

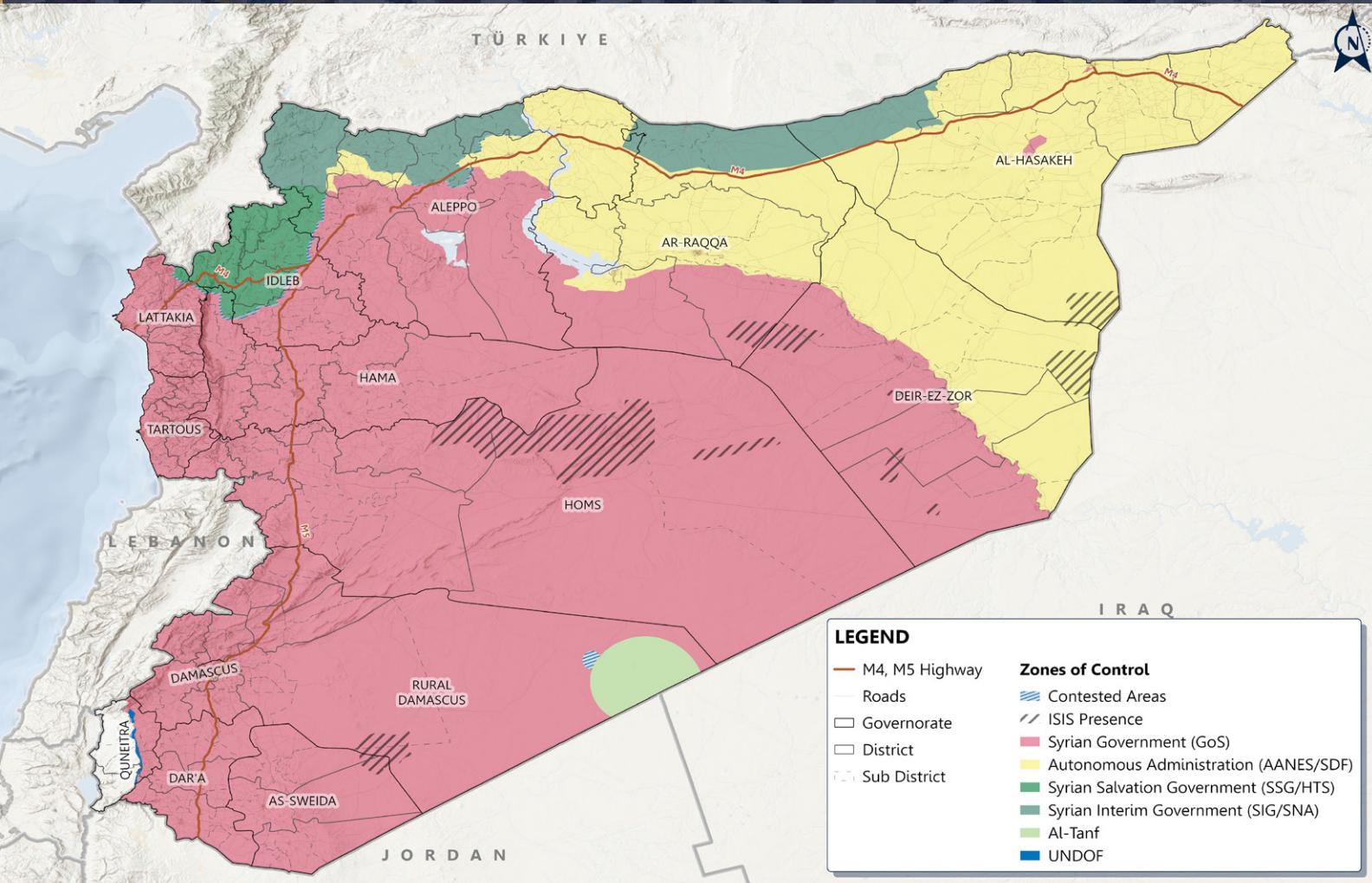


2023 SYRIA IN REVIEW: EXECUTIVE REPORT



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2023 Syria in Review: Executive Report



Esteemed Partners and Colleagues,

CA-SYR is proud to present our annual year-in-review publication. In the 2023 edition, CA-SYR elected to split the overview up based on trend-focused reports: Economic, Political, Conflict, and Humanitarian.

