

The Impact of Unilateral Sanction Regimes on the Humanitarian Sector: a case study of Syria

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Title page

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Abstract

Economic sanctions are often used as a foreign policy instrument by larger governments. Policymakers usually design sanctions as an effective tool that puts pressure on the sanctioned countries to achieve geopolitical and strategic goals. This paper examines the impact of unilateral sanction regimes on humanitarian organizations working in Syria and their unintended humanitarian consequences. As the situation differs significantly per area, this research covered the North of Syria by identifying three central regions depending on the political regime controlling the area: (1) government and pro-government forces held areas, (2) US-backed Kurdish forces, and armed opposition groups. The research was conducted as a case study where 14 semi-structured interviews were conducted with several parties, including individuals who experience(d) the direct effect of sanctions, experts, and humanitarian workers based inside and outside Syria. The paper focuses on ten years period time starting from 2011 until now. This research highlights three main categories of sanctions' issues facing humanitarian organizations, these issues are related to (1) financial services, (2) communications with donor agencies, and (3) humanitarian activities. Results show that humanitarian organizations working in government-held areas suffer more from the effects of sanctions compared to those in opposition and Kurdish territories. Also, large and international humanitarian organizations can often sustain more the hurdles resulting from sanctions, considering their public relations and relatively sizable budgets. The findings provide more descriptive knowledge and comparative analyses of how governments implement sanctions which can be helpful for donor agencies, humanitarian organizations, and policymakers in their decision-making processes.

Keywords: sanctions, Syria, humanitarian organizations, sanctions' impact, financial transactions, donor agencies, banks' de-risking behavior

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Table of acronyms

This table lists the main acronyms used in this thesis.

ACRONYM	MEANING
AANES	Autonomous Administration of North East Syria
CBS	Central Bank of Syria
CHF	Swiss Franc currency
DFID	Department for International Development
EU	European Union
EUR	Euro currency
FATF	Financial Action Task Force
FCDO	Foreign Commonwealth and Development Office
FDI	Foreign Direct Investment
GOS	Government of Syria
HQ	Headquarter
HTS	Hay'at Tahrir al-Sham (Tahrir al-Sham)
IDP(S)	Internally Displaced Person(s)
INGO(S)	International Non-Governmental Organization(s)
IRC	International Rescue Committee
IS	Islamic State
LNGO(S)	Local Non-Governmental Organization(s)
MSF	Médecins Sans Frontières (Doctors Without Borders)
MTA	Money Transfer Agency
NES	North East Syria
NGO(S)	Non-Governmental Organization(s)
NON-UN	Non-United Nations
NPO	Non-Profit Organization
NRC	Norwegian Refugee Council
NWS	North-West Syria
OFAC	Office of Foreign Assets Control
PTT	Posta ve Telgraf Teşkilatı (National Post and Telegraph Directorate of Turkey)
PKK	Kurdistan Workers' Party
PYD	Kurdish Democratic Union Party
SARC	The Syrian Arab Red Crescent
SDC	Syrian Democratic Council
SDF	Syrian Democratic Forces
SNA	Syrian National Army
STD	Syria Trust for Development
SYP	Syrian Lira (Syrian Pound)
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNOCHA	United Nations Office for the Coordination of humanitarian Affairs
USAID	United States Agency for International Development
USD	United States Dollar currency
US	United States (The United States of America)
VPN	Virtual Private Network
WASH	Water, Sanitation, and Hygiene
WHO	World Health Program
YPG	Kurdish People's Units

1. Introduction

The first section of this thesis starts with an introduction. It first includes an overview of the study's topic and its significance. Second, it states the research question and goal. Third, it lays out the remaining of this paper.

1.1 The Syrian context and scientific relevance

With the Syrian civil war entering its eleventh year now, doubtless to say that the war has weakened not only the infrastructure but the country as a whole. Since 2011, humanitarian aid to Syria has increased significantly. Many local and international organizations have been established or relocated both inside and outside Syria in order to provide support for the displaced and Syrian refugees.

Over the years, the Syrian conflict has resulted in an immense need for humanitarian action, with over 13 billion people in need of shelter, food, and healthcare. Humanitarian needs increased by 21% this year compared to the year 2020 (ReliefWeb, 2021). The consequences of the decade-long crisis are clearly shown in the mass destruction of the country's infrastructure and the economy.

Syria's trade in the 2000s generated a considerable surplus by virtue of oil and agricultural exports. Before the conflict, Syria has established an adequate irrigation network by developing several dams and canals. Therefore, the food security level was among the highest since the 1980s. However, the situation started to change dramatically due to the conflict, and the economy has been experiencing a serious downflow since then. (Aita, 2020)

In 1979, Syria was exposed to its first set of international economic sanctions or unilateral measures. Those sanctions have only increased since then. The current set of non-United Nations (non-UN) sanctions imposed on Syria are considered the most complicated sanction regimes ever imposed on a country (Walker, 2016). This complication comes from the diverse elements each type of sanctions contains. The European Union (EU) sanctions are focused on financial restrictions through banks, asset freezes, limiting exports, and curbing the reconstruction of vital sectors such as oil and electricity. Besides other restrictions, including asset freezes, financial transactions' constraints, limited relationships between banks and clients who have or will have activities in or around Syria. Most importantly, the prohibition of 'dual-use goods'¹ export to Syria often includes at least 10% US origin. Therefore, the export of 'dual-use goods' is also prohibited under US sanctions (Walker, 2017).

¹ The definition of 'dual use goods' is referred to products that can be used both peacefully and for military purposes. For example, 'pipes, water pumps, spare parts for electric generators, and industrial machinery and many kinds of essential construction equipment' (Daher & Moret, 2020; P18).

The United States (US) sanctions are somewhat more severe as they extend the scope of sanctions to reach a broader set of restrictions, compared to those of the EU. The US designates Syria as a ‘State Sponsor of Terrorism,’² which results in an export ban for almost all US-origin products (Walker, 2016). However, the EU’s policy objectives tend to pressure the Government of Syria (GoS) by its human rights violations and combating the use of chemical weapons (The Carter Center, 2020)

However, the impact is shown in the whole of Syria, especially the humanitarian sector. Since the outbreak of the Syrian conflict, most of the infrastructure has been destroyed, leaving the country with a massive shortage of basic needs. The Syrian population has been struggling to access clean water, electricity, and other essential services for the past ten years. (Walker, 2020). However, the sanctions are not the primary reason for the economic crisis and high level of poverty but mainly results of the war and destructions, in majority caused by the Government of Syria and its allies, and the economic policies of the Syrian Government (neoliberal and austerity policies affecting the far majority and benefiting small strata).

According to the newest report by the US Agency for International Development (USAID), approximately 13.5 million people need humanitarian assistance in Syria; this number has increased by 2.4 million in the year 2020. Also, 6.7 million people are internally displaced (IDPs). Due to the violent war and conflict, 12.4 million are experiencing food insecurity, roughly 60% of the population (USAID, 2021). The violence of the civil war continues to cause the death of civilians and damage to the infrastructure. Humanitarian workers, who serve in the Syrian war ground, face tremendous challenges to deliver humanitarian assistance and services. As reported by the UN, one humanitarian worker is killed every 30 days in North West Syria (NWS) (USAID, 2021). It is a hazardous, rugged, and insecure environment. Thus, sanctions are only an additional huge burden that tightens the restrictions on both the country and the population. International sanctions have made it even harder to deliver humanitarian aid and maintain assistance programs (Walker, 2020) as they play a significant role in complicating access to financial assistance both for local and international Non-Governmental Organizations (NGOs).

Obstacles resulted from the imposed sanctions on Syria are likely to be extended to organizations operating in Syria and in the neighboring countries of Turkey, Lebanon, Jordan, and Kurdistan-Iraq. First, sanctions have made it highly challenging for banks to build or maintain trust with organizations working in humanitarian assistance. Banks fear fines and reputation damage. They also fear the imposition of sanctions or simply the shut-down of all their activities in the region. Government authorities in the neighboring states have compelled humanitarian actors by new regulatory measures, especially those related to the financial systems and transferring money. For example, Turkish

² ‘State Sponsor of Terrorism’ refers to a list of countries made by the US of countries involved in supporting terrorism. (US department of state, n.d)

regulations restrict local and international NGOs from having aid programs in the areas under the Autonomous Administration of North and East Syria (AANES) control (Daher & Moret, 2020). Of note, AANES³ is the authority that manages the region of ‘Rojava,’ the Kurdish name for Kurdish presence regions in Syria (Rojava International Center, n.d.). Second, sanctions’ effect is shown by difficulties in providing health care and necessary medical materials. The private sector in Syria is experiencing a vast decrease in importing essential medical equipment and various products, chiefly because foreign providers find it challenging to deal with banking sanctions and financial restrictions linked to Syria (Ghisn, 2020; Mehchy & Turkmani, 2021).

1.2 Research question and research goal

While sanctions from the US and the EU are arguably ‘smart’ and aimed at those who committed crimes or continue to do so, new reports about the unintended consequences of these measures on innocent civilians have started to surface, and the picture is grim. Nonetheless, the topic remains understudied and has not received sufficient attention. Almost all prior sanctions studies have focused on the economic impact and less on the humanitarian implications (Andronik, 2018). This is chiefly why this study is designed to focus on economic sanctions on Syria and their unintended humanitarian consequences, including the work of humanitarian organizations. In the following, the research question is presented: *How have unilateral international sanctions affected the work of humanitarian organizations in the North of Syria?*

This investigation takes the form of a case study. Semi-structured interviews were conducted with several parties, including individuals who experience(d) the direct effect of sanctions, experts, and humanitarian workers who are based inside and outside Syria. Also, the case study included several elements of the process-tracing method in which more variables were studied on a more in-depth level.

This research aims to support other scholars who have been investigating sanctions’ effects. It gives more insight to policymakers about the impact of sanctions on the work of humanitarian organizations and their beneficiaries. Previous literature shows the need for more descriptive knowledge and comparative analyses of how governments implement sanctions as a foreign policy tool. Therefore, this thesis contributes to the political economy literature by providing a fully detailed comparison of government- and opposition-controlled areas in Syria, starting with similarities to the extreme differences that should always be central when sanctioning states or government leaders. The case of Syria allows for a broad contribution to the literature, including post-conflict and civil war impacts on

³ AANES follows a higher political assembly, the Syrian Democratic Council (SDC), and its military force, the Syrian Democratic Forces (SDF).

society and the economy. Scholars may use this study's outcomes to reflect on similar cases worldwide when studying the subjects of civil war, conflict, sanctions, and humanitarian assistance.

1.3 Structure of the research

The overall structure of the paper takes the form of five sections, including the introduction. The second section gives an extensive overview of the previous sanctions' literature with central attention to Syria besides a layout of this thesis's propositions. Furthermore, section three lays out the methodology used to answer the research question, including data collection, data analysis, and research ethics. Section four presents the study's findings along with making comparisons of the different variables. Section five summarizes the study's outcomes and presents several discussion points and future research recommendations.

2. Literature review

This chapter provides a comprehensive overview of the previous literature. It starts with discussing economic sanctions on a broad scale, followed by a brief Syria's sanctions history. Further, it delves more into the Syrian case and explains how the humanitarian sector works. The background section ends with an essential link between sanctions and humanitarian work in Syria. The second part of this chapter produces two propositions that have been tested and discussed extensively.

