

JULY 2023

SYRIA

MONTHLY
REPORT



CA – SYR

CRISIS ANALYSIS – SYRIA



JULY 2023

This timeline provides a snapshot of key events throughout the month. These events have been selected for their impact and relevance, and do not necessarily feature as full articles in the Monthly Report.



Food security

World Food Program

The WFP reports the cost of a food basket for a family of five increased by 4% in May to SYP 529,946 because of a 22% increase in sugar prices. The food basket now costs three times as much as it did two years ago.

02



04

Regional updates

Syrian refugees in Jordan & Turkey

The Jordanian and Turkish foreign ministers say that the future of Syrian refugees lies in Syria. They warned against the decline of UN support, and against holding them solely responsible for the wellbeing of the refugees.

08



Services

New SSG communications networks

The SSG announces the trial launch of 'Syria Phone', the first communications and internet network in Idlib under the supervision of the SSG's Public Telecommunications Corporation. The new network will provide cellular communication services, 4G internet and video calling capability.

09



Services

New housing complexes in Afrin

Local organizations, with Turkish coordination and Qatari support, have finished construction work on three new housing complexes south of Afrin city. Each complex includes approximately 300 prefabricated apartments, for IDPs from rural Aleppo and Damascus. Meanwhile, work on over 30 acres in the mountains near Iskan village, south of Afrin, continues in preparation for new housing complexes.

25



Regional updates

Curbing the narcotics trade

The Jordanian army shot down a drone carrying narcotics (2kg of crystal methamphetamine) from Syria across its northern border. The drone was intercepted and downed on Jordan's side of the border. This comes a day after the army and security chiefs from Jordan and Syria met to discuss ways to curb narcotics smuggling.

27



Economy and markets

Salaries pegged to dollar in northeast

The Autonomous Administration plans to peg salaries of its employees to the US dollar exchange rate. The recent depreciation of the Syrian pound halved the real value of salaries from \$80 to around \$40.

27



Humanitarian updates

OCHA & WHO joint health initiative

Stephane Dujarric, spokesperson for the UN Secretary-General, announced that OCHA and the WHO would provide technical materials for various health facilities in northwest Syria through Bab Al-Salam and Al-Rai crossings.

Summary

Economic indicators

International

The Syrian cross-border humanitarian aid delivery mechanism

South and Central Syria

Depreciating pound and poor service provision underscore Syrian economy

Wheat harvest falls short of government projections

Syrian army moves into western Dar'a

Northeast Syria

Shop owners in northeast faced with unaffordable taxes

SDF infighting threatens stability in Deir-ez-Zor

Northwest

SSG replaces local councils with municipalities

HTS carries out arrests within its ranks

Summary

Russia's veto of the proposed 9-month extension of the UN cross-border mechanism into northwest Syria has left humanitarian organizations scrambling for an alternative. The Syrian government wrote directly to the UN Secretary-General with a proposed solution, which was accepted in early August. Details of the UN's terms have not been released, however leaked letters reveal that the Syrian government set (largely unworkable) conditions that deliveries be carried out in full cooperation and coordination with Damascus, that the UN not communicate with "terrorist organizations" [opposition actors in the northwest] and their affiliates, and that the International Committee of the Red Cross and the Syrian Arab Red Crescent would run aid operations. With 4.1 million people in the northwest dependent on humanitarian support, and 85% of that support sent through Bab Al-Hawa, it is likely that access to aid from Turkey will serve as a major lever for the Syrian government to utilize in the medium term in negotiations with armed actors, Turkey, and the international community.

The further black market depreciation of the Syrian pound to an all-time low of SYP 13,300 per USD, coupled with collapsing provision of subsidized goods and electricity serve as symptoms of the economic struggles in government-held areas. New public-private partnerships to improve service infrastructure could be a positive initiative to try to fill the gaps in services, by injecting much-needed cash into the struggling sector. The wheat harvest, although up on 2022 levels, has fallen short of the government's 1-million-tonne projections. The shortfall was blamed on competition from the Autonomous Administration, who bought over 1 million tonnes from northeast farmers. In Dar'a, the Syrian army has moved into Tafas city following clashes with a local armed group. The group, which is unpopular in the city for exacerbating tribal tensions, failed to garner local support.

In the northeast, shop owners are angry at the Autonomous Administration's rising taxes. Protests were held in various cities, with minor concessions made to local policies. The Administration's lack of ability to respond to civilian unrest is a problem, and could escalate if the economic situation continues to deteriorate. Conflict between the Deir-ez-Zor Military Council and the wider SDF threatens to destabilize city, undermining the SDF's control over security within communities.

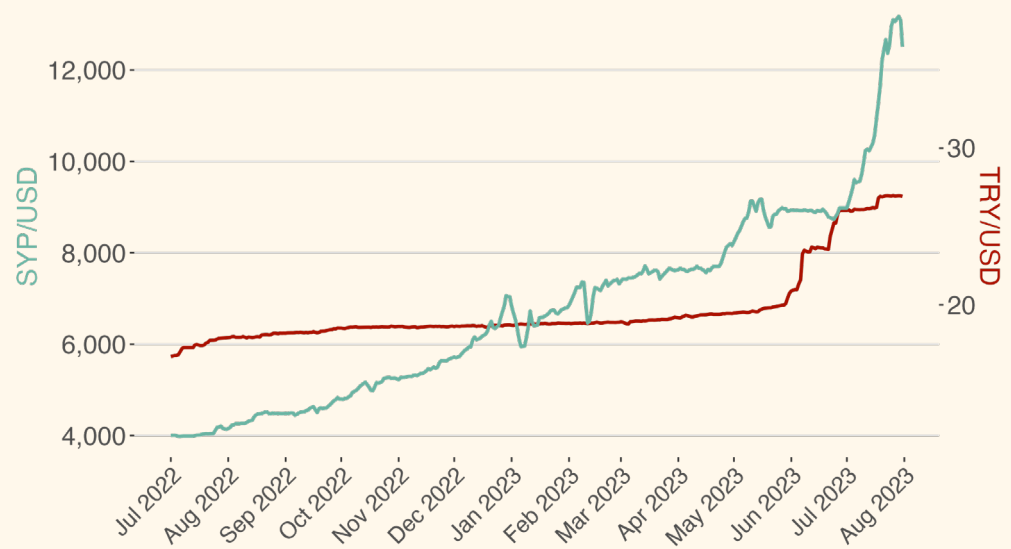
In the northwest, the SSG has dissolved local councils, and replaced them with a more centralized structure based on five municipal departments, while responsibilities for service provision have been passed on to the municipalities and to two private companies, Green Energy and E-Clean. The new structure could improve coordination between SSG departments, however also represent a shift away from political community engagement, with more power concentrated in SSG leadership. HTS has arrested a number of its own members, accusing them of espionage. Although the group has downplayed the level of the security breach, it outwardly appears to have been significant. Further arrests are expected.

