



# Structured Chaos: how nonprofits in conflict settings became an economic sector

A Macro Perspective on International  
Aid Industry in Syria and its Economic  
and Political Impacts

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**Report number 1 :**

A Macro Perspective on International Aid Industry in Syria and its  
Economic and Political Impacts

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This research is based on analysis of primary and secondary data. The facts and context analysis is a joint effort among the research team and experts to capture the most important aspects of the situation and doesn't necessarily reflect the organization's views. Although IMPACT exerted efforts to verify information, information in this research has relied on the perspectives of its participants.

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social and political change. To this end, IMPACT focuses on long-term, balanced support to individuals and organizations in both conflict and developed countries through its fields of development, dialogue, and social engagement.

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## List of acronyms:

- **3RP:** Regional Refugee & Resilience Plan
- **AANES:** Autonomous Administrative of Northeast Syria
- **AFAD:** Afet ve Acil Durum Yönetimi Başkanlığı (Türkiye's Disaster and Emergency Management Authority)
- **AFD:** Agence Française du Développement (French agency for development)
- **ARCS:** American Relief Coalition for Syria
- **CBPF:** Country Based Pooled Fund
- **CRCS:** Centre for Reconciliation of Conflicting Sides
- **CSO:** Civil Society Organizations
- **CSR:** Corporate Social Responsibility
- **CVA:** Cash Voucher Assistance
- **DITIB:** Diyanet İşleri Türk-İslam Birliği (Turkish-Islamic Union for Religious Affairs)
- **ERPs:** Early Recovery Projects
- **ECHO:** European Commission Humanitarian Aid
- **FAO:** Food and Agriculture Organization
- **FSL:** Food Security and Livelihood
- **FTS:** Financial Tracking System
- **GTZ:** Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation Agency)
- **GONGOs:** Government-Organized Non-Governmental Organization
- **GAFTA:** Greater Arab Free Trade Area
- **HRP:** Humanitarian Response Plan
- **HPF:** Humanitarian Pool-fund
- **HTS:** Hay'at Tahrir al-Sham
- **IATI:** International Aid Transparency Initiative
- **IDPs:** Internally Displaced Persons
- **IECD:** Institut Européen de Coopération et de Développement (European Institute for Cooperation and Development)
- **IHH:** İnsan Hak ve Hürriyetleri ve İnsani Yardım Vakfı (The Foundation for Human Rights and Freedoms and Humanitarian Relief)
- **INGOs:** International Non-governmental Organizations
- **ICMC:** International Catholic Migration Commission
- **ICO:** Islamic Charitable Organization
- **JICA:** Japan International Cooperation Agency
- **KRC:** Kurdish Red Crescent
- **KRG:** Kurdistan Regional Government
- **KRI:** Kurdistan Region of Iraq
- **KSA:** Kingdom of Saudi Arabia
- **MSAL:** Ministry of Social Affairs and Labor
- **NPO:** Non-Profit Organizations
- **OECD:** Organization for Economic Co-operation and Development
- **SAMS:** Syrian American Medical Society's
- **SARC:** Syrian Arab Red Crescent
- **SCHF:** Syria Cross-border Humanitarian Fund
- **SEMA:** Syrian Expatriate Medical Association
- **SIG:** Syrian Interim Government
- **SMEs:** Small and Medium Enterprises
- **SNA:** Syrian National Army
- **SPAF:** Strategic Policy Alternatives Framework
- **SRTF:** Syria Recovery Trust Fund
- **SSG:** Syrian Salvation Government
- **STD:** Syria Trust for Development
- **TdHS:** Terre des Hommes Switzerland
- **UAE:** United Arab Emirates
- **UNDP:** United Nations Development Program
- **UNIDO:** United Nations Industrial Organization
- **UNICEF:** United Nations International Children's Emergency Fund
- **UN-OCHA:** United Nations Office for the Coordination of Humanitarian Affairs
- **USAID:** United States Agency for International Development
- **WASH:** Water, Sanitation, and Hygiene



# Introduction

After more than 12 years of war, Syria's socio-economic and humanitarian situation has continued to worsen, with the number of people in need of humanitarian assistance increasing, while the percentage of the population living under the poverty line is over 90%.<sup>1</sup> In January 2023, approximately 15.3 million people in Syria were assessed to require humanitarian assistance.<sup>2</sup> Food insecurity has also continued to increase, with at least 12.1 million people estimated to be food insecure, and an additional 2.9 million people are at risk of food insecurity if the situation deteriorates any further<sup>3</sup>

In this context, humanitarian assistance to Syria has been crucial, with billions of US dollars spent since the beginning of the Syrian uprising in mid-March 2011. International humanitarian assistance has also played an increasing role in the Syrian economy, which suffered massive destruction and capital flights, through inflows of capital within the country, aid programs, and employment of the local population. In this context, this research aims to provide an overview of the nature and dynamics of humanitarian assistance in terms of its economic and political relevance.

This study is divided into three main chapters. In the first chapter, Syria's economic development in the decade prior to and after 2011 is analyzed, as well as the evolution of networks of Civil Society Organizations (CSO) and Non-Profit Organizations (NPO). In Chapter 2, the main sources of funding for humanitarian assistance are analyzed. In the third 3, the nature and distribution of international humanitarian assistance on Syria's economy, as well as its overall impact on it, are studied. Chapter 4 examines international humanitarian assistance as a tool of political domination in the three main zones of influence.

This study focuses on the political and economic macro-dynamics of humanitarian assistance in Syria. A second report connected to this wider research will tackle the micro-dynamics of international humanitarian assistance in the different zones of influence. The third and final study will briefly examine the humanitarian response to February's earthquakes in Syria and Türkiye, as well as its impacts on the nature of humanitarian assistance combined with its effects on Syria's economy, while analyzing more generally the lasting impact of the Non-Profit Sector on the economy at large, mainly with a view to a future post-conflict period.

These reports will serve as a basis for the conceptual frameworks and refined research questions for further studies on these dynamics.

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1 UNICEF, "Every Day Counts", 6 June 2023, <https://bit.ly/45P0ejt>,

2 OCHA, "Flash Appeal: Syrian Arab Republic Earthquake (February - May 2023)," 14 February 2023, <https://bit.ly/3YKI8eC>

3 OCHA, "Syrian Arab Republic: Annual Report - 2022 Humanitarian Response (January - December 2022)", 13 April 2023, <https://bit.ly/3o-poN5U>



# Methodology

The paper depends on data available from previous studies on the topic (e.g., financial tracking from OCHA and the post-Brussels conference, IMPACT mapping of Syrian CSOs, etc.) and seeks to collect additional data on funding from published sources.

Additionally, the paper relies on datasets produced by a group of public policy students from the Hertie School of Governance as part of a collaboration with IMPACT. The dataset compiles data and statistics from eight sources as follows: Development Tracker UK, Foreign Assistance US, OECD, OpenAID, Oxfam Atlas, EU aid Explorer, International Aid Transparency Initiative - IATI, and Financial Tracking System - FTS from UNOCHA

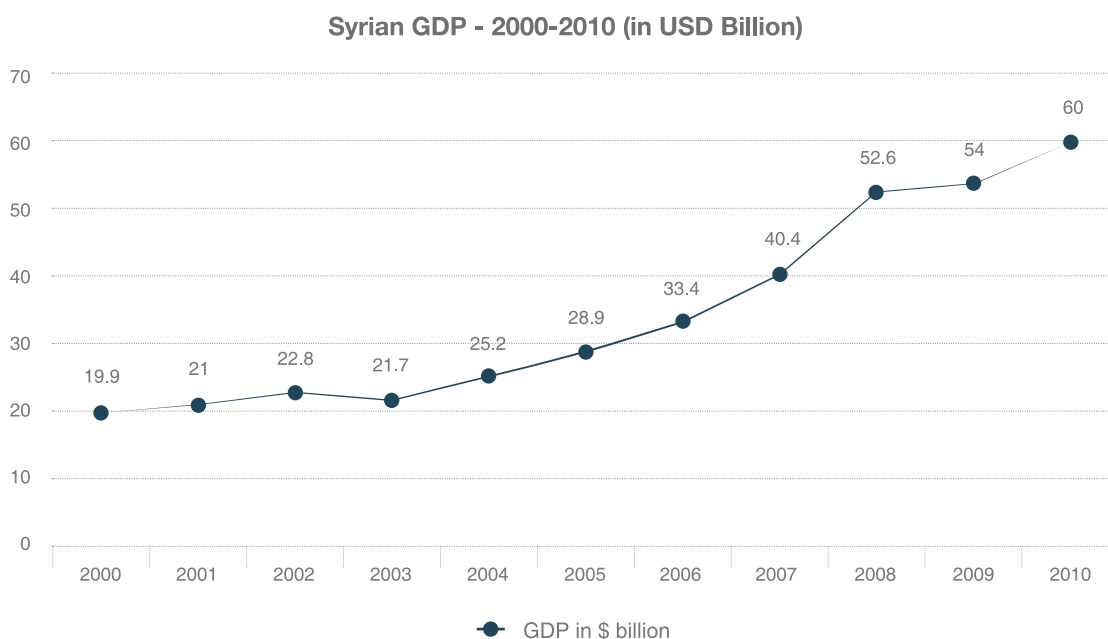
The research is also based on more than 30 extensive interviews with individuals employed in NGOs, INGOs and UN agencies active on the Syrian humanitarian crisis and generally operating within the country, as well as EU and member state officials and researchers.

## 1. Syria's Economic and Civil Society Landscape

### 1.1 Syria Prior 2011, Economic Liberalization, and Development of a Controlled “Civil Society” Scene

The Syrian GDP expanded at an average of 4.3% per year from 2000 to 2010 in current prices (USD)-in other words, increasing from 28.8 billion USD in 2005 to approximately 60 billion USD in 2010 (See Chart 1).

Chart 1 - Syrian GDP in USD Billion (2000 - 2010)



Source: Central Bureau of Statistics

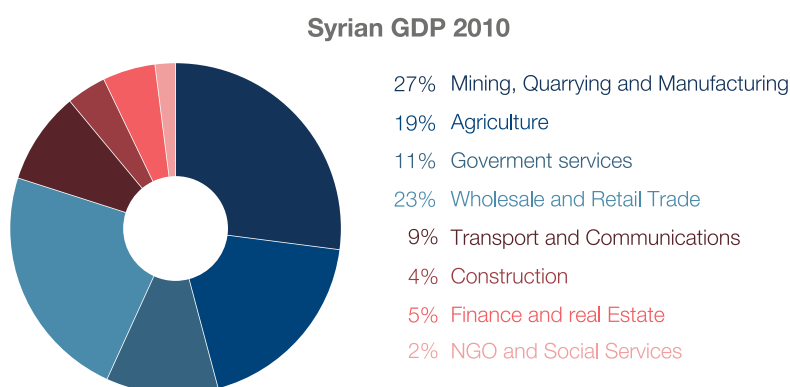
Investment inflows propelled a boom in trade, housing, banking, construction and tourism in this period. The service sector's share





in added value expanded to 50% in 2010, from 41.9% in 2000, and accounted for 84% of the growth recorded during this decade. This was also reflected in the shares of employment in services, industry and agriculture estimated at 55.3, 31.4 and 13.2%, respectively in 2010. However, the large majority of the productive sectors of the economy, particularly agriculture and manufacturing, suffered negatively as a result of the process of liberalization and privatization of the economy, including the progressive elimination of trade barriers resulting from the implementation of the Greater Arab Free Trade Area (GAFTA), signed in 2005, along with bilateral agreements with neighboring Türkiye. The share of the economy of productive sectors decreased from 48% of GDP in 1992 to 41 % in 2010 (see Chart 2).<sup>4</sup>

Chart 2 - The Structure of the Syrian GDP in 2010



**Source:** Central Bureau of Statistics

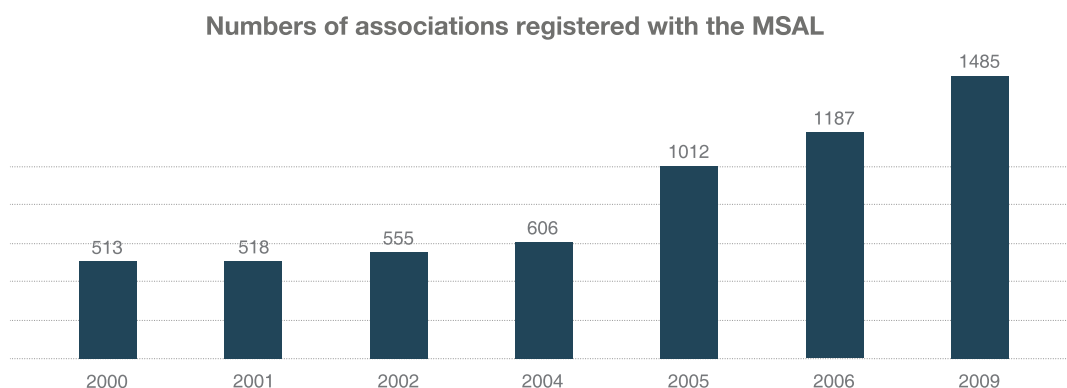
Economic growth, therefore, was essentially derived from the service sector and rents, dependent on oil-export revenue, and capital inflows. However, only a very small stratum of society benefited from this growth. From 2004 to 2007, extreme poverty increased slightly (from 11.39 % to 12.3 %), and overall poverty increased significantly (from 30.1 % to 33.6 %).<sup>5</sup> The Syrian government's neoliberal economic policies, such as privatization, liberalization and a reduction of subsidies on many products and services, were also not in the capacity to absorb potential entrants to the labor market, particularly young graduates.<sup>6</sup> The decrease in the labor force participation rate occurred in both rural and urban areas but was more acute in rural areas. The general unemployment rate was estimated by 2010 at around 25%, rather than the official 8.6% reported by the state.<sup>7</sup>

The process of economic liberalization correlated with a surge from the mid-2000s in the numbers of local charity organizations and associations, as well as NGOs, passing from 513 entities in 2000 to 1,485 entities in 2009 registered with the Ministry of Social Affairs and Labor (MSAL) (see Chart 3). These entities had diverse interests, including development, environment protection, culture, advocacy and health services.<sup>8</sup>

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- 4 Marzouq, Nabil (2013) "The Lacking Development in Syria" (in Arabic) in Bishara A. (ed.), Backgrounds of the Syrian Revolution, Syrian Studies, (in Arabic) Doha, Qatar, Arab Center for Research and Policy Studies 2013, p.40.
- 5 Extreme poverty is defined as the share of the population whose expenditure lies under the lower poverty line, and "Overall poverty" is defined as the share of the population whose expenditure lies under the upper poverty line; Khalid Abu-Ismaïl, Ali Abdel-Gadir and Heba El-Laithy, (2011), "Poverty and inequality in Syria ( 1997- 2007)", UNDP, <https://bit.ly/3SOIQFU>
- 6 See Joseph Daher, "The Political Economic context of Syria's Reconstruction: a Prospective in the Light of a Legacy of Unequal Development," European University Institute, December 2018, <https://bit.ly/2GtYYsq>
- 7 Samir Aita, "Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunity and the Informal Economy, National Background Paper, The case of: Syria", ILO and EU, <https://bit.ly/3RSAOcw>
- 8 Organizations active in the field of development, environment and advocacy remained however a minority, respectively 3,26%; 3,8% and 0,4%. Laura Ruiz De Elvira, Vers la Fin du Contrat Social en Syrie, Associations de bienfaisance et redéploiement de l'Etat (2000-2011), Karthala, Paris, 2019, p.62-70



Chart 3



**Source:** Central Bureau of Statistics as cited in Laura Ruiz De Elvira, *Vers la Fin du Contrat Social en Syrie, Associations de bienfaisance et redéploiement de l'Etat (2000-2011)*, Karthala, Paris, 2019

The number of foreign organizations and state development agencies in the country also expanded after the arrival to power of Bashar al-Assad in 2000. In addition to the small numbers of foreign entities already active in Syria (such as Japan International Cooperation Agency (JICA), German Technical Cooperation Agency (GTZ) and Movimendo), new actors started operating in the field: Institut Européen de Coopération et de Développement (IECD) in 2000, Aga Khan Development Network in 2002, Doctors Without Borders at the beginning of the 2000s, Première Urgence since 2007, International Rescue Committee established in 2008 and Agence Française du Développement (AFD) in 2009. A large number of these organizations and state agencies devoted their activities to the assistance of Iraqi refugees, following the US and British occupation of Iraq in 2003. Their operations were controlled and structured by the Syrian Arab Red Crescent (SARC). At the same time, the MSAL sought to frame the activities of the organizations active in the field of development, which was seeking to monopolize the intermediary role between local associations and foreign organizations.<sup>9</sup> These patterns will repeat after 2011.