2.1 Background

2.1.1 Economic sanctions in general

Economic sanctions are those policy instruments imposed by the sender state to weaken the target state. For the most part, sanctions are intentionally designed to vitiate the target country's economy, such as reducing import/export flows, arms sales, foreign direct investments (FDIs), financial transactions, transportation networks, and foreign aid. However, economic sanctions are also employed to attain political goals (Early & Cilizoglu, 2020) and to change strategic decisions of state and non-state actors (Masters, 2019). They are considered a persistent diplomacy tool and a form of hard power where powerful states employ those sanctions upon other less or equal powerful states (Peksen, 2009). Economic sanctions have a distinctive policy tool used by the West to face geopolitical disputes, such as Russia's intervention in Ukraine or North Korea's nuclear program (Masters, 2019).

Economic sanctions are only implied when the threat of sanctions is insufficient to change the target's behavior. Sanctions, in addition to their primary aim, result in unintended humanitarian consequences (Early & Cilizoglu, 2020), especially those adverse human rights effects (Peksen, 2009). Previous literature shows that researchers identify the direct and indirect impacts of economic sanctions. The direct effect targets the country's economic welfare, and the indirect effect is displayed by the unintended humanitarian consequences (Andronik, 2018), for example, the unintended effect on human rights practices, greater poverty, and poor healthcare conditions, increased unemployment rate, etc. (Peksen, 2009).

In their essay, Bapat et al. (2020) have indicated several types of economic statecraft, including trade embargoes and asset freezes, tariff reductions, purchases, and trade liberalization. In addition, 'smart sanctions' are those that specifically target individuals or exact government agencies. They result in less economic distress. The writers introduce three logics, consistent with other research on this topic, (1) 'smart sanctions' work to condense stigma and centralize costs to the sanctioned group or individuals; this is crucial as it (2) minimize transferred costs to the people and alleviate humanitarian

consequences attached to sanctions. Finally, ‘smart sanctions’ are a better option for the sender state as they lessen negative costs resulted from obstructing trade or any other related mutual activities (Bapat et al., 2020).

However, the impact of sanctions varies dependent on the sanction type and the country imposing them. Previous research has established that economic sanctions often fail in achieving their intended plans and goals. Civilians are likely to be affected the most as economic sanctions are customarily designed to seclude the target country’s economy from the world’s economy. Serious consequences are smoothly passed to civilians who are the victims of more (1) socio-economic hardship and (2) human rights violations by the government (Peksen, 2009). Literature shows that several factors, if present, will increase sanctions’ severity. Garfield (1999) noted that sanctions are far more influential when target countries are in geographic and political isolation; they have weak information systems, little financial reserves to import necessary goods, are dependent on imports, and have poor health infrastructure. Moreover, Marinov (2005) points out an additional important factor; oppressive leaders, who are likely to desire more suppression to apply to the population.

2.1.2 History of sanctions regimes on Syria

Differences over foreign policy, the Middle East affairs, and politically motivated accusation against Damascus of supporting terrorism led the US to sanction Syria as early as the late 1970s. Syria is on the US’s list of ‘State Sponsor of Terrorism,’ a designation followed by sanctions in the 2000s and again after the outbreak of the Syrian uprising in 2011. The US sanctions are split into ‘primary’ and ‘secondary sanctions.’ On the one hand, the ‘primary sanctions’ prohibit both US citizens and businesses or companies from engaging with Syria. Also, ‘primary sanctions’ forbid any financial transactions engaging Syria in the US financial system and the sale of US goods to Syria. On the other hand, ‘secondary’ or extraterritorial sanctions include bans on third-country transactions with Syria, for instance, trade business with Russia, Iran, etc. In December 2019, former US President Donald Trump signed the ‘Caesar Syria Civilian Protection Act’ into law. Caesar sanctions fall under the category ‘secondary sanctions’ since it allows the US president to punish any government, entity, or individual due to engagement in any Syria-related business (The Carter Center, 2020).

Furthermore, the EU and the UN have imposed other sanctions on Syria since 2011. The UN sanctions were imposed on the Islamic State (IS), which was an active actor in the Syrian conflict. Additionally, some of the UN sanctions or measures date back to the period before the conflict and are related to al-Qaida⁴ and other terrorist groups. However, the EU and the UN sanctions are more

⁴ Al-Qaida (al-Qaeda): is an Islamic terrorist organization founded in 1988 by Osama bin Laden. The group was established a network to support Islamic a resistance against the Soviet Union occupation of Afghanistan. (Burke, 2021)

lenient and specific than the US sanctions. For instance, the EU sanctions are more specific to certain categories and entities, while the UN imposed sanctions in 2015 to prohibit any trade in antiquities removed from Syria since 2011 (The Carter Center, 2020). US's and the EU's sanctions are complemented by other sanctions levied by Japan, Canada, Switzerland, Norway, Turkey, and the League of Arab States. (Daher & Moret, 2020)

Table (1) below provides a comprehensive overview of the unilateral sanctions on Syria imposed by different states.

The sanctioning state	Date	The type of sanctions	Reason for imposing sanctions	Notes
The US	1979	<ul style="list-style-type: none"> - Trade restrictions with the US. - Sanctions on Syrian officials and government entities. - Heightened control on financial transactions involving Syria by US banks. 		Syria was placed on the list of state sponsors of terrorism
The US	1986	Administrative sanctions.	Direct Syrian involvement in an attempt to blow up an Israeli airplane	
The US	Signed in 2003 Active in 2004	<ul style="list-style-type: none"> - Asset freezes in US banks. - Banes of 50 commercial flights between the US and Syria. - Restricting diplomats from movement in the US. - Ban on non-humanitarian food and medicine exports from the US to Syria. 	Accusation of occupying Lebanon + Pro-Israel active lobbying in the US + Syria's position against the occupation of Iraq.	The Syria Accountability and Lebanese Sovereignty Restoration Act, signed into law by former US President George W. Bush.
The US	2011	Economic sanctions: <ul style="list-style-type: none"> - Sectoral sanctions including oil, electricity, IT, banking sectors, etc. - Sanctions on the majority of government-owned enterprises, prominent Syrian businessmen, and their businesses. 	Following the Syria uprising.	
The US	2012 - 2019	Additional sanctions to target more Syrian-related individuals, companies, and entities.	Following the Syria uprising.	
The US	Signed late 2019	- New secondary sanctions on Syria in an attempt to forbid	Caesar sanctions so called after 'the Syrian military	Congress passed the Caesar Syria Civilian

	Active in mid-2020	<p>third-country trade with Syria.</p> <ul style="list-style-type: none"> - Caesar Act allows the US President to punish any government, business entity, company, or individuals seen to help the Syrian Government or contributing to the reconstruction of Syria. 	<p>photographer-codenamed - Caesar- who defected in 2013, leaking tens of thousands of graphic images of detainees tortured to death in Syrian Government prisons'. (Daher & Moret, 2020 P18)</p>	<p>Protection Act. The Act was signed into law by former US President Donald Trump.</p>
The EU	2011	<ul style="list-style-type: none"> - Financial sanctions: restrict European banks from engaging with financial transactions aimed at Syria, with sanctioned banks. - Ban on exporting specific goods and services to Syria: jet fuel, equipment for oil and gas, certain technological products, tracking equipment and software, currencies, gold, diamond provided to the Central Bank of Syria (CBS). - Sanctions on the Government of Syria, its officials, military leaders, business people, political leaders, and other supporters of President Assad include assets freezing in Europe, travel bans and cargo air carriers of flying to the EU countries, along with prohibitions of engaging in businesses and related activities with the abovementioned entities. 	<p>Following the Syria uprising.</p>	<p>The EU sanctions expire each year if not renewed on a yearly basis. Sanctions were renewed last June 2020 and have removed two individuals and one company from the sanctions list.</p>

Table (1): overview history of sanctions imposed on Syria

Source: from the author, based on CNN International (2004); Daher & Moret (2020); The Carter Center (2020).

2.1.3 The humanitarian sector in Syria

Humanitarian assistance has become an essential element of life for most Syrian people since the uprising in 2011. Several local NGOs have been active since the beginning of the civil Syria war and various international organizations and government institutions, including the UN agencies (Gordon et al., 2018; Mehshy & Turkmani, 2021). Over 85% have fallen below the poverty line in recent

years, which only increases their suffering to higher levels (SCPR, 2020 a; Daher & Moret, 2020). The dependency on aid has increased significantly both on the individual and community levels. The unemployment rate rose considerably from 14.9% in 2011 to 51.8 in 2016 and slightly reduced by nearly 10% in 2019 (Aita, 2020). In 2020, the unemployment rate increased further following the outbreak of the COVID-19 pandemic and the financial crisis in Lebanon (SCPR, 2020 b). Thus, the role of humanitarian organizations in Syria grew significantly as international NGOs and UN agencies support the job market by providing various working opportunities for Syrians. Also, contracting with Syrian companies and service providers and other related businesses such as hotels, pharmaceuticals, etc. (Daher & Moret, 2020)

Overall, the primary respondents to the Syrian humanitarian crisis vary between community-based organizations and non-Syrian organizations. First, community-based organizations include local NGOs and diaspora NGOs. Second, non-Syrian organizations include international NGOs and the different UN agencies. Notably, some of these actors do not operate according to humanitarian standards, such as armed groups driven by political motives (ReliefWeb, 2013). Humanitarian organizations often specialize in delivering certain types of help, such as the International Committee of the Red Cross (ICRC), contributing to the emergency response, shelter, and water supply or sanitation (Walker, 2020).

Given the situation in Syria, humanitarian agencies operate directly, or they deliver help through partner organizations or both. However, providing high-quality assistance requires the humanitarian organization to cooperate with local authorities regardless of groups controlling the area. Aid is delivered directly to the field in the government of Syria (GoS) control areas, crossline operations to opposition control areas from GoS areas, cross-border operations from the neighboring countries of Turkey, Lebanon, Jordan, or Iraq (Walker, 2020).

Furthermore, the different types of humanitarian NGOs require access to financial services and assets to implement humanitarian activities and organizational expenses such as staff salaries, rent, local benefits, and transportation (Walker, 2020). As for funding modalities, the UN agencies and international NGOs located inside Syria contract with or receive funds from donor agencies. They use these funds to operate directly in the field through their staff or contract with local partner organizations. It is noteworthy to mention that local NGOs in Syria are not allowed to contact directly, contract, or receive donations from international actors who do not have a presence in Syria. These connections should be made through the Ministry of Social Affairs and Labor (Bosman, 2012). However, billions of USD of humanitarian aid were donated to Syria and the neighboring countries, which host Syrian refugees. Table (2) below provides an overview of the main contributors to support humanitarian assistance in Syria since 2011. However, these amounts are distributed through several

channels to Syria and the neighboring countries. Also, specific amounts are meant as staff salaries and NGO expenses. (UNOCHA, 2020).

Contributor	Amount provided	Notes	Source
The EU and its member states	18.3 billion USD	Including funds raised at the Brussels Conference III at the 'Supporting the future of Syria and the region' gathering in March 2021.	(Daher & Moret, 2020)
The US	8.1 billion USD	Humanitarian assistance.	
UAE foreign assistance	0.98 billion USD	According to the UAE Ministry of Foreign Affairs and International Cooperation and UAE AID.	
International financial institutions and governments	21.2 billion USD		

Table (2): overview main humanitarian aid contributors

Source: author based on Daher & Moret (2020)

2.1.4 Sanctions and humanitarian support in Syria

Civil wars are significant events that their occurrence establishes a tremendous need for humanitarian assistance and development aid. On the one hand, donor agencies are often careful with providing support. Stigma is one crucial factor in this matter; donors tend to focus on self-interest and reputational concerns as helping a sanctioned state will have significant political, economic, and diplomatic consequences. On the other hand, being concerned is not enough reason to cut aid of the sanctioned state, although donor agencies are cautious with helping states that are seen as pariahs. (Early & Jadoon, 2016)

With the Syrian crisis entering its eleventh year, humanitarian needs are expected to remain high in 2021 (UNOCHA, 2020). According to the 5th Brussels Conference, the international community pledged €5.3 billion for the 2021 plan. This amount is directed at Syria and neighboring countries hosting Syrian refugees (European Commission, 2021). Humanitarian organizations are considered the primary respondents to the Syrian crisis, as well as family and community support structures and state institutions (UNOCHA, n.d.). UN agencies and international NGOs face daily obstacles and financial restrictions that highly affect their work scope, activities, and humanitarian support. No doubt that international sanctions on Syria play a significant role in expanding the challenges for those organizations. Several international organizations have been using their offices in the neighboring countries of Turkey, Lebanon, Jordan, and Iraq as a base for operations to sustain support for the Northern, Central, Southern and Eastern parts of Syria, respectively.

