

Syria in Transition



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Welcome to Syria in Transition (SiT), a monthly delve into policy-relevant developments concerning the Syrian conflict. Crafted by practitioners with a decade-long experience in the field, SiT offers informed perspectives tailored for diplomats and decision makers. SiT goes straight to the point and shuns unnecessary verbiage – just as we would prefer as avid readers ourselves.

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20th International Meeting

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High on promise

In the past couple of years, US policy on Syria has come to resemble a meticulously choreographed exercise in strategic communication. While avoiding substantive actions on managing and resolving the conflict per UNSCR 2254 – something that would require a significant investment of political capital – the US has cultivated a network of voices that promote accountability in a rather de-politicised context. Arab normalisation with Bashar al-Assad has laid bare the limits and risks of such an approach.

One issue that has come to illustrate this “risk-averse actionism” is Captagon. The illicit drug is an amphetamine pill popular in the Gulf that is produced in Syria by networks run by the Assad regime and Hezbollah and trafficked to the Gulf through a complex chain of smugglers. Combating this trade has now emerged as a key issue in policy discussions on the Syrian conflict. Efforts by Jordan and the states of the Gulf Cooperation Council (GCC) to curb the trade are understandable because it threatens border security and public health.

Citing its destabilising role for the region, the Captagon issue has been portrayed as a major driver in favour of Arab normalisation with the Assad regime. The Amman statement of 1 May 2023 issued by Jordan, Iraq, Saudi Arabia, and Egypt stipulated the establishment of a working group with Damascus to put an end to the Captagon trade. A week later, Syria was readmitted to the Arab League – a move designed to deal with “all the effects of the Syria crisis (...) particularly the burden of refugees, the terrorism threat and drug smuggling.” As if to underline Arab seriousness about this issue, the Jordanian air force carried out its first ever non-ISIS related airstrike in Syria a day after the resolution was issued. It killed Meri al-Ramthan, a suspected trafficker, together with his wife and six children.

Manifestly, the strike was symbolic: drug smuggling cannot be stopped from the air. An end to the trade requires Damascus' cooperation as it controls the territory where much of the Captagon is either produced or trafficked. Whether Damascus will engage in good faith is doubtful. The income from Captagon is believed to be at least \$2.4 billion annually, by far Syria's largest export. The trade allows Hezbollah and the Assad regime to subsidise their day-to-day military operations. Assad cannot simply turn off the drug tap; a social contract in times of war exists between the regime and its military and security chieftains that involves the regime providing sources of revenue in lieu of the state's paltry salaries. In war-ravaged Syria, there are few ready cash sources left. Captagon is a life-line.

Arab governments are likely well aware that the drug trade will persist as long as the regime remains strapped for cash and in need of leverage. Absent a comprehensive settlement for the Syrian conflict – one that would enable the kind of humanitarian, economic, and political improvements necessary to tackle the Captagon trade at its roots – the war on drugs in Syria will likely go the way of Latin America. A comprehensive settlement is blocked not only by the Assad regime's intransigence, but also by the major external stakeholders in the conflict that have boots on the ground and who guarantee that the three competing "zones of influence" remain divided from each other and with little hope for the future.

Convenient narratives

One of those stakeholders is the US, which for years has lacked a coherent Syria strategy. Policy makers in the White House have focused simply on maintaining US stakes in the Syrian theatre at the lowest possible cost. On one issue, however, Washington has been remarkably vocal: "accountability". In the early days of the conflict, the term was used ambitiously to demand the referral of the Syria file to the International Criminal Court. However, after a decade of setbacks, accountability is now used as a container-term for more modest activities that highlight the Assad regime's misdeeds. In the context of Captagon, it means exposing and documenting the involvement of Syrian state and non-state actors in malign activities and pursuing these actors and their networks through targeted sanctions and law enforcement measures, often in third countries.