In addition to these INGOs and state development agencies, other organizations established themselves temporarily in Syria through informal partnerships with local associations, often Christian associations, in order to operate in the country, but without concluding any agreement with the state's authorities. International Catholic Migration Commission (ICMC), Terre des Hommes Switzerland and Caritas were, for instance, active in Damascus for years under the auspices of the Christian association, "Terre des hommes Syrie (TdHS)", known in Arabic under the name 'Usrat al-Ikhaa al-Souria',<sup>10</sup> until 2010, before state authorities asked them to leave the country.<sup>11</sup>

The increase in the number of NGOs, INGOs and state development agencies did not translate into the rise of a new "civil society", with a role to encourage democratization in the country. The majority and dominant local organizations were generally state-sponsored or affiliated entities called GONGOs (Government-Organized Non-Governmental Organization). Researcher, Salam Kawakibi, explained that GONGOs had three main purposes in Syria. The first was to replace the state as a provider of social services in the framework of increasing neo-liberal policies. Secondly, these GONGOs served the objective of establishing new corporatist structures to satisfy emerging social groups and to tie them to the government by providing them with both material (employment) and moral (doing good) benefits and establish their own network of clientele, in order to broaden the "popular support" for the Syrian state towards a more liberal one. Lastly, these GONGOs could attract important sources of foreign funding and at the same time attempt to show forms of state "openness" to Western actors.<sup>12</sup>

9 Laura Ruiz De Elvira, *Vers la Fin du Contrat Social en Syrie, Associations de bienfaisance et redéploiement de l'Etat (2000-2011)*, Karthala, Paris, 2019, p.62

10 TdHS was established in 1967 in Damascus and then expanded to Qamishli (1973), Latakia (1974) and Aleppo (1975). In 1977, after ten years of work and several branches in the country, TdHS was "recognized" by the MSAL. (Laura Ruiz De Elvira, « Les catégories à l'épreuve des « associations réelles » : ni tout à fait « laïques » et développementalistes, ni tout à fait confessionnelles et de bienfaisance. Étude de cas de l'association Terre des hommes Syrie », *A contrario*, 2012/2 (n° 18), p. 79-96. <https://bit.ly/3SmzFdZ>)

11 *Ibid*, p. 68

12 Salam Kawakibi. "The Paradox of Government-Organised Civil Activism in Syria in Civil Society in Syria and Iran," in Aarts P. and Cavatorta F. (eds.), *Civil Society in Syria and Iran: Activism in Authoritarian Contexts* (Boulder, CO: Lynne Rienner), pp. 169-186

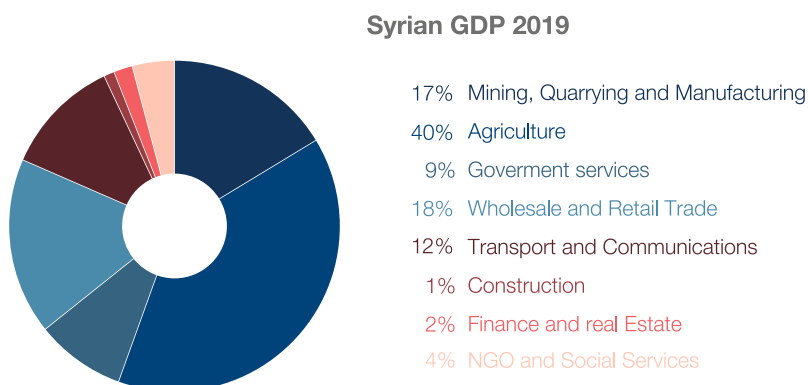


In this framework, top government officials encouraged the establishment of NGOs sponsored by businessmen or personalities associated with them”. The majority of these new associations were set up within the Corporate Social Responsibility (CSR) framework, a concept promoted by the UN Global Compact project, to expand the private sector’s financial contribution to the social welfare of the community.<sup>13</sup> Syria Trust for Development, an umbrella association set up with the sponsorship of Asma al-Assad in 2007, symbolized this process.<sup>14</sup>

## 1.2 Syria’s Main Economic Evolutions since 2011 and Expansion of International Humanitarian Assistance

As a result of the massive destruction of years of conflict and effects of the war, the structure of the economy and of the GDP has been modified significantly (see charts 4). By the end of 2019, damage to physical capital was estimated at 117.7 billion USD. At the same time, the informal economy, which was estimated to represent about 30% of employment (1.5 million individuals) and about 30–40% of GDP before 2011,<sup>15</sup> mostly likely expanded proportionally to the formal economy since the eruption of the conflict, notably through smuggling and criminal activities.<sup>16</sup> In 2021, the size of the informal economy in Syria exceeded 70% of the country’s official GDP, according to the Strategic Policy Alternatives Framework (SPAF). In addition to the sanctions and their impact, the Lebanese financial crisis since 2019, the COVID-19 pandemic and Russia’s invasion of Ukraine have further compounded the country’s socio-economic problems. The World Bank has projected, although with some level of uncertainty given the lack of data, that in 2022, Syria’s real GDP reached 15.5 billion USD in constant 2015 prices, falling to a level not seen since the mid-1990s, according to UNICEF.<sup>17</sup>

Chart 4 - The Structure of the GDP in 2019



Source: Central Bureau of Statistics

13 The list of CSR-compliant organizations was subdued by large companies with strong political connections to the centers of power. It included companies such as Syriatel and Gulfsands Petroleum (Rami Makhlof), the Syria Trust (Asma al-Assad) the United Group (Majd Suleiman), the Alfadel Group, MTN Syria and the MAS Group among others. (Sinan Hatahet and Ayman al-Dessouky (2020), “The Role of Philanthropy in the Syrian War: Regime-Sponsored NGOs and Armed Group Charities”, Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, <https://bit.ly/3IGdEHu>)

14 Salam Kawakibi. “The Paradox of Government-Organised Civil Activism in Syria in Civil Society in Syria and Iran,” in Aarts P. and Cavatorta F. (eds.), *Civil Society in Syria and Iran: Activism in Authoritarian Contexts* (Boulder, CO: Lynne Rienner), pp. 169-186

15 International Labour Organisation (ILO) (2010), “Gender, Employment and the Informal Economy in Syria”, <https://bit.ly/2Ib958X>

16 Smuggling activities decreased in the 2000s in some sectors following the liberalization of trade. Moreover, the 2003 US invasion of Iraq ended Syria’s direct involvement in various smuggling activities, especially of oil. However, other illegal trafficking and smuggling activities appeared in this period, for example drug and weapons trafficking surged, driven by new routes. Transborder smuggling in Iraq also recovered and intensified in the years following the invasion.

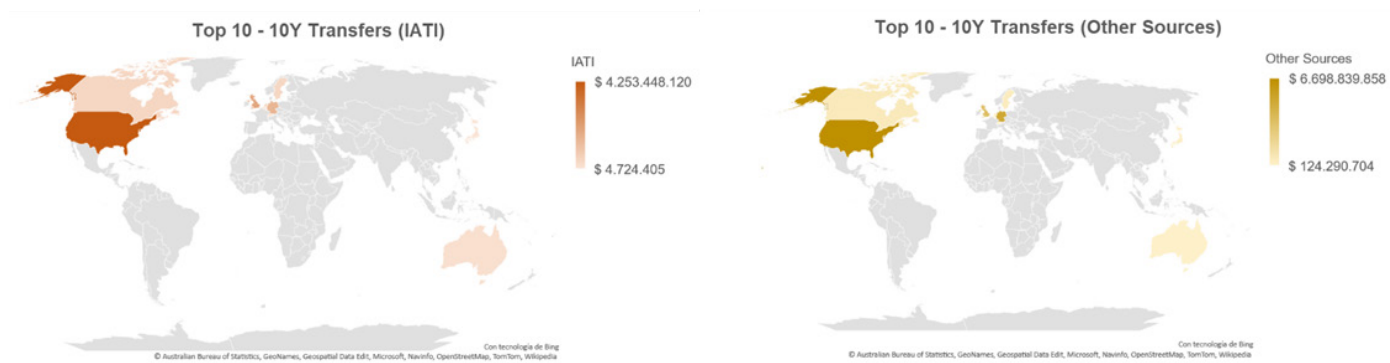
17 Cited in OCHA, “Syrian Arab Republic: 2023 Humanitarian Needs Overview (December 2022)”, 22 December 2022, <https://bit.ly/3nzNeNc>



The total volume of assistance to Syria is difficult to estimate, with the variety of donors and multiple funding channels. The volume of humanitarian assistance to the Syrian crisis, which includes not only aid provided to Syria but to neighboring countries (Türkiye, Jordan, Lebanon, Iraq and Egypt), between 2012 and 2022, has been estimated at 54.96 billion USD according to FTS.<sup>18</sup> This amount, however, does not include humanitarian assistance given directly to the Syrian government, funds to organizations operating outside of the UN framework, or funds raised through donations and remittances. In other words, the total volume of humanitarian assistance to the Syrian crisis is much higher.<sup>19</sup>

Between 2012 and 2022, the two main donors are the European Union (EU) and its member states<sup>20</sup> with more than Euro 27.4 billion in humanitarian, development, economic and stabilization assistance,<sup>21,22</sup> and the United States of America (USA) with a total estimated volume of humanitarian assistance provided through USAID and the Department of State of nearly 16 billion USD.<sup>23</sup> Gulf states have also been important donors, with the Kingdom of Saudi Arabia (KSA) and United Arab Emirates (UAE) respectively, claiming to have contributed more than 6.7 and 1.1 billion USD<sup>24</sup> in humanitarian support towards the Syrian Crisis by the end of 2022 (see Map 1).

Map 1: Top 10 Donor Countries - Total transfers since 2012 to 2022 (USD)



The humanitarian assistance to Syria is organized by the Humanitarian Response Plan (HRP), which outlines the humanitarian community’s response to the situation in Syria on an annual basis. It is composed of two main hubs: Damascus and Gaziantep. In Damascus, the OCHA Syria Country Office operates from the capital, with sub-offices in Aleppo, Homs and Qamishli,<sup>25</sup> while in Gaziantep, it is OCHA Turkey that coordinates cross-border humanitarian assistance delivered from Türkiye to Syria.<sup>26</sup>

18 This amount is divided the following way for the period between 2012 and 2022: Syria between 24.8 and 26.7 USD; Lebanon 10.8 billion USD; Jordan 7.7 billion USD; Türkiye 5.5 billion USD; Iraq 2.1 billion USD and Egypt 0.7 billion USD.

19 This statement includes other volume of humanitarian assistance, including within Syria.

20 Germany has been the most important European member state donor to the Syrian crisis, amounting to 7.6 billion USD between 2012 and 2022, according to FTS.

21 European Civil Protection and Humanitarian Aid Operations, “Syria Factsheets”, consulted on 1 April 2023, <http://bit.ly/40xEbLn>

22 Dan Stoenescu, head of the European Union Delegation to Syria, claimed in an interview with Syrian radio. al-Madina FM in September 2023 that European Union (EU) and its member states’ funding for Syria exceeded 30 billion Euros since 2011. Al-Madina FM, “Head of the European Union Delegation to Syria: 30 billion Euros, the Value of Our Projects in Syria since 2011”, Youtube, 29 September 2023, <https://bit.ly/3tdHs6M>

23 USAID, “Syria”, consulted on 1 April 2023, <http://bit.ly/3nHT52Q>

24 Arab News, “Saudi Arabia participates in 6th Brussels Conference to support Syria and the region”, 12 May 2022, <https://bit.ly/3yxqT4w>

25 OCHA in Damascus also coordinates cross-line inter-agency access to hard-to-reach areas as well as other areas located across conflict lines. (UNOCHA, “United Nations Office for the Coordination of Humanitarian Affairs-UNOCHA Syria Hub”, consulted 3 April 2023, <https://bit.ly/3PsjQ4c>

26 OCHA Turkey cooperates with the UN agencies and humanitarian partners including international organizations, Syrian NGOs, Turkish NGOs and various governmental and other authorities. OCHA, “About OCHA Türkiye”, consulted in 3 April 2023, <https://bit.ly/4335COB>



### History of the Syria Cross-border Aid

*The UN Security Council adopted Resolution 2165 in 2014, allowing humanitarian assistance to be delivered to civilians outside government-controlled areas through four border crossings in southern, eastern and northern Syria. This enabled humanitarian partners, particularly Syrian organizations, to expand and support humanitarian assistance across border and conflict lines. The Syria Cross-border Humanitarian Fund (SCHF) is a multi-donor Country Based Pooled Fund (CBPF), established in 2014, following UN Security Resolutions 2139 and 2165. Eligible SCHF recipients include Syrian and international NGOs, the Red Cross and Red Crescent Movements and UN agencies. The architecture of the humanitarian assistance system was initially the “Whole of Syria” approach, involving complementary “hubs” in Amman, Gaziantep, Erbil, Beirut and Damascus. Alongside the return of Syria’s government sovereignty in the south and along the Syrian Jordanian borders in the summer of 2018, three crossings have been excluded from the decision since 2020 after pressures from Russia and China. The Bab al-Hawa crossing is now the only remaining crossing designated for humanitarian aid deliveries, until the July 2023 vote in the UN security council to renew Resolution 2672.*

There is also the Regional Refugee & Resilience Plan (3RP), which is a platform for humanitarian and development partners to respond and collaborate humanitarian assistance to neighboring countries, Türkiye, Lebanon, Jordan, Iraq, and Egypt.<sup>27</sup>

In this framework, international humanitarian assistance can be divided into three main sectors: Emergency Response, Early Recovery and Stabilization Programs. First, Emergency Response has been at the core of the projects for the HRP and is still today. The three strategic objectives of the HRP, based on saving lives and reducing suffering, improving safety, and boosting resilience, made it critical to guarantee that food, health, and shelter are the top priorities of humanitarian organizations.

After the Emergency Response, the HRP has also developed in the past few years more and more “Early Recovery” projects, although it remains lower in comparison to Emergency Response projects. The United Nations Development Office (UNDP), defines “Early Recovery” as “an approach that addresses recovery needs that arise during the humanitarian phase of an emergency; using humanitarian mechanisms that align with development principles.” The UNDP adds that, “this approach enables people to use the benefits of humanitarian action to seize development opportunities, build resilience, and establish a sustainable process of recovery from crisis”. “Early Recovery” aid can be viewed as an activity between the currently prevalent approach of focusing on basic humanitarian aid and emergency aid-food, shelter, and WASH (water, sanitation, and hygiene) services-and soft rehabilitation in order to include a more developmental aspect and more significant scheme.

Finally, stabilization programs are mostly funded by the US and the European Union, and its member states and are generally not included in the registered volume of humanitarian assistance. The US State Department, for example, concentrates the far majority of its stabilization assistance in the northeastern regions, in order to help Washington attain political objectives, like the suppression of ISIS, and to a lesser extent support the political transition based on UN resolution 2254. Between 2012 and 2022, the United States has provided more than 1.3 billion USD in stabilization assistance in areas outside of the control of the Syrian government. Since 2016 most of this aid has been directed to communities across Raqqa, Deir ez-Zor, and al-Hasakah governorates in northeast Syria.<sup>28</sup> As explained by Jeanne Pryor, USAID’s Acting Deputy Assistant Administrator for the Middle East Bureau: “USAID’s stabilization assistance differs from our humanitarian aid in that it is directed according to U.S. policy goals, in particular, the enduring defeat of the Islamic State (ISIS)... As such, we support Syrian civil society organizations to identify those needs and work within their communities to develop plans to address them, which many times include advocacy with local authorities. Furthermore, our work in northeast Syria with local governance structures is focused on how to best support institutions and authorities to provide consistent and sustainable services to the people. In northwest Syria, our stabilization work is limited to support for the Syrian Civil Defence (White Helmets).”<sup>29</sup>

27 The 3RP is co-led by both UNHCR, the UN Refugee Agency and the United Nations Development Programme - UNDP. (Regional Refugee & Resilience Plan, consulted 3 April 2023, <http://bit.ly/43145Zo>)

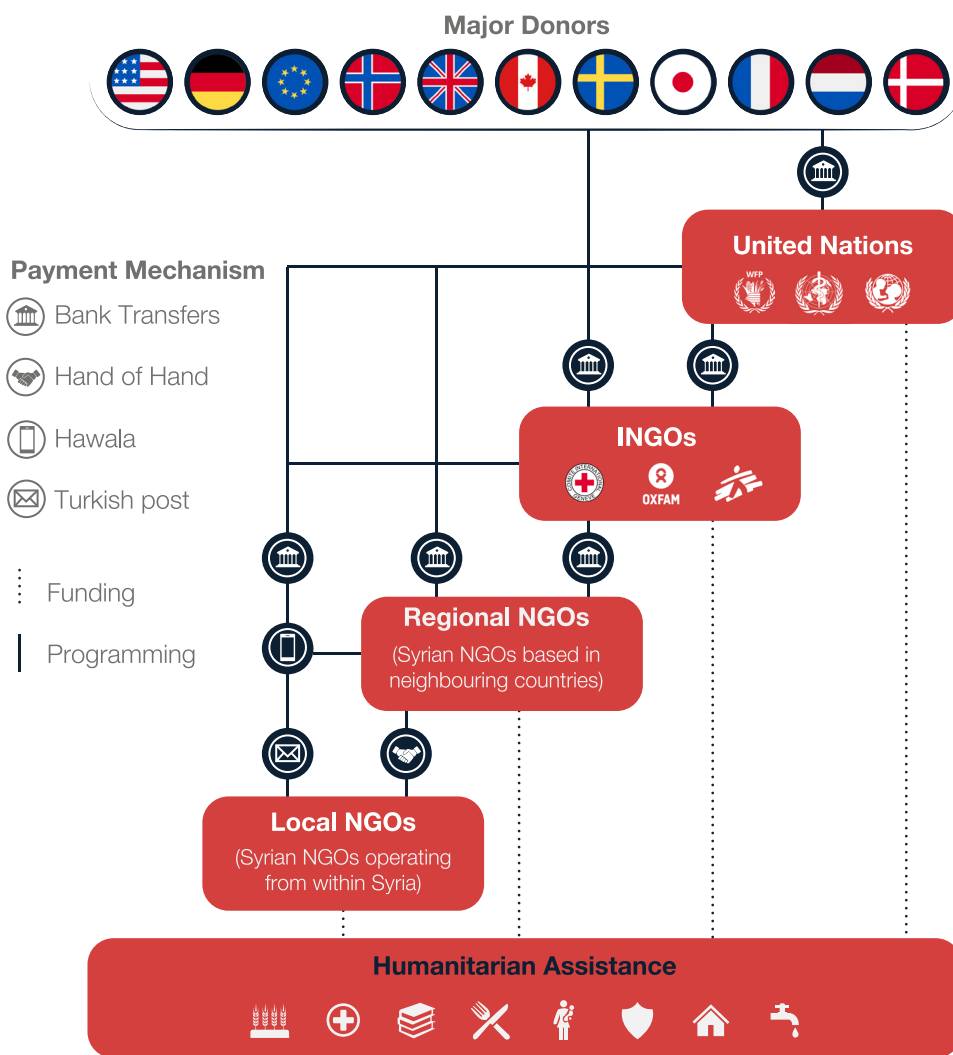
28 USAID, “Our Work”, consulted 2 April 2022, <http://bit.ly/3nDsuEe>

29 The Syria Report, “Q&A with Jeanne Pryor, USAID’s Acting Deputy Assistant Administrator for the Middle East Bureau”, 30 August 2022, <https://bit.ly/3B59qD9>



The most important donors (states and EU) have generally directed their funds through pooled funds, like the Syrian Humanitarian Response Plan, coordinated by UNOCHA, or funds coordinated by regional bodies like ECHO. These funds are then generally disbursed in majority to UN agencies and INGOs. These organizations then deliver programming directly, or in partnership with regional NGOs (those operating in the countries neighboring Syria) or local NGOs (those operating within Syria). Donors have, however, usually contracted INGOs rather than local /national NGOs directly. UN agencies have received a total amount of 35.05 billion USD between 2012 and 2022 . In comparison, INGOs collected 10.4 billion USD, and local NGOs have received 650 million USD, according to FTS, representing a total of around 11.05 billion USD.