Economic indicators

	May 2023	June 2023	July 2023
SYP/USD official exchange rate	3,000	3,000	3,000
SYP/USD parallel market rate	8,816.2 (14%)	8,903 (0.9%)	10,042 (12.8%)
TRY/USD official rate	19.7 (2%)	23.7 (20%)	26.2 (10.4%)

Economic indicator 1.

Official and parallel market exchange rates, SYP/USD and TRY/USD,



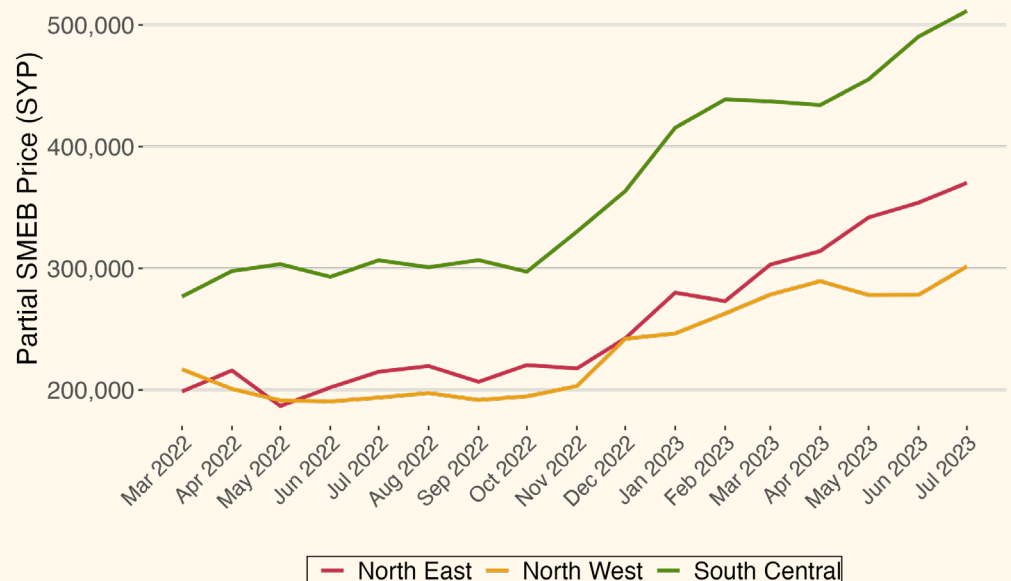
Economic indicator 2.

SYP/USD and TRY/USD, exchange rates

Economic indicator 3.

Change in partial SMEB price by zone of control.

The partial SMEB price monitoring tool is in part built on Sphere recommendations of a 2100kcal daily diet per person. Items covered in the assessment include basic food items such as bread, rice, bulghur, lentils, oil, sugar, meats, vegetables, and fruit.



International

The Syrian cross-border humanitarian aid delivery mechanism

On 11 July, the UN Security Council (UNSC) began its session to vote on the reauthorization of the Syria cross-border humanitarian aid delivery [mechanism](#) for the Bab Al-Hawa border crossing. The resolution put forth by Switzerland and Brazil proposing the reauthorizing of the Bab Al-Hawa border crossing for nine months was [vetoed](#) by Russia after Russian Ambassador to the UN, Vassily Nebenzia, [stated](#) that “the aid would go to terrorists.” Russia then presented a [proposal](#) that reauthorized the use of the border crossing for six months and included clauses favorable to the Syrian government including the revision of the EU sanctions on Syria. The Russian counterproposal, ultimately, was [vetoed](#) by the US, UK, and France.

This is not the first time the UNSC cross-border resolution issue has arisen. In 2021 and 2022, Russia made similar efforts to veto resolutions [2585](#) and [2642](#), respectively. However, even when Russia vetoed these resolutions, eventually, an agreement was found, a resolution was [adopted](#), and humanitarian aid was allowed to enter northwest Syria within approximately two days after the expiration date.

Syrian government offers a limited solution

In what was largely seen as a surprise move, on 13 July, the Syrian government sent a letter (*note verbale*) to the UN Secretary-General, Antonio Guterres, and the UNSC President (for July) and UK ambassador to the UN, Barbara Woodward granting permission for the UN and its affiliated agencies to use the Bab Al-Hawa border crossing on the [condition](#) that aid distribution would be facilitated by the International Committee of the Red Cross (ICRC) and Syrian Arab Red Crescent (SARC), and “[in full cooperation and coordination with the Syrian government](#).” The conditions also included zero communication with opposition groups.

Reactions to the letter, by governments and experts, included narratives of accountability, humanitarian deadlock, and geopolitical concerns. Woodward [said](#), “...control of this critical lifeline has been handed to the man responsible for the Syrian people’s suffering.” The US ambassador to the UN, Linda Thomas-Greenfield, [stressed that the letter](#) “...includes unacceptable restrictions – restrictions that would hinder relief”, and noted the Syrian government’s track record of impeding UN humanitarian activities in Syria. Meanwhile, former Syria director at the US National Security Council, Andrew Tabler, [noted](#) that the letter was “another blow to the West’s Syria policy.”

