AANES areas that have been destroyed by armed groups and lack energy sources of various kinds.

The advantage the AANES enjoys will undoubtedly make the region's water resources a target for the regime and its allies on the ground and the economic revenues of the Euphrates dams will certainly play a role in the overall power balance. Whoever controls these resources can control many aspects of daily life, including commercial traffic across all Syrian provinces.

Solar energy

The necessities and resources to generate solar energy are available across Syria, especially in the provinces of the AANES region, the countryside of Damascus, and Homs. Therefore, solar energy projects are a feasible economic and environmental source of energy.

However, the AANES regions are lacking environmentally friendly projects due to the availability of other sources of energy. On the other hand, there is an increasing interest of the Syrian regime in such projects, as most of the electric power plants in its regions have been destroyed. The regime has constructed eleven projects to generate solar energy with a production capacity of 1190 megawatts. All these projects are located along a line that runs from As-Suwayda to Hama, passing through the Damascus and Homs countryside. Only one small project has been implemented in Al-Kiswa in the Damascus countryside, with a production capacity of 1.26 MW.

Non-renewable energy sources

Non-renewable energy sources in NES are mainly centered on oil and gas production.

Oil

Although Syria does not have an extensive reserve of oil and gas, it remains a producer of both substances in quantities that support its Gross Domestic Product (GDP). The Syrian production of oil reached 400,000 barrels per day (BPD) in 2010, exporting 150,000 BPD. More than 90% of its oil went to European Union countries, such as Italy, France and Germany. Oil contributed an estimated \$3.2 billion to Syria's GDP in that year. However, most fields and wells became inoperable during the crisis. The majority of Syrian oil fields are under the control of the SDF, especially the two main basins for oil production:

- ◆ The Mesopotamian basin that stretches from southeast Turkey to the Gulf, spanning 2,000 km in length and 350 km in width. Boasting 1,309 oil wells, its main oil fields are Qarashoq, al-Sweidiyyah and Rmeilan. Several of the basin's oil fields are also located to the south of Hasakah and Tal Hmeis. Recent developments confirm that the regime's exclusionary mentality when dealing with all Syrian factions, chief among them the SDF, will negatively impact its economy by depriving it from at least northward of 90% of oil revenues due to the fact that the majority of oil fields are located in SDF-held territories.
- ◆ The Euphrates River basin boasts light crude oil resources. Al-Omar is considered the largest oil field along the basin. It comprises several other fields such as al-Tank in the Shoeitat Badiyah, al-Ward, al-Taym, al-Jafrah and the Conoco gas factory that supplies the power plants

of Jandar and Deir Ali, which provides electricity to various Syrian provinces, making it one of the most strategically important sites for different warring factions.

When functioning at full capacity, the SDF controls oil fields with production rate of 400,000 BDP. On the other hand, regime forces only control oil fields with a production capacity of 35,000 BPD. These figures underline the great importance of oil in charting the Syrian political balances, manifested in its importance during the political negotiations that slowly started to form after the liberation of Al-Baghuz from ISIL control. Oil will play a major role in consolidating the rights of Syrian components in future Syria.

According to AANES sources, oil production from the Rmeilan field is estimated to be around 100,000 BPD, which the AANES sells as follows:

- ◆ To Syrian regime areas through merchants. It is from there transported to the Baniyas Refinery using tankers, at a price of 41 USD per barrel.
- ◆ Syrian opposition regions.
- ◆ Kurdistan Region.
- ◆ Local consumption.

The AANES is thought to generate 4 million U.S dollars in daily revenue from the sale of oil.

Natural Gas

Gas production in Syria in the past century was confined to the Associated Petroleum Gas (APG). In well-known oil fields in NES, however, the start of this century saw a great surge in gas production, especially from fields located in the provinces of Raqqa and Homs. There are also several studies that point to the availability of huge reserves of gas in areas around Damascus such as Qara, and by the Syrian coast.