Since 2014, all humanitarian actors have faced many obstructions, especially bank and financial institutions' relationships (Daher & Moret, 2020). Banks look upon non-profit organizations (NPOs), particularly those involved in conflict zones, as low-profit high-risk clients. Thus, barriers rise in front of those organizations when dealing with banks as they face problems such as terminating of relationship or refusal to take on a relationship with NPOs and issues in transferring money or delays in payments. The term 'bank de-risking' is often used by banks to refer to matters related to restrictions on financial transfers by NPOs. Banks are concerned mainly by terrorism financing or financial crimes through NPOs working in conflict zones (Global NPO Coalition on FATF, n.d.). It is essential to mention that clients of both individuals and organizations could be confined by banks' de-risking behavior even though they have legitimate financial transactions. The terrorist attacks of 11 September 2001 on the US were the primary cause of increased financial concerns and restrictions.

In 2016, the US Secretaries of State for International Development, in a letter, have raised concerns about the ability of humanitarian organizations to operate in Syria or remotely working from the neighboring countries. Following, many financial institutions, such as the World Bank, increased control on financial payments and money transfer, making it more difficult for humanitarian organizations to maintain their activities in conflict areas, like Syria. Undoubtedly, various sanction regimes imposed on Syria have left the country with a red flag in almost every bank. All state banks are sanctioned, as well as two private banks. SIIB and Cham Bank were targeted by US sanctions in 2012 and 2018, respectively. (Daher, 2021)

Many difficulties encounter humanitarian actors to maintain support for Syria, from de-risking regulations to various international sanctions. Organizations that fail to comply with any of the rules are faced with criminal charges or financial regulatory violations. (Daher & Moret, 2020)

2.1.5 US and EU exemptions

With economic sanctions and trade restrictions, exceptions are made in particular cases. Usually, the export of certain humanitarian goods, pharmaceuticals, and other non-sensitive products is allowed (Walker, 2017; Daher & Moret, 2020). In the case of Syria, such exemptions exist by both the US and the EU. The US exceptions include licenses for food and medicine, remittances, personal information, and communications, travel, and certain NGOs' activities (The Carter Center, 2020). Worth noting here, licenses provided to groups and organizations working in Syria are named 'OFAC licenses.' The U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) gives these authorizations for particular organizations and companies. However, the decision of whether to approve or refuse to provide a license depends on a number of factors, such as the

destination of these exports within Syria and the risk of trading in dual-use goods (Walker, 2017). Nevertheless, the EU exemptions are provided under particular scenarios. For instance, arms embargoes sanctions can be adjusted for humanitarian needs, excluding lethal-equipment. (European Commission, 2008)

According to Carter Center (2020), existing US exceptions do not allow activities that involve the GoS or other sanctioned entities. Thus, these activities can be carried out in case a license is granted. Practically speaking, this process is much more complicated than in theory. Most NGOs and companies find it challenging to maintain a smooth flow of money, considering the complex logic of exemptions and licensing. For instance, ‘the general license authorizing personal remittances specifically excludes the transfer of remittances through the government of Syria (including the Syrian Central Bank) or specifically sanctioned banks’ (The Carter Center, 2020; p14). Similarly, the EU sanctions include some licenses and exemptions for humanitarian projects and European relief organizations. (The Carter Center, 2020)

Nonetheless, the US and the EU provide licenses for opposition groups aligned with them (opposition groups within the Syrian National Coalition⁵). Notably, these exemptions are dated back to the early days of the Syrian conflict, where the West authorized specific licenses to justify military support to opposition groups. For means of illustration, the US approve US persons to provide service to the Syrian National Coalition. (The Carter Center, 2020)

2.2 Propositions

Based on the discussion in the background section, two propositions are established which are consistent with the study’s research question and what is already known about the topic.

Previous research regarding local and international organizations working in the humanitarian sector in Syria identified three main problems resulting from unilateral sanctions: (1) financial transactions cannot be carried out, (2) barriers to imports of particular products and machinery, and (3) ban on the purchase of some services such as fuel and telecommunications that are used in the day-to-day operations (Daher & Moret, 2020). Although the sender states claim that unilateral sanctions on Syria are ‘smart sanctions,’ the reality is quite different. As premised in the literature, they are likely to have negative consequences on the humanitarian operations in the targeted country. The whole regime of sanctions depends on several factors, including (1) the country at the origin of the sanctions, (2) the target of these sanctions themselves, (3) the nature of the political system of the government itself,

⁵ The Syrian National Coalition ‘is a coalition of opposition groups that was formed in November 2012 during opposition meetings in Doha, Qatar.’ (Carnegie Middle East Center, n.d.)

and (4) the different types of humanitarian organizations. For the cause of this thesis, only points 3 and 4 will be tested and discussed further.

2.2.1 The nature of the political system in Northern Syria

As previously indicated, humanitarian needs in Syria are massive and humanitarian programs represent an important line of life for millions of people across the different control areas. Although sanctions have hampered the humanitarian operations, their impact is not even across the country. Syria is currently divided into nearly four zones under different de facto authorities. Government and pro-government forces held areas for example, do not have any US exemptions or EU derogations, as opposed to NES, which is ruled by the AANES and the Syrian Democratic Forces (SDF⁶) under the protection of the US forces. These areas do enjoy a relaxed sanction regime. Meanwhile, the situation in the third area of control, in NWS, is more complicated given the presence of an internationally designated terrorist group (Hay'at Tahrir al-Sham -HTS⁷) and the Syrian National Army (SNA), which is a Turkish-backed Free Syrian Army⁸.

In the light of the abovementioned factors, the following proposition is stated: *unilateral sanctions imposed on Syria are likely to have a greater impact on humanitarian organizations in government control areas compared to opposition control areas.*

Humanitarian organizations in GoS areas are likely to be impacted by the sanctions as they operate in the directly sanctioned part of Syria. The day-to-day operations are expected to be more complex than opposition areas where sanctions are not targeting any entity directly.

2.2.2 The different types of humanitarian organizations

There are three main types of humanitarian NGOs which are responding to the Syrian crisis. (1) International NGOs of different origins (European, Canadian, etc.), (2) the UN agencies, and (3) local NGOs which might have a legal registration inside or outside Syria.

Depending on the literature discussed above, the second proposition states the following: *unilateral sanctions imposed on Syria are likely to have a greater impact on local NGOs compared to*

⁶ The Syrian Democratic Forces (SDF) is a Kurdish armed group, a dominated military by the 'Kurdish People's Protection Units' (YPG), which in turn are a military branch of the Kurdish Democratic Union Party (PYD). (Van Wilgenburg, 2020)

⁷ Hayat Tahrir al-Sham (HTS), commonly referred to as 'Tahrir al-Sham,' is a non-state armed group that have emerged in 2017 from the jihadists group, Jabhat al-Nusra, and now controls the one left opposition area in North-West of Syria (Idlib). Tsurkov, E. (n.d.)

⁸ Turkish control in North Syria: Olive Branch and Euphrates Shield operations, the two joint operations of the Syrian National Army (SNA), which used to be called the Free Syrian Army (FSA), backed with the Turkish army forces). (Tsurkov, n.d.)

international NGOs and UN agencies regardless of the political regime in the area where they operate.

Local NGOs mainly lack resources and expertise to face sanctions impact than international organizations and UN agencies, which are likely to gain support from their well-constructed headquarters and international political, economic, and public relations.

3. Methodology

This section provides an extensive explanation of the research design used to conduct this study. The research design will be elaborated in detail, including the data collection process and the research ethics.

3.1 Research design

In the majority of sanctions studies, researchers used quantitative research methods. They were able to analyze the direct impact on the target's state economic effects (Andronik, 2018). The direct effects of economic sanctions may include travel bans, a drop in import flows, disturb FDI, etc. (Bapat et al., 2020). However, they were rarely able to capture the indirect impact of sanctions which is probably reflected by the humanitarian conditions (Andronik, 2018). Therefore, and based on several suggestions by various scholars, this thesis was conducted as a case study via semi-structured interviews. In addition, a process-tracing method was used by closely analyzing various UN, non-UN organizations' reports, journal articles, and other academic papers.

The timeline of this case study will use the approach introduced by Mehchy & Turkmani (2021). The last ten years are the best to describe and cover the effect of sanctions on the different Syrian areas; it allows for a comparison between government and opposition control periods. It also allows for showing the transition in delivering humanitarian aid and other related consequences. The significant impact of sanctions on humanitarian organizations is best displayed during this period for two reasons, (1) past sanctions had direct impacts on sanctioned entities while minor effects were passed to the population, (2) humanitarian organizations have been broadly working in Syria only in the last ten years since the war started. Mehchy & Turkmani (2021) identified three phases of sanctions in the following:

- 1- 'April 2011 to August 2011, when sanctions were targeted at key regime figures.
- 2- August 2011 to May 2014, when the sanctions targeted the main economic sectors, including banking and energy.
- 3- May 2014 until now, when sanctions have also targeted external actors, mainly Russian financial institutions.' (Mehchy & Turkmani, 2021; P1)

Following the propositions established above, this research concentrates on the North of Syria, including the West and East. First, the North of Syria is focused on Aleppo, the heart of the Syrian economy. The city of Aleppo is well known for its historical role in regional trade, besides having many craftsmen and industrialists. Also, Syria's raw material production is concentrated in Aleppo. However, Aleppo faced vast destruction of its infrastructure and industrial complexes from mid-2012 until December 2016 (Hatahet, 2021). Aleppo is currently entirely under the Syrian Government's

control⁹. Of note, the rural northern part of Aleppo is under the SNA Turkish-backed. Examining this political transition in Aleppo is vital to show the effect of sanctions on both the economy and humanitarian conditions. Analyzing the situation in Aleppo will also allow for a comparison between government control and opposition control periods. Analyzing the situation and the conditions of humanitarian activities are expected to be very different between the two controllers. Second, North West Syria (NWS) focuses on Idlib, the only city entirely controlled by the opposition group (HTS)¹⁰. Different humanitarian projects are expected to get less affected by the sanctions in NWS. Third, NES is focused on US-backed Kurdish-led forces, the SDF. Analyzing NES allows for a better understanding of the humanitarian response in areas semi-controlled by the US.

3.2 Data collection and research ethics

Building on other case studies conducted in the field, also studies regarding sanctions' impact on humanitarian work in Syria, this research was conducted via semi-structured interviews. Although the study sample is relatively small, considering the short time frame and the topic's sensitivity, it is balanced and well-aligned with the thesis's propositions. A total of 14 interviews were conducted with individuals who have different backgrounds and experiences working with the banking sector and the humanitarian sector (see appendix 1, participant form). Also, a total of two journalists were among the interviewees. Both have been covering the Syrian war for more than ten years, reporting the daily life of Syrians during wartime and their work and support of civil society organizations. A total of five participants work(ed) at local NGOs, five participants work(ed) in international NGOs, and four participants work(ed) at different UN agencies. These NGOs are based both inside and outside Syria. An overview of the research participant is provided in table (3) below:

⁹ One neighborhood in Aleppo city, Sheikh Maqsood, is still officially under the control of SDF/AANES.