On 6 August, the Syrian government’s ambassador to the UN, Bassem Sabbagh, responded to a letter sent by Griffiths informing of the government’s decision to

authorize UN access through the Bab Al-Hawa border crossing for six months, approved the use of the Sarmada and Saraqib crossings for cross-line humanitarian consignments to northwest Syria for six months (until 1 February 2024), the Bab Al-Salama and Al-Rai border crossings for an additional three months (until 13 November), and granted the UN the necessary flexibility and sufficient capacity to deliver humanitarian aid.

While the 6 August letter did not reiterate the rejection (or mention) of communication between the UN and controlling actors in northwest Syria, the emphasis on several key priorities has unsurprisingly aligned with Russia's UNSC rhetoric, including "full respect for [Syria's] sovereignty, unity and territorial integrity, prioritization of both humanitarian and early recovery activities (including rehabilitation of services and infrastructure), and "stringent and independent monitoring activities." The Syrian government's UN representative, Bassam Sabbagh, ended the letter by indicating the involvement of ICRC and SARC in humanitarian operations without further detail, perhaps purposefully vague, raising questions with respect to the operational role of these entities.

Humanitarian actors consider alternatives to in-kind aid

With the UN formally [accepting](#) the Syrian government's *note verbale* on 9 August, the sole reliance on this as the governing cross-border mechanism raises concerns. Some of the conditions, such as zero communication with opposition groups (the Syrian Interim Government and Syrian Salvation Government and their affiliates) and allowing the SARC to facilitate and distribute aid in the northwest are generally unworkable requirements. Complications between Turkey and the Syrian government are not only limited to possible frictions, confrontations and access restrictions but could also potentially complicate aid delivery. These risks are further heightened with the trajectory of the Turkish-Syrian normalization efforts at a standstill and in light of the presence of the Turkish army, Turkish-backed groups, AFAD and IHH across the northwest. Attempts to enforce Syrian government facilitation and coordination would become increasingly complex with the potential to cause further access restrictions, armed confrontation, and aid disruption, manipulation, and interference.

Ultimately, the most likely scenario is an undefined period of unstable and inconsistent program implementation as UN agencies identify partners to hand projects to. Other proposals set forth by NGOs and humanitarian actors to continue providing aid to northwest Syria revolve around supplanting in-kind aid with other modalities. Specifically, it has been reported that many NGOs have [advocated](#) for ramping up cash assistance as an alternative. However, this shift in strategy will likely meet bottlenecks. A sudden shift from in-kind aid provision to cash assistance risks adding pressure on local markets and could lead to higher demand for consumer products, and an inability to meet those demands.

Similarly, cash-flow challenges in northwest Syria have been reported since the earthquake in February 2023. In a [report](#) published in June 2023, CA-SYR found that the earthquake upended financial mechanisms allowing cash to enter northwest Syria through Turkey. Alongside a parallel surge in demand for cash and the devaluation of the Turkish lira, the earthquake led to liquidity challenges that hindered the mobilization of support, leading to delays in getting cash

to impacted communities across the northwest. Many of these difficulties have remained in recent months, although less acutely.

Humanitarian need caught up in political negotiations

Humanitarian need in the northwest has only increased throughout 2023, not only because of the February 6 earthquakes but also because of a complex array of factors faced by [4.1 million people](#). For example, food security continues to be hampered by low purchasing power and market volatility, the latter of which has led to a [90% year-on-year increase](#) in the price of WFP standardized food basket. Further, decreased donor funding amplifies the possibility of the situation deteriorating. This is evident in the [statement](#) made on 7 July, by Martin Griffiths, under-secretary-general for Humanitarian Affairs and Emergency Relief Coordinator, stating that the UN has not received the entire \$5.41 billion in funds it needs for aid to Syria. Rather, only 12% of the required funds have been allocated which raises concerns and risks over the situation in Syria as a whole. With minimal funding available at present, a multi-dimensional crisis, and the uncertainty of humanitarian aid flow, beneficiaries of aid in the northwest would suffer. With a decreasing pot of funding, many implementers are forced to decide between a consistent or higher valuation of aid for a smaller number of participants or a more shallow degree of assistance (and, hence, less impactful) for a wider number of participants – in parallel to increasingly severe humanitarian need.

The status quo, at present, is an expired cross-border resolution, two rejected draft proposals, and two *note verbales* from the Syrian government which resulted in a complex outcome. (Important to note is that the UN and its affiliated agencies stocked [supplies](#) in the northwest prior to the expiration of the UNSC resolution which means that the resolution's expiration would not have an immediate effect on humanitarian aid supply.) However, Bab Al-Hawa border crossing was used to transport [85%](#) of aid into northwest Syria. UN spokesperson Stephane Dujarric [said](#) that the remaining border [crossings](#) – Al-Rai and Bab Al-Salam, which allow for humanitarian aid delivery to the northwest – cannot sustain the same level of humanitarian aid transport capabilities as Bab Al-Hawa. Access to aid from Turkey will likely serve as a major lever for the Syrian government to utilize in the medium term in negotiations with armed actors, Turkey, and the international community. Depending on how the international community navigates the Syrian government's authorizations – and the way by which Damascus utilizes authorization as a lever – access conditions to the northwest could continue to incrementally tighten.

South and Central Syria

Depreciating pound and poor service provision underscore Syrian economy

The economic situation continues to significantly deteriorate in government-held areas, leading the Syrian pound to reach a record low. The Syrian pound depreciated more than 32% on the black market in July, dropping from SYP 9,056 per USD on 1 July to 13,300 per USD on 27 July. The steep depreciation was because of a reported [reduction in the amount of remittances sent into the country](#) and [reduction in foreign economic assistance](#), but also [attributed](#) to years of US dollars being siphoned by the government in addition to imposed restrictions on US dollar circulation under [decree 3/2020](#) (which criminalizes financial transactions using foreign currency), and the Central Bank's inability to intervene to stabilize the pound because of its low foreign currency reserves.