The Captagon Act, included as part of the National Defence Authorization Act for 2023 and signed by President Biden in December 2022, mandated the US government to establish an interagency strategy to disrupt and dismantle narcotics production, trafficking, and affiliated networks linked to the Assad regime. On the non-governmental side, this policy is vocalised by research outputs of think tanks, some of which have well-established channels to the US administration. The US interagency strategy was released on 29 June and, predictably, is in line with the prevailing narrative. According to this narrative, the Captagon trade is a major feature of the Syrian conflict and is orchestrated by the Assad regime; but the room for manoeuvre for the US and its allies is seen as limited, so policy recommendations focus only on law enforcement and harm reduction measures.

Albeit innocently, Western media coverage has helped to define Captagon as *the* issue of the day that cannot be solved but can at least be mitigated by a de-politicised accountability approach. The Arab states, the US, and the Assad regime must all be satisfied with the way the discourse on Captagon has unfolded. Arab states used it to justify their re-engagement with the Assad regime despite Washington's formal objection. In March, US Assistant Secretary of State for Near Eastern Affairs, Barbara Leaf, made a less-than-subtle suggestion to end the Captagon trade in exchange for ending the regime's isolation. For the US, this policy diversion from serious engagement on a political settlement has allowed risk-averse actionism to continue. Publicly visible activities like Congressional bills, report launches, and panel discussions on Captagon help to generate headlines. But despite a decisive stance on ostracising the Assad regime by Congress, the US administration seems to have given up serious attempts to pursue conflict management let alone conflict resolution in line with UNSCR 2254.

For the Assad regime, meanwhile, framing the issue as a human security and health challenge that requires containment (read: money) is all too convenient. The Arab and Western media attention that Captagon has garnered in recent months has been a massive boost for Assad's regional extortion racket. The drug is both leverage and a policy space for re-engagement with his Arab neighbours without any requirement for change in Damascus. Captagon thus serves the same purpose as counter-terrorism cooperation, with Assad stoking the fires and offering to extinguish them at the same time.

Follow the money

For Arab states, the real stakes behind the normalisation with Assad extend beyond merely reducing the flow of Captagon. They also wish to demonstrate neutrality in a shifting multipolar order, establish themselves as diplomatic hubs, send back refugees, and balance Turkish and Iranian influence. Captagon was seen as the low hanging fruit. It would deliver a tough law-and-order message needed at home while offering back-channel security cooperation with Assad that can be marketed as a win abroad. It is, moreover, a clear-cut moral issue: the future of Arab youth.

Traditional prescriptions for combating Captagon have focused on the involvement of Assad, Hezbollah, and the IRGC, the three actors that have been shown to be the instigators and primary profiteers from the trade. US, UK, and EU sanctions have exclusively targeted these parties. Using the Captagon card to penalise and isolate only Assad and his allies is understandable from the viewpoints of Syrian-American activists and hawkish-on-Iran congressmen. It is also a useful diversion for Arab governments that see Captagon as a purely Syrian contagion. While this approach has its merits, it overlooks the complexity of Captagon as a trans-regional problem.

Along the Captagon supply chain that start in Lebanon's Bekaa Valley and ends in the affluent districts of Riyadh there are key nodes that are not formally tied to Assad, Hezbollah, or the IRGC. Smuggling networks overseen by well-connected individuals are making fortunes from facilitating the final-leg of Captagon's journey to Saudi Arabia and the GCC states from transit points in Egypt, Iraq, Jordan, Libya, Sudan, and Turkey. Since they run the most difficult part of the supply chain, these *narcotraficantes* make just as much profit as Assad et al. A bag of 200 Captagon pills (known as a *shad*) has a wholesale price of only \$35 in Lebanon, which becomes \$200 in transit points, and \$800 by the time it reaches Saudi Arabia.