### Pathways of Humanitaria Assistance to Syria



Humanitarian assistance to Syria is widely dependent on states’ funding sources and their willingness to continue. This dependency has caused many NGOs and INGOs to voice some concerns regarding diminishing funding for humanitarian assistance for Syria’s crisis, especially after the eruption of the Russian war on Ukraine in February 2022, which led to further prioritization by European governments, which are the most important donors, away from Syria.<sup>30</sup>

30 The WFP has scaled down a number of items in its monthly emergency food baskets to northwest Syria in May 2022, because of funding constraints and rising global food prices, which have increased as a result of the Ukrainian-Russian conflict and the protracted economic crisis in Syria. The WFP had already announced several decreases in the provision of food in the North West previously in 2021. The NGO Bahar, active in northern Syria, has, for instance, witnessed a diminution in its activities since 2021, especially in Nutrition and WASH service provisions, leading to fewer people receiving assistance and needed services, because of the “general reduction in funding for the Syria Response”. Interview with an employee of NGO Bahar, September 2022



## 2. Main Sources of Funding of International Humanitarian Assistance to Syria

The main sources of humanitarian aid have been large institutional donors, such as states, and to a lesser extent INGOs, NGOs and private and corporate donations.<sup>31</sup> The two main sources, IATI, and FTS, however, do not report humanitarian assistance directly provided to the Syrian government by multiple states or funds allocated to organizations and humanitarian actors operating generally outside the framework of the UN and its partner organizations. In addition to this, remittances sent by the Syrian diaspora are not included. The second chapter tackles these three main sources of funding for humanitarian assistance: states; INGOs, NGOs and private sources of funding; and remittances.

### 2.1 States

The most important donors of humanitarian assistance have been the EU and foreign governments, which have contributed around 90% of the overall total humanitarian assistance, representing approximately 22 billion USD, according to the FTS.

#### USA, EU, EU Members' States and UK

The United States (US), the European Union and its member States have been the most significant donors to the Syrian humanitarian crisis since 2011, despite their opposition to the Syrian government. US humanitarian assistance within Syria has amounted to between 6.2 and 7.9 billion USD between 2012 and 2022,<sup>32</sup> representing between 24% and 31.9% of the total humanitarian assistance reported through UN channels. The main contributors to humanitarian assistance within Syria between 2012 and 2022 have been the EU approximately 2.7 billion USD (11%), Germany between 2.2 and 2.3 billion USD (9%), and the UK around 2.21 billion USD (9%), according to the FTS and IATI.

#### Gulf States

The Gulf states have also been major providers of humanitarian assistance to Syria, operating through the UN channels, its partner organizations, and their own systems of humanitarian assistance based on state-affiliated institutions and organizations. In addition to these channels, some of these states have also delivered massive aid to the Syrian government directly. Their contributions therefore far exceed their funding to the UN and its partner organizations.

The United Arab Emirates (UAE) and Kingdom of Saudi Arabia (KSA) funding to UN and partner organizations, registered between 2012 and 2022, are estimated at 394.2 million USD and 384.5 million USD respectively, according to FTS<sup>33</sup>. Qatar, on the other side, has mostly funded UN and partner organizations through Qatar Charity ( 246.15 million USD), and then the Qatari government (133.2 million USD) accompanied by smaller contributions by other state's affiliated organizations (Sheikh Thani Bin Abdullah Foundation for Humanitarian Services - 65.9 million USD and Qatar Red Crescent - 1.1 million USD), making a total of 446.35 million USD between 2011 and 2022. Finally, Kuwait's total volume of humanitarian assistance, gathering state and state's affiliated organizations, has been around 399.7 million USD.<sup>34</sup>

31 Private companies have provided humanitarian assistance with an estimated amount of 0.4 billion USD between 2011 and 2022 according to the FTS .

32 According to FTS, Hertie School and IATI respectively: 6.2 billion USD; 6.6 billion USD and 7.9 billion USD.

33 State-affiliated organizations from these countries have also contributed to funding UN channels, such as King Salman Humanitarian Aid and Relief Center (3.5 million USD); Red Crescent Society of the United Arab Emirates ( 19.3 million USD)

34 Kuwait Fund for Arab Economic Development (5 million USD); Rahme International Society (3.7 million USD); Kuwait Red Crescent ( 111,000 USD)



Furthermore, KSA and UAE contributed respectively up to 100 and 50 million USD for re-stabilization programs in the northeast of Syria in cooperation with international partners. The UAE and Kuwait also contributed up to Euro 18.71 and 41.93 million respectively to the Syria Recovery Trust Fund (SRTF) from its foundation in September 2013 until February 2023.<sup>35</sup>

### Syrian Government's Allies – Russia, China and Iran

The main allies of the Syrian government, Russia, Iran and China, have generally been small providers of humanitarian assistance. Russia and China have contributed to 94.57 and 43.33 million USD respectively, worth of humanitarian aid provided for the Syrian crisis between 2012 and 2022.<sup>36</sup> The aid allocated by these countries to the UN and partner organizations within Syria, registered by the FTS, are also very insignificant: Russia 76.4 million USD and China 10.8 million USD. The indicated volumes of aid from these states do not, however, take into consideration humanitarian assistance offered to Syria outside of these channels. These countries generally don't use the UN and its partner organizations to channel their funds through, rather capitalizing on their own networks, or delivering aid directly to the Syrian government.

Russian aid providers are, for instance, usually scarcely ever incorporated into the UN-led humanitarian coordination system in Damascus. Moscow generally does not partner with the UN, the International Red Cross, or international donors in Syria, with few exceptions.<sup>37</sup> Instead, Russian aid delivery is largely carried out by state institutions, approximately 81%, and the remaining by non-state entities (19%). The Russian Defence Ministry, for example, created its Centre for Reconciliation of Conflicting Sides (CRCS) in Syria, which engages, among other things, in the provision of humanitarian aid. Russian non-state actors operating in Syria are, however, predominantly informally connected or accountable to the Kremlin, through senior leaders within these organizations with close connections to it or funding from it, such as the Russian Orthodox Church. The CRCS and, to a lesser extent, the Russian Orthodox Church, are the leading Russian humanitarian actors conducting aid in the country.<sup>38</sup> In addition to this, Russian humanitarian intervention, or support, is connected in some areas, such as in Aleppo to the Department of Ecumenical Relations and Development, which is affiliated with the Greek Orthodox Patriarchate of Antioch and All the East, and the Ahmad Kadyrov Foundation, affiliated with the Chechnyan president.<sup>39</sup>

China, on its side, has funneled its humanitarian support directly to the Syrian government. A report published by the research unit COAR, estimated China's total humanitarian contribution to Syria to be more than 100 million USD between 2011 and the beginning of 2022, in addition to tens of millions in in-kind support for the COVID-19 pandemic, and an estimated 80 million USD to assist neighboring states impacted by the Syrian crisis.<sup>40</sup>

Finally, Iran has not contributed to any funds through UN channels and has directed the far majority of its humanitarian assistance through the government directly, or Iranian-affiliated NGOs and associations in Syria. However, the activities and humanitarian programs of Iranian NGO-affiliated organizations are generally limited.<sup>41</sup>

Alongside humanitarian assistance, Iran and Russia have granted direct financial aid to the Syrian government, especially Tehran. The Iranian state's credit lines have indeed been providing large quantities of fuel, oil and other types of goods to Syria since

35 UAE has claimed on its side in May 2022 to have contributed \$23.4 million USD to the SRTF. Emirates News Agency, "UAE Embassy participates at EU's 6th Brussels Conference on supporting Syria", 12 May 2022, <https://bit.ly/3yH6hXS>

36 OCHA cited in The Syria Report, "Chart: Contribution Made by Syria's Main Allies to the Syrian Humanitarian Crisis (2012-2022)", 2 August 2022, <https://bit.ly/3K5bsY1>

37 In December 2018, Russia donated 3 million USD towards the program, marking "the first FAO emergency project funded by Russia," according to the UN agency. The Syria Report, "Russia-Funded FAO Project Launches Operations", 31 January 2023, <https://bit.ly/3SDOr1u>

38 Jonathan Rodinson, "Russian Aid in Syria: An Underestimated Instrument of Soft Power", Atlantic Council, 14 December 2020, <http://bit.ly/3Y7TZ5q>

39 Ziad Awad, "Non-Governmental Organisations in Aleppo: Under Regime Control and at its Service", Research Project Report Wartime and Post-Conflict in Syria, 03 June 2022, <https://bit.ly/3lxjLKs>

40 COAR, "China in Syria: Aid and Trade Now, Influence and Industry Later?", 11 July 2022, <https://bit.ly/3Zetook>

41 For example, in Aleppo governorate, four registered NGOs are linked to Iran and are mostly active in rural areas, three of which (al-Kawthar, al-Ghadeer, and al-Misbah) operate exclusively in Nubl and al-Zahraa, which are Shiite-majority towns. The single activity of the fourth, al-Imar wal-Ihsan, is to manage al-Noqta Mosque, a sacred Shiite site in the city of Aleppo. (Ziad Awad, "Non-Governmental Organisations in Aleppo: Under Regime Control and at its Service",)





2013.<sup>42</sup> The value of the debt owed by the Syrian government to the Islamic Republic of Iran has never been made public. However, Estimates range between 16 billion USD and 50 billion USD, according to different statements.<sup>43</sup> Moscow granted to Damascus in 2014, financial aid worth hundreds of millions of euros in order to pay the wages of state employees, including military staff.<sup>44</sup> In addition, the Russian government extended two loans totaling one billion USD to the Syrian government, mostly to be used to procure services and goods from Russian companies.<sup>45</sup> More recently, in the year 2023, Moscow funded in 2023 two projects launched by the United Nations Industrial Organization (UNIDO) and the United Nations Food and Agriculture Organization (FAO), respectively worth USD 2.4 million USD (in cooperation with the Ministry of Industry to provide technical support to Syria's agro-industrial sector) and USD 3 million USD (to establish production unit for liquid nitrogen with a capacity of 30 liters per hour in Aleppo).<sup>46</sup>

## 2.2 INGOs, NGOs and Private Sources of Funding

The rest of humanitarian funding has mostly been delivered by UN agencies, INGOs, and NGOs on one side and private individuals, organizations and foundations on the other side. These two groups have respectively contributed around 576 and 250 million USD during the same period, according to the FTS.<sup>47</sup>

These amounts however do not take into consideration the funds raised by some NGOs to finance their own activities, which particularly increase the total sums of money entering northwestern areas outside the control of the Syrian government. Small numbers of NGOs have indeed been able to launch campaigns of crowdfunding to partially fund their activities, alongside grants from INGOs, States, and other philanthropic actors. This has particularly been the case for Syrian diaspora organizations, often with religious Islamic backgrounds, active in the northwest. They generally have options for donations and "zakat" on their websites, while they have also launched crowdfunding campaigns, among Syrian and/or Muslim communities and networks abroad, especially in the USA and the UK, but also in other countries with large numbers of Syrian refugees such as Türkiye and Germany. Crowdfunding and collection of donations have especially been made during religious celebrations.

Between 2011 and 2020, eleven Syrian American organizations based in the USA were, for instance, able to collectively raise nearly 850 million USD, according to a report published by the American Relief Coalition for Syria (ARCS)<sup>48</sup> in February 2022.<sup>49</sup>

The vast majority of the Syrian diaspora organizations have, however, generally depended on funding from institutional grants coming from states, INGOs and foundations. Crowdfunding campaigns have only represented a small part of their funding. In 2020 and 2021, donations by individuals to Syrian American Medical Society's (SAMS)<sup>50</sup> organization represented respectively 17.25% (7.35 million USD) and 17.78% (7.59 million USD) of their total sources of financial support 43 USD million USD and 42.7 million

42 The oil imported from Iran is not paid for by the Syrian authorities and represents an import source of cash flows as it is sold on the local market.

43 The Syria Report, "Iran and Syria Prepare Agreements Ahead of Iranian President's First Visit to Syria Since 2010", 2 May 2023, <https://bit.ly/453MBg2>; Iran International Newsroom, "Syria Owes \$50 Billion To Iran, Leaked Document Reveals", 12 May 2023, <https://bit.ly/3MVz8jf>

44 The financial aid by Moscow was disbursed in four installments: the first payment was worth SYP 9.441 billion, May 2014; the second and third payments were worth EUR 60 million each, June, 2014, and September 2014, respectively; the fourth payment was worth EUR 71.5 million, December 2014. (The Syria Report, "Russia Granted Syria Rare Financial Aid, Including for its Military, One Year Before its Intervention in 2015", 26 April 2022, <https://bit.ly/3Wf5gBC>)

45 Michael Weiss, "Exclusive: How Russia Evades Sanctions via Syrian Loan Schemes", New Line Magazines, 5 April 2022, <https://bit.ly/3pRt5mY>

46 Hana Ghanem, "The United Nations Launches a Project to Revitalize the Food Industry in Syria" (in Arabic), 11 May 2023, <https://bit.ly/3MyFu74>; The Syria Report, "UNIDO Launches First Project Since 2011", 16 May 2023, <https://bit.ly/3IHsvyK>

47 In addition to this, the sums disbursed by pooled funds (both Global UN and country based funds) represented between 2012 and 2022 nearly 271 million USD according to FTS.

48 ARCS is a coalition of 10 organizations. It ensures that food, NFIs, health, and WASH needs are delivered inside besieged areas, as well as provides assistance and services to Syrian refugees in regional neighbouring countries and in the United States.

49 ARCS and OXFAM, "ARCS Report on Syrian American Diaspora Engagement", February 2022, <https://bit.ly/3Cw0zvv>

50 SAMS is a global medical relief organization that mainly operates in Syria, Jordan, Lebanon, and Türkiye. Inside Syria, SAMS provides medical care and relief, supporting over 110 medical facilities and more than 3,000 medical personnel



USD.<sup>51</sup> The Syria Relief & Development<sup>52</sup> organization has, for instance, received 645,000 USD in individual donations in 2021, out of a total of 21 million USD, through grants and in-kind support, representing less than 5% of its total contributions. The highest amount of individual contribution collected was around 2.5 million USD in 2012.<sup>53</sup> Ihsan is, on its side, dependent by 95% on funding from UN agencies and INGOs and the rest through crowdfunding, mostly through donations from the USA of the Syrian diaspora.<sup>54</sup> Similarly, the Syrian Expatriate Medical Association (SEMA)<sup>55</sup> has collected a very small amount of funds through crowdfunding campaigns, a bit less than 250,000 USD in 2019, in comparison to its overall budget of over 13 million USD. Nevertheless, a member of SEMA stated that the organization is considering increasing this type of funding, in light of diminishing humanitarian assistance, especially after the start of the Ukraine crisis in February 2022.<sup>56</sup>

The main exception in this context is the organization called Molham Voluntary Team.<sup>57</sup> It has been funding its activities through crowdfunding, reaching a total amount of 47 million USD between 2016 and 2022.<sup>58</sup> It received significant funds from Gulf states (KSA, UAE, Qatar), Germany, Türkiye and Palestinians from 1948 (within Israel).<sup>59</sup>

## 2.3 Remittances

Remittances were estimated to be around 1.62 billion USD in 2010.<sup>60</sup> The significance of remittances increased during the conflict, especially as a result of the high amounts of Syrian refugees abroad, and became an important support for the livelihood of large segments of the population since the outbreak of the conflict in 2011, particularly with the continuous increase in the cost of living. It became the main source of financial resources for a growing number of families in the country. According to various estimates,<sup>61</sup> between 35 % and 70% of Syrian families are dependent for their livelihoods on foreign remittances, which total volume is estimated at between 3 and 5 billion USD and in majority come from Europe and Arab countries, particularly the Gulf states.