Against the backdrop of this depreciation, pro-government media [reported](#) price increases, prices changing by the hour, and price discrepancies between different shops. Additionally, retail traders [told](#) pro-government media that market activity had decreased due to the price increases and shortages of certain items (ie, sugar) which traders were accused of hoarding; wholesale traders tend to hoard items when the pound depreciates to sell them at higher prices later to either preserve or increase their profits.



Syrian pound depreciation, July 2023. Source: [SP-Today](#)

Delayed subsidies and power outages

The deteriorating economic situation has also impacted the government's ability to provide services, causing delays in the delivery of subsidized items. Media sources reported that households have been [waiting up to six months](#) for deliveries of subsidized rice and sugar, typically distributed every two months. Government officials attributed the delays to '[administrative issues](#)', adding a befuddling claim that there is [no shortage](#) of the items. Gas canister deliveries were also [delayed with four months](#) passing since the last delivery; eligible households are meant to receive the canisters every 40 to 70 days. Government officials attributed the delay to a lack of [availability of functional canisters](#).

Electricity provision has also worsened. On 11 July, a [blackout](#) was reported in both Damascus and Rural Damascus lasting up to 16 hours, caused by a [malfunction in a conversion station](#). The blackout is reflective of the shoddy state of the country's electricity infrastructure and the government's increasing inability to maintain it due to limited resources and the failure of investors to [meet contractual obligations](#). Moreover, local sources noted that electricity provision had already decreased from four to two hours per day prior to the blackout.

Government moves towards public-private partnership to restore infrastructure

Noting its increasing inability to maintain its own infrastructure, the government seems to be moving towards a public-private partnership model to achieve it. On 24 May, Syrian Minister of Electricity, Ghassan al-Zamel, [said](#) that a local private company was awarded management rights over the Deir Ali power plant, under the [Public-Private Partnership Law](#). Economic experts [support](#) the move, telling pro-government media that the government should consider entering these types of partnerships to be managed under the [Public-Private partnership law](#). This would benefit the government by relieving them of the cost of rebuilding, upgrading and maintaining the infrastructure that is up for investment with the hope of being able to provide better services.

CA-SYR will be publishing a report on the general economic situation in government-held areas.

Wheat harvest falls short of government projections

The Syrian government has so far collected 760,000 tonnes of wheat for the 2023 harvest season, 24% short of its stated [goal](#) of 1 million tonnes, but 60% more than last year. Another 7,500 tonnes is expected, which will not significantly boost the total yield. The head of the Syria Grain Establishment, Abdelatif al-Amin, has [said](#) that the domestic wheat production will be sufficient for three to four months, and the Syrian government will have to import 1–1.4 million tonnes of wheat to cover demand for the whole year. Government-held areas require 2.5 million tonnes of wheat per year, and so the government may fall slightly short of its [intended aim](#) to slash 50% of its wheat imports this year.

Despite falling short, government officials [stated](#) that the total number of wheat harvested has to date improved by 60% from the 474,655 tonnes collected last year. Amin added that the harvest improved significantly across governorates; wheat collection in Aleppo and Hama [improved](#) by at least 23% and 46%, respectively.

Governorate	Wheat production (tonnes)
Hama	220,414
Aleppo	207,000
Dar'a	85,200
Homs	70,278
Deir-ez-Zor	50,400
Rural Damascus	40,000
Ar-Raqqa	35,200
Idleb	18,000
Hasakeh	5,769
Quneitra	2,500

Wheat collection by governorate (Source: [Tishreen](#))

Autonomous Administration outbids government procurement in northeast

In the government-held northeast, the amount of wheat collected [has been](#) proportionately lower than the rest of the country. For example, wheat collection in Al-Hasakeh decreased by 52% from 12,164 last year to 5,796 tonnes this year, while collection in Ar-Raqqa improved by only 11%. Amin blamed the poor yields on the Syrian Democratic Forces (SDF) preventing farmers from selling their crops to government collection centers. There is ongoing [competition](#) between the Syrian government and Autonomous Administration over wheat collection in the northeast, as the latter announced the [purchase of 1.15 million tonnes of wheat](#) from farmers in its areas.

Syrian army moves into western Dar'a

The Syrian government attacked Tafas in early July after [four police officers were killed](#) near al-Jamal roundabout in Mzeireb township while on their way to guard an official exams center in Tafas city. The government [accused](#) ISIS-affil-

iated individuals allegedly hosted by former opposition commander Mohamed al-Zo'bi in Tafas city of being behind the attack.¹

On 2 July, the Syrian army [sent](#) additional personnel to Mzereib subdistrict along the Dar'a–Tafas road. Army units [established positions](#) both along the road and in the open countryside surrounding Tafas and proceeded towards the city, but came up against armed former opposition groups in the open fields.

The former opposition groups failed to prevent the Syrian army from reaching the southern neighborhood of Tafas city, with the clashes killing [one combatant](#) and a [civilian](#), and wounding several others. The army reportedly [shelled Tafas](#) and the surrounding fields, resulting in material damage. Government forces eventually reached the southern neighborhood of Tafas city, causing a panic that caused the city's public market to [hurriedly close and civilians to flee](#). The clashes ended on 6 July after Al-Zo'bi tribal leaders met with the 1st Corps Commander and the Head of Military Intelligence, Louay al-Ali, in Dar'a city and [agreed on a ceasefire](#). The tribal leaders then released a statement saying that they were not harboring any wanted individuals from outside the governorate and that they did not subscribe to extremist ideology.

Dar'a response divided government attack

The initial incident in which the police officers were killed was reported to have been widely condemned in Dar'a, as they are seen as a neutral party to the conflict and are generally left alone. The government [repeatedly](#) conducted sieges and offensives in western Dar'a with the intent of expelling individuals allegedly affiliated with ISIS. These individuals are reported to be mostly former opposition or HTS commanders suspected of conducting attacks against both the government and other opposition groups based in the area.