¹⁰ Hayat Tahrir al-Sham (HTS) is a non-state armed group that have emerged in 2017 from the jihadists group, Jabhat al-Nusra, and now controls the one left opposition area in North West of Syria (Idlib). Tsurkov, E. (n.d.)

Participants	Position	Type of organization	Areas of coverage	Control groups	Date of the interview
Participant 1	Program Coordinator	LNGO	Idlib NES Few GoS areas	HTS SDF/AANES GoS/pro-government forces	19-04-2021
Participant 2	Journalist and Program Officer	LNGO Freelancer	NES	SDF/AANES	19-04-2021
Participant 3	Program Coordinator	INGO	NES	SDF/AANES	19-04-2021
Participant 4	Protection Officer	UN	Aleppo	GoS/pro-government forces	22-04-2021
Participant 5	Former banker Deputy Finance Coordinator	INGO	All of Syria in the Government control areas	GoS/pro-government forces	22-04-2021
Participant 6	Former Education Officer	INGO and UN	Aleppo and Idlib	SNA HTS	24-04-2021
Participant 7	Accountability Coordinator	LNGO	Aleppo and Idlib	SNA HTS	25-04-2021
Participant 8	Political Advisor	INGO	Aleppo	GoS/pro-government forces	25-04-2021
Participant 9	HR Officer	INGO	Idlib	HTS	26-04-2021
Participant 10	Head of Office	UN	Aleppo	GoS/pro-government forces	29-04-2021
Participant 11	Compliance and Finance Coordinator	INGO	Aleppo and Idlib	SNA HTS	29-04-2021
Participant 12	Former Media Coordinator Journalist	LNGO Freelancer	All of Syria in the Government control areas	GoS/pro-government forces	30-04-2021
Participant 13	Head of Office	LNGO	Aleppo	GoS/pro-government forces	30-04-2021
Participant 14	Former banker Finance Manager	INGO and UN	All of Syria in the Government control areas	GoS/pro-government forces	01-05-2021

Table (3) Participants' overview

Source: author

3.2.1 Interviews structure

The primary data for this research was gathered through semi-structured interviews (see appendix 2, interview guide) conducted through online platforms (Skype or Jitsi Meet). The interview started with asking the participants for their permission to record the interview, followed by a short introduction about the research and the author. Various topics were discussed, including questions about the organization, funds, relationship with donors, sanctions impact on donations, relationship with banks, money transfer methods, and more information about humanitarian activities. To have high-quality interviews and updated information, participants were chosen to be working in the programs and finance departments. Those are able to provide the newest information available about sanctions' effect on humanitarian work in Syria as they are engaged with the daily challenges, projects, as well as them being in the field and are directly informed by the changes and updates. Area coverage included the whole North of Syria in which it contains: (1) Idlib; one area controlled by the opposition forces (HTS armed group), (2) Aleppo; one area controlled by the Government of Syria (GoS) and pro-government forces, and (3) North East Syria (NES); which is controlled by the US-backed Kurdish forces (SDF).

To provide a more precise image of the situation in Syria, the map below (figure 1) shows the different groups that are controlling Syria as of February 2021. Currently, the GoS is controlling most of the country (red parts on the map). The US-backed Kurdish forces (SDF) control most of NES since 2016 (yellow parts on the map). SDF continues to fight IS and al-Qaida in specific regions in NWS (Van Wilgenburg, 2020). Furthermore, the SNA controls the regions in North and NWS (dark blue parts); it is a united army of several factions of the Free Syrian Army since October 2019. The SNA is backed by Turkey and serves as a 'military entity to ally with Turkish military in Northern Syria' (Kasapoglu, 2021). However, HTS, an Islamist militant group, controls large parts of NWS (grey parts). Noteworthy to mention that HTS is a part the 'jihadi movement' since early 2021, alongside al Qaida and its branches, and IS (Zelin, 2021).

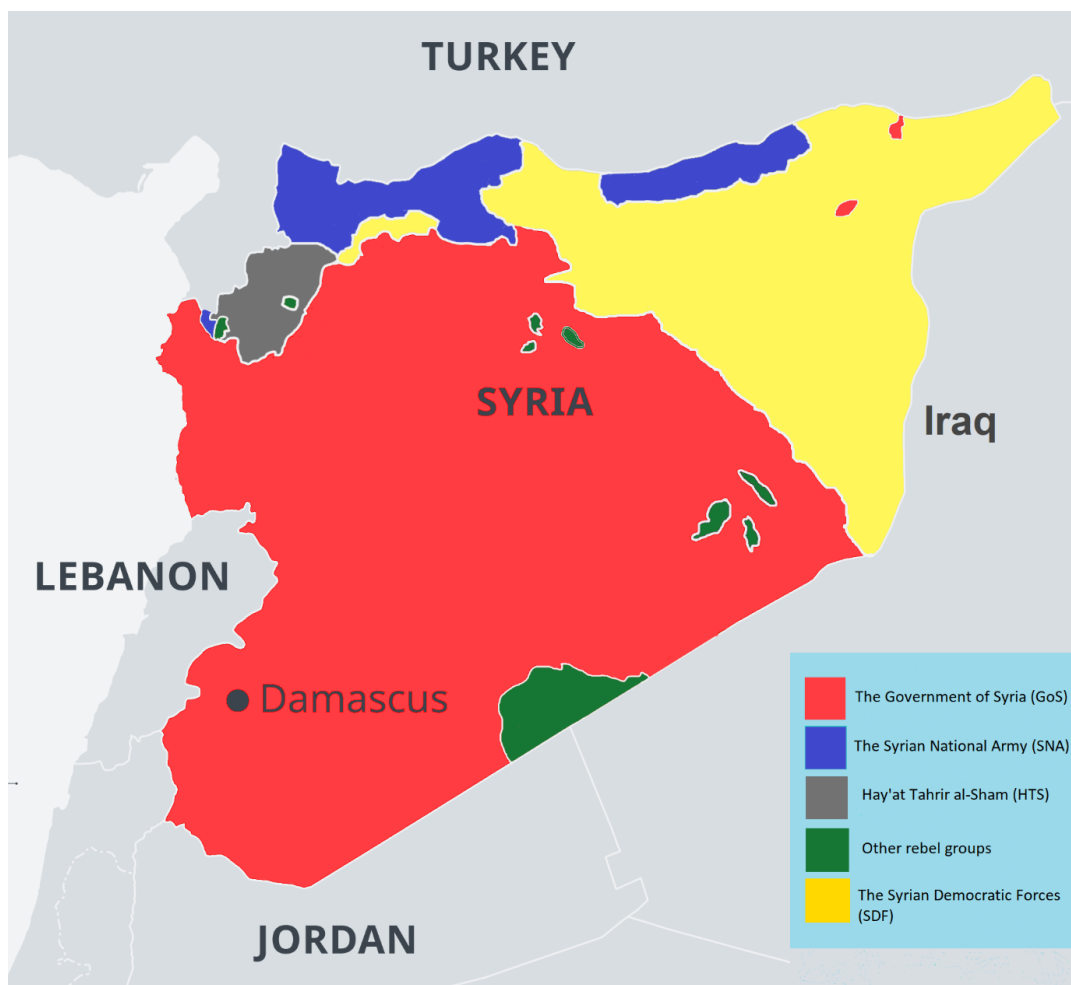


Figure (1): map of controlling groups in Syria

Source: Reddit website (February 2021) (edited by author)

3.2.2 Research ethics

Confidentiality is often discussed in qualitative research. Special research contexts appear to be sensitive situations when it comes to revealing the identity of the participants, peculiarly, when participants belong to a vulnerable group. Despite the various definitions of vulnerability, research involving humans is often considered susceptible to harm or risk. Therefore, a large number of scholars point out the importance of confidentiality and protection of both data and participants (Aldridge, 2014; Surmiak, 2018). Interviewees in this research are considered very vulnerable as most of them are currently living in Syria or they work in a sensitive environment. Accordingly, it is the researcher's responsibility to protect the interviewees' identity and safety with regard to the information they shared, as this is closely related to ongoing activities and active policies. Many researchers consider anonymity a serious matter when qualitative research includes sensitive and personal information (Hurst, 2008; Surmiak, 2018). Therefore, this research's interviews were conducted in complete anonymity, no personal information about the participants was shared, and

data subtracted from these interviews is only used for this thesis. Participants were asked for their permission to record the interview and use the information for further analyses in the research.

3.3 Data Analysis

The data gathered from the interviews have been analyzed using the software program 'Atlas.ti' for qualitative research and qualitative data analysis. First, scripts were made for the interviews and then translated from Arabic to the English language. Second, a list of codes (see appendix 3, table 1) was made according to the most common information provided by the respondents. Third, three code groups were created: (1) sanctions' communication impact, (2) sanctions' humanitarian impact, and (3) sanctions' economic impact code groups. A few more codes were created and left out without groups from the data analysis because they are not directly related to sanctions impact yet were used to explain other related events in this context. Each of the code groups was analyzed for both the GoS and the opposition control areas (see appendix 3, codes overview including code groups, code explanation, and a quote example).

4. Results

This section demonstrates the outcome of this study. Firstly, the impact of sanctions on financial services is discussed, including exchange rate and high prices issues, excessive compliance, and money transfer methods. Secondly, the humanitarian consequences are shown. Thirdly, sanctions' communication impact is analyzed.

The overall results suggest that humanitarian organizations and beneficiaries suffer more from economic sanctions in GoS areas as sanctions target government bodies and other entities directly. The effect in opposition areas tends to be less significant for two reasons, (1) sanctions are not directly targeting entities in opposition areas, and (2) sanctions' exemptions are provided to organizations in opposition areas. Moreover, local NGOs are considered more vulnerable to sanctions because they are highly dependent on larger and international NGOs and UN agencies.

4.1 The sanctions' impact on financial services

'Sanctions have worsened the conditions of more than 90% of the Syrians. When you have an economic degradation, you get a higher dependency on aid.' UN employee

The sanctions' economic impact is shown in figure (2) below. First, the effect of sanctions on the USD and EURO/Syrian Lira (USD-EUR/SYP) exchange rates results in high prices. Second, the impact of sanctions on banks' behavior toward NGOs that work in Syria. Banks' de-risking behavior is embodied in the strict and excessive compliance on money transfers between donors and different types of NGOs. In the following, an extensive layout of the interviews' results will be discussed both in the GoS and opposition control areas for the different types of NGOs.