As with all narcotics: if you follow the money trail, things get complicated. Police, soldiers, and customs officers in the Middle East are not renowned for their probity and transparency. In addition to the kind of bureaucratic corruption that makes the drug trade possible the world over, there are also the usual coteries of politicians, fixers, bankers, lawyers, construction tycoons, and money exchangers that wash the illicit money and shield wrongdoers from scruti-

ny. There are powerful vested interest in places where money is power and the law is reticent.

A further complexity is that much of the smuggling is being undertaken by tribal men in tribal societies. Money brought into the tribe through drug smuggling is a source of power for the tribe as a whole, and the tribesmen engaged in smuggling are seen as useful and influential benefactors. They can ensure the tribe's triumph in a local election or in the lucrative government contracts and appointments lottery.

In short, state agencies wishing to combat the drugs trade will inevitably find their work hampered by influential lobbies and bureaucratic push-back.

Undoubtedly, Syria's neighbours are concerned with the Captagon trade. Officials have rung the alarm bells and the political and law enforcement response has been stepped up noticeably. However commendable, these efforts are unlikely to produce really satisfactory results unless the Captagon money trail is properly investigated at all parts of the supply chain. This, however, risks antagonising key local players and revealing embarrassing corruption at various levels. This Catch-22 means that Assad's Captagon extortion racket cannot be countered as easily as some might hope. When law enforcement measures hit a wall, the West should be ready to ask the right questions.

Holding the line

At this year's Brussels VII donor conference on 14-15 June, reaffirmation of the EU's policy lines on Syria emerged as a main theme. Normalisation with Assad "is not the path that the European Union would have chosen", said HR/VP Josep Borrell, speaking to gathered foreign ministers and senior officials including several from the Arab states that spearheaded normalisation. Frustration from European quarters has been brewing over the terms of Assad's return to the Arab League and the credibility of the Amman track. "Very soon, we will see if these efforts have convinced the regime in Damascus to engage in a dialogue with Gulf and Arab states over various aspects of UN Security Council resolution 2254," said the HR/VP, clearly expecting little progress to be made.

Faced with a reaffirmation of the EU's position, Assad and the Arab states that normalised with him found themselves on the defensive. Damascus' response was petulant. SANA quoted a Syrian foreign ministry source as saying, "At the conference held at the EU HQ (..) the EU chose the absence of the Syrian state so that the reality of its bankrupt goals and policies will not be exposed." It was the first time that the Syrian foreign ministry has felt the need to react to any of the Brussels conferences – a reflection of how well Borrell's words went down in Damascus. It also reflected the regime's frustration at the limited lobbying opportunities open to it this year, with only the Syrian Arab Red Crescent (SARC) chief Khaled Hboubati present to represent its interests, and with the handful of participating Damascus-based civil society organisations merely repeating the usual talking points on sanctions. The absence of the UN co-host for the second year running – a result of Russia being excluded from the conference – has allowed the EU to be more "itself" in setting the agenda and use of language.

As the most senior Arab diplomat at the conference, Jordan's foreign minister Ayman Safadi also found himself in the firing line. He hit back: "Status quo politics will not work. Doubling down on old positions will not work, (..) At the end of the day, we, in the neighbourhood, are the most affected." In private, Safadi was less sanguine, admitting to the difficulties of convincing Assad to change course and stressing the need for more time. But time is exactly what Assad is banking on, probably calculating that he can squeeze money out of his new friends in Abu Dhabi and Riyadh and dispense with Safadi's good offices. Saudi Arabia is already going the way of the UAE in opening bilateral channels with Assad that go against official US and EU positions, with the prospect of a Saudi-Israeli peace deal shielding it from any blowback from Washington.

For the non-GCC Arab states, two months of normalisation has produced only ill omens. An EU-Arab League ministerial meeting scheduled for late June was "postponed" by the EU because Syria's foreign minister was part of the Arab delegation. The same minister has made successive statements in recent weeks that poured cold water on what was supposedly agreed in Amman. Cairo – seat of the Arab League – was meanwhile prevented from hosting the next round of Constitutional Committee talks after it was revealed that Assad had promised the event to Muscat. Arab states like Jordan feel compelled to press

the EU for greater leniency with Assad; but the lack of a coherent framework and roadmap on deliverables, as well as Assad's unhelpful messaging, is making their case weak.