Local sources noted that there was less local support in western Dar'a than in previous clashes between former opposition groups and the Syrian army. Mohamad al-Zo'bi's group was largely left unsupported, to fight alone – this could be because of its lack of popularity in Tafas. Members of the group are accused of exacerbating tribal feuds and infighting between tribes and opposition groups, so their defeat is likely to be welcomed by residents.

Hostilities continue despite ceasefire

The apparent lack of unity among former opposition groups in Dar'a enabled the government to carry out operations against specific individuals. Despite the ceasefire announced on 6 July, government attacks continued; on 10 July, Syrian government forces [destroyed](#) Mohamad al-Zo'bi's house in Tafas; according to media sources, a drone was used in this attack. On 13 July, government forces [blew up](#) the home of former opposition leader, Khaldoun al-Zo'bi and the Dar'a Irrigation Directorate's building. Later, on 16 July, government forces [bombed 11](#) houses in the agricultural fields south of Tafas in addition to electricity poles and water wells before withdrawing. Media sources reported that the houses

¹ Mohamad al-Zo'bi and his group are alleged to have hideouts located in agricultural fields around Atman, Yadudeh, Mzeireb, and Tafas in addition to a headquarters in Tafas city itself, which explains the government deployment and the location of the clashes.

belonged to civilians and that the destruction of infrastructure would deny them much-needed services, however, there are rumors that Zo'bi and affiliated combatants were occupying the houses. Government forces also reportedly stole solar systems and panels, [ransacked civilian houses](#), and drove through cultivated fields in tanks during the harvesting season, resulting in losses for farmers. On 24 July, the government conducted [another drone strike](#) against a house in Tafas.

The government's approach in southern Syria is likely to continue; it requires fewer resources and personnel as compared to previous operations and is perhaps more effective at convincing communities to respect government demands. For example, in a [meeting](#) between Yadudeh community leaders and Military Intelligence, both sides agreed that individuals harboring accused criminals would be held individually responsible (rather than communities having to suffer raids). Outwardly, the government also wants to reduce military operations in areas under its control, to perpetuate the idea that the areas are safe. The government's recent operation in western Dar'a was also important because it involved the heavy use of drone strikes. While this is not the first time the government has used drones, it is the first time drone strikes were conducted on such a scale in Dar'a governorate.²

² The government used drones to [conduct surveillance](#) in Dar'a in the past.

Northeast Syria

Shop owners in northeast faced with unaffordable taxes

In recent months, shop owners across northeast Syria have faced an increase in taxes imposed by the Autonomous Administration. By July, local sources in Ar-Raqqa, Al-Hasakeh and Menbij estimated that two types of taxes imposed by the Administration, (the finance and registration taxes)³ had increased by approximately 50% (partly due to the depreciation of the Syrian pound)⁴ while new taxes were imposed on money exchanges and shop owners in Quamishli. These increases were justified by the Administration as necessary to be able to generate enough revenue to provide public services for local communities however residents remain skeptical that the Administration will be able to deliver amid rumors of corruption and administrative and financial mismanagement.

Shop owners react

Burdened by financial and license renewal taxes, media and local sources reported shop owners in Menbij staged a [strike](#) on 19 July to protest the continued deteriorating economic conditions, high fees and taxes and the SDF's conscription campaigns. The depreciation of the Syrian pound, declining purchasing power and reported extortion at checkpoints meant frustration was already high for business owners.

Tax hikes were not limited to Menbij, but across various locations in northeast Syria. Shop owners operating in Ar-Raqqa's Mansour street [refused](#) to pay a new tax imposed earlier in June by the municipality to recuperate funds they spent paving the street. In addition to the municipality's tax, local sources added that some employees of the Autonomous Administration based in Ar-Raqqa imposed an unofficial tax on shops, ranging from \$100 to \$5,000. Justification for these unofficial taxes remain unclear (despite demands for clarity), and security personnel closed several shops and removed street stalls belonging to owners who refused to pay by mid-July.

On 22 June, an [armed quarrel](#) broke out between shop owners and members of the Internal Security Forces (ISF) who were demanding taxes in Quamishli city's central market. The ISF brought reinforcements to the city, arrested a number of shop owners, and damaged shops whose owners managed to escape. Media sources then [reported](#) that the Quamishli Municipality claimed that the shops

³ Local sources indicated that shop owners are obligated to pay two official annual taxes; a 'financial tax' and a 'license renewal tax'. The financial tax is assessed by a committee affiliated with the finance office in Menbij, based on the value of items owned by the shop owners (in shops and warehouses) and sales invoices of each shop; the tax usually ranges between SYP 500,000 to 20 million. In parallel, the license renewal tax is an annual administrative tax that ranges between SYP 200,000 to 500,000 and enables shop owners to continue working legally.

⁴ Local sources stated that the Autonomous Administration sets the tax in Syrian pounds but pegs it to the US dollar, meaning it increases every time the pound depreciates.

in the area are owned by the Autonomous Administration and that shop owners would have to pay rent of up to SYP 2 million. These shops are originally owned by the Syrian government, and rented out to individuals for just SYP 50,000 – since last year, the Administration has also claimed rent from the tenants.

Local sources reported some protests were successful. In Menbij, the Administration reportedly stopped sending committee patrols to follow up on tax payments, while some shop owners who refused to pay their financial taxes were able to temporarily reopen. Overall, however the taxes remain.

Taxes imposed on exchange companies

The Administration has also [imposed](#) a \$150,000 licensing tax on foreign exchange companies, while the financial tax on each company ranges from SYP 500,000 to 15 million. The Autonomous Administration has also asked remittance and exchange companies to provide financial guarantees equivalent to the amount of their financial transactions; previously, these companies provided real estate guarantees. The amounts requested are considered unattainable by company owners, making closure their only recourse.⁵

Heavy-handed response angers residents

The increase in taxes follows the Syrian pound's 32% depreciation in July in addition to price increases being reported in [Quamishli](#), [Al-Hasakeh](#), [Ar-Raqqa](#), and a consequent decrease in purchasing power. The Administration's responses to such protests are also likely to strain relations with the local communities. Generally, the failure to comply with this obligation results in imposition of fines, non-renewal of the licenses, and closure of shops by the municipality committees. If the Administration does not communicate with local communities to find a sustainable solution, it is likely that protests and strikes will continue, putting Administration areas at risk of further civil unrest.