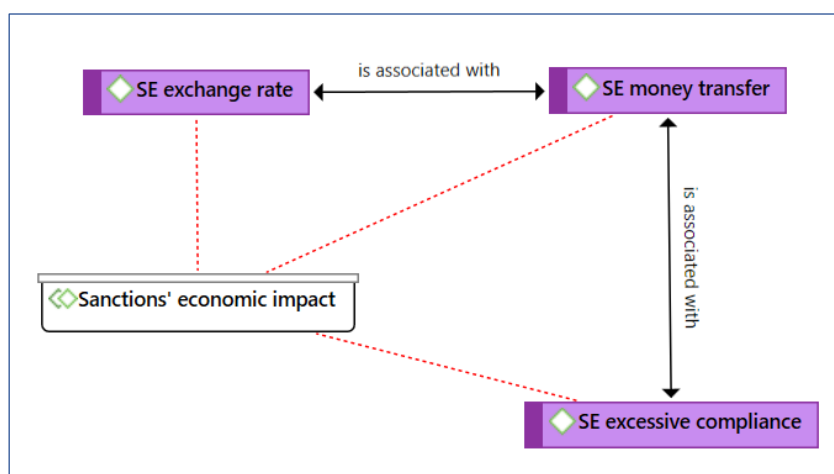


Figure (2): the sanctions' impact on financial transactions for humanitarian organizations

Source: author

4.1.1 Exchange rate and high prices

Needless to say, that the Syrian Lira has been depreciating since the start of the Syrian uprising in 2011. Still, the Lebanese economic crisis and the economic sanctions imposed in late 2019 have worsened the situation for the Syrian Lira and resulted in a massive shortage of foreign currencies at the CBS. (Salahi, 2021)

In GoS areas, funds transferred to the UN and international NGOs' corresponding banks in Syria in foreign currencies (mostly USD or EUR) are exchanged to SYP at CBS price, which is set much lower than the price of the black market. A notable example of the difference in exchange rate prices is the black market's price of USD/SYP, set at approximately 4000 SYP to 1 USD in March 2021, while it was nearly 1250 SYP to 1 USD in CBS. In March 2021, the black market price was more than triple the official price at CBS (Al-Ain Al-Ikhbarieh, 2021). Only two months later, in May 2021, the official price at the CBS was around 2512 SYP to 1 USD, while in the black market, the price was close to 3200 SYP to 1 USD (Al-Ain Al-Ikhbarieh, 30 May 2021).

The exchange rate price in the local market changes frequently depending on demands and availability. This results in huge losses as the difference between the official CBS price and the black market price is sometimes significant. For example, a local NGO agrees with a UN agency on a 1 million USD education project while the project's start date is six months from the day of the agreement. After six months, the 1 million USD is worth 600,000 USD now due to SYP depreciation. Therefore, the amount of money that is set to provide help for 100 beneficiaries on the day of the agreement is now enough for only 60 beneficiaries. NGOs had to ask donors for more money in advance, and donors did not very welcome that. The staff of humanitarian organizations further suffer from exchange-related issues as their salaries are also at risk of losing value from a month to the next. The UN employees, they can choose to either get paid in USD or SYP. As for those who choose to get paid in USD, they receive their salaries in Lebanese banks and can exchange them in the black market.

'Basically, the exchange rate problem is passed to the beneficiaries who are the real losers in this process.'

International NGOs and UN agencies suffer from fluctuating prices in GoS areas. On the one hand, actual expenditures are not aligned with the funds given to partners because of the daily increasing prices and fluctuating exchange rates. On the other hand, all long-term agreements for service providers, like transportation companies, shipment providers between cities, etc., are kept on hold or canceled by the service providers. Service providers are only accepting very short-term agreements. Some agreements do not exceed a day or two because they fear the massive exchange rate fluctuations and thus the extra depreciation of SYP and increasing prices. Additionally, due to

differences in the budget due to exchange rate differences, new funds were required to finalize existing projects, which was not welcomed by donor organizations, especially since the context is unfamiliar and too complex.

In opposition areas, there are no significant challenges related to exchange rate fluctuations. The Turkish Lira is officially in use in the North of Syria. Worth noting here, the Turkish Lira is relatively more stable than the SYP, yet it suffered depreciation in the past year. In North Aleppo, controlled by the SNA, people still use SYP, even though official routes of receiving and transferring money are exclusively in the Turkish Lira. The use of SYP is because suppliers still buy certain goods from GoS areas where only SYP is officially used.

4.1.2 Excessive compliance

Until 2011, all Syrian banks, with the exception of the commercial bank, had good relationships with different international banks, and all of their accounts were still active. By the start of the Syrian uprising in 2011, almost all banks closed the Syrian banks' accounts, while only a few maintained the relationship with Syria, like Commerzbank and Deutsche Bank. However, those German private banks stayed more attentive and hesitant with opening new accounts for entities working in countries sanctioned by the US, like Syria (Daher & Moret, 2020). It is worth noting that banks' de-risking behavior was increasing gradually since the terrorist attacks of September 11th, 2001. Many entities, like the Financial Action Task Force (FATF), 'classifies NGOs as being -particularly vulnerable- to the wrongdoings of terrorist financiers, generating worldwide scrutiny and close inquiry by the sectors' operations and finances' (Daher & Moret, 2020; p.14). Since then, the excessive compliance and banks' de-risking behavior have been only increasing. International banks consider clients that work in Syria as risky clients and might expose the bank to sanctions, money laundering, or terrorist financing.

'Partnership wise, sanctions have led to a loss of trust.' UN employee

For UN agencies in GoS areas, problems arise with banks when they pay international consultants and suppliers. Banks delay or cancel payments if the cause of payment is 'Syria-related.' International suppliers and consultants prefer not to engage in any activity that has 'Syria' in it to avoid problems with banks and maintain their reputation. Even if the UN headquarters outside Syria make the payment along with an official letter to the bank, yet the cause is 'Syria-related,' banks still delay or cancel these payments.

Both the international and local NGOs were heavily affected by banks' de-risking behavior. Banks fear getting sanctioned by their state or other sanctioning states for having clients in Syria, especially in GoS areas. Therefore, they apply excessive compliance and financial inception on transactions related to international NGOs and often delay or cancel payments. Regarding local NGOs in GoS areas, they attempt to register their organization in Europe, for example, to be recognized internationally by donors, also to be able to open a bank account to receive funds. However, European banks still consider Syrian organizations risky clients and mostly reject applications to open bank accounts.

Concerning NGOs in opposition areas, their work in North Syria is often through remote management from offices in Turkey. International NGOs work through their staff in the field and partnerships with local NGOs. The excessive compliance issues are different from the GoS areas. In case donations are paid in USD to international NGOs in Turkey, banks' de-risking behavior becomes more complicated. First, an OFAC license is needed so banks can run excessive vetting on the NGO and its activities in Syria. If the NGO has a clean profile, financial transactions can flow safely and smoothly to the international NGO's bank account in Turkey. However, an interviewee who is a former UN employee and former international NGO worker stated that problems kept appearing with banks in Turkey in 70% of the cases. Banks would put the payment on hold, which causes delays in activities and salaries.

The majority of participants who work in opposition areas agreed with the statement that local NGOs registered in Turkey face excessive compliance problems if they have a Syrian member on the board or the organization. Turkish banks apply additional restrictions, blocking or delaying transactions on donor payments to local NGOs. They claim that those Syrian members of the board might have ties with GoS officials, which might expose the bank to sanctions and other related problems. Generally, there is an unfriendly atmosphere around Syria due to the presence of anti-money laundering and anti-terrorism regulations, which further complicate work in the country.

4.1.3 Money transfer problems and possible solutions

Payments to banks in GoS areas through EU or US banks are somewhat impossible, as those have already cut all relationships with the banking sector in Syria since 2014. For international NGOs, the problem lies in the relationship between the donor sending bank and the international NGO's bank. As can be seen from figure (3) below, if an international NGO has a bank account in France, for instance, and the French bank approves a payment sent by the donor (which is not quite the case), the international NGO's bank in France sends the payment to the corresponding bank in Syria.

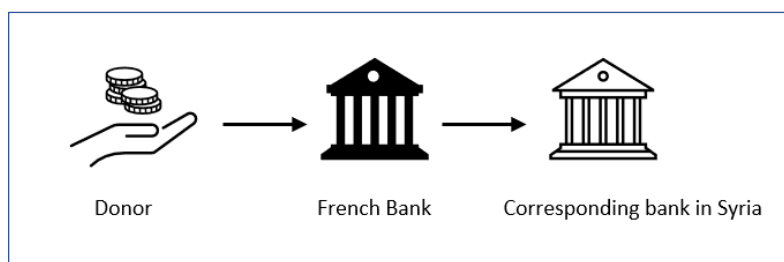


Figure (3): basic money transfer process.

Source: author

In figure (4) below, it can be seen that if the payment is in USD or EUR or any other foreign currency, the international NGO receives money in Syria in SYP. This was the case up until 2018.

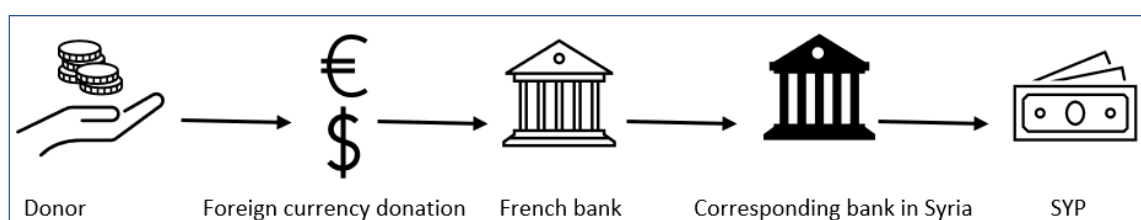


Figure (4): foreign currency money transfer process.

Source: author

It is more complicated for international NGOs to transfer money from their headquarters to Syria than for the UN agencies. The agreed budget between the donor and the international NGO is transferred to the corresponding bank in Syria, the issue being that the corresponding banks prefer to accept USD or EUR transfers, other foreign currencies are not desirable (like Swiss Franc, CHF), reported by an international NGO employee in Aleppo. International NGOs found two alternatives in case corresponding banks refuse to receive the payment:

- 1- Money Transfer Agencies (MTAs) in Erbil: which became an important alternative after the Lebanese financial crisis in 2020. Donors send money to international NGO's headquarter outside Syria, send money to their corresponding bank in Erbil, money is saved for Syria's mission and received in cash by a representative from an MTA like 'Al Mutahide Lil Serafe'. The MTA allows its corresponding bank in Syria to send the funds to the international NGO's corresponding bank in Syria. Money transfers outside Syrian are done in USD or EUR yet funds will be immediately exchanged to SYP (CBS price). The process is depicted in figure (5) below.

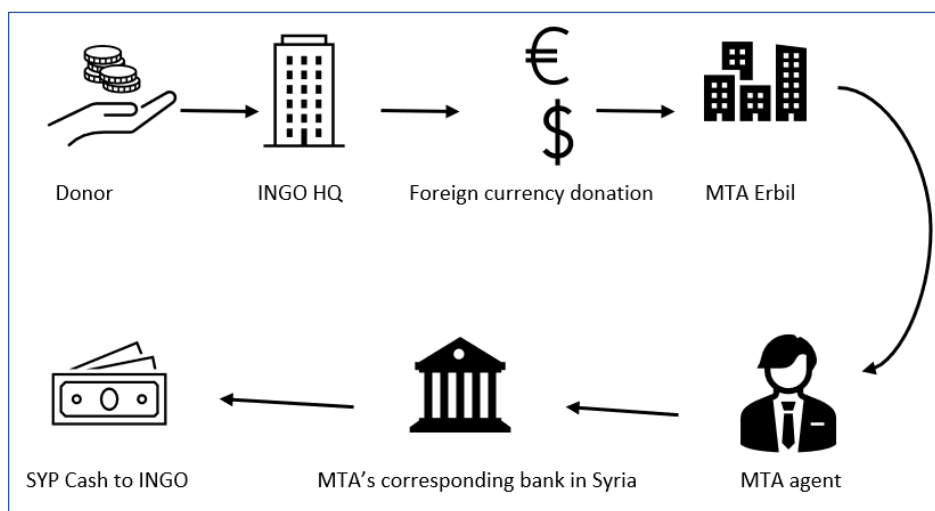


Figure (5): money transfer process through MTAs to Syria.