51 SAMS, "SAMS Annual Report 2020", <https://bit.ly/3ASx9GE>; SAMS, "SAMS Annual Report 2021", <https://bit.ly/44v400F>

52 Syria Relief & Development organization was established in the end of 2011 and is registered in the USA, with offices in Syria, Türkiye, and Jordan, and has worked to provide aid to Syrians, particularly in health assistance. In addition to Jordan and Türkiye, the organization is mostly active in the northwest of Syria. They also have small projects in the Damascus Countryside, in government-held areas, as well as in the northern cities of Ras al-Ayn and Tell Abyad. The organization staff can reach 2,000 employees in periods of intense activities and operations, such as with seasonal distributions. They had a total budget of over 15 million USD in 2021 for their activities and operations. Interview a member of Syria Relief & Development, September 2022

53 Interview with a member of Syria Relief & Development, September 2022

54 Interview with a member of Ihsan, September 2022

55 SEMA is a federation of affiliated organizations based in France, Türkiye, Italy, the United States of America and the United Kingdom. It was initially founded in mid-2011 by a group of Syrian expatriate doctors. It is providing Health and Protection services within Syria. They are operating in the northwest. The organization has an annual budget of around 13 million USD. Interview of a member of SEMA, October 2022, Zoom

56 Interview with a member of SEMA, October 2022, Zoom

57 Molham Voluntary Team is a non-profit, charitable organization founded in 2012 in Jordan, by a group of then-university students. It aims at providing aid to internally displaced Syrians in northern Syria and Syrian refugees in neighboring countries. The organization is registered in several countries around the world, including Germany, Canada and Sweden. The team includes over 300 volunteers from all around the world, who work together, day and night, to ensure that aid is delivered to Syrians in need, as well as approximately 70-80 employees based in the areas of operations. They have an annual budget of around 15 million USD and the organization is involved in various sectors, especially construction, health and education. Interview with an employee of Molham, September 2022

58 Molham, "Molham Transparency" 2022, <https://bit.ly/3KJns0r>

59 Interview with an employee of Molham Voluntary Team, September 2022

60 World Bank, "Personal remittances, received (current US\$)", 2019, <https://bit.ly/3dB04AN>

61 Syria TV, "Remittances are a Source of Livelihood for 70 percent of Syrian Families", (in Arabic), 22 January 2021, <http://bit.ly/36cQBht>; Harmoon Centre For Contemporary Studies, "Foreign Remittances Are an Essential Source of Life in Syria", 5 February 2021, <http://bit.ly/2Lsd1Es>; Economy 2 Day, "Economist: The Syrian Family Needs a Million and a Half Pounds a Month to Live in an Acceptable Way" (in Arabic), 4 February 2021, <http://bit.ly/3tELvEY>; Omran Dirassat, "External Transfers to Syria During Ramadan.. Estimates and Effects" (in Arabic), 6 April 2022, <https://bit.ly/37DZAMo>; Abdel Hadi Shbat, "What is the Veracity that Most Syrians Live on Remittances?", (in Arabic), Al-Watan, <https://bit.ly/3uAmgWl>; Abdel Hadi Shbat, "Syrian Remittances Contribute to Financing 40% of Imports" (in Arabic), Al-Watan, 3 July 2022, <https://bit.ly/3NOISKb>



Transfer of remittances to Syria has been made in the past decade through informal networks of money transfers or directly hand-to-hand or other direct systems of handling money through individuals. The depreciation in the value of the Syrian pound and the major gap between the official and the black-market exchange rates further deepened informal channels of transfer in government-controlled areas. The majority of recipients receive on average between 100 and 200 USD per month, on a nearly monthly basis, which is a significant amount in comparison to average wages in Syria. The bulk of recipients spend large parts of their remittances on basic living expenses, such as food (many families abstain from consuming meat and some types of fruit) and essential products, especially heating oil in the winter. The rest of the remittances are disbursed on rent, medications, education payments and military tax exemptions and/or leaves from the army in government-held areas, in addition to personal expenses

Remittances have, however, played a negligible role in the funding of humanitarian actors in absolute numbers, but it has represented an important source of funds for some very small number of local initiatives and organizations and associations in Syria.

Moreover, there are particular cases in which remittances are being collected and used by groups and/or networks of individuals involved in humanitarian and social activities to support people in need. During the outbreak of COVID-19, for instance, diaspora communities sent money to villages and towns in different areas of the country to help people with limited or no income, to have access to food and medicine, or in some cases, dispatched medical equipment to local health institutions. Similarly, only a small proportion of the remittances is invested in small economic projects (such as shops) and/or small establishments. The majority of projects launched generally employed less than five individuals, and in sectors with low skills needs. These range from small shops selling food and clothes to restaurants and food delivery businesses.

It is, however, very hard to consider a growing role in any future potential reconstruction process or economic recovery for diaspora communities because of many obstacles and shortcomings within Syria,<sup>62</sup> except for some rather minor projects like the ones mentioned above. Many diaspora communities, including businessmen supportive of the government, consider that the political, economic and security conditions are not ready for their return.

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62 See for example Joseph Daher, "Syrian Entrepreneurs and Investors in Egypt and their Relations with Syria," Research Project Report, (Florence: European University Institute, Middle East Directions, Syria Trajectories, 2 February 2023), <https://bit.ly/3XEexSQ>



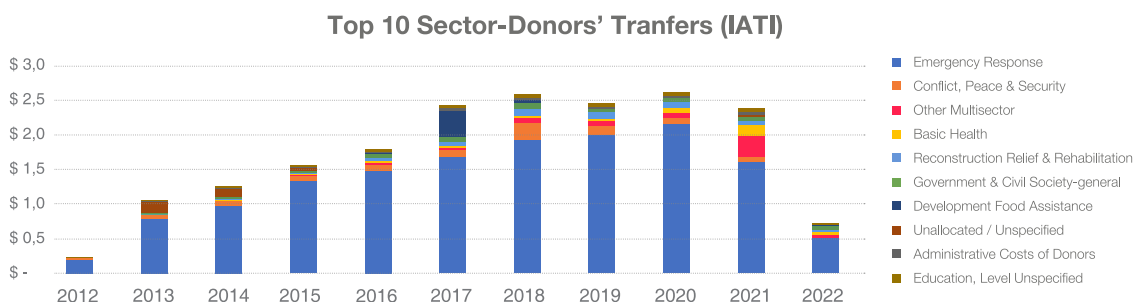
### 3. Nature and Geographical Distribution of International Humanitarian Assistance and Effects on Syria's Economy

This section analyzes first the nature and geographical distribution of humanitarian assistance to Syria. It then identifies the economic sectors benefiting from this assistance. Thirdly, this section examines the general dynamics of this assistance on the Syrian economy and the labor market.

#### 3.1 Distribution of International Humanitarian Assistance

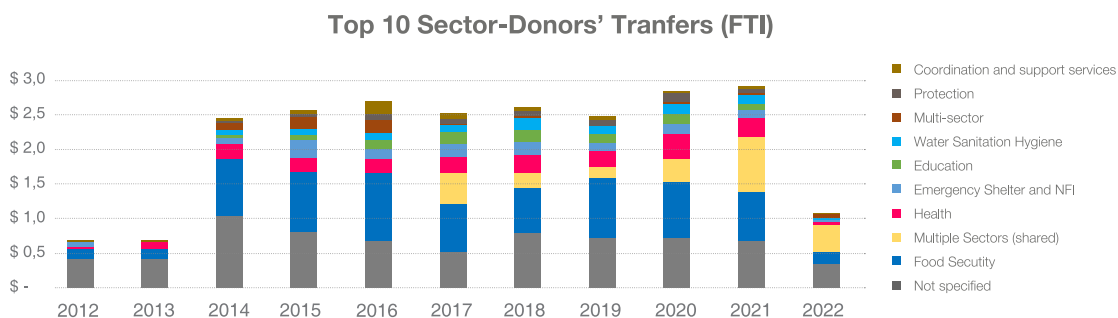
The nature of humanitarian assistance in Syria has focused on emergency aid since the eruption of the conflict . Between 2012 and April 2023, over 70% of the total humanitarian assistance to Syria has been allocated to “Emergency Response ” according to IATI sources, reaching a total amount of 16.5 billion USD. The second most important category funded has been “Conflict, Peace and Security”, which represented 885 million USD and corresponded to around 4% of the total funds for humanitarian assistance sent to Syria (See Chart 5).

Chart 5: Top 10 Sectors - Donors Transfers (IATI)



In the framework of the emergency response, the Food Security and Livelihood (FSL) sector has been, and continues to be, the most important sector of aid in all three regions. According to FTS, funds allocated through UN channels between 2012 and 2022 to “Food Security” reached nearly 7 billion USD, representing 28.2% of the total volume of humanitarian assistance for this period. Other main sectors of the emergency response during this same period have been “Health” ( 1.95 billion USD), “Emergency and Shelter” ( 1.3 billion USD) and WASH (0.9 billion USD) (See chart 6).

Chart 6: Top 10 Sectors - Donors Transfers (FTI)



In comparison, funds allocated to “Early Recovery” projects have amounted to 376 million USD between 2012 and 2022 according to FTS.<sup>63</sup> Programs relating to “Early Recovery” have started to progressively increase in the past few years, particularly following multiple decisions at the level of the UN<sup>64</sup> and the USA<sup>65</sup>, in different areas of the country, but more specifically in the northwest and northeast in territories outside the domination of the Syrian government. The operations within “Early Recovery” programs remain, however, small scale. For example, focusing on the rehabilitation of mills and bakeries, rather than more significant infrastructures, such as water pumping stations and electricity units. This is however not to say that some projects have not targeted more important infrastructures. In AANES-controlled areas, the SRTF and the UNDP, for instance, stated in September 2022 that 60% of their first-ever joint project to rehabilitate a pumping station and related channels in the city of Raqqa had been achieved. The project supports 300 farmers per year and approximately 18,760 individuals who will benefit from the agricultural land’s reactivation. In northern Aleppo, in the areas outside the government’s control, the STRF also has several programs supporting farmers and the agricultural system.<sup>66</sup> In this framework, similar kinds of projects within government-controlled areas have been less significant.<sup>67</sup> Tenders issued by the UNDP to rehabilitate Syria’s power sector, the last of which was issued in 2017, or the state-owned yeast factory in Homs in May 2022 for a cost of 1 million USD, are exceptions in this regard.<sup>68</sup>

USAID’s Acting Deputy Assistant Administrator for the Middle East Bureau, Jeanne Pryor, argued that a shift to “Early Recovery” projects is necessary to “[lessen] demands on limited humanitarian funding”.<sup>69</sup> An individual involved in the coordination of humanitarian aid in the northeast concurred similarly that there was less push back from the donors regarding “Early Recovery” programs, but this was also the effect of decreasing humanitarian funds to Syria and therefore limited its effects on the long term.<sup>70</sup> The number of implemented Early Recovery Projects (ERPs) in the areas outside the government’s control in the northwest, particularly in the Euphrates Shield Area and Afrin, has expanded by 29% in 2021 in comparison to 2020, according to a report published by Turkish-based Syrian research center Omran Strategic Studies.<sup>71</sup> A staff member of the Syrian NGO ‘al-Ihsan Relief and Development’<sup>72</sup>, active in the northwest of Syria, recounted an increase in the ERPs, such as in the rehabilitation of WASH and electricity infrastructures as well as schools in 2021 and 2022.<sup>73</sup> Similarly, Turkish authorities have increasingly pushed INGOs and NGOs active in the northwest to change the nature of humanitarian assistance from emergency (such as the provision of food baskets) to a more recovery phase by encouraging support to agriculture, construction or rehabilitation of water infrastructures, but with limited success. Infrastructures in these regions were historically weak before 2011 and populations were mainly dependent on Aleppo

63 Very similar to this category, “Reconstruction Relief & Rehabilitation” in IATI’s statistics amounted to 491.7 million USD.

64 The UN Security Council voted unanimously for Resolution 2585 in July 2021 calling for a broadening of international humanitarian assistance to Syria, which includes “Early Recovery” assistance.

65 In November 2021, the US Treasury Department’s Office of Foreign Assets Control (“OFAC”) amended the Syrian Sanctions Regulations (“Final Rule”) by expanding the existing general license at § 542.516 (the “General Licence”) to authorize nongovernmental organizations (“NGOs”) to engage in certain assistance-related investment activities in support of not-for-profit activities in Syria. The effects of this decision are, however, contested. The modification of the general license was, according to a member of an INGO active in Syria, just the confirmation for INGOs what they were already (discreetly) doing is fine according to their interpretation of the scope of the sanctions. He added that the clarifications made by the OFAC had mainly “reassured some over-compliant HQ legal departments that were interfering in the INGOs field programming”, but not the banking sector, as “early recovery and reconstructions” are still very unclear terms in what they mean on the ground in terms of projects and activities. Interview with a member of INGO active in Syria. August 2022.

66 It announced in April 2023, the delivery of 400 MT of fertilizers to 2,000 vegetable farmers and 850 MT of fertilizers to 2,000 wheat farmers under its Agriculture project, “Support Farmers for the Production of Wheat and Vegetable Crops in Northern Aleppo”. A month later, the organization stated in May 2023 that it supplied 4,800 packages of fungicides and 800 litres of insecticides to farmers in the framework of a project entitled “Support to Potato Producers in Northern Aleppo – Phase II”, which has a budget of around EUR 2 million, and directly benefits 1,000 farmers and their families, as well as over 24,000 indirect beneficiaries, over a period of 18 months. STRF, “An SRTF Agriculture Project Receives Fungicides, Insecticides and Laser Land Leveling Machines in Northern Aleppo”, Reliefweb, 16 May 2023, <https://bit.ly/3OC6wNz>

67 The Syria Report, “USAID Finances Early Recovery Projects in North Syria”, 27 September 2022, <https://bit.ly/3SpOBZg>

68 UNDP, “Amid Record High Food Insecurity in Crisis-Hit Syria, UNDP and Humanitarian Partners Join Efforts to Increase Access to Affordable Bread for Vulnerable Syrians”, 1 June 2022, <https://bit.ly/3Iovs7c>

69 The Syria Report, “USAID Finances Early Recovery Projects in North Syria”, 27 September 2022, <https://bit.ly/3SpOBZg>

70 Interview with an individual active in the humanitarian field in the NES, October 2022

71 The majority of the projects were implemented in the reconstruction/ rehabilitation of roads, trade, sanitation, and agricultural sectors. Many projects were implemented in IDP camps. Omran Strategic Studies, “Early Economic Recovery in Opposition Areas During the Second Half of 2022”, (in Arabic) 29 April 2022, <https://bit.ly/3S5i4r4>

72 Al-Ihsan Relief and Development is a NGO connected to the Syrian Forum and provides emergency and resilience-based services to the Syrian population. It was established in July 2013, and officially registered in Turkey in April 2014. The organisation is based in Southern Türkiye, in Gaziantep, with 6 offices inside Syria. It has a staff of around 1,100 employees. It is present in al-Bab, Azaz, Sarmada, Idlib, Afrin, Jarablus, Kharbet Eljoz, Armanaz. Interview with Ihsan Relief and Development Staff member, 22 September 2022

73 Interview with Ihsan Relief and Development Staff member, 22 September 2022



for services.<sup>74</sup> Turkish willingness to stimulate more ERPs also served its political agenda, notably motivated by the willingness of Turkish authorities to encourage the return of 1 million refugees back to Syria and prevent the further arrival of Syrian refugees in Türkiye. In this context, they have as well participated or facilitated the construction of housing projects (see below in section 3.2) in the region under its control in the northwest.<sup>75</sup>

At the same time, programs implemented in the framework of the stabilization assistance funded by the US, the EU and European states, mostly in the northeast,<sup>76</sup> have concentrated on three main axes: “improving access to essential services; supporting livelihoods and economic recovery; strengthening local Governance as an alternative to extremism”.<sup>77 78</sup> They have, for instance, particularly focused on the “livelihoods and economic recovery’s axis in the agricultural sector and support to farmers by supplying them with solar panels, wheat seeds, or fertilizers to farmers as well as rehabilitating irrigation structures. In addition to this, projects have also provided technical assistance to Small and Medium Enterprises (SMEs), especially active ones in the productive sectors of the economy to support local production.<sup>79</sup> In the axis of “essential services”, projects have been rehabilitating infrastructures in the electricity and water sectors. Finally, USAID has provided assistance to local governance structures, support to local civil society and social cohesion programs.<sup>80</sup> As explained by a representative of a western State funding local NGOs within the framework of stabilization programs in the northeast, “capacity building interventions are aimed at strengthening the organizational capacity of the local civil society partners, including enhancing their financial systems, human resources, ability to do media engagement, technical capacity to design and write grants, broaden their funding base... And beyond for local organizations to become stronger”.<sup>81</sup>

The nature of the humanitarian response in Syria since the outbreak of the conflict is first linked to the continuous and increasing needs of affected local populations to have access to basic and essential commodities (food) and services (health and shelter). To a lesser extent, the existence of various sanctions regimes and the donors’ red line around “reconstruction”, which entails for instance large civilian infrastructures, have created obstacles or reluctance for further recovery aid programs, although some improvements occurred since 2020 according to several interviewees. The totality of the humanitarian actors interviewed in this research has expressed the necessity to further develop the “Early Recovery” humanitarian response to best serve the Syrian population.

