



# New Options for Leveraging Sanctions to Address the Syria Conflict\*

## Overview of U.S. Sanctions on Syria

The United States has a long history of enacting sanctions on Syria. U.S. sanctions began in 1979 through Syria's designation as a "state sponsor of terrorism" but were limited to restrictions on weapons transfers and targeted sanctions on government officials and entities. Since 2004, U.S. sanctions broadened to encompass a ban on U.S. exports to Syria, excluding food and medical supplies. In response to the outbreak of the Syrian conflict in 2011, the United States, the European Union, and other countries imposed sanctions on the Syrian government, economy, and individuals. With the expansion of sanctions to curtail nearly all trade between Syria and the United States/European Union, the latter hoped to hold the Government of Syria (GoS) accountable for human rights abuses and breaches of the laws of war, and to force them to concede political power.

In December 2019 (coming into force in June 2020), the U.S. Congress enacted a new category of "secondary" sanctions under the "Caesar Syria Civilian Protection Act," prohibiting trade between Syria and all other countries.

The rationale behind implementation of sanctions was to bring about behavior change from the Syrian government by applying maximum economic pressure on the country and its leaders. Sanctions on Syria have been a mixture of comprehensive blanket sanctions and targeted sanctions. They have sought to coerce Bashar Assad into making political concessions, notably allowing for a political transition or post-Assad era. Nevertheless, Assad has ignored pressures to reform and to devolve power. Seeking political transformation in Syria has proven to be a challenging feat pointing to a lack of understanding of the Syrian context and the nature of the regime. The Syrian military's and security services' loyalty to Assad additionally bolster the regime's stance. Not only did sanctions in Syria backfire, leading to an increased Iranian involvement, but comprehensive sanctions have also had disastrous direct and indirect impacts on Syria's economy and its population at large, reducing the overall quality of life and access to basic needs and services.

## Sanctions as Obstacles to Humanitarian Assistance

The current sanctions restrict the Syrian government but also have the following impacts that inhibit the U.S. and international community objectives in Syria. The sanctions:

- 1. Impose significant additional costs and delays in providing assistance and reduce the number of groups who can provide assistance.** Obtaining waivers and exceptions to sanctions is a cumbersome

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process, particularly for smaller international NGOs operating on the ground in Syria. Broader sanctions on Syrian financial institutions further complicate transferring funds for humanitarian aid; secondary sanctions make non-U.S. organizations equally reluctant to navigate the intricate web of sanctions on Syria; and

**2. Contribute significantly to negative humanitarian impacts on Syrian civilians.** With broad sanctions in place and donors' reluctance to fund early recovery projects, NGOs fear that their humanitarian work will be considered a "reconstruction project" and thus violate sanctions. Additionally, supporting key services is often viewed as "propping-up the regime." Donors often hesitate to repair water pumps or electricity networks fearing the work may not meet the definition of humanitarian work, despite their clear impact on vital services such as bread production.

In a growing environment of economic, humanitarian, and legal uncertainties, an urgent need exists for a concerted international effort to improve the effectiveness of humanitarian exceptions. The following five measures can be taken to mitigate these effects:

1. Support continuous dialogue between sanctioning authorities, donors, humanitarian actors, banks, and financial sector regulators. This is paramount to building trust and improving regulatory guidance to make it easier for humanitarian actors to comply with the sanctions framework and reduce the chilling effect.
2. Promote regular monitoring, evaluation, and reporting on the unintended consequences of sanctions on humanitarian activities.
3. Establish a financial channel between a correspondent bank and a private bank in Syria for Damascus-based humanitarian organizations to transfer directly and access funds in Syria. This will remove the risks, delays, and costs involved with informal transactions.
4. Insulate humanitarian activities from sanctions by providing broad exceptions for humanitarian work in sanctions resolutions.
5. Standardize definitions of key terms—such as "humanitarian work," "early recovery," and "reconstruction"—as well as the criteria used to apply these designations.