Acknowledging the overall length of this analytical overview, CA-SYR has also provided this executive report, aggregating the executive summaries and key takeaways from each thematically specific report. While much of this reporting constitutes a retrospective summary of the previous year, each product includes novel quantitative visual analysis, expanded, up-to-date qualitative narrative analysis on the critical dynamics of 2023, and forward-looking perspectives for 2024 and beyond. These reports are ideal for several purposes, such as:

- Serving as a means to catch up on the Syrian context for new or returning stakeholders working on the Syria response or for current Syria stakeholders seeking to revisit 2023 dynamics;
- Use as a source of evidence in justifying modifications for ongoing projects as well as new proposals and programme design;
- Reference and evidence for advocacy and policy initiatives;
- A vehicle for communicating the Syrian context with approachable yet comprehensive analytical products to regional or global counterparts, decision-makers, technical advisors and/or leadership.

We look forward to yet another year of providing detailed, localized, and relevant analysis for donor-funded response decision-making in 2024.

Best regards,

Crisis Analysis – Syria

Executive Summary

The Syrian crisis has grown more complex in all aspects throughout 2023. The humanitarian situation worsened across Syria due to compounding crises, including economic decline, increased household economic vulnerability, natural disasters, political complexities and gridlocks, and a deteriorating security situation.

Syrian households and economies faced considerable challenges, with inflation, depreciation, and decreasing affordability dominating the economic landscape. The Syrian pound (SYP) and Turkish lira (TRY) depreciated by 54% and 36%, respectively, against the US dollar (USD) in 2023, resulting in inflation that restrained household incomes and the ability to secure their needs. The declining economy contributed to a 5% increase in the number of people in need in 2023. Despite the increase in humanitarian needs, humanitarian funding for Syria was cut by 15% compared to 2022, making households more financially vulnerable to economic shocks and price fluctuations.

The earthquake compounded the dire humanitarian situation, destroying critical infrastructure, disrupting services, overwhelming the health sector, and causing displacement. Local authorities were ill-equipped to deal with the disaster. Bureaucratic hurdles, corruption, and a general lack of resources prevented them from sufficiently responding to the disaster. Cross-border aid deliveries were initially delayed by complications, further hampering the response efforts. Roads passing through the Bab al-Hawa border crossing were damaged by the earthquake, while Al-Ra'ee and Bab Al-Salamah were closed in the absence of permission to access them. This made cross-border aid convoys unable to enter during the first three critical days after the earthquake hit. The issue was later resolved after the Syrian government granted temporary access through these crossings.

Aside from political disagreements over cross-border aid, Syria witnessed unprecedented political dynamics in 2023 involving domestic and foreign actors. The Turkish presidential elections and the topic of Syrian refugees showed indications of a possible Syrian-Turkish rapprochement but yielded no results. The February 2023 earthquake prompted Arab countries to reestablish communication with the Syrian government under a humanitarian pretext. This led to a Syrian-Arab rapprochement process that culminated in Syria's readmission into the Arab League. However, the Syrian crisis' increasing complexity and the West's continued opposition to the Syrian government's unconditional reintegration prevented it from having any further impact. Domestic actors attempted to influence the political situation in their favor. In government-held As-Swedia, residents protested against the poor economic conditions. In northwest Syria, the Syrian Salvation Government (SSG) sought to strengthen control over its areas, and increase centralization in managing its areas, while Hay'at Tahrir al-Sham (HTS) worked on organizing its ranks and neutralizing potential competitors. As for northeastern Syria, armed clashes between the Syrian Democratic Forces (SDF) and the Arab tribes following long-standing disagreements, and Autonomous Administration of North and East Syria (AANES) issued a modified version of the social contract that regulates the relationship between the various components of society and the potential nature of its relationship with the Syrian government.