Over the nature of the humanitarian response in Syria, total size of international humanitarian financial assistance channelled into the different zones of influence have been very difficult to estimate. The government-held areas in Syria are most certainly the main receiver of these funds in absolute terms, combining UN channels and others. The international funds channeled through the UN, INGOs and NGOs through certain Syrian private banks were estimated at between 700 and 800 million USD a year in 2020. INGOs and NGOs in government-held areas collected around 180 million USD in that year, while UN agencies received the rest.<sup>82</sup> INGOs in governmental areas spent around 110 million USD in 2021 within Syria according to an INGO employee in Damascus.<sup>83</sup> If the funds channeled to Syria outside UN channels would be added, the total volume of humanitarian assistance to government-held areas would most likely exceed 1 billion USD every year.

In the areas controlled by the AANES authorities, several interviewees operating in the humanitarian field in this region have articulated a funding for humanitarian assistance of between 200 and 300 million USD on a yearly basis. In addition to humanitarian assistance, there is the stabilization assistance funded by the US and the European Union. The value of the USA stabilization

74 See Sinan Hatahet, “The Recovery of the Local Economy in Northern Aleppo: Reality and Challenges”, Research Project Report Wartime and Post-Conflict in Syria, 25 March 2021, <https://bit.ly/420D6eK>

75 In May 2023, Turkish authorities launched, for instance, the construction of a new housing project of around 240,000 housing units to resettle refugees in rebel-held northern Syria, on the outskirts of the town of al-Ghandura, in the Jarabulus area near the Turkish border. Agence France Press, “Turkey kicks off Syria housing project for refugee returns”, al-Monitor, 25 May 2023, <https://bit.ly/465wDlZ>

76 The northwest was allocated in 2021 and 2022 respectively 3.5 million USD and 4.5 million USD by USAID, compared to over 40 billion USD in the northeast. Interview with a member of USAID, September 2022

77 USAID, “Our Work”, consulted 2 April 2022, <http://bit.ly/3nDsuEe>

78 In the areas controlled by Hay’at Tahrir Sham (HTS) in Idlib and its surroundings, stabilisation programs have ceased, while they are still few ongoing in the areas controlled by the Turkish backed Syrian Interim Government.

79 This assistance has been implemented through partnership agreements to enhance productivity, expand production (import-substitution and, where possible, exports), and create long-term and sustainable jobs and 2) through the provision of loans and non-financial assistance. In its first round, the fund provided over 650,000 USD in loans to more than 600 Syrian entrepreneurs. The second phase of the project started in March 2022 and announced the provision of loans to 1,000 selected entrepreneurs. SRTF, “Establishment of Revolving Credit Fund to Support Livelihoods Recovery in NE Syria –Phase II”, 22 March 2022, <https://bit.ly/3AHUuJS>

80 Based on interviews of four Humanitarian actors active in the northeast, October 2022.

81 Interview of a representative of a western State involved in the funding of stabilisation programs in the northeast of Syria, July 2022.

82 Joseph Daher, “The Private Banking Sector in Syria: Between Survival and Opportunity”, Middle East Directions Programme, European University Institute. Florence, Italy, European University Institute, 28 May 2021, <https://bit.ly/3U34S7D>

83 In 2018, the amount spent by INGO in Syria was 53 million USD in 2018.



program for the year 2022 was around 47 million USD, according to an USAID official.<sup>84</sup> Stabilization programs were estimated to reach in total 150 million USD in 2016 and 2017, before diminishing to 100 million in 2022. The largest funders in the northeast of Syria are the USA, while the rest are the European Union and European states.<sup>85</sup> Finally, there are small amounts of funds being sent through remittances to diverse charity groups active in the northeast. There are, for instance, local charities in the governorate of al-Hasaka, which are mostly funded through funds sent by the Syrian diaspora originally from this region, and allow to provide small forms of assistance to people in need, as well as light rehabilitation.<sup>86</sup>

In the rebel-held areas in the northwest of Syria, which includes the Idlib province, and its surroundings, as well as parts of Rural Aleppo, the Syria Cross-Border Humanitarian Fund (SCHF) was estimated at a total of 151 million USD in 2021, divided the following way: 96.8 million USD in Idlib and 54.4 million USD for Rural Aleppo.<sup>87</sup> In 2022, the SCHF reached 118 million USD, out of the nearly 141 million USD requested.<sup>88</sup> These amounts do not include however the totality of the donors' funding to the NWS. Firstly, among the 14 states donating to the SCHF scheme, several are funding additional programs outside of it. In addition to this to the SCHF, other sources of funding could be added to the NWS, which are not registered within the SCHF, including those coming from states such as the USA Qatar and Kuwait, and donations made to Syrian NGOs such as Molham Voluntary Team and others. Moreover, alongside Türkiye's Disaster and Emergency Management Authority (AFAD), which mains responsibility is to coordinate all aid going to the northwest through Türkiye,<sup>89</sup> Turkish humanitarian organizations including Humanitarian Relief Foundation (IHH),<sup>90</sup> the diyanet Waqf yayınları and the Turkish Red Crescent are significant actors in the northwest and their funding and activities are also outside reported UN funding channels.

In this perspective, a vast majority of the humanitarian assistance programs remain concentrated in the emergency response, despite progressive increase of early recovery projects, especially in the northern areas outside of the control of the government. The nature of this foreign humanitarian aid also impacts relatively significantly the economies of the various zones of influence, particularly through the in ow of foreign funds.

### 3.2 Economic Sectors Benefiting from the International Humanitarian Assistance

The priority for emergency response aid has generally supported specific sectors of the economy relating to food production and trade, and various types of services, including transportation and financial services, and to a lesser extent construction and engineering.

The most important suppliers for procurements in government-held areas have been economic actors in the sector of food production. This is especially the case for the Syrian government-held areas and the northeast because they are dependent on the framework of the Humanitarian Pool-fund (HPF), which purchases these items mostly from the local market. Humanitarian organizations have generally purchased food products directly from local companies and traders and then distributed food baskets to the targeted

84 In 2020 and 2021, stabilization programs were estimated at 40 million USD per year. Interview with a member of USAID, September 2022

85 European actors participating in the funding of stabilization programs are: ECHO- European Council - FCDO - GFFO - SIDA - Scandinavian Danida - MNFA - SIDA - French MA

86 Interview with a humanitarian actor active in the northeast, October 2022.

87 Between 2017 and 2021, the SCHF was awarded 622 million USD in contributions. Around 77% ( 475.9 million USD) was granted by the top five donors: Germany, the United Kingdom, France, Norway, and the Netherlands. Germany and the United Kingdom have carried on as the two top donors for the Fund, which guaranteed 55% of the total funding throughout these years. 38 national NGOs were provided with 74 million USD in 2021 as direct funding, out of 151 million USD apportioned through six grants. This constitutes nearly 50% of the funding disbursed in the year. Since 2018, the fund has continuously allocated not less than 50% of its funding to national NGOs. OCHA, "Syria Cross-Border Humanitarian Fund", 2021, <https://bit.ly/3z2N4RL>

88 "In 2022, the SCHF allocated most of its funding (61%) to national and Syrian partners through direct and indirect grants to national NGOs responding to humanitarian needs in north-west Syria". UN-OCHA, "Syria Cross-border Humanitarian Fund: 2022 Cumulative Dashboard - End of year (7 February 2023)", 18 April 2023, <https://bit.ly/45o1o5j>

89 AFAD coordinates efforts by Turkish and INGOs and NGOs in the Syrian territories under its domination in the northwest.

90 IHH is the most important organization active in Turkish occupied areas in Syria. IHH is the organization with the most significant amount of funds in the Turkish occupied areas and contracts local NGOs to provide basic services, at least a dozen. Interview with an individual involved in the NGO sector in Idlib, June 2022; Interview with a member of Syrians for Truth and Justice, July 2022 Interview with Basam al-Ahmad, Director of Syrians for Truth and Justice, October 2022with



population. Several Syrian food companies have been the most important suppliers of UN agencies, such as the Syrian Olive Oil Company - 20.6 million USD in 2021 and 13 million USD in 2022; al-Taghzieh Company for Food Industry (Foodco) - 8.5 million USD in 2021 and 2022.<sup>91</sup> The sectors of food and beverage products have also benefited from the distribution of cash assistance or vouchers to the population. In 2021, an estimated 116 and 18.4 million USD were injected respectively into the Syrian government-held territories, including the northeast,<sup>92</sup> and rebel-held areas in the northwest,<sup>93</sup> through the Cash Voucher Assistance (CVA)<sup>94</sup> system. The year after, In 2022, the Syrian government-held territories and the northeast,<sup>95</sup> and rebel-held areas in the northwest received respectively 142.4 million USD and 15 million USD.<sup>96</sup> It is interesting to note that the food production industry is doing relatively well in comparison with the rest of the manufacturing sector, which suffered massive destructions and deepening structural problems since 2011, with continual rises in the cost of production, shortages of key commodities and energy resources (particularly fuel, oil and electricity), policy mismanagement and instability of the Syrian pound and sanctions.<sup>97</sup> The Food industry responds to local needs and is the main industry exporting goods to neighboring countries.<sup>98 99</sup>

The lack of specific items and goods on the local markets in the different areas of influence has also boosted the position of traders who can procure them, both through formal and informal ways. This situation encourages practices and forms of monopoly or domination of particular markets by a small number of traders. According to several interviewees active in humanitarian operations in the northeast, less than 10 local traders can fulfil the needs of the local market and provide the humanitarian actors with sufficient quantities of specific outputs and goods. Similarly, in the northwestern areas controlled by Hayat Tahrir Sham (HTS), traders affiliated with the group control large portions of the market, especially for the provision of particular food products (such as sugar and flour) and building materials. In government held areas, lists of suppliers are generally imposed by the Syrian authorities.<sup>100</sup>

Procurement and contracting with international humanitarian actors are also benefiting local traders and suppliers. For instance, contracting a local supplier to provide and install generators for a water pump station can reach 30,000 USD, and the rehabilitation of pumps around 10,000 USD, which are very good deals for contractors in the current Syrian economic context characterized by low opportunities.<sup>101</sup> More generally, the Northeast also depends on the import of specific products, equipment and items, from Türkiye and from Kurdistan Region of Iraq (KRI).<sup>102</sup> For instance, at the end of May 2023, the closure of the Semalka-Faysh Khabour border crossing with KRI, resulted in a lack of various goods, such as cement, which caused a halt in construction work.<sup>103</sup>

91 The Syria Report, "Value of UN Contracts to Syrian Businesses Falls Sharply by Around 20 Percent", 20 July 2022, <https://bit.ly/3Omdwu5>

92 UN-OCHA, "Syrian Arab Republic: Cash and Voucher Assistance (CVA) / Jan - Dec 2021", 12 April 2022, <https://bit.ly/3wgR13x>

93 UN-OCHA, "SCHF Annual Report 2021", consulted 20 July 2023, <https://bit.ly/46ZTG24>

94 Cash and voucher assistance (CVA) has continued to expand in the past decade in Syria and moreover on a global level. According to UN-OCHA, "beneficiaries have expressed a clear preference for Cash Voucher Assistance (CVA) compared to in-kind assistance, as it allows them to regain a piece of normalcy by ensuring freedom of choice when accessing assistance and therefore retaining a dignified lifestyle". UN-OCHA, "Syrian Arab Republic: Cash and Voucher Assistance (CVA) / Jan - Dec 2021", 12 April 2022, <https://bit.ly/3wgR13x>

95 UN-OCHA, "Syrian Arab Republic: Cash and Voucher Assistance (CVA) / Jan - Dec 2021", 12 April 2022, <https://bit.ly/3wgR13x>

96 OCHA, "Syria Cross-Border Humanitarian Fund Annual Report 2022", 13 July 2023, <https://bit.ly/3OcAgi3>

97 Other shortcomings are related to the highly insecure business environment in Syria. See Joseph Daher, "Syria's Manufacturing Sector: the Model of Economic Recovery in Question," Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, May 2019), <http://bit.ly/35aCIEk> and Joseph Daher, "The 2022 Syrian Chambers of Industry and Syrian Federation of Chambers of Industry Elections: Dynamics, Results and Implications", Research Project Report, (Florence: European University Institute, Middle East Directions, Syria Trajectories, January 2023), <https://bit.ly/3ZsjQGM>

98 The food industry attracted the most investment projects in the first six months of 2022: 141, followed by engineering (132), chemical (91) and textile (44) industries.

99 Industry News Syria, "408 New Industrial Facilities Entered the Production Stage Within 6 Months" (in Arabic), 9 October 2022, <https://bit.ly/3W3SzJa>

100 Interview with researcher Sinan Hatahet, July 2023.

101 Interview with a member of USAID, September 2022; Interview with a member of a Western state involved in humanitarian funding and actions in the northeast, September 2022

102 Interview with a member of USAID, September 2022; Interview with a member of a Western state involved in humanitarian funding and actions in the northeast, September 2022

103 The cost of a ton of cement also increased on the local market from 92 USD before the closure to 150 USD. (Dilsoz Youssef, "Closure of Semalka crossing affects construction in NE Syria", North Press Agency, 28 May 2023, <https://bit.ly/3oEvQHx>)





In the northwest, UN agencies, and to a lower extent (I)NGOs involved in cross-border operations, import nearly all goods and items from Türkiye<sup>104 105</sup>, due to the lack of local production and supply. This situation has benefited the trade and service sectors, particularly local businessmen, traders and suppliers able to import a variety of goods and products lacking in the northwest and purchased by humanitarian actors. The city of Sarmada, close to the Turkish border and, Bab al-Hawa, a formerly small border town, has particularly served “as the bridge between global and local markets”.<sup>106</sup> The city has, for instance, become the main center for car and bus sales imported from Türkiye in the northwest.<sup>107</sup> It is important to recognize that trade (both formal and informal), especially imports, has become a major source of lucrative commercial business in the country, due to the very low economic output, the lack of investment and investment incentives in productive sectors, and the need for specific products such as food, pharmaceuticals, cloths, and petroleum derivatives. Traders affiliated with the different local powers have formed monopolies in certain products from the import trade, while they also often develop smuggling markets.<sup>108</sup>

In addition to food production and trade, several service sectors have also been used by humanitarian actors. The transport sector has benefited from the presence of humanitarian actors by transporting NGO and INGO staff for various purposes (conferences, missions on the field, daily operations, etc...) and the shipment of particular goods such as cement blocks and food, in the whole of Syria. This has helped the sector, which has suffered a severe contraction since 2011,<sup>109</sup> with the cost of transport increasing massively for local populations as a result of the higher cost of fuel oil. In the northwest, an interview with a member of the organization SEMA explained, for instance, that “the need for cars has revived the market of renting cars and vans because all the organizations are renting and purchasing these vehicles for their teams and their operations”.<sup>110 111</sup>

In government-held areas, registered Money Transfer Operators and, to a lesser extent, particular private banks, have profited from the increase in the number of humanitarian actors in Syria involved in CVA. Funds transferred to the beneficiaries through Money Transfer Companies and private banks have respectively amounted to 48.2 million USD and 25 million USD in 2021, and 63.4 million USD and 25.53 million USD in 2022.<sup>112</sup> The main financial service providers through which the cash was transferred through beneficiaries were in 2022 al-Haram Pyramid for Transfer Money Company (56.7 million USD), Bemo Bank (25.45 million USD), al-Fouad Company (6.7 million USD).<sup>113</sup>

Money Transfer Companies have faced a series of limitations and challenges since 2011, as the Syrian government reinforced its control over them to capture foreign currencies. While as explained above the majority of remittances have been transferred through informal ways, the government has increasingly been trying to encourage formal transfers, particularly through formal

104 In mid-2022, WFP food baskets, for more than 90% of their caseload (~280,000 HH/month), were for instance shipped in-kind across the border and procured internationally or in Türkiye.

105 In the medical field for example, several Syrian NGOs have been purchasing basic medical equipment within Syria, while the more sophisticated ones were imported from Türkiye. The reason was also connected partially “to laboratory testing requirements including batch certificates, as testing and quality control in the northwest of Syria currently not really feasible”. Interview with a member of INGO active in northern Syria, September 2022

106 Armenak Tokmajyan and Kheder Khaddour, “How the Small Town of Sarmada Became Syria’s Gateway to the World”, Carnegie, 2 June 2021, <https://bit.ly/3Ds0qJK>

107 Interview with a humanitarian actor active in the northwest, May 2023.

108 See for example Sinan Hatahet and Ayman al-Desouki, “Competition, Collusion and Smuggling : Syria’s borders with Türkiye and Iraq” Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, March 2022), <https://bit.ly/3KnBV1f>

109 Transport losses were, for instance, estimated at nearly 1.7 billion USD in 2020. Another indicator is the number of registered private cars had dropped by 2020 to 787,298, as compared to well over a million before 2011. Shaam Times, “Starting with Cars and Real Estate Next...” (in Arabic), 10 May 2020, <https://bit.ly/3of0x40>. Kevin Cullinane, Radwan al-Masri and Tariq Muneer, “The Effect of Transport on Air Quality in Urban Areas of Syria”, Energy Policy 39, 2011.

110 Interview with a member of SEMA, August 2022,

111 Another interviewee explained that in the city of Sarmada, more than 5,000 cars were officially for sale and rent by the end of summer 2022. Interview with a member of Molham Voluntary Team, September 2022;

112 UN-OCHA, “Syrian Arab Republic: Cash and Voucher Assistance (CVA) / Jan - Dec 2021”, 12 April 2022, <https://bit.ly/3wgR13x>

113 “Syria Cash Working Group Monthly Cash and Voucher Assistance Mapping January-December 2022”, PDF Document, consulted 31 July 2023.