Equity is key

Given its inherent political nature, it is no surprise that Early Recovery assistance dominated discussions at Brussels VII. Early Recovery sits between humanitarian relief and full-blown reconstruction and therefore challenges the Europeans' commitment to minimising engagement with the Syrian authorities. More engagement with Damascus under humanitarian cover has been pushed through by some in the EU who believe in its merits, and by the aid industry that eyes growth potentials. Arabs in Brussels also lobbied the EU hard to loosen the purse strings, but it is not their taxpayers who are being asked to subsidise Assad's rehabilitation.

The EU now faces the challenge of aligning its reaffirmed policy lines with its humanitarian programme in Syria. The suggestion to establish a new international fund for Early Recovery assistance, advocated by OCHA and some regional countries, pits Western insistence on high standards on aid against a more "pragmatic" approach. While the West should remain steadfast in upholding (and improving) transparency and oversight standards at the UN, it should also prioritise equity in aid distribution. This requires the development of frameworks that ensure the equal distribution of Early Recovery programmes in all areas, both at a qualitative and quantitative level. If areas under the control of the regime gradually regain a certain level of self-sufficiency while non-regime areas (home to 40% of Syria's population) remain in a state of relief aid limbo, well-intended assistance runs the risk of exacerbating poverty and fuelling further conflict.

The Assad whisperer

Keen followers of Syria diplomacy will have noticed a certain type of Western visitor to Damascus. This is the distinguished gentleman of a certain age, usually an ex-diplomat, who believes in his innate ability to talk sense to dictators if only he could get enough face time with them. The latest iteration of this archetype is Martin Griffiths, the head of UN OCHA, who met Bashar al-Assad on 27 June for a “valuable exchange” on humanitarian assistance and “early recovery priorities.” It was the third such meeting this year, the first having taken place in the immediate aftermath of the February earthquake when the UN begged Assad to allow aid to pass to the most seriously affected areas in northwest Syria.

Griffiths was not always the welcome visitor. In 2017, OCHA asked the British former diplomat to undertake a review of its work in Syria after many complaints were lodged alleging that humanitarian principles were being compromised for the sake of expediency. Griffiths undertook the task and produced a report that, among other things, recommended installing an independent ombudsman to deal with complaints and ethical dilemmas on “issues of core principles and values.” The authorities in Damascus were none too pleased and blocked further probes by Griffiths by denying him a visa. The report and its recommendations were then quietly shelved by the UN.

Six years and three meetings with Assad later, Griffiths appears to have undergone a conversion and is now keen on throwing more money in Damascus’ direction with less accountability and oversight than ever before. Addressing the Security Council on 29 June, he declared: “It is clear that further expanding early recovery activities is the humanitarian community’s best chance to support the future of the Syrian people. Any move towards a more sustainable response will require a different approach, one with longer timelines and fewer donor redlines.”

This is music to Assad’s ears. He has long sought a means to facilitate a less regulated inflow of donor money for reconstruction activities with the all-too-useful humanitarian label serving as an effective way to bypass Western red lines and sanctions regimes. Assad and his allies have long lobbied for increased Early Recovery assistance, with the definition of what

falls under Early Recovery progressively expanded beyond what can justifiably be considered “humanitarian.” UN agencies like UNICEF and WFP that deliver relief aid but also want to win lucrative “development” contracts have pushed for a much looser definition of Early Recovery. UNDP too is jostling for position.

Very much aware of Western scepticism regarding unconditioned reconstruction through the back door, Griffiths is now apparently courting Arab Gulf states. Saudi Arabia and the UAE have recently expressed an interest in opening their wallets to help out Assad under the guise of encouraging refugee return. These states have so far shied away from contributing to the UN’s Humanitarian Response Plan (HRP), given all its red lines. Despite downplaying it as a factor, US and EU sanctions prevent these states from making direct investments in Syria’s economy and they must therefore look for workarounds. This presumably is the opportunity upon which Griffiths wants to capitalise.