The security situation inside Syria was also tumultuous. Syria's security landscape has grown uncertain in the presence of international and regional actors, along with their proxies, inside Syria. These different actors have converging or diverging interests making it difficult to predict future events. That said, 2023's security dynamic points to how interconnected Syria remains with other regional conflicts, effectively showing how security dynamics in Syria remain fragile. Syria experienced an uptick in security incidents in 2023 compared to 2022, though the zones of control have remained largely stagnant. Bombardment, criminality, social tensions leading to clashes, and ISIS attacks were identified as the major security incidents taking place. The location and frequency of incidents varied depending on the type of security incident, but have all contributed to destabilizing communities throughout Syria and often impacting service provision in many ways. Broadly, the number of security incidents rose in early October following a series of domestic and regional security dynamics.

Amid the worsening situation across the different sectors, positive developments did take place. Wheat yields and rainfall levels improved in 2023, but their continued improvement is precarious. Wheat levels improved sufficiently across the zones of the control, particularly in the northeast. AANES was able to

collect more than 1 million tonnes, exceeding the amount it needs for domestic consumption. However, the total number of wheat collected across Syria reached 2 million tonnes, which isn't enough to meet the domestic needs of the whole country; For comparison, Syrian government areas need 2.5 million tonnes per year. The improvement in wheat yields does not mean that Syria regained self-sufficiency in wheat production.

The improvement in wheat production this year was attributed to an increase in rainfall compared to 2022. Syria had been suffering from a prolonged drought that began in what was described as the "worst in 70 years." The rainfall led to a rise in the Euphrates River's water level and enabled the Tabqa hydroelectric dam to increase electricity generation to Ar-Raqqa from 5 to 12 hours per day. Despite the positive developments, the rainfall was insufficient to replenish the underground water wells that suffered from over-extraction during the drought. It is also uncertain whether the rainfall levels will continue at the current pace or increase in the future given environmental shifts, primarily climate change, that are altering the natural water cycle and predictions that precipitation levels will decrease in the long term.

Key Takeaways

Economic Themes

- Depreciation ushered in inflation, restraining household incomes and the ability to secure their needs. Though impacting the whole of Syria, inflation was uneven across zones of control. In Government of Syrian government-controlled areas, prices peaked at 1.9 million SYP in December, representing a 137% increase from January 2023. Meanwhile, AANES-controlled areas saw prices reach 1.4 million SYP in December, marking a 100% increase from January 2023.
- Areas controlled by the Syrian Interim Government (SIG) and the SSG witnessed a 28% and 57% increase in partial SMEB prices between January and December 2023. Despite appearing to be less impacted, households in SIG and SSG-held areas are still bearing the brunt of the February 2023 earthquake which generally makes them worse off in comparison to other areas despite having lower inflation rates.
- Households were impacted by a drop in affordability as wage increases largely failed to counteract the impacts of depreciation. Specifically, unskilled labor in GoS and AANES-held areas needed to work 16%, and 37% more in December 2023 to afford the same commodities they did in January. In contrast, SSG and SIG-held areas witnessed an improvement as unskilled labor needed to work 20% and 24% less in December in comparison to January.

Political Themes

- In Syrian government-held areas, the government's failure to capitalize on its rapprochement with Arab states is likely to continue its economic isolation. As a result, amid a drop in humanitarian funding and racing depreciation, households are expected to further see their ability to secure their needs restrained.
- In SSG and SIG-held areas, whereas the adoption of the TRY relatively brings in an added layer of security for markets and households, it also increases their connectivity and exposure to internal Turkish economic dynamics. In other words, policy changes and inflation rates in Turkey have a direct impact on SSG and SIG-held areas, leaving them susceptible to Turkish corroding economic dynamics.
- In 2023, the Syrian government managed to be a main actor in the UN cross-border aid flow by granting the UN permission to use the border crossings in northwest Syria outside of the UNSC mandate.
- The developments on the Syrian government's normalization with Turkey and Arab countries motivated the AANES to signal its willingness for a dialogue with the Syrian government.
- The SSG and HTS strengthened their role and control over their areas of influence in the northwest, taking advantage of the earthquake that struck the region to impose more regulatory measures that

support the centralization of decision-making, in addition to neutralizing many competitors to HTS's leadership from within its ranks.