Source: author

- 2- Contracting with the international NGO's branch in Lebanon to receive funds on the Syrian branch behalf. The Lebanese branch would open a bank account for the Syria branch in a Lebanese bank, or any other international bank in Lebanon, and receive funds in foreign currencies. Funds to be sent to the corresponding bank in Syria, exchange funds to SYP at the CBS price, then funds can be received by the international NGO. Lebanese banks would allow such a process mostly because international NGOs in Lebanon are well recognized and trustable clients. They are also a massive source of foreign currency for banks as for the monthly funds they receive from abroad.

Regarding the UN agencies, funds are sent by the donor agencies to the UN agency's headquarters (HQ) in USD, HQ transfers funds to their corresponding bank in Syria in USD through a normal bank transfer, the UN's corresponding bank transfers money to their local and international partner NGOs through local exchange companies, like 'Al-Haram', in SYP (CBS price).

Since May 2013, exchange companies were constrained to deliver all cash orders coming from outside Syria in SYP (CBS price), even though the payment is in foreign currencies (Daher, 2019 b). Thereby the UN funds cannot be received in USD, only in SYP (CBS price) and then transferred to local and international partners in SYP (CBS price).

Money transfer options in opposition areas are also diverse as in GoS:

- 1- Between 2015 and 2019, moving funds from Turkey to Syria was relatively easy using the ‘Hawala System¹¹’. All types of NGOs were using this method including the UN agencies. For international NGOs registered in Europe, normal money transfers were possible from the donor to the international NGO’s European bank account to the international NGO’s Turkish bank account. Late 2019, money transfers from Turkey to Syria became available only through the Turkish post office (Posta ve Telgraf Teşkilatı, PTT). Money transfers became only approved in Turkish Lira and never in USD. International NGOs send money to their offices in North and NWS, or payments to their partner local NGOs also through PTT to avoid problems with the Turkish Government.

- 2- Before 2018, local NGOs working in Syria in opposition areas used to receive donations directly from donor agencies to their corresponding banks in Turkey then transfer the money to their office in Syria through the ‘Hawala system’, this was somewhat illegal for the Turkish Government as they could not control financial transactions nor justifying the local NGOs’ expenditures. After 2018, local NGOs were obliged to register their organization in Turkey to be legal, so all received and transferred funds have to be declared to the Turkish Government.

In summary, these results show that humanitarian organizations in general suffer from the exchange rate regulations, over-compliance, and money transfer problems. Local NGOs are considered the biggest losers for lacking the capacity and the ability to fight this negative influence of the sanctions.

¹¹ ‘The hawala system is one of the International Financial Transfer systems that functions under different names in various regions of the world. The hawala system is an informal channel for transferring funds from one location to another through service providers, known as hawaladars. The vast majority of the Hawala transactions are remittances sent by emigrant workers living in a ‘developed’ country to their home country, generally a ‘developing’ country.’ (El-Oorchy, 2002)

4.2 The sanctions' impact on humanitarian activities

'Sanctions are definitely the weapon that led the Syrians to be poor, in all ways'. Local NGO employee

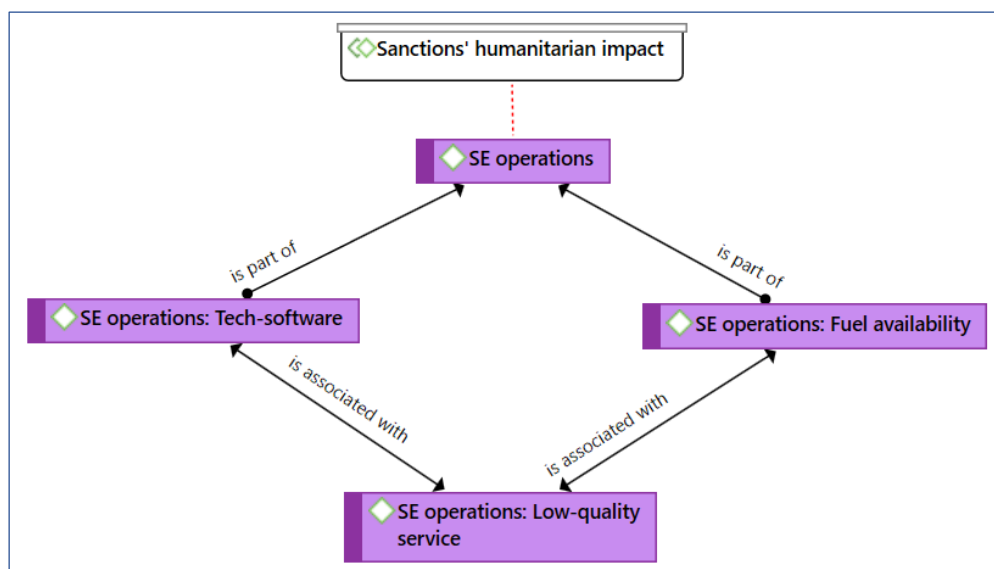


Figure (6): the sanctions impact on NGOs operations and way of work.

Source: author

The humanitarian impact of sanctions is displayed by showing the effect on the day-to-day operations. The majority of respondents in both the GoS and opposition control areas have reported at least one impact of sanctions on humanitarian activities. As you can see from figure (6) above, fuel availability and tech-software-related problems both challenge the day-to-day operations for different humanitarian organizations and thus lead to providing low-quality service. As reported by the participants in this study, this is a direct impact of sanctions. In the following, an analysis of the GoS areas will be discussed, followed by a comparison of the case in opposition control areas.

4.2.1 Fuel availability

First, the shortage of fuel in the whole of Syria has been an issue since 2011. The Syrian production of fuel is mainly located in NES under the control of the SDF/ANNES, yet refineries are situated in GoS areas. Due to sanctions, the GoS is importing fuel from countries already sanctioned or do not abide by US and EU sanctions, like Iran. Since 2013, Iran has been supporting the GoS by granting the GoS with credits in the form of oil, agriculture, and industrial parts imports (Daher, 2019 a). However, importing the whole country's needs is costly and not realistic. Thereby, the GoS met the demands of industrialists and manufacturers and allowed them to import oil and fuel by land and sea imports for three months only (Tishreen, 2019; Daher, 2019 a). Meanwhile, SDF kept supplying oil to the GoS. (Mohamed, 2019; Daher, 2019 a)

Therefore, this shortage of fuel has negative impacts on the local industrial sector and difficulties related to transportation and distributing products between the Syrian cities. In mid-April 2021, the Syrian Higher Education Ministry suspended classes and lectures of both public and private education, schools, and universities. The GoS stated that this closure is because of the increasing number of COVID-19 cases in the country, yet the real reason has appeared to be otherwise. Fuel shortage made it impossible to find ways of transportation to get to work or school (Al-Fanar Media Reporting Team, 2021).

The shortage of fuel is a significant problem for all NGOs that work in the GoS areas. Furthermore, one interviewee who works at a UN agency stated that this shortage of fuel has its effects on humanitarian activities, as some of the healthcare centers of the UN were completely shut down because beneficiaries and service providers were unable to reach the centers. Worthy of note, the UN agencies in Syria cannot contract with an external fuel supplier, and they are obliged to purchase fuel from the government.

The case is otherwise in opposition-held areas. The majority of essential products for the day-to-day operations are relatively more available than in the GoS areas because they have open cross-line points with GoS, Turkey, and Erbil to acquire their needs. For example, fuel is almost always available from the Katerji Group; ‘the Katerji (Qaterji, Qatarji, Qatirji) Group is a Syrian business consortium led by Hossam al-Katerji, a member of the Syrian parliament and his older brother Muhammad. The accompanying passages from local sources discuss this group, which has emerged as a key economic and military actor among Syrian loyalists’ (Winter, 2019). The Katerjies bought oil from IS between 2014 and 2016 while IS controlled the oil fields in NES at the time. The US and the EU sanctioned the Katerji group because of its relations with GoS. However, the oil fields are now controlled by the US-backed Kurdish forces (SDF), while only refineries are located in GoS. Therefore, the ‘Katerji trucks to transport oil pumped by the US-backed SDF to these refineries.’ The SDF has to deal with GoS to supply fuel to NES and thus, buys fuel supplied by Katerjies at higher prices (Cornish, 2019).

4.2.2 Tech-Software issues

International NGOs and UN agencies often get offers, services, products, etc., through international tenders. Tenders could be local, regional, or international. Yet, sanctions reduced the possibility for international business/tenders for those NGOs as international service providers lost interest in dealing with Syria, chiefly because they fear the imposition of international sanctions or other related problems, especially if importation is the contractor’s responsibility. This resulted in a lack of high-

quality, high-tech products and services which are irreplaceable in the local market. For example, buying medical equipment (CT scan, mammography scanner for breast cancer scan, etc.) and IT equipment (routers, computers, monitors, etc.) has been complicated because of sanctions. The impact is shown in NGOs' activities as they need this equipment to provide their different services.

'The fact that there is no more international presence to any of the important international companies that usually provide pivotal services is mainly because of sanctions' effect.' UN employee

Many international online platforms have decided to stop providing their service in Syria because of the fear of getting sanctioned. For example, Google banned the 'Google Workspace' services in Syria. The different types of NGOs with business emails from Google were unable to reach their work emails; they need to activate a Virtual Private Network (VPN) and a proxy server breaker to check daily emails. Google restricts access to a few regions and countries like Syria: 'certain Google services might be available in these countries or regions for personal use, but not for business or education use' (Google Workspace Admin Help, n.d). Since 2020, the world has switched to provide online services, education, etc., because of the COVID-19 situation. As a result, NGOs were negatively impacted and unable to continue projects and providing services online.

To conclude, sanctions affect NGOs' activities in several ways. Fuel and technological product availability are crucial for day-to-day operations, and NGOs should not be facing such issues. NGOs should be fully exempted from sanctions, especially in GoS areas.

4.3 The sanctions' impact on organization-donor communication

'The gap between reality and plan.' Former UN employee

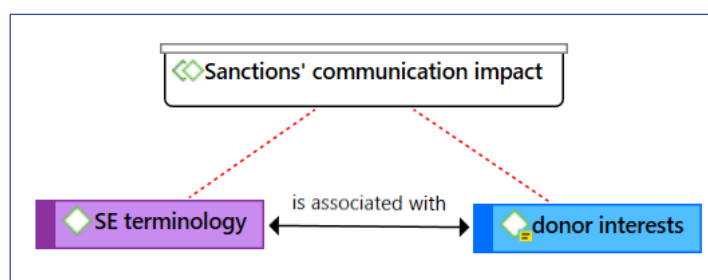


Figure (7): the sanctions' impact on NGOs and donor relationship.

Source: author

As depicted in figure (7) above, donor interests play a significant role in shaping the line of communication between NGOs and donors. The interviews indicated one additional element affecting donor interests which is the terminology issue. NGOs face this challenge during the planning phase

and preparing the project proposals. An analysis of the GoS areas will be discussed, followed by comparing the case in opposition control areas.

4.3.1 Donor interests

First, the different donors who agree to fund NGOs in Syria fear the effect of sanctions, and they pay extra attention to avoid technical violation for fear of reputational harm. Therefore, funding NGOs in GoS areas is always challenging for both donors and NGOs. As for NGOs working in GoS areas, it requires them to think about applicable sanction regimes when designing a project, a budget, or any humanitarian activity. This increases costs and requires expertise that is not always available.