But exploration was halted due to the turmoil that began in March 2011. Actual drilling operations were never initiated in these fields. As a result, Syrian gas production, which amounted to 8.7 billion cubic meters in 2011, remained almost completely confined to a region that stretches from the far northeast of the Hasaka province to the province of Deir Al-Zor, as well as the fields between the

provinces of Raqqa and Homs. The gas produced was used for domestic and industrial consumption, as well as to generate electricity.

Gas production dropped from 8.7 billion cubic meters annually in 2011 to 7.6 billion cubic meters in 2012, and later to about 5.9 billion cubic meters in 2013 and about 5.4 billion cubic meters in 2014 and it decreased to 3.65 billion before ISIL took control of Palmyra. ISIL destroyed the regime's gas supply line in the town of "Farklas" and deprived it of gas sources that enabled electricity through power plants operating in its areas of control. It forced the regime into compliance: to obtain gas it had to supplying ISIL with electricity.

The supply of gas to the Jender station, which supplies Damascus, Homs and major Syrian cities with electrical power, continued through gas from the Conoco plant in Deir Al-Zor. This plant was controlled by various groups, such as the Juju Army, the Jabhat al-Nusra, the Islamic Shoura Council, and ISIL. The gas supply stopped only after it was damaged as a result of the bombing by the coalition forces in March 2016. These forces also carried out an airdrop in September 2017.

The Assad regime used the same policy as in the Euphrates Dam, which fell under ISIL control in 2013, where ISIL controlled the dam while maintaining the regime technical staff to operate the dam.

Natural gas production in Syria is currently distributed between regime forces in the south and west of the Euphrates, and the SDF in the north and east of the river. By examining the production capacity of the gas fields, it is clear that the regime has relative superiority over the SDF in gas production, as the production of gas fields under the control of the regime is 7.45 million cubic meters per day, equivalent to 57% of the total production capacity of the Syrian gas fields. The production capacity of fields located in the AANES areas is 5.6 million cubic meters per day, which is equivalent to 43% of the total production capacity of gas fields.

Despite the fact that the regime has the upper hand in terms of natural gas production, plants located within the AANES play a vital role in providing electric power as well supplying domestic gas to the whole of Syria, such as the Conoco plant in Deir Al-Zor and Tal Adas/ (Gir zîro) in Al-Hasaka.

The Conoco plant was almost completely destroyed in the battles to defeat ISIL, but the Tal-Adas plant is still partially operational and provides household gas refills and electric power generation. It operates a total of 6 gas turbines with a production capacity of 20 megawatts per turbine, and is used to secure

electricity for the city of Rmeilan and its oil wells, while the gas plant depends on the APG to fill domestic gas cylinders with a daily production capacity of 12,000 cylinders. Through these turbines the energy needs of the NES are met, while any surplus is transferred to regime-controlled areas.

In relation to fossil energy in Syria, it is necessary to mention that oil investments, which date back to the last century, are mostly located in the provinces of Hasaka and Deir Al-Zor, and oil extraction operations were carried out by Western companies, led by Shell British-Dutch. Most of the recent investments in this field are to the south and west of the Euphrates River, in areas extending from the western and southern countryside of Deir Al-Zor and south Raqqa to the desert of Palmyra and Homs. Meanwhile, Russian, Chinese, Iranian and Venezuelan and Malaysian companies are exploring options for oil extraction. This means that after Bashar Al-Assad assumed power, the Syrian regime turned to oil investment companies in the eastern countries, despite exporting mainly to the European Union.

It is worth noting that the strategy pursued by the Syrian regime depended on building solid economic relations with specific parties by granting oil concessions to parties competing with the West for influence in the Middle East. Thus, the Syrian regime worked to stay out of Western sphere of influence.

The Syrian regime did not stop there, but also built strong relations with neighboring Turkey. The regime assumed that this would give it an advanced diplomatic position in light of geopolitical changes, and that through this strategy it would be able to create a global rift in the Middle East and become the focus of competition in the region. That scenario has indeed been achieved, albeit different from the way the regime envisioned it.