SDF infighting threatens stability in Deir-ez-Zor

Tensions escalated between the Deir-ez-Zor Military Council (DMC), the primary security actor in Deir-ez-Zor, and the Syrian Democratic Forces (SDF) throughout July, ultimately leading to violent [clashes](#) toward the end of the month. Sparking these events was a [leaked voice recording](#) of the DMC leader, Ahmed Al-Khabayl (known as Abu Khawla), on 19 July. In the recording, Abu Khawla spoke of disagreements between the DMC and the SDF's Central Command, the ISF, and local governance structures set up by the Autonomous Administration in Deir-ez-Zor over what he explained were attempts to 'control' the DMC. Abu Khawla also claimed that the DMC "currently has two enemies outside SDF-controlled areas, Turkey and the Syrian government, and one enemy inside SDF-controlled areas, ISIS."

⁵ Local sources noted that alongside financial and licensing taxes, the company owners ought to comply with various conditions related to office space, safety measures, accessibility and inclusion.

Tensions continued to rise after media reports indicated additional SDF and ISF combatants were sent into eastern Deir-ez-Zor, and the DMC had [withdrawn](#) from several of its checkpoints in areas along the frontlines with the Syrian government, amid unconfirmed news of the [dismissal](#) of Abu Khawla. Abu Khawla later [denied](#) the existence of tensions; however, the DMC reportedly [clashed](#) with the SDF's Military police on 25 July after two DMC fighters were killed when refusing to hand over personal identification papers at a checkpoint in Sur.

The Deir-ez-Zor Military Council

In November 2016, the SDF formally [announced](#) the creation of the Deir-ez-Zor Military Council. The DMC is the primary armed actor linked with the SDF areas it controls in Deir-ez-Zor. The DMC is largely [comprised](#) of members of prominent tribes and clans from the governorate, including the Bekkeri, Baggara and Sheetat. Relations between the DMC and the SDF's Central Command have been generally calm, however, clashes between fighters operating in the SDF central command and DMC have previously been [reported](#).

It is headed by the controversial figure of Abu Khawla from the Bakir tribe, known for [reportedly](#) starting a gang that stopped and extorted money from cars traveling in Deir-ez-Zor prior to the creation of the DMC. He also [reportedly](#) delivered food supplies to government forces, and helped smuggle soldiers out in 2013 after opposition groups besieged Regiment 113 in Deir-ez-Zor.

After being appointed head of the DMC, Abu Khawla's influence across Autonomous Administration-held areas of Deir-ez-Zor grew considerably. Though unsubstantiated, Abu Khawla [reportedly](#) has connections with high-ranking officials within both the Autonomous Administration and the Syrian government, and is active in the smuggling and oil trade in Deir-ez-Zor. His status among tribes in Administration-held areas of northeast Syria also grew alongside his political stature, as tribes in Ar-Raqqa and other areas swore allegiance to him, naming him an Emir. In April 2023, Abu Khawla [donated](#) SAR 800,000 to bail out a person from a tribe in Deir-ez-Zor from a Saudi prison, on trial for murder.

Clashes signal security rifts

Local and media sources reported the DMC and tribes in the region began mobilizing after the initial incident. Additional SDF combatants that were sent into the region were reportedly intercepted by the local combatants in northern Deir-ez-Zor, with media sources also [reporting](#) on attacks on a Military Police headquarters. [Clashes](#) between both parties later reportedly reached the outskirts of Basira. Families were displaced from areas near the affected cities and towns, while humanitarian organizations faced access restrictions which temporarily paused programming, amid security concerns.

On 26 July, an agreement between the DMC and the SDF was reached in the International Coalition's base in the Al-Omar oil field. The two parties [reportedly](#) agreed to withdraw their troops and return to their headquarters. In parallel, the SDF Press Center [announced](#) the formation of a committee to investigate the events leading up to the clashes in Sur. Furthermore, Mazloum Abdi, SDF commander-in-chief, [ordered](#) his troops to decommission the Rabida check-

point in northern Deir-ez-Zor, according to the conditions set by Abu Khawla to cease fighting in the region – the SDF also redeployed its checkpoints in northern and northeastern Deir-ez-Zor, which were attacked by local combatants, in support of DMC.

Though an agreement was reached and tensions were short-lived, the recent events risk straining the civil-military relations between local communities and the SDF's Central Command. In addition to operating as the SDF's main military arm in Deir-ez-Zor, the DMC has, at times, [interfered](#) to stop clashes and attacks between local combatants and SDF patrols on numerous occasions. A strain in the relationship between the SDF and DMC could also render the SDF's ability to maintain security within communities in its areas of control in Deir-ez-Zor more difficult. With hardened feelings towards the SDF and the Autonomous Administration amid a decline in the economy and poor service provision, incidents that involve the killing of local combatants incorporated in the DMC risk further alienating communities away from the SDF and the Autonomous Administration.

Northwest

SSG replaces local councils with municipalities

In a new administrative step, the Syrian Salvation Government (SSG) dissolved the local councils in most of its areas of administration, replacing them with newly formed municipalities. The procedure took place without the SSG officially publishing the decision, but local sources [confirmed](#) that the decision was issued at the beginning of June and stipulates the transition from the local councils' system to the municipal system to manage service provision at the district level. Based on this, local councils were dissolved in most villages and cities, and five major municipalities were formed in Idleb city, Ma'arrat Tamasrin, Ariha, Jisr-Ash-Shughur, and Harim. Each of these municipalities will cover the surrounding villages in their districts, except for the municipality of Idleb, which will cover Idleb city only due to its size. The rest of the villages in Idleb subdistrict will be served by the Ma'arrat Tamasrin municipality.