For humanitarian activities to reach their goals, close cooperation with the GoS institutions is required; for instance, NGOs cannot do a recycling project without the association of local councils, municipalities, and ministries. Thus, donors either cancel projects or ask for additional reporting documents along with excessive compliance on the implementation of such activities. Many donors forbid international NGOs and UN agencies from working or dealing with the GoS and its institutions. As for telecommunication companies, there are only two companies, while both are linked to the GoS. Also, for health and education projects in GoS areas, international NGOs and UN agencies have to cooperate with GoS institutions like the Ministry of Health and the Ministry of Education. For instance, a rehabilitation project of semi-destroyed schools in GoS areas, contracting with healthcare workers or education consultants who work for the Ministry of Education. Hence, donors restrict NGOs in GoS areas because they fear getting sanctioned from their own state or other sanctioning states for supporting sanctioned entities. Some projects require working closely and paying government employees (consultants) for their contribution. In such cases, donors are strict with funds, compliance, and reporting. For instance, direct payments for consultants in the Ministry of Education are not approved by the donors; they should be specified and detailed to show that there is a civil society engagement even when the help of government consultants is required.

Moreover, dealing with the GoS to get essential services (internet, electricity, water, etc.) is mandatory. These services are provided either by the government or private companies owned by entities related to the government. Additionally, nearly '60 percent of all UN aid operations in Syria are conveyed through SARC¹²' (Haid, 2019; Daher 2020; p.18). The UNHCR (United Nations High Commissioner for Refugees) has collaborated with Syria Trust for Development¹³, allocating over 7 million USD between 2012 and 2016.

¹² SARC: the Syrian Arab Red Crescent

¹³ Syria Trust for Development (STD) is a local NGO in GoS areas. The STD is linked to the Syrian First Lady; Asma al-Assad. (Hefzy, 2021)

Since 2018, the GoS took over large parts of Syria, including the city of Aleppo. It was reported by a few participants that shortly after, international donors decreased funds to the GoS areas significantly. Mainly, long-term, sustainable, reconstructive projects are hardly accepted by donors in the GoS areas for that reason. For example, USAID is one of the most significant donor agencies that fund different UN agencies and international NGOs, which in turn fund local NGOs. Since the beginning of 2021, the USAID has only been funding livelihood and related projects, yet no emergency, food security, nor rehabilitation projects are funded. Moreover, one interviewee stated that other donors who used to fund many emergency projects in the past years reduced their funds by approximately 80% in the GoS areas after GoS took over control of certain areas like Homs and Rif-Dimashq.

Second, donors and NGOs in opposition control areas have different lines of communication. Humanitarian aid has been changing throughout the Syrian conflict since 2011. A few donors switched interests too. The types of activities also vary depending on the specific period. In the following, three main phases can explain humanitarian aid in Syria:

- 1- Emergency projects to help the internally displaced people (IDPs)
- 2- Funds that support the capacity building of both humanitarian workers and beneficiaries
- 3- Donors in 2020 funded many projects to support local NGOs and city councils, including political awareness, livelihood, rehabilitation of the infrastructure, etc.

Development aid depends on three main elements, (1) the type of NGO, (2) the executive partner in the field, and (3) the parties who control city councils. Also, donor agencies focus on funding and supporting certain areas and cities. For example, a few donors do not approve projects in the Al-Jazeera¹⁴ area for political reasons. Yet, they support projects in Deir ez-Zor and Ar Raqqa, two cities controlled by the SDF/AANES backed by the US. Since 2020, donors in Idleb have expanded humanitarian activities for local NGOs to include rehabilitation and livelihood projects to support the infrastructure in certain villages after receiving many IDPs, such as rehabilitation of bakeries and water stations.

Worth noting here, opposition areas in NES are funded mainly by US donor agencies making NGOs working there protected from any US sanctions. In addition, NGOs who have an OFAC license are excluded from the US sanctions. Thus, working with an OFAC license and a US fund should not result in any problems between donors and NGOs in NES.

¹⁴ Al-Jazira area refers to the geographical land situated between the Tigris and Euphrates Rivers. The Syria Jazira is 'confined between the Euphrates River to the south and west, the Syrian/Iraqi border to the east, and the Syrian/Turkish border at its apex.' (Mathys, 2001)

4.3.2 Terminology

Donors and NGOs experience a lot of miscommunication issues in the planning phase. Since 2018, the misunderstanding about using the word ‘reconstruction’ and ‘rehabilitation’ by NGOs has been an enormous challenge for both the donors and the NGOs. As reconstruction is banned because of sanctions, getting a rehabilitation project approved by donors became too difficult as they started to confuse rehabilitation with reconstruction projects. Besides, donors are reconsidering the funds for rehabilitation because GoS can, through a few adjusted policies, co-opt humanitarian assistance to fund its own interests (Human Rights Watch, 2019). Thus, donors are leaning to fund more short-term projects and less long-term projects that might relate to the reconstruction of Syria, such as the rehabilitation of water pumps, electricity generators, etc. The ambiguity in using reconstruction and rehabilitation terms is mostly coming from the donors. It is unclear why they have not differentiated the two confusing terms.

It should be noted that a couple of international NGOs have hired experts to write project proposals for them and use the kind of language that is understandable and accepted by donor agencies to avoid any confusion between rehabilitation and reconstruction projects. Though, it took a lot of effort to define these terms to be aligned with donor terms. This issue is targeting the whole of Syria regardless of the political regime controlling the specific areas.

To summarize what has been said above, donor-NGO communication lines should be improved. Namely, both donors and NGOs should work together in the project design and budget allocation phases. Lines of communications between the donor agency and humanitarian organizations in the field should be looked at as an essential instrument that drives aid to work.

4.4 The indirect impact of sanctions

This section is concerned with reported results by most interviewees. The impact is not directly linked to sanctions, yet it is crucial to explain the challenges of humanitarian organizations in Syria.

4.4.1 Between trust and practical issues

The paragraph below includes several semi-related issues that were reinforced by the sanctions.

- Sanctions’ impact on money transfers led to the cancelation of many projects. Banks kept most payments on hold as they were delayed in approving certain funds. Therefore, NGOs were also postponing or simply canceling projects. In addition, salaries for humanitarian workers were also late to be paid resulted from money transfer issues.

- Further, local NGOs in GoS areas suffered from the ban on purchasing certain equipment for specific projects. For instance, a purchase order was placed for equipment and machines for a vocational training project. At the time of the project, this specific equipment was banned from being shipped to Syria, leading to an immediate cancellation of the project and all related activities. This latter event has resulted in a higher dependency on the local market, which often lacks high-quality, high-tech goods and services.
- However, there were some negative comments in the interviews about the donor restructuring effect. In July 2020, the Department for International Development (DfID), the UK's biggest donor agency, was replaced by the Foreign, Commonwealth, and Development Office (FCDO). The majority of NGOs were affected by this restructuring both in the GoS and opposition areas because this restructuring has resulted in a change in the types of activities that NGOs in Syria are allowed to conduct. The FCDO's focus is more on education, protection, and voucher system yet, less focus on water, sanitation, and hygiene (WASH) and rehabilitation activities.
- Nonetheless, concerns were expressed about the safety of humanitarian staff both in opposition areas and GoS areas. In NES, and since the Battle of Ras al-Ayn in October 2019, many NGOs have closed their offices and stopped working in NES as armed groups targeted their humanitarian workers. For example, the French international NGO, Médecins Sans Frontières (MSF), stopped working in NES because they had several humanitarian workers kidnapped by armed groups in the area. Furthermore, since 2017, after SDF took over control in NES, the Turkish Government started to be stricter with those who work within NES and conduct cross-border activities. For instance, humanitarian workers who worked with certain international NGOs from a US origin were followed by the Turkish police, who either stopped their residence permits in Turkey or rejected their residency renewal applications. Also, Turkish police tried to force some Syrian humanitarian workers who work in Turkey to submit asylum applications in Turkey, making them illegal to work. Moreover, Turkey has stopped many international NGOs ((Mercy Corps, Norwegian Refugee Council -NRC-, Save the Children, International Rescue Committee -IRC-, etc.) from implementing cross-border assistance to Syria and closed their offices in Turkey, claiming that these international NGOs were working with Kurdish forces¹⁵. Considering the Turkish-Kurdish relationship, Turkey claimed that this humanitarian assistance included military and political assistance to the SDF in NES. It is worth mentioning that a couple of these international NGOs went back to work

¹⁵ The Kurdish forces: PYD (Democratic Union Party) which is a sister organization of PKK (Kurdistan Workers' Party). The PKK is considered as a terrorist group by the Turkish state, the US and the EU. (Crisis Group, 2019)

as usual after negotiations with the Turkish Government, while some others could not grant permission to reopen their offices. Other interviewees argued that UN staff is not trustable in Syria; some say that they work as spies or work for the US. As it is known, they get paid their salaries in USD, making them more vulnerable and at risk of getting robbed. Sanctions, however, reinforced this image for the Syrian people and made it more difficult for UN staff to be comfortable with their title as UN staff.

- Regardless to say that the COVID-19 pandemic has created a global crisis since the beginning of 2020. In Syria, the pandemic only worsened the situation of almost all the population. Alongside the different sanctions, COVID-19 caused a cut in donations in the year 2020, according to some interviewees. For the UN agencies, two of the biggest donors reduced their donations for Syria, chiefly because of the COVID-19 situation claiming that they would prefer to support their own countries during the pandemic. Moreover, international NGOs faced a similar issue as some donors decided to cut the current budgets by at least 5%.

4.4.2 The invisible impact on the Syrian population

Similar to the previous paragraph, the following narrative shows the indirect impact of sanctions on the Syrian population.

- Since the imposition of Caesar sanctions in July 2020, the situation in GoS areas has only been worsening for civilians and NGOs. The majority of interviewees stated that their work became even more complicated and riskier in terms of excessive compliance, exchange rate, supply of technological products, medication, food, fuel, etc. Caesar sanctions and the unrealistic fluctuation in the USD/SYP exchange rate led to a significant increase in prices. However, the GoS's strategy to ensure enough foreign currency was to trade necessary goods rather than supply them to the local market. Thereby, local suppliers cannot provide the local market with basic needs, such as wheat, rice, etc. Another reason is that local suppliers often lack fuel and cannot transport goods between the Syrian cities in GoS control areas. Local suppliers import products through intermediary companies located in countries that did not place sanctions on Syria, like Iran, Turkey, China, etc. These intermediary companies import goods for Syria from other EU or US origins and ship them back to Syria. This process is risky and is associated with high costs.
- As for medication, sanctions (including Caesar) have resulted in a massive shortage of essential medicines of a foreign source, usually unavailable in the local market. The WHO (World Health Organization) is exempted from the sanctions and can import some essential

medicines to Syria, yet it is not enough to meet the whole country's needs. Worthy of note, the Syrian pharmaceutical sector, before 2011, provided the local market with nearly 90% of its needs, with approximately 60 pharmaceutical factories active in the industry (Hamada, 2014; Daher, 2019 a). Currently, local pharmaceutical factories are unable to create certain medicines without access to specific medical materials and items, often imported from foreign countries. On top of that, most pharmaceutical manufactories cannot import particular replacement parts for machines damaged by the war (Daher, 2019 a).

5. Conclusions

5.1 Research conclusion

This research aimed to provide insight into the effects of unilateral measures or sanction regimes on the work of humanitarian organizations in Syria. The focus of this study was on the challenges facing humanitarian organizations with regard to financial services, the implementation of humanitarian projects, and communication lines with donor agencies. As the situation differs significantly per area, this research covered the whole North of Syria by identifying three central regions depending on the political regime controlling the area: (1) government and pro-government forces held areas, (2) US-backed Kurdish forces (SDF) held areas in NES, and armed opposition groups (SNA and HTS) in North Aleppo and NWS.

As for the humanitarian actors operating in these areas, three types of organizations were distinguished, including UN agencies, local and international NGOs. As per the findings, the research concludes that the different unilateral measures imposed by the US, the EU, and other states have substantial impacts on the work of humanitarian organizations in various aspects.