- More than four months after As-Sweida protests demanding the overthrow of the “regime,” the Syrian government is still unable to find a way out of this crisis and continues to ignore it.
- The SSG and HTS strengthened their role and control over their areas of influence in the northwest, taking advantage of the earthquake that struck the region to impose more regulatory measures that support the centralization of decision-making, in addition to neutralizing many competitors to HTS's leadership from within its ranks.
- In 2023, the rift within the demographic structure of northeastern Syria became blatantly public, represented by military confrontations between the SDF and Arab tribes.

Conflict Themes

- Aerial and mortar bombardment was the prominent security threat in 2023 and had a significant impact on local communities by inducing displacement and disrupting service provision – particularly in northwest and northeast Syria.
- The SDF's attempt to move against the leader of the Arab-led Deir-ez-Zor Military Council (DMC), Abu Khawla, led pre-existing tensions between Arab tribes and the SDF to surface. Heavy clashes took place between both sides for one month with the SDF emerging as the victor. However, tribal insurrectional activity against the SDF has not entirely ceased and continued to lower degrees in late 2023.
- Iran-backed militias based in southern Syria have been drawn into the region-wide conflict with Israel since early October. In Syria, Iranian-backed militias targeted the occupied Golan heights in the south; International Coalition bases in the northeast and al-Tanf have also increased in the last quarter of 2023.
- Criminality increased overall in 2023 but data shows that it varies depending on the location. Lattakia, Dar'a, and As-Sweida, areas where local militias are prevalent, experienced the highest number of recorded crimes.
- ISIS attacks have continued throughout Syria despite efforts by the International Coalition, the SDF, and the Syrian government and its allies to end their presence. ISIS concentrated their attacks in the northeast and central Syria.

Humanitarian Themes

- According to the United Nations' Office for the Coordination of Humanitarian Affairs (OCHA), the number of people needing humanitarian assistance increased by 5% from 14.6 million in 2022 to 15.3 million in 2023.
- Humanitarian funding from Syria was cut by 15% compared to 2022, making Syrians more financially vulnerable in the face of economic and price shocks. Only 33% of the Humanitarian Response Plan was funded in 2023 compared to 52% in 2022.
- The February 2023 earthquake compounded the dire humanitarian situation resulting in loss of life and significant material damage. The death toll reached 4,500 individuals, 10,400 individuals were injured, and over 265,000 Syrians were displaced. The earthquake impeded access to shelter, water, electricity, and internet sectors following damage to critical infrastructure. The healthcare sector struggled to accommodate the large degree of injured individuals.
- Wheat yields improved in 2023 as a result of the improved rainfall levels. 2 million tonnes of wheat were collected nationwide but failed to meet the domestic needs as a whole. This shows that Syria is far from reattaining its self-sufficiency in wheat amid a struggling agricultural sector, sufficient support from authorities, and fluctuating rainfall levels.

- Rainfall levels increased in central and northeast Syria in 2023 and provided a welcomed reprieve after a prolonged drought. The continuity of the current levels or their increase in the future is unlikely given environmental shifts, primarily climate change, that are impacting Syria's natural water cycle; the ICRC's Climate Center predicts a 20% decrease in precipitation by 2050.

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Crisis Analysis – Syria (CA-SYR) 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.

This report is for humanitarian and development purposes only. CA-SYR strives to ensure products are impartial. The content of this document does not necessarily reflect the opinion or position of Mercy Corps as an organization.