The strategy pursued by the Syrian regime has led to an almost complete cessation of oil investments in the southern and western regions of the Euphrates River, and has initiated a new phase in which the West has returned to its essential role in the Syrian investment map. The north of the country has evolved into an important crossing point, starting from East and West Asia and ending on the eastern coast of the Mediterranean.

Agriculture

As of September 2020, The SDF managed to control what amounts to 44,000 square kilometers of land, spread across the eastern provinces of Al-Hassaka, Deir Al-Zor and Raqqa, within which the area of agricultural land of the total geographical area for each province is as follows:

- ◆ Al-Hasaka 67.8%
- ◆ Raqqa 41.9%
- ◆ Deir Al-Zor 6.62%

The Al-Hasaka province is distinguished for having the largest area of agricultural land among the Syrian provinces. It is estimated to be 1583 thousand hectares, equivalent to 26% of the total cultivable areas in all of Syria.

Meanwhile agricultural land in the AANES regions is around 2080 thousand hectares, if adding half of the agricultural land in the Raqqa and Deir al-Zor. Thus, the percentage of agricultural land located in the AANES is 34.2% of the entire cultivable areas in Syria.

41% of the total agricultural lands in Syria has already been invested in. It is divided into 1275 thousand hectares of rain-fed land and 4440 thousand hectares of irrigated land. These areas are famous for being an important source of grain and cotton production. The Al-Hasakah province alone produces 37% of Syria's grain production and 39% of its cotton production. Thus, it is a source of food security in the country, as well as a solid infrastructure for agricultural industries.

Taxes

Despite the significance of taxes in economic systems as a source of public revenue and financing of economic activities, the AANES has not worked to develop its own tax system. The application of its law was limited to the Al-Jazira region, where tax law No. 3 was issued in 2018. In an unusual step the law was applied retroactively from 2017 onward, although evidence of its implementation is lacking.

According to the statement of the Joint Presidency of the Finance Authority in the region, the number of taxpayers in the year 2018 in the Al-Jazira region reached 243. This number is steadily increasing as a result of the financial committees' expanding efforts and the application of certain measures

compelling the taxpayers to report to financial departments, such as the need for citizens to obtain financial clearance at certain departments in the AANES regions.

The tax revenues collected in 2017 reached nearly one billion SYP, and it should be noted that those revenues do not represent the final figure, as there are still unpaid taxes. The AANES is working on issuing a tax law by making amendments to the law currently in force in the Al-Jazira region and circulating it to all the autonomous and civil administrations in north and east Syria. This step comes as part of its economic plan to diversify public revenue sources after the growing financial burdens of the AANES resulting from the increase in its services. Starting from 2020, it seeks to implement the tax law across all autonomous and civil administrations and its financial revenues are expected to exceed 5 billion SYP in the first year of its application.

Border Crossings revenues (customs):

Shortly after its formation, the AANES started to apply customs tariffs in a simplified manner to both goods entering its regions and leaving to the surrounding areas. It focused on achieving targeted revenues from each crossing separately, without there being a unified customs policy for all NES regions. In order to avoid the problems that may arise due to this situation, the AANES issued a cohesive customs law, during the General Council session held at the end of July 2019, aiming to unify the customs policies in all NES areas, by issuing executive instructions, price guide, and unified customs clearance policies.

By making this step in the field of customs policies, the AANES paved its way towards to overcoming many of the problems and obstacles that were impeding the implementation of its work mechanism, which led to the loss of part of the resources expected to be gained from customs.

This step is expected to bring relative stability when dealing with the surrounding areas, and growth in revenues, in addition to making the role of customs policies in the overall AANES more effective.

It is worth mentioning that the AANES has four active trade border points:

- ◆ The Semalka border point: this crossing with Iraqi Kurdistan is used to import different sorts of industrial, agricultural, food, and medical goods, while some crops and livestock, in addition to clothing and soap, are exported via this outlet. The importance of this

crossing stems from it being the only external border that connects the AANES with the outside world after the closure of all other crossings, specifically the one with Turkey, as part of a strategy put in place to pressure the AANES.