According to diplomatic sources in New York, Griffiths is now proposing setting up an entirely new UN fund for Early Recovery using GCC money that will be run by the Damascus-based Resident Coordinator. At first glance, attracting donor money to rebuild schools might sound like a noble idea. However, questions arise as to why Griffiths is suggesting a new fund when the UN already has an Early Recovery fund. The HRP regulations are designed to ensure that donor money set aside for Early Recovery projects benefits Syrians rather than the regime – although so far the results have been mixed. Lowering the bar instead of pushing for higher standards on due diligence within UN operations is a recipe for programmes that fail to pass the Do No Harm test and contravene many of the UN’s own guidelines and parameters. It may also lead to collusion in sanctions busting. Difficult conversations must surely lie ahead between influential UN donors, including the EU and key Member States, and the OCHA chief on the “core principles and values” motivating his intervention in Syria.

The best of bad options

Recep Tayyip Erdogan's victory in the May election was not exactly a cause for universal celebration. Internally, the six-party opposition coalition headed by CHP leader Kemal Kilicdaroglu is unravelling amid widespread dejection and calls for him to resign. Externally, the Western capitals that hoped the opposition would win now have to deal with a Turkish leader who is more confident and assertive than ever. Now into his third decade in power, Erdogan is regarded with deep suspicion for his national-Islamic agenda and pursuit of a foreign policy independent of the EU and NATO. Yet he continues to be an ally and Europeans should continue working with him. This is especially the case if progress is to be achieved on sustainably stemming refugee flows.

Erdogan's mandate is to revive the ailing economy, defeat the PKK, and send Syrian refugees home. On the latter, he has charted a careful third way. He refrained from the xenophobic rhetoric adopted by Kilicdaroglu, who called for working with Assad on returns and promised to send all Syrians back within two years. Indeed, the opposition's anti-Syrian and anti-refugee stance became its main election platform. The West looked the other way as racism was whipped up by its preferred candidate, perhaps considering it a price worth paying.

Erdogan, on the other hand, admitted that the status quo was untenable; but also publicly and vocally opposed the forced repatriation of Syrians on legal, humanitarian and Islamic solidarity grounds. He stressed the need to build new homes and secure a safe environment for them to return voluntarily. This was probably a more nuanced position than that held by the average AKP or MHP voter, but it was enough to neutralise the opposition's Syria card. The Turkish election has shown the limits of anti-refugee sentiment as a sure-fire election winner. It has also legitimised an approach to resolving the refugee crisis that involves fewer sticks and more carrots.

It is hoped that building homes and infrastructure in northern Syria for the estimated 1.9m IDPs now living in camps – recreating the new towns of southern Turkey in northern Syria – will be the start of a serious and sustainable programme to stem refugee flows and incentivise voluntary returns. Naturally, such an

undertaking will require European donor contribution. Some Europeans might balk at the idea of paying Erdogan more money on top of what he is already getting from the 2016 EU-Turkey deal. They might also have legitimate concerns relating to international law, human rights, and demographic engineering. The latter is a frequently raised concern, and rightfully so. But with half of Syria's population displaced, assessing demographic shifts solely through the lens of Turkish meddling does not reflect the complexity of the issue. If Europeans aim to address these concerns effectively, active engagement appears more promising than giving Erdogan the cold shoulder, especially considering the limited options available.

The SDF has offered its services in receiving Syrian refugees. But its longstanding policy of compulsory military conscription is a major push factor; and the unreliability of the SDF's US guarantor undermines confidence in northeast Syria's stability.