Local councils have been responsible for administration in their localities since their establishment in opposition-controlled areas post-2011 and throughout the conflict. In Idleb and western Aleppo, most of the local councils were affiliated with the [Syrian Interim Government](#) (SIG), but the SSG, which was established in November 2017, forced the SIG to close its offices in its areas of influence after December of the same year. Many local councils remained independent, however after HTS solidified control of these areas in 2019 local councils were [forced](#) to coordinate with the SSG. Initially, a number of the local councils feared interruption of support from NGOs and Western donors (many had clauses restricting coordination with terrorist groups, which at the time HTS was linked to). A number of NGOs and donors did end up [suspending](#) their projects in the region, however restrictions have since eased. The SSG was able to control the councils almost completely until the implementation of the current decision to dissolve them.

The local council for each district is responsible for the provision of a number of services, including aid, water, electricity, hygiene, waste management and civil and administrative services such as granting construction licenses or issuing personal documents. Following the dissolution of the local councils, services were handed over to the relevant administrative authorities. For instance, the relief and humanitarian affairs portfolio now falls under the Directorate of Humanitarian Affairs, the SSG Water Directorate became responsible for the water provision, electricity is the responsibility of the private electricity company [Green Energy](#), and waste removal and management is the responsibility of the private cleaning company [E-Clean](#) – both of which many residents perceive to be owned by individuals with close relations to the SSG and HTS. Similarly, tasks related to the issuance of personal identification documents are now the responsibility of the SSG Ministry of Interior. While the new municipalities, according to local sources, are left managing construction licenses and maintaining basic infrastructure such as town planning and sewage systems

The new decree threatens the jobs of the employees in local councils. While a number of them were re-employed within the newly established municipality offices, the directorates and private companies, and HTS's General Security Service to maintain security within their communities, others are now left without a position within the SSG apparatus.

Centralized governance, greater control

According to an advisor to the SSG's Minister of Local Administration and Services, Saeed Al-Ashqar, the transition from the local councils to the municipal system has become a necessity. He said that following the 6 February earthquakes, the local councils were unable to deal with the higher level of technical requirements of building permits for affected residential buildings or industrial facilities. Therefore, the Ministry deemed it necessary to [standardize](#) the technical requirements and apply the Syrian government's construction [code](#) to all buildings.

Whether justified or not, the shift away from local councils represents further increased centralization of service provision by the SSG. Over a number of years, the SSG created specialized departments and expanded ministry mandates to increase centralized decision-making power, moving away from community-led governance structures (such as the councils). This has been most evidenced in the gradual transfer of the responsibilities of local council relief offices to the Ministry of Development and Humanitarian Affairs (MDHA), and the solidification of this with the new decree. Further evidence of the SSG's intent on centralizing decision-making rests in the structure of the new municipalities. Previously, all members of local councils had to be elected to their positions. Now, some lower-level municipal positions will be elected, however the municipal heads will be appointed by the ministries – the reason given is that they will need to meet specific criteria (ie, have a background in engineering and technical expertise in service provision).

Organizing earthquake response efforts

Following the earthquakes, the SSG [established](#) the Directorate for the Affairs of Earthquake Victims in an attempt to centralize information on earthquake victims for humanitarian response actors.

Reporting on this topic in May 2022, CA-SYR [found](#) that while the Directorate's information management practices remain opaque, possibly presenting space for misrepresentation or misinterpretation of earthquake-related data, the establishment of the directorate allows humanitarian actors access to information from a central hub rather than seeking this data from multiple sources at different times, possibly enabling a faster response. Consequently, while the reshuffling of local governance structures presents a risk of distancing local voices from decision making, it also limits coordination bottlenecks, possibly enabling a faster response and implementation.

The reshuffling of local council (now municipal) structures and responsibilities could have positive repercussions, allowing for greater coordination across different levels of governance. Prior to the July developments, the mandates once held by local councils overlapped with mandates held by several ministries, rendering regulation and coordination between local and central authorities difficult. For instance, local councils had to coordinate with the MDHA for humanitarian-related affairs, while also coordinating with the MLAS for service-related issues, stretching local councils thin, and delaying implementation and response. Currently, with the reshuffle clearly outlining responsibilities and dividing tasks between multiple actors, implementation could – in theory – be quicker. This could add to the SSG’s overall strategy to present themselves as a viable and successful governance option for northwest Syria, while at the same time increasing the power and reach of the SSG.

HTS carries out arrests within its ranks

Since mid-June, Hay’at Tahrir Al-Sham (HTS) has arrested a number of members and commanders within its ranks accused of having affiliations with foreign and local competing actors. A spokesperson of HTS’ General Security Service, Diah Al-Omar, said on 21 July that surveillance and investigations had been ongoing for six months, and revealed a number of individuals who were focused on collecting information related to HTS. Operations conducted throughout July to uncover these individuals were reportedly led by a crisis management cell headed by HTS commander-in-chief himself, Abu Muhammad al-Jolani, and his trusted advisors, including Abu Ahmad Hudud, Abu Ahmad Zakour and Abd al-Rahim Atoun.

There are different theories given as to how HTS carried out its investigations. Some media outlets [reported](#) foreign states assisted in uncovering the presence of the individuals; other sources reported a single arrest of the owner of a money exchange office in Ma’arrat Tamasrin led to the exposure of broader connections with additional individuals. The individual arrested initially was said to be responsible for delivering money transfers to others, which they received in exchange for information.

High-level involvement in security breach reported

Reports differ, but [the highest estimates](#) put the number of detained individuals at up to 300 (alternatively, a former HTS leader [reported](#) 220 people, while General Security [cited](#) later in July that only 54 people were detained, and only 29 of were charged.) Detainees were accused of providing information to Russian security agencies, the Syrian government, and other ‘[external parties](#)’. Investigations continue.