- ◆ A Manbij border point: this crossing is divided into two exit points. The first with the Euphrates Shield areas while the other is with the regime-controlled territory. This crossing comes second to the Semalka border in terms of importance and traffic.
- ◆ Al-Tabqa border point: this crossing connects to regime-held areas and is strategically located on the Raqqa –Aleppo motorway as well as the Al-Salamiyah-Damascus highway, which significantly shortens the distance goods need to travel. The AANES has expanded it in May 2019 to accommodate different trade activities, hoping that it could serve as alternative to the Manbij border point.
- ◆ Deir Al-Zor border point: this border also connects to regime-held areas but does not enjoy any importance in terms of trade traffic due to instability in Deir Al-Zor province.

In addition to these four, the AANES has several border points that are closed due to political reasons, among which are:

- ◆ Al-Yarubiya crossing with Iraq. The Iraqi side demands the Syrian flag to be raised for it to reopen the border.
- ◆ The Qamishli, Tal Abyad and Kobani crossings with Turkey. Except for the Tal Abyad crossing, these were utilized for humanitarian purposes until 2015. The Tal Abyad crossing was also used for commercial purposes until the SDF took control of the city of Tal Abyad.

The AANES generates most of its customs revenue from the Semalka border crossing with the Kurdistan Region, and the Manbij bordering both regime-controlled areas and Euphrates Shield region. It is estimated that the monthly revenues the AANES generates from these four border posts amount to \$120 million.

AANES' Gross Domestic Product (GDP)

In general, the contribution of the AANES-controlled regions to the economy, mainly from its oil and gas products and agriculture, exceeds 60% of Syria's overall GDP. It is thus economically important to the country and its example and experience could be replicated throughout Syria in the case of developing a decentralized future Syria.

Conclusion:

The formation of the AANES was a unique occurrence in the Syrian Uprising of 2011. It took a path fraught with risks and hardship that on more than one occasion almost led to its demise. During the battle for Kobani and Afrin in 2018, the AANES faced several challenges before officially announcing its formation. The newly established entity found itself up against difficult military trails resulting from an absence of any reasonable approaches to the Kurdish cause from both sides of the conflict (regime and opposition alike).

Despite the Syrian uprising initially presenting an opportunity to unify the Syrian people on the basis of citizenship and recognition of the different components' supra-constitutional rights, the opportunity dissipated with the militarization of anti-regime activities and the Islamization of the conflict as extremist and sectarian groups entered the conflict scene.

After the Kobani battle, the AANES witnessed a shift with the western recognition of its legitimacy and its partnership in the International Coalition to Defeat ISIL. The AANES managed to take advantage of this convergence by establishing a relatively developed political, administrative and military system in NES. This resulted in some cooperation between the coexisting components in the region and paved the way for the AANES to emerge as an actor on the scene as well as internationally, as it worked towards achieving peace through international channels and under the umbrella of the United Nations. This forced other actors to recognize it as an equal player.

The AANES possesses several key power elements that make it a strong player in the overall Syrian equation. Finding a political solution to the Syrian crisis without the AANES as part of the international attempts, is inconceivable. Perhaps economic resources constitute the backbone of the AANES when

presenting its view on Syria's future and on the mechanisms needed for achieving peace in the country's geopolitical power play conflict that is posing as a sectarian war.

This research showcased the economic resources that make the AANES an indispensable part of the Syrian equation. These resources are limited in other parts of the country, giving the AANES leverage in negotiations under the coalition which seem to be moving towards strategizing with international powers, especially the United States which works to make geopolitical changes in the region.

It is difficult to predict what will happen in a country torn by internal strife and the influence of international powers. However, analyzing data on the ground and relating it to the current status of conflict, observers are lead to believe that the leverage of the AANES, its military efforts, and its political and administrative fields, render it a valuable partner that cannot be neglected in any future Syria.