Money Transfer Operators, which should boost their activities.<sup>114</sup> The results of such decisions remain to be seen in remittance dynamics, and this is why humanitarian funding is still an important funding source for these agencies. For the private bank sector, four or five Syrian private banks have been managing the international humanitarian financial assistance that is channeled into government-held areas in Syria. These banks have been channelling and distributing money to the beneficiaries of humanitarian assistance programs through their branches. Amid a devastated economy and massive capital flight, international humanitarian actors have represented significant clients for private banks and - as all state-owned banks are under sanctions - a major opportunity to capture foreign capital.<sup>115</sup> In areas of the north, outside of the control of the Syrian government, NGOs and INGOs have made use of informal hawala networks and private companies to transfer funds within the country to fund their activities and staff.<sup>116</sup>

Tourism and hotel services have hosted humanitarian actors and organized meetings and conferences related to them. The United Nations, for instance, spent 11.5 million USD in 2021 at the Four Seasons Damascus.<sup>117</sup> In 2022, the UN agencies disbursed 1.76 million USD at the Four Seasons Hotel and paid an additional 12.42 million USD to the Syrian Saudi for Touristic Investments Company (SSTIC), which owns the Four Seasons Hotel and is in part held by sanctioned businessman Samer Foz.<sup>118</sup> The tourism sector has seen an increase in the number of foreign visitors in the past few years, witnessing a total of 1,754,000 in 2022.<sup>119</sup> Unlike the situation before 2011, tourists with higher purchasing power, from the Gulf states, Western Europe or even Türkiye, remained, however, largely absent. More than 90% of visitors came from the Arab world. Therefore, the activities of humanitarian actors in tourism services and hotels are important sources of income for the sector. Moreover, tourism is strategic because it represents a rare source of foreign currency earnings.<sup>120</sup>

Owners of buildings and apartments have also profited from the rise in higher renting prices driven by INGO and NGOs' offices and activities. With the departure of foreign companies and the demise of large portions of medium and large private companies able to afford high rents, humanitarian actors partially fill a wide void.

On the side of ERPs, the funds allocated to this sector have been mostly directed 1) in the rehabilitation of infrastructures and 2) assistance provided to the agricultural sector. In the cases of rehabilitation of infrastructures and buildings, humanitarian actors have generally contracted individual traders and local and small engineering and private construction companies. An INGO active in Syria contracted, for example, mostly individuals and small private companies involved in the sector for rehabilitation and light reconstruction projects. They had a list of preselected suppliers and contractors according to each governorate and sector, which had generally prior experiences with UN and INGOs and are capable of providing the needed services.<sup>121</sup> In the northeast, contractors winning tenders offered by INGOs and NGOs in the rehabilitation of infrastructures are involved mainly in the construction and trade sectors. This can include bids and tenders for the rehabilitation of mills, bakeries, and less often an electricity station or the supply of a generator for a water station.<sup>122</sup>

In the northwest, the constructing and engineering sectors have benefited from investments by Syrian NGOs (Molham Voluntary Team, al-Ihsan Relief and Development, al-Sham Foundation, etc.), Turkish state institution AFAD and organization, IHH, and Qatar affiliated organizations (Qatar Charity and Qatar Fund for Development), as well as private donors, including faith-based Muslim

114 On 1 February 2023, the CBS split the Banks and Financial Institutions rate into two rates: 1) the Money Transfer and Cash Foreign Exchange (MTC) rate and 2) the Banks Exchange rate. The MTC rate has since then been changing each week depending on the blackmarket exchange rate.

115 Daher, "The Private Banking Sector in Syria: Between Survival and Opportunity",

116 See Daher, Joseph, and Erica Moret. "Invisible Sanctions: How Over-Compliance Limits Humanitarian Work on Syria. Challenges of Fund Transfer for Non-Profit Organizations Working on Syria." Berlin: IMPACT - Civil Society Research and Development e.V., 2020, <https://bit.ly/2YVxeWB>

117 Between 2014 and 2021, the UN disbursed a total of 81.6 million USD at the Four Seasons Damascus.

118 The Syria Report, "Value of UN Contracts to Syrian Companies Decreases for Second Year in a Row", 18 July 2023, <https://bit.ly/43ycEKq>

119 This number is still below the one of 2019 when it reached approximately 2.40 million, the highest since 2011 but close to 2018 with 1.80 million foreigners visiting Syria. Muhmmad Rukan Mustafa, "Preparing a New Pricing for Tourist Facilities..." (in Arabic), Al-Watan, 8 January 2023, <http://bit.ly/3ZM0BHU>

120 It will, however, take a long time to reach the nearly 10 million visitors who came to the country in 2010.

121 Interview employee of INGO active in Syria August 2022,

122 Interview with a member of USAID, September 2022; Interview with a member of USA-ENA Bureau, September 2022



charities such as the Kuwait-based Rahma International Society and International Islamic Charitable Organization (IICO),<sup>123</sup> the Turkish-Islamic Union for Religious Affairs (DITIB), a German-based organization with strong ties to the Turkish state,<sup>124</sup> and “Living with Dignity Association of the Arab citizens of Israel”, a Palestinian association based in Israel. These entities have been involved in the construction of housing projects for local populations and IDPs, as well as to encourage refugees in Türkiye to settle in these areas. The construction sector has become more than likely the main economic sector in terms of employment among the local population. Similarly, engineering companies have also profited from the boom in construction, with some private companies with annual budgets reaching between 4 and 5 million USD a year.<sup>125</sup> An employee of a Syrian NGO active in the northwest explained, for instance, that in the past 2 to 3 years, they have allocated more than ¼ of their budgets to the construction of housing projects. Their projects have been located in Azaz, Afrin and north Idlib countryside and employed populations living in these areas.<sup>126</sup><sup>127</sup> The number of housing settlements built by Türkiye with the support of Gulf organizations, most notably affiliated with Qatar and to a lesser extent Kuwait, and Palestinian association, is estimated between 2018 and April 2023 to have exceeded more than 100 in Turkish-controlled areas in northern Syria.<sup>128</sup>

Direct humanitarian assistance to the agricultural sector has been limited throughout the conflict,<sup>129</sup> although witnessing in the past few years concomitant with the rise in “ERPs, a slight increase in funding towards small and medium farmers. Humanitarian actors generally support the production of wheat, barley and vegetable, as well as livestock, through the provision of specific seeds and fertilizers, solar panels, etc...<sup>130</sup> They have also been involved in some cases in the rehabilitation of irrigation structures, particularly in the northeast and northwest. While the agricultural sector has accounted for between 25% and 41% of GDP between 2013 and 2019 and has become the main economic sector for Syrian GDP, this is, however, not the result of net growth, but, rather, a consequence of the widespread destruction that occurred in other economic sectors in the war years. In 2017, the Food and Agriculture Organization (FAO) estimated losses in Syria’s agricultural sector at 16 billion USD between 2011 and 2016, in terms of production, along with damaged and destroyed assets and infrastructure. The study also stated that between 11 and 17 billion USD would be needed to kick-start the recovery of the agriculture sector.<sup>131</sup> These amounts are most probably higher in 2023 because of the continuous deterioration of the agricultural sector.<sup>132</sup>

The nature of the humanitarian aid sent to Syria has predominantly profited to the food industry, trade, and service sectors, including, transport, financial services, and on a lower level tourism and construction, aside from the northwestern areas mostly controlled by Turkish authorities where inflows of funds for building activities have been relatively more important. In contrast, manufacturing industries and agriculture have not seen massive assistance and aid investments, despite some improvements these past few years through the progressive expansion of early recovery projects, particularly towards farmers and peasants.

### 3.3 Dynamics of International Humanitarian Assistance on the Economy and Labor Market

Regional and international humanitarian assistance has played a growing role in the country by supporting several economic sectors mentioned above, which depend greatly on funding from international donors or incomes generated by humanitarian actors.

123 IICO is, for instance, funding Madinat Sabah al-Ahmad al-Khayriyya built by the Syrian NGO based in Türkiye, Jama’iyyat Sham al-Khayr (JSK). (Syria Justice and Accountability Center, “Foreign Aid and Demographic Change in Northwest Syria”, 6 May 2021, <https://bit.ly/3corGOB>). In addition to this, it participated in the funding of a school in Idlib built by IHH. IHH, “A New School for 600 Students in Idlib”, 2 September 2020, <https://bit.ly/3w6PdtK>

124 Lyse Mauvais, “Turkey’s Housing Projects in Northwestern Syria: An Expanding, Contested Policy”, Syria Direct, 8 July 2022, <https://bit.ly/3assEbd>

125 Interview with a member of al-Ihsan Relief and Development, September 2022

126 Interview with an employee of Molham Voluntary Team, September 2022

127 Some of these constructions of housing projects have not come without problematic issues, including violations of human rights. See last section chapter 4

128 Jammal Emma, “Turkey establishes new settlement in Syria’s Afrin”, North Press Agency, 21 May 2023, <https://bit.ly/3N40GDn>

129 According to FTS, funds allocated by UN agencies and partner organizations between 2012 and 2022 amounted to only 73.95 million USD.

130 Most of these inputs are procured from Türkiye and Iraq, because of the lack of their availability on the local markets.

131 FAO, “Counting the Cost Agriculture in Syria After Six Years of Crisis”, 2017, <https://bit.ly/3ZwgEde>

132 Nazer Madi, “Cultivating a Crisis: The Political Decline of Agriculture in Syria”, Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, December 2019), <https://bit.ly/3ir5QrR>



The economic sectors benefiting from the humanitarian assistance in Syria are mostly connected to trade, the service sector, transport, financial services, such as money transfer operators, and the construction sector.

These dynamics generally favor a consumption-oriented economy, rather than seeking to develop local productive forces. This is, however, only a reflection of the wider dynamics in the Syrian economy. The conflict has indeed wrecked the structure of the Syrian economy, including the wide-scale destruction of productive capacities, leading to a near-full consumption society, with insufficient levels of production to satisfy local needs.

This is partially symbolized by the growing use of the CVA in the country in the past few years. A number of humanitarian actors have expressed their preference for this mode of assistance, in comparison to food basket distribution or other types of provision of assistance in the forms of goods and or kits. They argued that it is more efficient and less costly, while supporting local consumption and small grocery shops.<sup>133</sup> Some agencies have promoted CVA as being able to “contribute to market recovery where a markets-based approach and the provision of cash grants to traders can help in their ability to re-stock, particularly goods that are short in supply (e.g. shelter, WASH products, energy)”.<sup>134</sup> However, there are some shortcomings in this model of support. The lack of economic stability in Syria, with currency depreciation and high inflation, negatively impacts the CVA system, in which the purchasing power of beneficiaries can be reduced rapidly and significantly as value assessments become outdated, following a rise in the prices of essential products.<sup>135</sup> Similarly, this system also pushes humanitarian actors to focus on consumption, rather than promote local production. An individual working in a UN agency explained on his side that he stopped a program to distribute winter clothes to 500,000 children in different areas and instead replaced it with a CVA system. He argued that the CVA process was much more cost-effective, while the order to a local supplier of winter clothes faced a lot of challenges in terms of production and contracting and suffered generally long delays in the provision of the goods to the beneficiaries.<sup>136</sup>

The productive sectors of the economy have not benefited massively from international humanitarian aid, except for the food industry and to a lower extent agriculture, through support programs to small and medium farmers. Aid provided to small private businesses to (re)-start their activities through the supply of particular equipment (such as sewing machines and hairdressing accessories) or loans and grants has been greatly impaired by the exacerbation of inflation and rising poverty in the country, particularly after 2019, while suffering as well of the deficiencies in local infrastructures, lack of electricity and water for example. Similarly, the agricultural sector has received some assistance from international humanitarian actors, but the sector is in dire need of structural investments and assistance as it continues to suffer from continuous higher costs of production (including fuel price and fertilizers), lack of energy resources (electricity and fuel oil) and needed goods, water mismanagement, the recurrence of drought, effects of sanctions, the collapse of the SYP and supply chain disruptions. This situation has led some farmers to stop their activity and leave their lands for other livelihood opportunities, while others have accumulated high levels of debt or searched for a second job to cover their agricultural expenses.<sup>137</sup>

At the same time, international and regional humanitarian actors have played a role, directly or indirectly, through their activities and operations, in providing jobs to the local workforce. The destruction of wide sectors of the economy and the private sectors, the militarization of society and the forced displacement of millions of Syrians outside the country significantly decreased the number of employed labor force in the country. In this context, work opportunities in NGOs, INGOs, UN agencies or programs supported by these entities have become throughout the years very much sought after by the local labor force in the different areas of control. The number of individuals employed in NGOs, INGOs and UN agencies is difficult to estimate, but most probably does not exceed 100,000 persons for the whole of Syria.

133 In its emergency food assistance program, the WFP’s cash assistance is, for instance, made in the form of vouchers and not cash assistance, which allow beneficiaries to purchase only certain food products.

134 Rana Nassar, “Türkiye and Syria Earthquake Response: Advice and resources for cash practitioners”, CALP Network, 9 March 2023, <https://bit.ly/3MQq71A>

135 The price of the standard WFP reference food basket for example reached in July 2023 588,666 SYP for a family of five, in comparison to 86, 197 SYP three years ago in July 2020, representing one-seventh of the July 2023 cost. At the same time, the Minimum Expenditure Basket (MEB), a measure to count the cost of living based on WFP measures, for a household of five members reached SYP 1,440,841 in July 2023, which was 90% more expensive than a year earlier, and 178% more dearer than at the start of the current MEB series, in September 2021. Overall, food prices within the MEB increased by 93% in July 2023 in comparison to a year earlier, while the nonfood prices augmented by 75% during the same period. WFP, “Syria – Market Price Watch Bulletin, July 2023”, Reliefweb, 29 August 2023, <https://bit.ly/457EQVoThe>

136 Interview an individual working in an UN agency in Syria, September 2022

137 See Joseph Daher, “Water Scarcity, Mismanagement and Pollution in Syria”, Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, June 2022), <https://bit.ly/3ppdtDD>



**Estimates of individuals employed by NGOs, INGOs and UN Agencies Working and Operating Within Syria<sup>138</sup>**

- Around 5,000 individuals in the northeast of Syria<sup>139</sup>
- Between 20,000 and 40,000 individuals in the northwest of Syria
- Around 50,000 in the areas controlled by the GoS

This represented between 2.7% and 3.3% of the between 3.06 and 3.7 million employed individuals,<sup>140</sup> and amounted to a bit more than 10% of the total public state's sector estimated at around 900,000 employees in 2021 (excluding the military and security services). But more importantly than the number of individuals employed in humanitarian agencies and CSOs, this sector represents an essential source of employment for qualified graduates within the local workforce, who have not left the country yet. The salaries paid by these entities to local staff are indeed much higher than for the Syrian public and private sectors, as well as for the areas outside the domination of the Syrian government.<sup>141</sup> In addition to this, UN agencies and the main INGOs generally provide health insurance to individuals employed as well as to their families, while only a smaller portion of smaller and medium-sized INGOs also grant it to their employees.

In comparison, wages and working conditions in the different zones of influence are far from being able to compete. In the government-held areas, a guard and a driver working in an INGO can respectively earn a monthly average of 660 and 700 USD, while the minimum wage of the private sector and joint public-private sector employees is SYP 185,940 SYP (equivalent to 21.810.9 USD at the official exchange rate of 8,542 SYP/USD in October 2023). Similarly, in the northeast, the local staff are generally paid between 200 USD (for a guard or a driver for instance) to 600 USD, with some exceeding 1,000 USD for more specialized jobs and reaching in specific cases 2,000 USD, including doctors or engineers. While the minimum salary in the AANES administration was raised first in March 2023 to 560,000 SYP (equivalent to 123.8 USD at the official exchange rate of 4,522 SYP/USD at this period and then in August 2023 to 1,040,000 SYP (equivalent to 121.7 USD at the official exchange rate of 8,542 SYP/USD in October 2023), this remains far below NGOs' wages mentioned above.<sup>142</sup> In the northwest, a guard in an NGO can collect a monthly salary of between 200 and 250 USD, while the salary of an employee in the SIG,<sup>143</sup> was in April 2023 between 600 and 1,000 Turkish liras per month (between 85 and 143 USD at this period).<sup>144</sup> The continuous depreciation of the Turkish currency in the summer 2023 has worsened the situation of SIG's employees and individuals earning in Turkish Lira.<sup>145</sup> The salaries of engineers and doctors employed in INGOs and NGOs are on average estimated at respectively 700 USD and over 1,000 USD a month.<sup>146</sup>

However, the dwindling humanitarian assistance in the past few years is reducing the number of staff and leading to further competition in the local population for job opportunities. Wages in UN agencies, NGOs and INGO are indeed a significant source of income compared to local wages and can often be redistributed among family members. Employment in such a sector can therefore become a source of competition, and sometimes resentment, among local communities. The recruitment of individuals from specific neighborhoods or villages instead of others has sometimes represented a source of tension among local populations because of

138 Based on different interviews with various actors involved in humanitarian fields in Syria

139 A member of a Syrian NGO based in Europe estimated that this number could even potentially reach 7,000. Interview with a member of a Syrian NGO based in Europe, September 2023

140 Based on statistics of the Syrian Centre for Policy Research (SCPR), and the Central Bureau of Statistics.

141 The wages can vary significantly in NGOs and INGOs, with the latter paying generally more, and depend on many factors such as the size of the organization's projects and annual budget. The nature of the work will also have an influence on the salary, for example between individuals working on data collection while others are involved in more tasks considered more "sophisticated" or needing more training such as trainers, field coordinators, centres managers, doctors, and medical experts.