While officials in Idlib remained tight-lipped over the ranks of those it arrested, media sources revealed a number of positions that the detained individuals once held. Unverified media [reports](#) indicate that the arrests included military figures from within HTS, such as a human resources official who allegedly provided cop-

ies of HTS records to foreign states; another accusation alleges that someone responsible for HTS' surveillance cameras and internet lines on the front lines with the Syrian government forces provided information to the Syrian government and Russia on HTS positions. Other positions that detained individuals once held included:

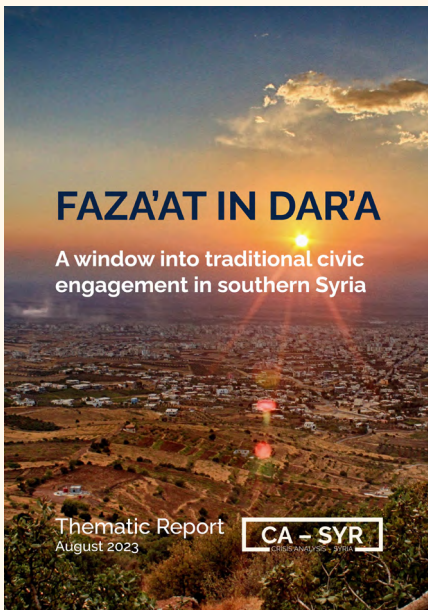
- The general administrator of Ali bin Abi Talib brigade in HTS' military wing
- A security official for the eastern bloc in the central region
- An HTS crossing official's assistant
- The supervisor of the HTS-affiliated Idleb Post media channel
- Vetting officials in Sarmada and other central regions
- An HTS military media coordinator
- A former HTS central sector official
- An employee in the SSG prime minister's office

In an apparent attempt to downplay the issue, HTS [insisted](#) that the detainees were low-ranking officers. HTS also initially remained silent on the issue and is believed to have only sought to share information with the public after rumors of the involvement of high-ranking officials in the intelligence structure spread.

Despite HTS trying to downplay the seriousness of the infiltrations, the number of detainees, even the comparatively low numbers announced by General Security, would indicate the largest reported breach to take place inside HTS' structure. The involvement of Jolani in the investigation would also indicate how seriously events are being taken, with sources reporting on the creation of a special task force that was given guarantees against any possible repercussions of arresting high-level suspects.

Jolani works to retain control

A breach of the kind indicated will likely have an impact on the structure of HTS, especially at the level of senior leadership, with more arrests possible in the near future. It is also possible that Jolani will make use of the investigations to settle remaining scores with individuals who do not demonstrate sufficient loyalty. These include ex-leaders of rival factions who have merged with HTS (some by force) and members of HTS who have become disillusioned. If Jolani fails to retain full control, it could destabilize the governance in opposition-held areas, potentially ceding power to Russia and the Syrian government.



Faza'at in Dar'a

A window into traditional civic engagement in southern Syria

With the international community navigating a potential transition from emergency response to early recovery in Syria, focus is turning to civil society engagement to promote sustainable growth. One way which communities in Dar'a, in government-controlled southern Syria, have navigated this is to hold local fundraising campaigns, known as 'faza'at', to raise money for infrastructure projects. Although not without their pitfalls, faza'at held in January raised SYP 39 billion (\$4 million) donated by locals and expatriates and contributed toward improved provision of water, electricity and internet services.

CA-SYR unpacks the faza'at in Dar'a and their potential to contribute to early recovery, within the restrictions created by the government in post-conflict Syria.

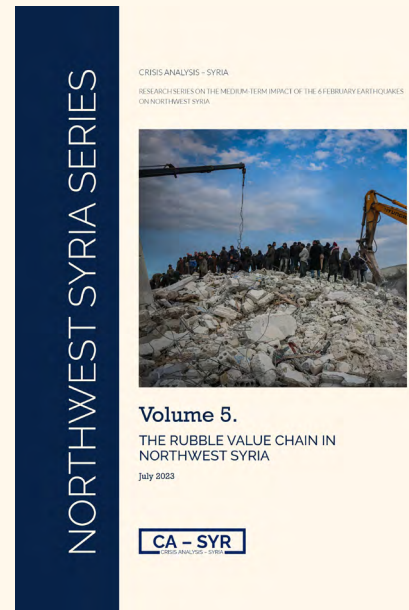
[Go to report](#)



CA-Syria Monthly Report, June 2023

In the face of civil war, displaced Syrians in Sudan are scrambling to leave. The bumper wheat harvest of 2023 has failed to translate into bumper profits for farmers, while food prices in government-held areas continue to increase. In Dar'a, government security forces are implementing a new round of settlements, which have attracted an unexpectedly high turnout. Students have been traveling to government-controlled areas to take exams because qualifications awarded by the Autonomous Administration remain unaccredited. Narcotics traders in Ar-Raqqa are being exposed by a social justice group on Facebook, leading to several arrests by the Internal Security Forces. In the northwest, seasonal water shortages are happening again in Al-Bab city, with wells supplying the city drying up in the summer. Truck drivers who have seen their jobs eroded are protesting across Turkish-backed areas.

[Go to report](#)



NWS Series Vol. 5

The rubble value chain in northwest Syria

The February earthquakes produced an estimated 58 million tonnes of rubble across Syria. If not collected, transported, and stored effectively such waste can pose health and environmental risks to communities for years to come. In this fifth report in the Northwest Syria Series, Crisis Analysis - Syria assesses rubble removal and storage processes in northwest Syria, a region lacking a centralized waste management system and hosting a plethora of competing humanitarian needs.

[Go to report](#)

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The Crisis Analysis – Syria (CA-SYR), formerly HAT, was established in Beirut in March 2015 in response to the collective challenges facing the remote humanitarian response in Syria. CA-SYR's most important function is to collect and analyze data and information. Since 2015, our analysis has provided a forward-looking template for international interventions in Syria, and facilitated an increasingly adaptive, integrated, and ultimately impactful international response to the conflict. CA-SYR is a team within Mercy Corps, and is part of the Mercy Corps response to the Syrian crisis.