With an eye on UN Early Recovery assistance and cash from GCC states, Assad has made a half-hearted attempt to appear keen on welcoming back refugees. At a recent press conference, Foreign Minister Faisal al-Mikdad reflected the official attitude when he admitted that, “[Hosting] refugees is a burden, but Syria wants all its sons who are refugees to return to the homeland so that they are a burden on the homeland and not on others.” Assad has only Lebanon and Jordan to play with, and considerable legal, humanitarian, economic, and safeguarding hurdles will need to be jumped before returns at scale take place from those two countries. In Assad's Syria, few wish to return and many more wish to escape. “9 out of 10 young Syrians want to leave the country, 5 already have concrete plans & 4 are learning German!” tweeted the EU charge d'affaires to Syria Dan Stoenescu, as he returned from a recent visit to Damascus. It is unlikely that a few hundred million euros of Early Recovery assistance will alter the calculus of Syrians for whom the regime is the incarnation of a push factor. Meanwhile, Turkey's seasoned contractors stand ready to build thousands of homes for IDPs in no more than 18 months. Assad simply cannot match that.

The Arabs might talk delusionally about refugee returns to Assad areas, but the smart money is on Turkey's refugee “firebreak” strategy in northern Syria. Turning the area into a giant building site to create jobs and retain poor Syrians in-country while attract-

ing back middle-class technocrats sounds like the kind of practical programme that might work. Crucially, it will not require prior approval from Damascus. Europeans should not take Turkey's ambitious plans at face value, but neither should they categorically dismiss them. If only for a lack of alternatives, they are worth exploring.

Astana is dead, long live Astana

The room fell into silence as the Kazakh Deputy Foreign Minister took the floor during the plenary meeting of the 20th Astana summit on 21 June. After presenting the final statement draft, Kanat Tumysh announced that he had amendments to propose. He suggested adding a paragraph to announce that the trilateral talks in the Kazakh capital had definitively concluded, as the process had accomplished its initial objectives. After a brief pause during which everybody got on their phones, the Kazakh hosts changed their minds. The final statement remained untouched, which did not prevent Tumysh reiterating the thwarted amendments in front of reporters. Russia's representative, Alexander Lavrentyev, meanwhile told the press that while it couldn't be said that the Astana process had concluded, if the Kazakh side believed a change of location was necessary, the guarantors would discuss a new venue.

The following day, the Kazakh Foreign Ministry back-pedalled, stating that it would be ready to consider resuming the process if there was a "collective request" from all participants.

Speculation is rife, particularly with regards to Lavrentyev's apparent surprise during the plenary meeting. Despite strained relations between Russia and Kazakhstan, it appears improbable that the Kazakh side would suggest an end of the Astana process without Russian consent. Rumours were fuelled by the absence of Syrian Deputy Foreign Minister Ayman Sosan on the second day of the meeting, leading some to believe that he played a leading role in lobbying the Kazakh hosts. It remains unclear whether Lavrentyev's surprise was staged to provide plau-

sible deniability for a Russia bent on torpedoing the process; and whether Sosan was indeed lobbying the Kazakhs.

Less shadowy is the net outcome of the meeting. When the Astana process was established in 2017, it had two primary objectives: undermining the UN-sponsored Geneva track and providing a framework for pragmatic conflict management between Russia, Turkey and Iran. Now that Turkey and the Assad regime are engaging in ministerial-level talks, there is a strategic rationale for a streamlined process without the UN and other observers that Russia considers to be unnecessary "ballast". Crucially, the Syrian opposition has been left behind as Astana has evolved into the Moscow quad of Russia, Iran, Turkey and Syria, reflecting the pro-Assad coalition's goal of eliminating the opposition from all talks. The old Astana is likely to be maintained to some extent to preserve legitimacy, including clout over the Constitutional Committee; but the stage has been set for the rise of the quadrilateral Astana+ process in Moscow as the real show.

SiT thrives on continuous exchange with professionals. We kindly invite you to reach out with criticism, ideas, information, or just to say hello at sit@cms-consulting.co.uk