142 AANES authorities are the most significant employer in the northeast, with a number of employees ranging between 200,000 and 230,000, 100,000 of whom are armed men in the security forces (Asayish) or the SDF. Sinan Hatahet, "The Political Economy of the Autonomous Administration of North and East Syria", Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, November 2019, <https://bit.ly/3vTWQBM>)

143 The total numbers of individuals officially registered as SIG employees are estimated at between 70,000 and 75,000 workers in the education and health sectors, and the Syrian National Army. It is important to note that a large portion of education and health staff officially employed by SIG are funded through international humanitarian funds.

144 The salaries of administrators start from 1,200 Turkish liras and reach 3,000 Turkish lira. Enab Baladi, "Poor salaries and frequent delay: A policy to dissolve "National Army" or gain loyalty", 18 April 2023, <https://bit.ly/42aALiB>

145 The Turkish lira reached a record low of 26.9 against the USD in the end of July 2023.

146 Interview with an employee of Mohlam Voluntary Team, September 2022



their different affiliations to particular families and tribes, such as in Deir Ez-Zor, because of scarcer employment offers.<sup>147</sup> An employee in an NGO operating in the northwest also added that organizations had to be careful in the recruitment of staff according to their location of origin to prevent tensions within local communities (both IDPs and others) of a feeling of favoritism towards a particular region instead of others.<sup>148</sup>

Humanitarian aid has boosted local consumption and participated in the country's consumption-oriented economy. The continuous expansion of CVA programs symbolizes these dynamics in many ways. At the same time, employment in UN agencies, INGOs and NGOs have expanded significantly since 2011 and become an important source of income for small sectors of individuals employed in such organisations, often allowing them to help their larger families.

## 4. Political Dynamics, or Humanitarian Assistance as a Tool of Influence, Control and Domination

Over the economic dynamics of humanitarian assistance examined in the last section, this chapter analyzes how local governing actors in the different zones of influence have attempted to dominate or supervise the organization and distribution of humanitarian assistance as a tool to strengthen their power over society, or at least try to influence it.

### 4.1 Syrian Governmental Held Areas: Controlling and Politicizing Organisation and Distribution of International Humanitarian Assistance

The Syrian state has sought to control any form of organization of humanitarian assistance, especially in times of particular crises, such as during global COVID-19<sup>149</sup>, through its institutions and networks of power as a tool to strengthen its domination over society. The Syria Trust for Development (STD), led by Asma al-Assad, and the Syrian Arab Red Crescent (SARC) have generally been leading local humanitarian efforts in government-held areas in coordination with the UN Agencies, INGOs, NGOs and local associations. Various power networks affiliated with the state have contributed to relief efforts in specific times with businessmen affiliated with the Syrian government making donations, Chambers of Commerce and Industries gathering donations and organizing humanitarian assistance, and the Baath party and its affiliated organization. In contrast, local or individual initiatives to help the population affected or distribute assistance directly have generally been closely monitored by the authorities and sometimes repressed.

Similarly, the Syrian government has tried to benefit from the humanitarian assistance by favoring the contracting of a high number of private companies and individuals with close connections to the Syrian government and officials in the framework of humanitarian assistance by UN agencies.<sup>150</sup> An INGO employee explained that, for example, SARC, which is the main partner of the UN in the country, would generally ask to validate all tenders before implementing them. They would have one, or several members in the selection committee, decide which individual or company to allocate the contracts, in turn, allowing them to favor specific contractors.<sup>151</sup> This situation has profited businessmen networks connected to the Syrian state.

147 Interview with an individual active in the humanitarian field in the northeast, October 2022

148 Interview with a cadre of a NGO operating in the northwest, September 2022

149 Joseph Daher, "State Institutions and Regime Networks as Service Providers in Syria," Research Project Report, Syria Transition Challenges Project, EUI Med Directions and The Geneva Centre for Security Policy (GCSP), June 2020, <https://bit.ly/3lgC72a>

150 A report published by the Syrian Legal Development Program and Observatory of Political and Economic Networks in 2022, demonstrated that "the share of (UN) funds going to companies with owners sanctioned by the US, EU, or the UK was at least 23% (68 million USD)".

151 Interview employee of INGO active in Syria, August 2022



The Syrian government has more generally been politicizing humanitarian assistance and hindering its delivery to rebel-controlled territories. First, cross-border aid has been limited to Bab al-Hawa border under the control of the Turkish-backed Syrian Interim Government (SIG) since July 2021. Russia, with the support of China, has used its votes in the UNSC to reduce these crossings to one. Moscow has insisted on coordinating all humanitarian operations with and from Damascus. Crossline operations between the northwest and the government-held areas have, however, been very restricted, representing only 1% of the aid that goes across the border-crossing of Bab al-Hawa.<sup>152</sup>

While UN agencies are officially active in the northeast of Syria, they are dependent on the goodwill of the Damascus government in terms of operations and provisions of humanitarian assistance since the UN closed down the sole aid crossing bringing UN aid into north and east Syria in January 2020.<sup>153</sup> Before the closure, only a limited number of healthcare facilities in northeast Syria received supplies through Damascus, and most relied heavily on supplies from the UN in Iraq, delivered through the al-Yaroubiyeh crossing. Aid workers active in the northeast stated in a report of Human Rights Watch in 2020 that the resulting total funding gap for 2020 would be about 40 million USD, which included about 30 million USD for health funding and supplies, had the al-Yaroubiyeh crossing remained open, and a further 10 million USD previously pledged in non-healthcare support.<sup>154</sup>

An interviewee active in the humanitarian field in the northeast explains, for instance, that “the UN has first to ask the permission of the governor of the al-Hasakah governorate (of the Government of Syria) to operate in a particular area of the northeast, and even if the permission is granted, Damascus often limits the provision of assistance delivered by the UN actors in these areas in restricting, for instance, the number of trucks to deliver the aid or to reach a particular region”.<sup>155</sup> Similarly, UN organizations have only access to the 5 “formal” IDP camps - al-Hol, Areesha, al-Roj, Newroz and Mahmoudli - which host nearly 90,000 individuals, out of the more than 12 “informal” camps and settlements in the northeast accommodating around 120,000 individuals.<sup>156</sup> At the same time, SARC activities in the AANES are restricted to particular areas of the cities of Qamishli and al-Hasakah under the control of the Syrian government and a limited number of refugee camps in the northeast.<sup>157</sup> Moreover, the Syrian government and its associated security apparatus in the cities of al-Hasakah and Qamishli in the northeast have been accused by a report of the Syrians for Truth in Justice (STJ) published in June 2022 of providing a portion of the UN humanitarian aid to members of its army, security, members of the ruling Baath Party, and their families. This diversion is done at the expense of rightful beneficiaries, mostly IDPs residing in camps across the two cities and their suburbs. The report imputed this manipulation of humanitarian aid to the Syrian government’s ability to control humanitarian aid, to the accreditation of UN agencies in the issue of distribution to local partners associated with the government, officially or semi-officially, and to provide such assistance to the area through Qamishli airport or land routes, all under the control of the Syrian state.<sup>158</sup>

## 4.2 Northwest – Humanitarian Assistance as a Tool to Consolidate Local Governing Powers

### Hay’at Tahrir al-Sham and Syrian Salvation Government

The areas under the control of HTS are administered by the Syrian Salvation Government (SSG), which acts as HTS’ civil administration cover in Idlib province and sectors of Aleppo’s western countryside. The Ministry of Development and Humanitarian Affairs established in 2019, is in charge of overseeing and regulating the activities of all types of organizations operating in HTS-held areas, not just their relief enterprises. It also controls the IDP camps by maintaining connections with camp officials, especially since

152 Center for Strategic and International Studies, “The Aftermath of Earthquakes in Syria”, 21 February, 2023, <http://bit.ly/3mf0CWv>

153 The closure of the Al-Yaroubiyeh border meant that the UN could no longer transport any aid via Kurdistan Iraq to northeast Syria and had to operate through the central government in Damascus, leaving the burden on nongovernmental organizations operating outside the UN system to deliver assistance via Iraqi Kurdistan.

154 Human Rights Watch (2020), “Syria: Aid Restrictions Hinder Covid-19 Response”, <https://bit.ly/2WAq4Xd>

155 Interviewee active in the humanitarian field in the northeast, November 2022

156 Interviewee active in the humanitarian field in the northeast, November 2022

157 Interview with an individual active in the humanitarian field in the northeast, August 2022

158 Syrians for Truths and Justice, “Northeastern Syria: Government Agencies Withhold Tens of Thousands of UN Aid Baskets”, 28 June 2022, <https://bit.ly/3U0M1KC>



these officials are assigned based on personal connections or a “reference” from employees in the Ministry of Development and Humanitarian Affairs.<sup>159</sup> At the same time, UN-OCHA is the medium leading negotiations with HTS-connected authorities and is helping NGOs involved in relief work to navigate the legal and political hurdles of operating in the areas under the control of HTS. In this framework, an “Access Working Group” was established to facilitate communications with the HTS-connected authorities. All relief organizations in the area have to secure a license from the SSG’s Ministry of Development and Humanitarian Affairs and inform the Ministry of its general activities.<sup>160</sup>

There has been a clear willingness by HTS and SSG in the past few years to appear as a rational actor to regional and international actors in order to seek a form of normalisation of its rule.<sup>161</sup> This has notably resulted in more and more space for particular NGOs to operate in key sectors such as education and health, and in which local ruling authorities lack financial resources and expertise.<sup>162</sup> In Idlib, primary schools are largely funded by the Manahel grant, a financial grant supplied by Great Britain (previously also European Union and USA) to support education, while for elementary and secondary schools, they are funded by education-oriented organizations such as Violet, Ihsan, and People. However, this financial support is irregular and only covers 50% of the academic year expenses, while funding towards education has continued to dwindle. This situation resulted in the expansion of the private education sector in Idlib, which was estimated at around 450 private schools, at the end of 2022.<sup>163</sup> <sup>164</sup>At the same time, SSG has been seeking to regulate more and more the distribution of aid in a more systematic and organized way, notably through producing and providing human actors its own data regarding needs of local communities and selection of beneficiaries.<sup>165</sup>

Some policies and measures of the HTS and SSG have however continued to run against this appearance of “opening” and resulted in corruption and authoritarian measures and regulations. There have been cases of HTS and SSG authorities and affiliated institutions and organizations meddling in NGOs’ work and operations,<sup>166</sup> including by imposing levies on some of NGOs’ projects,<sup>167</sup> or by forcing them to comply with orders made by particular SSG officials to distribute sections of their relief rations, cash allocation or food baskets to specific communities or individuals, often considered as close to the local authorities, instead of other recipients listed by the NGOs.<sup>168</sup> Similarly, they have also imposed on some NGOs to work in certain refugee camps or locations in which HTS

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159 Interview with Bassam al-Ahmad, Director of Syrians for Truth and Justice, October 2022; Interview with an individual formally involved in the NGO sector in Idlib, June 2022;

160 Interview with Bassam al-Ahmad, Director of Syrians for Truth and Justice, October 2022

161 This was particularly witnessed following the February 2023 earthquake, in which NGOs and humanitarian actors had a free hand in their operations (See Report 3).

162 Interview with an education expert active in northwest of Syria between 2013 and 2022, July 2023 interview with a member of a Syrian NGO based in Europe, September 2023

163 Aamer Almustafa, “Education System in Northwestern Syria: A Long Road Ahead”, the Tahrir Institute for Middle East Policy, 9 June 2023, <https://bit.ly/3JYeRrE>

164 In addition to representing a source of income through licensing and registration fees, private schools provide more opportunities to deliver an education framework more in line with HTS ideology, despite both public and private schools using a similar curriculum that was provided prior 2011, with only some modifications performed (such as all mentions to the Syrian Government). In August 2023 for instance, the SSG’s Ministry of Education issued a decision to local private schools imposed a series of restrictions such as the banning of drawings on walls, of music and particular hear cuts for male, and, the obligation for females students /teachers to wear the Islamic garment.

165 Interview with researcher Sinan Hatahet, July 2023

166 Interview with Bassam al-Ahmad, Director of Syrians for Truth and Justice, October 2022; Interview with an individual formally involved in the NGO sector in Idlib, June 2022; Interview of a member of the NGO Forum in the northwest, July 2023; The UN Commission on Human Rights and humanitarian actors has also reported that “HTS, and the HTS-affiliated Syrian Salvation Government, attempted to regulate, benefit from, or interfere with the delivery of aid and services in areas of the northwest. This included attempts to impose “taxes” and fees on humanitarian organizations, impose licensing and registration protocols, and interfere with beneficiary selection and aid distribution”. (cited in US State Department, “2022 Country Reports on Human Rights Practices: Syria”, consulted 20 July 2023, <https://bit.ly/3O3A2K7>)

167 A former HTS policeman for example explained that HTS forces “NGOs to pay a sum of money in hard currency on a monthly basis in return for them to pursue their relief work in HTS-held areas. The movement also deducts up to 10% of the relief aid offered by these NGOs”. Jalal Suleiman, “Jihadi group in Syria’s Idlib seeks control of NGOs”, al-Monitor, 8 June 2022, <https://bit.ly/3PeIOF0>;

168 Interview with researcher Sinan Hatahet, July 2023





members and locals are well represented. 169170 These threatened NGOs were obliged to follow these restrictions, otherwise, they were not able to operate on the ground.<sup>171</sup> .

In addition to this, a former HTS policeman explained that some NGOs are “forced to include some civilians or people who are ideologically loyal to HTS to improve its image before the community and present it as the authority that has the best interest of the residents at heart, seeking to provide job opportunities for them”.<sup>172</sup> Several organizations (such as Karam Foundation and Subul al-Sham) have suspended their relief work in Idlib province because of the continuous and increasing restrictions and conditions imposed by HTS.<sup>173</sup>

In the summer 2022, new measures have been imposed on NGOs operating in the areas controlled by HTS aiming at further controlling and limiting particular activities considered as challenging its ideology. HTS stopped for instance several projects supporting women, particularly camp residents, under the pretext of disseminating ideas that are contrary to its ideology.<sup>174</sup> The journalist Jalal Suleiman stated that HTS has forbidden “all projects concerned with supporting, empowering and educating women, prosecuted several feminist activists in its area of control and closed down centers providing training, psychological support and counselling for women, notably in the city of al-Atareb in the western countryside of Aleppo”.<sup>175</sup> More generally, HTS has detained political opponents, journalists, activists, and civilians viewed as critical of HTS, according to various human rights organizations.

### Turkish Controlled Areas and the Syrian Interim Government

The rest of the northwest is under the control of Turkish authorities and its Syrian proxy military forces.<sup>176</sup> Turkish authorities established local councils, which are theoretically subordinate to the Syrian Interim Government (SIG), but they receive executive orders directly from Türkiye. These areas are however characterized by factionalism and an absence of Turkish interest to empower a central authority. Local actors are often involved in different forms of competition and conflict over interests, particularly armed groups.

Humanitarian assistance in these territories is therefore submitted to Turkish domination, which exercised its power through the orders of the Turkish wilayat of Gaziantep, Hatay, Kilis, and Şanlıurfa<sup>177</sup>. All major authorizations are notified by Turkish officials. The structure of power is the following:

169 The al-Madina al-Munawarah Camp, located in the Barisha camps area, was for example denied access to relief assistance for over four months in 2021 as a result of a dispute between the Charity Cooperation Association, which manages the camp’s affairs, and the Ministry of Development and Humanitarian Affairs. Interview with Bassam al-Ahmad, Director of Syrians for Truth and Justice, October 2022

170 Researcher Sinan Hatahet explains however that in an attempt to seek a more formalised organisation of aid distribution in specific camps and locations and diminish accusations of corruption linked to it, the SSG has suggested since the beginning of 2022 to NGOs a mechanism of aid delivery based on their own studies of need assessments of these areas indicating the communities most in needs of aid assistance.

171 Interview with an individual formally involved in the NGO sector in Idlib, June 2022; Interview with Bassam al-Ahmad, Director of Syrians for Truth and Justice, October 2022;

172 Jalal Suleiman, “Jihadi group in Syria’s Idlib seeks control of NGOs”

173 Interview with Bassam al-Ahmad, Director of Syrians for Truth and Justice, October 2022

174 The UN Commission of Inquiry for Syria has stated that organizations dealing with gender issues or gender-based violence were disproportionately affected in HTS controlled areas. (cited in US State Department, “2022 Country Reports on Human Rights Practices: Syria”, consulted 20 July 2023, <https://bit.ly/3O3A2K7>)

175 Jalal Suleiman, “Jihadi group in Syria’s Idlib seeks control of NGOs”, al-Monitor, 8 June 2022, <https://bit.ly/3PeLOFO>

176 Turkish military operations in Syria since 2016 have created four such border zones, each named for the military operation in which Türkiye seized territory. The Euphrates Shield operation in 2016 and 2017 led to Turkish control over northern Aleppo Governorate. In 2018, Türkiye took the northwestern Aleppo Governorate through its Olive Branch operation. In 2019, it used its Peace Spring operation to occupy areas east of the Euphrates River. Finally, in 2020 the Turkish army launched an operation in Idlib called Spring Shield.