Firstly, the different types of humanitarian organizations operating in GoS-held areas have more difficulties concerning sanctions than humanitarian actors in opposition-held areas. That is because sanction regimes aimed at Syria are mainly targeting the GoS and its allies.

Secondly, regarding financial services, all types of NGOs working in GoS areas are faced with challenges related to banks' de-risking behavior as they fear the imposition of sanctions or engaging in money laundering activities. Perhaps the most serious impact sanctions stimulate is that almost all NGOs working in GoS areas had to comply with banks' excessive compliance requirements. As a result, many had to shut down complete activities or delay payments for partner organizations and employees' salaries. As for money transfers from donor agencies to NGOs in GoS areas, direct payments are rarely made through simple transactions; instead, payments are made through MTAs in Erbil and Lebanon.

Furthermore, sanctions have a significant effect on the USD/SYP exchange rate. The fluctuations in the market resulted in a massive increase in the prices of most goods and services, which made the work of NGOs more complicated in terms of keeping the day-to-day operations, for instance, purchasing vocational training equipment, medical equipment, food, and non-food items, etc.

However, as for NGOs working in opposition areas, excessive compliance and banks' de-risking behavior were less significant and resulted in fewer changes to receiving and sending money. Furthermore, the Turkish Lira has been officially in use since 2019 in areas controlled by Turkey and SNA. Thereby, there were fewer issues regarding the USD/SYP exchange rate as the Turkish Lira is

formally used, and it faces relatively less significant fluctuations than the Syria Lira. Yet, the Turkish Lira started to depreciate sharply since 2020; it reached a historical record of depreciation on May 25th, 2021. (1News, 2021)

Further, the findings of this study have shown *similarities* between the different types of humanitarian organizations in both GoS and opposition-held areas. These similarities generate deterrents that address Syria as a whole. Communications with donor agencies are challenging for all organizations working in Syria, including those involved in cross-border operations in NWS. Firstly, donors extended requirements to approve funds for NGOs working in Syria and requested additional documentation and reporting methods that most NGOs cannot constantly provide. Secondly, donor agencies have been increasing concerns regarding reconstruction activities, recognized as rehabilitation projects executed by NGOs in semi-destroyed areas. Thirdly, sanctions resulted in a ban on particular technological product imports and many software programs.

In contrast, *differences* are shown in the fuel availability issue. In opposition-held areas, fuel was always available, while in GoS areas, it is not. As a result, NGOs in GoS areas had to shut down several activities and could not provide projects' necessities because of fuel shortage. However, the situation changed in late 2019 when former US President Donald Trump declared withdrawing US troops from NES. Since then, the US support for Kurdish forces seemed less direct, and fuel trade followed a downtrend.

In sum, more prominent humanitarian organizations, specifically UN agencies and international NGOs, can often sustain more the obstacles resulting from sanctions' impacts. This is because they usually have relatively sizeable budgets, public relations, compliance staff, and support of HQs, compared to smaller local NGOs. Additionally, NGOs in GoS areas suffer more from sanctions' impact being located in a sanctioned state.

5.2 Discussion and future research

Recent stories in the literature argue that 'smart' economic sanctions are expected to be more effective with less adverse impact than traditional sanctions (Erly & Cilizoglu, 2020). For instance, the US sanctions on Iran were arguably 'smart' even though they hurt the Iranian economy and achieved their prime goal. They resulted in massive humanitarian needs, makes it an unprecedented situation resulting from 'smart' sanctions (Walker, 2017). Nonetheless, the US and the EU sanctions are intended to be 'smart,' yet new reports about the unintended consequences of these measures on innocent civilians and humanitarian organizations have started to surface. Thereby, this research discussed the case of Syria and investigated its effect on humanitarian organizations. The paper identified three types of difficulties facing humanitarian organizations as a result of the imposed 'smart' economic sanctions; (1) financial

transactions cannot be carried out as well as restrictions on money transfers, (2) the purchase of essential products for the day-to-day operations, and (3) communications with donor agencies became more complex. Moreover, the case of Syria allowed for additional analysis of government and non-government control areas and found that government control areas are highly affected by the sanctions.

While this study aimed to identify the impact of sanction regimes on humanitarian organizations, no solution for this impact can be proposed at this stage. The research on Syria's sanctions should be extended further to include a more in-depth analysis of each control area and each type of organization. Further research needs to examine more closely the link between 'smart' sanctions and unintended humanitarian consequences.

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7. Appendices

- **Appendix 1: participant form**

The following document was shared with all potential participants to get more insight into this research and for them to have an idea about what the interview would include. This type of documents was essential to make the participant feel comfortable and to gain more trust considering the sensitivity of the topic. There were two versions of the participant form, one in English and one in Arabic, as some participants do not speak or read English well.

'Hello,

My name is Marie Therese Rezko, a master's student at Radboud University in Nijmegen, The Netherlands. I share hereby some information about my research before we meet for the interview.

What is the goal of my research?

The research is designed to be my graduation project in International Economics and Development. The goal of this project is to produce a more in-depth analysis about the impact of international sanction regimes imposed on Syria on the work of different humanitarian organizations. I focus my analysis on the North and North West of Syria.

What are we going to talk about in the interview?

The interview should take no more than 30 to 40 minutes. Subjects to include fund sources, relationship with donor agencies, fund flows compared to the needs in the field, types of activities conducted by the organization you work at, financial restrictions or other restrictions if any. Additionally, I include some questions about the challenges humanitarian organizations face as a result of sanctions, such as dealing with banks, providing basic needs to complete certain humanitarian projects, etc.

In case you lost interest in participating in the interview...

Participating in this study is completely voluntary, you can decide to leave the interview at any point, you may also refuse to answer specific questions, although it is not planned to push or force any answer that you do not feel comfortable discussing with me.

How am I going to use the information you share with me?

This research's interviews will be conducted in complete anonymity, no personal information about the participants will be shared, data subtracted out of these interviews will only be used for this thesis. I would like to ask for your permission to record the interview to be able

to get back to them during my data analysis. Voice records will be deleted once I am done with my analyses and data is extracted successfully from the interview content.

Kindly let me know if you have any questions or you wish to get more clarification on any of the subjects discussed above.

Best regards,

Marie Therese Rezko'

- **Appendix 2: the interview guide**

1. 'Would you like to start with a short introduction about yourself?
2. What are the types of activities (emergency, development, protection, etc.) that you have at your organization?
3. How did the set of activities change since 2012 because of sanctions?
4. Did you have to adjust development activities to emergency ones or vice versa because of sanctions?
5. Do you have one main donor, or is it more like many agencies for funds? (Keep in mind asking about the relationship they have with donor and/or source of the fund)
6. Did any of the donors stop funding your organization because of sanctions impacts?
7. Did any of the donors decide to shut down certain activities because of sanctions impacts?
8. How did the funds flow change since 2012 due to sanctions?
9. How can you describe the **challenges**, if any, of receiving and delivering funds to Syria?
10. What are the main **challenges** that your organization is facing with regard to sanctions?¹⁶
11. Have you managed to solve these **problems**? If yes, how?
12. If your organization has any offices inside/outside Syria, did sanctions have an impact on their closure/establishment? (New offices in Syria or the neighboring countries, closure of offices inside Syria or in the neighboring countries)
13. Are you working with other organizations to find solutions to these problems?

¹⁶ I will leave it to the interviewee to talk about the challenges, as I believe they will be different for each type of organization and depending on the country where their office(s) is located. I will try to ask indirectly about the (1) financial transactions, (2) barriers to imports of particular products and machinery, and (3) the ban on purchase of some services such as fuel and telecommunications.

14. Do you have anything to add, any comment to make, anything you may have forgotten that is important to talk about regarding sanctions and the impact?’

- **Appendix 3: codes overview**

Code group	Code name	Code explanation	Quote example
Sanctions’ economic impact	SE excessive compliance	Problems with banks or government because of sanctions. Issues related to banks de-risking behavior or challenges related to extra documentation and inspection. Also, delayed, and cancelled payments.	‘Banks state, even though you're a good client of us and you're moving a lot of money in and out in foreign currencies, the risk is very high and we don't want to be sanctioned’
	SE exchange rate	Issues generated from sanctions, that has to do with the USD/SYP price. Difference between the informal price and the CBS price.	‘INGOs had to adjust donor budgets to match the very high black market exchange rate (which is very different from the official price of the SCB).’
	SE money transfer	Issues generated from sanctions, related to receiving and transferring money. The code includes both the issues and the alternative solutions.	‘The temporary solution is hawala office.’ ‘...money transfers are usually made to Kurdistan-Iraq (Irbil) or Turkey (as normal bank transfer) and from there, they receive the fund, re-send it to NES through the Hawala system (black market, illegal + fees).’
Sanctions’ humanitarian impact	SE operation	It includes all quotes related to the sanctions’ effect on the way humanitarian organizations operate. The code was split into the tree following subcodes.	
	<i>SE operation: fuel availability</i>	Fuel availability and the effect on humanitarian organizations’ activities.	‘Local suppliers are not always able to meet the needs because of lack of basic products in the market, lack of fuel to transport these products. All that is mainly because of sanctions.’
	<i>SE operations: Low-quality service</i>	Sanctions’ influence on the quality of service provided by humanitarian organizations.	‘As a result, lack of high-quality, high-tech products which are irreplaceable products in the local market (CT scan, mammography scanner for breast cancer scan, etc.).’

	<i>SE operations: Tech-software</i>	Sanctions' effect that resulted in a ban on purchasing electronic devices and a ban on certain internationally used software.	'Google for example is one company that is affecting the work of civil society organization because they banned the business service in google so that affected humanitarian workers in NW, they were forced to use the proxy breaker to get access to their work emails.'
Sanctions' communication impact	Donor interests	It includes issues related to the relationship between donors and humanitarian organizations in terms of the types/size of activities and the groups controlling the area.	'Since 2016 development aid stopped by the two main donors (US and UK sources).' '...some donors don't allow you to work with local councils (both in GoS and other areas).'
	Terminology	Issues related to confusing reconstruction projects (banned by sanctions) and rehabilitation projects (humanitarian activity).	'Donors still refuse to apply these projects and may stop any project that is confused by reconstruction programs (like any rehabilitation project).'
Indirect impact	Targeted humanitarian staff/office	Issues related to humanitarian workers and NGOs offices in the neighboring countries resulted from the Syrian conflict. It seemed that the fear of 'Syria' is beyond sanctions' effect.	'Many organizations have closed their offices and stopped working in the NE, humanitarian workers were targeted by armed groups and such.' 'Humanitarian workers who worked for these international organizations were followed by Turkish police, some of the staff members had their residence permits stopped...'
	Donor restructure effect	The code demonstrates a specific issue related to replacing the UK's biggest donor (DfID) by FCDO	'The reduced funds of WASH activities were bad for the organization and for the beneficiaries (at least 500,000 beneficiaries were depending on WASH activities to get access to clean water). This shift in donors work focus hurts many beneficiaries.'
	Medication availability	The code includes quotes referring to indirect influence of sanctions which led to a drastic shortage in medication.	'Medication problems with importing medication from foreign sources, if they have US origin or the effective element is of a US origin, sanctions play a major role with the shortage they face.'

	COVID-19 effect	Effects that worsened the situation for both the humanitarian organization and the beneficiaries	'Also, the COVID-19 situation has led to a cut of current budgets with at least 5%, not only for the Syria funds but funds to other countries in need.'
	SE Caesar act effect	Effects that worsened the situation for both the humanitarian organization and the beneficiaries	'Since 2018 funds have started to decrease (especially after the Caesar act).'