177 In the end of August 2023, Turkish media outlets reported that the Turkish government was planning to designate one governor to manage the areas under its control in northern Syria, instead of seven currently. North Press Agency, “Turkey to Appoint One Governor in Northern Syria”, 23 August 2023, <https://bit.ly/46ajEil>



- The Wali - Governor
- The secretary of the Wali, whose main role is to implement his decision
- Experts /Deputies working with the Wali's offices in various fields ( agriculture, education, etc...) <sup>178</sup>

In the territories dependent on the Wilayat of Killis, the office of the Wali convenes monthly meetings with all NGOs active in the area. In those meetings, the Wali attempts to set objectives for each sector and to distribute particular roles for each organization. There is, however, poor coordination between the humanitarian actors and these meetings are insufficiently effective in terms of implementation.<sup>179</sup> On its side Afrin's seven districts are under the authority of the Wali of Hatay, who is assisted by a group of deputies who each supervise a district in Afrin

In this context, NGOs operating in these areas have to be registered in Turkey. NGOs cannot operate and collaborate with local councils without authorization of the Turkish Wali. On their side, local councils formally follow the SIG, but the majority comply with most of the orders given by the Turkish deputies of the governor. They oversee development and economic plans, alongside expenditures. Moreover, local councils are not able to proceed with decisions on strategic matters without conferring with the Turkish governor. This encompasses matters such as appealing for significant financial support, establishing an industrial area or opening a vegetable market, all of which necessitates coordination with the Turkish governor.<sup>180</sup> In the case of Afrin, wages and financial allocations of councils' employees are remunerated monthly from Ankara as financial grants provided by the Wali. In some cases, monthly payments can be provided by Qatar through the Turkish government, while some are deducted from taxes and fees revenues, according to a report by Syrians for Truth and Justice.<sup>181</sup>

In the aftermath of the failed military coup of a fraction of the Turkish army in 2016, pressures on NGOs and their operations increased from Turkish officials for some time. Then, Turkish authorities gradually left more space for NGOs to operate in their areas because of their ability to bring funds from outside, both through crowdfunding and from the international community, especially from Western States.<sup>182</sup>

Turkish humanitarian organizations including AFAD, IHH, the Waqf diyane and the Turkish Red Crescent are significant actors in the northwest. They facilitate the work and operations of local associations with which they collaborate and partner in various programs. AFAD and Turkish Red Crescent for example take care of cross-border processes for particular goods and products imported by Syrian NGOs to the northwest. At the same time, the implementation of specific humanitarian programs need to be coordinated with AFAD, for example any organization wanting to supply assistance to camps in the northern Aleppo countryside has to coordinate with AFAD, which otherwise prevents the operations of any actor without this collaboration.<sup>183</sup>

In this context, AFAD and IHH have played a key role in assisting the consolidation of Turkish control and occupation of Syria's territories, as well as providing services to fighters of the Syrian National Army (SNA), affiliated with Turkish authorities. IHH has been facilitating activities of settling fighters and their families in Jabal al-Ahlam, and across Afrin, while several SNA armed groups enjoy close relations with the IHH.<sup>184</sup>

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178 Interviews with four individuals involved in the humanitarian and NGO sector in the northwest of Syria, August and September 2022

179 Ibid

180 See Walid al-Nofal, "12 Years On, 'Revolution' Service Institutions Under Turkish Authority", the Syria Direct, 18 March 2023, <https://bit.ly/3JQD2bP>; Syrians For Truth and Justice, "Afrin/Jindires: Ihsan Relief and Development Cuts Down Hundreds of Trees to Build an Illegal Village", 20 September 2022, <https://bit.ly/3QXH1DO>; Khayrallah al-Hilu, "Afrin Under Turkish Control: Political, Economic and Social Transformations", Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, July 2019, <https://bit.ly/3K4F4Vv>

181 Syrians For Truth and Justice, "Afrin/Jindires: Ihsan Relief and Development Cuts Down Hundreds of Trees to Build an Illegal Village",

182 Interviews with several individuals involved in the humanitarian and NGO sector in the northwest, July 2022

183 Walid al-Nofal, "12 Years On, 'Revolution' Service Institutions Under Turkish Authority",

184 Syrians for Truce and Justice, "Housing Settlements in Afrin: Demographic Engineering or IDP Housing Projects?", 8 June 2022, <https://bit.ly/3uysmGE>



One of the most significant examples of IHH assistance to Türkiye's control in these areas is a large housing project in the Afrin region, which has historically been identified as a Syrian Kurdish-majority region. Approximately 137,000 individuals, predominantly Kurdish residents, fled this area to northeast Syria or Kurdistan Region of Iraq as a result of the Turkish-led military operations and occupation of 2018. The housing project is led by several military factions within the SNA and warranted by the Turkish authorities.<sup>185</sup> The housing project is designated for housing SNA fighters and their families in Afrin. It is supported by several local and international organizations that are also involved in funding the project. IHH is among the key organizations financing the project and provided each beneficiary with construction materials worth approximately 1,000 USD.<sup>186</sup> More problematically, several humanitarian organizations, both local and regional, have been participating in a policy of demographic change planned by the Turkish government assisted by militias of the SNA in Afrin through their operations and programs. They have notably helped selected residents and communities over others by providing them with cash assistance or particular resources. Alongside this, they have encouraged certain communities of IDPs to establish themselves in former majority Kurdish-inhabited areas, otherwise risking the threat of seeing their humanitarian assistance stopped.<sup>187</sup>

Between 2018 and May 2023, it has been estimated that 19 housing settlements have been built in Afrin with the approval and assistance of Turkish authorities and with the funding of various organizations, including Palestinian associations (Living with Dignity Association), White Hands, affiliated with Türkiye, and other organizations which are affiliated by Qatar and Kuwait.<sup>188</sup>

### 4.3 AANES, Between Control and Openness

The territories under the control of the Autonomous Administrative Areas of North East Syria (AANES) include parts of the governorates of al-Hasakah, Raqqqa and Deir Ez-Zor.<sup>189</sup> This region hosts approximately 3.2 million inhabitants, with more than 1.9 million individuals in need of humanitarian assistance, including 655,400 IDPs.<sup>190 191</sup>

The Humanitarian Affairs Office of the AANES is the institution in charge of registration for NGOs and INGOs. According to a report written by the organization IMPACT in 2021, the Humanitarian Affairs office's "priorities focus on directing humanitarian work... They hold a monthly meeting with CSOs and INGOs to discuss needs and priorities as well as the available resources".<sup>192</sup> Each Canton has its own Humanitarian Affairs office, in which organizations must register to be able to start their activities and operations. An additional layer of registration is needed for organizations operating in the IDP camps. The Kurdish Red Crescent (KRC) is the largest local actor in NES.<sup>193</sup> It was established in 2012, with support from an international organization, Heyva Sor a Kurdistanê, which has been operating since 1993 and is registered as an international NGO in the Kurdistan Region of Iraq (KRI) and with the AANES. The KRC coordinates with local Civil Councils, as well as with the institutions affiliated with the AANES.

Alongside the Humanitarian Affairs office and the KRC, the North East Syria Forum (NESF) exists. It was established in 2016 (and officially recognized the following year, in 2017) and is composed of around 40 organizations, which are registered with AANES. This includes a far majority of INGOs, with only 5 or 6 local organizations.<sup>194</sup> The NESF is the primary coordination mechanism for

185 According to the Syrians For Truth and Justice (STJ) organization, "Rahmi Doğan, governor of the Turkish state of Hatay, is one of the officials responsible for the construction of the housing village. They added that Doğan granted several local and international relief organizations, as well as the Afrin City Local Council (ACLC), the green light to commence with the project's construction over the mountain's foothills and provide the village with services. The building permit was forwarded after several armed opposition groups, notably the Levant Front/al-Jabha al-Shamiya, pitched the project proposal to Turkish authorities". (Syrians for Truce and Justice, "Housing Settlements in Afrin: Demographic Engineering or IDP Housing Projects?", 8 June 2022, <https://bit.ly/3uysmGE>)

186 In a detailed report, the Syrians for Truth and Justice demonstrated that the SNA-affiliated fighters and their families, originating from areas in Damascus countryside, Homs, and Hama, were the key beneficiaries of the project, while only 25% of the beneficiaries are civilians.

187 Interview with Bassam al-Ahmad, Director of Syrians for Truth and Justice, October 2022;

188 Jammal Emma, "Turkey establishes new settlement in Syria's Afrin", North Press Agency, 21 May 2023, <https://bit.ly/3N40GDn>

189 Deir Ez-Zor is divided into two parts: the Jazira region to the north and east of the river, which is under Syrian Democratic Forces control; and the Shammiya plains south and west of the river, which are largely controlled by the Syrian government and its allies.

190 WHO, "Flash Appeal 2022, Northeast Syria", January 2022, [bit.ly/3U6zkwM](http://bit.ly/3U6zkwM)

191 A member of an NGO active in the northeast estimated the population of the northeast according to a study conducted by his organization. Interview with a member of an NGO active in the northeast, 19 April 2023.

192 Impact, "Priorities and Decision Making: Determinants of localization in North East Syria", 2021

193 It has 54 medical centres. In addition to volunteers, the number of individuals working for the KRC is around 1,660 persons. Kurdish Red Crescent, "Home", October 2022, <http://bit.ly/3mmHW7i>

194 Interview with an individual active in the humanitarian field in the northeast of Syria, October 2022



humanitarian coordination in the northeast, equivalent in some ways to the OCHA in the rest of Syria. It is a coordination platform predominantly for INGOs and includes NGOs and local organizations. It has three main functions: representation of its members with various stakeholders, coordination of the various sectors operating in NES, and advocacy for local populations of NES. There are regular meetings between the NESF and the Humanitarian Affairs office of the AANES. These meetings are described by an interviewee as “entry points to raise different sorts of issues related to the activities of NGOs and INGOs as well as sectoral interventions”.<sup>195</sup> INGOs operating in the NES generally do not operate in government-held areas, except for the NRC and a few others. At the same time, as a result of the lack of security in the northeast, a large number of INGOs mostly provide donations and logistical support, but rely on local NGOs for on-the-ground, frontline work, according to a report of the Rojava Information Centre.<sup>196</sup>

Most of the organizations have generally not had serious obstacles for registration with the AANES authorities, as well as in their daily operations and activities.<sup>197</sup> The AANES is considered the authority allowing the most space for the implementation of humanitarian projects with minimal intervention by state institutions, according to different interviewees, in comparison to other areas of the control.<sup>198</sup> The relations between local organizations, INGOs and UN agencies with AANES depend on different aspects such as the level of the institutions in contact (communes, within the ministries, ministers, etc.) or the nature of the program (stabilization or humanitarian), as well as on the identities of the donors.

There have nevertheless been some challenges and restrictions imposed on certain organizations because of security reasons at particular periods. There have been cases of arrests against individuals working in NGOs under suspicion of political connections to Türkiye, the Syrian official opposition (Syrian National Coalition or Etifaf), or considered close to the leaders of the Kurdistan Regional Government (KRG) - the Barzani family, also due to their outspoken criticisms of the AANES and its policies. Individuals are generally liberated in the following days after their arrest, particularly if the donors of the NGO are from Western countries.<sup>199</sup> In addition to this, there have been forms of punctual protests against AANES authorities, such as in the city of Deir Ez-zor, but more relative to the competition among local elites for the control and distribution of various types of resources by civilian institutions, including the management of humanitarian affairs or fuel committees<sup>200</sup>. This situation of institutional dysfunction in Deir Ezzor has resulted in more space to operate for local initiatives led by civil society and tribal communities. This is the case, for example, for a significant proportion of public services and reconstruction efforts, which are being led mainly by local NGOs receiving international funding, according to researcher Felix Legrand.<sup>201</sup>

At the same time, local authorities have expressed their wish to see more humanitarian assistance from NGOs and INGOs provided to the large urban and populous areas rather than the periphery, according to an interviewee active within the NES forum,<sup>202</sup> and a member of a local NGO active in the northeast.<sup>203</sup> The stabilization funds in the northeast in these past few years have mostly been directed to Raqqqa after the liberation of the city from ISIS and the areas of Deir Ez-Zor under the control of AANES. This situation has also attracted the arrival of NGOs based initially in Erbil to these areas to start programs funded by stabilization programs, sometimes in competition with local NGOs.<sup>204</sup>

195 Interview with an individual active in the humanitarian field in the northeast of Syria, September 2022

196 Rojava Information Centre, “Explainer: NGOs in North and East Syria - Political and Humanitarian Obstacles” August 2020, <https://bit.ly/3SoGb45>

197 According to a researcher active in the northeast, the rise in funds for stabilization programs by the USA and other western states for the cities of Raqqqa and Deir ez-Zor since 2019 and inability of the AANES authorities to have an influence on their distribution and use, have led a greater space for civil society actors to operate, with a soft control of the AANES authorities. Interview with a researcher active in the northeast, May 2023.

198 Interview with an individual active in the humanitarian field in the northeast of Syria, August 2022; Interview with a member of Syrians for Truth and Justice, July 2022; Interview with a member of an NGO active in the northeast, 19 April 2023

199 Interview with several individuals active in in the northeast of Syria, between September 2022 and May 2023

200 SDF Commander-in-Chief Mazloum Abdi himself acknowledged in an interview in September 2023 few weeks after the clashes in Deir Ez-Zor between certain local Arab tribes and SDF forces shortcomings in the provision of municipal and security services in Deir ez-Zor. Amberin Zaman, “Syrian Kurdish Commander

Kobane Acknowledges Arab grievances as Tensions Ease in Deir Ezzor”, al-Monitor, 7 September 2023, <https://bit.ly/3PuO885>

201 See Felix Legrand, “Political Tribalism in Deir Ezzor: at the Root of the Islamic State’s Comeback”(in French), CAREP, 31 May 2023, <https://bit.ly/3pXtggM>

202 Interview with an individual active in the humanitarian field in the northeast of Syria, September 2022

203 Interview with a member of an NGO active in the northeast, 19 April 2023.

204 Interview with a researcher active in the northeast, May 2023.



## Conclusion

The significance of international humanitarian assistance for Syria's population and local economies in the country has expanded massively in the past decade as the economic and social crisis has been deepening. The number of CSOs in the country has also increased significantly after the outbreak of the uprising in 2011. The most significant funding sources for international humanitarian assistance have remained states (or states' supranational political and economic unions such as the EU). The states opposed generally to the Syrian state and which imposed wide sanctions against it have been the most important contributors to the Syrian humanitarian crisis, more particularly the USA, EU and European countries, followed by the Gulf states. The Syrian government's allies on their side, Russia, Iran and China, are very small contributors in terms of humanitarian assistance to Syria. At the same time Iran, and to a lesser extent Russia, have provided direct financial aid to the Syrian state.

The nature of international humanitarian assistance has been mostly directed to emergency response because of the massive humanitarian needs of the population, which has constantly increased since 2011. Luigi Pandolfi, head of EU humanitarian aid operations in Syria, explained that their "main goal in Syria is to provide life-saving principle humanitarian assistance... to alleviate suffering..." he added that this means "we do not have a long term developmental approach to the country, we aim at addressing the immediate life-threatening needs of the population".<sup>205</sup>

Early Recovery Projects have progressed in the past few years, particularly in areas outside of the domination of the Syrian government. These projects remain, however, mostly focused on light rehabilitation of infrastructures, with few exceptions, especially in the northeast. More generally, the economic sectors mostly benefiting from international humanitarian assistance throughout the different regions of influence have been the food industry, trade, and service sectors, including, transport, financial services, and to a lesser extent tourism and construction (except in the northwest for this latter, which has seen significant funding and investments in this sector). The main economic dynamics generated by international humanitarian assistance have been first to contribute to the mostly consumption economic dynamics in the Syrian economy, rather than promoting local production. Secondly, employment by humanitarian actors (UN agencies, INGOs and NGOs) has represented very interesting work opportunities for local labor, especially graduates and qualified individuals, by their much higher salaries and benefits provided by their employers, such as health insurance. The local public and private sectors are unable to compete with the salaries offered by these humanitarian actors.

On the political dynamics, alongside the attempts of the different local ruling authorities and their affiliates to benefit economically from the humanitarian assistance, these same actors also have been trying to control or regulate the organization and delivery of humanitarian assistance to consolidate their power and advance their interests. In comparison, the AANES authorities have not imposed a similar tight control on civil society actors and their operations, although advocating for more aid to areas other than Raqqa and Deir Ez-zor.

In conclusion, the growing threats of diminishing international humanitarian assistance for the Syrian crisis could have deep consequences on multiple levels, and not only regarding the absolute necessary direct aid delivered to the Syrian population, which is continuously growing. The country's economy would also suffer from a diminution in the volume of international humanitarian assistance to Syria. International humanitarian aid, however, cannot replace a functioning economy and state, especially if only mainly directed towards an "Emergency" humanitarian response, which allows Syrians to "survive" on one side, but contributes to the characteristics of the Syrian economy turning into a quasi-exclusively consumption one since 2011. A transition towards a more "Early Recovery" oriented humanitarian assistance would most probably be beneficial to the country's infrastructures, economy and productive sectors, as well as the population in the long run. However, the ability of international humanitarian assistance to participate in a potential early recovery phase in the future is faced with multiple and interconnected political and economic obstacles, from national economic limitations (government's economic policies, lack of private and public funds, corruption, lack of a qualified labor force, unwelcoming business environment, lack of financial stability, etc...) to external causes such as the international sanctions and its associated negative effects.

The report number three will analyse how these findings impact economic development efforts for Syria's future as well as on CSOs operations and significance, while addressing a series of recommendations for relevant local and international actors.

205 Interview Luigi Pandolfi, head of EU humanitarian aid operations in Syria, March 2022