These efforts to mitigate the detrimental impact of sanctions should also be coupled with an incentive-based sanctions effort.

## **From Punitive to Incentive-Based Sanctions: A Framework for a Phased Step-for-Step Approach in Syria**

Although UN Security Council Resolution 2254 (2015) remains the agreed basis for a political settlement, more pragmatic diplomatic options should be explored in the near term. A more nuanced approach to implementing sanctions, which combines threat and emphasizes potential sanctions relief at a later stage, would strengthen their impact and efficacy. This transforms sanctions from a purely punitive pressure tool into a conflict transformational tool, providing incentives for leaders to carry out reforms. Incremental, sectoral sanctions adjustments could serve as a powerful incentive to convince the Syrian government to agree to verifiable positive steps.

For example, during the first half of 2021, the Biden administration in the U.S. has put forward confidence-building measures. Rather than announcing new sanctions designations under the Caesar Civilian Protection Act, the Office of Foreign Assets Control (OFAC) released a general license (#21) in June exempting COVID-19 related activities from sanctions. This was a significant goodwill gesture from the United States, opening the space for reciprocal steps from Syria. These goodwill measures also created the environment for U.S.-Russia collaboration on Syria.

In May 2021, the Carter Center (Center) published a policy paper on Syria's cross-border humanitarian aid mechanism, detailing the sources of contention between Russia and western stakeholders and providing possible options for reauthorization. Some of the Center's recommendations—more proportionate and transparent distribution of aid, and progress on cross-line deliveries—were incorporated in Resolution 2585 (2021). The resolution is a first step in the step-for-step process that The Carter Center advocates.

Specific additional steps as a basis for sanctions relief include:

1. Account for and release political prisoners,
2. Establish a dignified reception for returning refugees,
3. Provide civilian protection and enable unhindered, countrywide humanitarian access,
4. Remove any remaining chemical weapons, and
5. Enact political as well as security sector reforms, including good-faith participation in the UN's Geneva-based Constitutional Committee and greater decentralization.

In exchange, the United States can offer the Syrian government three types of incentives:

1. Diplomatic incentives, including a range of steps such as reestablishment of diplomatic relations at different levels of representation—ambassadorial, chargée d'affaires, and political officer—for potential participation in international forums,
2. Reconstruction assistance that expands existing funding for humanitarian relief to include reconstruction activities such as rebuilding Syrian civilian infrastructure,
3. Sanctions easing (including sunset clauses and steps to unwind some and eventually all) of the myriad sanctions that the United States has imposed on Syria with the potential for “snapback” sanctions and removal of other incentives if the Syrian government fails to honor its commitments.

These incentives are only illustrations. Specific and detailed incentives offered as part of each phase would need to be based on the evolving situation on the ground and negotiated with the Syrian government.

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The Carter Center's engagement with Syria dates to 2008. Since the outbreak of the civil war in 2011, the Center has convened dozens of dialogue workshops that brought together Syrians across their multiple divides to develop inclusive solutions in support of UN peacebuilding efforts. In 2019, in an attempt to contribute to a new policy debate on the Syrian conflict, the Center launched a research and dialogue project that aims to find a framework for an incentive-based conflict transformation in Syria. This framework would leverage incremental sanctions adjustments and eventual relief against negotiated and verifiable positive steps by the Syrian government, replacing the current policy of using sanctions only as a punitive tool. A key objective for the Center is to change the conversation on Syria so that policymakers understand the harm exacted on ordinary Syrians and the failure of punitive sanctions to change behavior.

Since September 2020, the Center has published four sanctions-related papers: (1) [U.S. and European Sanctions on Syria](#); (2) [Navigating Humanitarian Exceptions to Sanctions Against Syria](#); (3) [The Unintended Consequences of U.S. and European Unilateral Measures on Syria's Economy and Its Small and Medium Enterprises](#); and (4) [A Path to Conflict Transformation in Syria](#). The papers, based on literature and policy reviews on the topic and informed by interviews with policy experts and practitioners, economists, and humanitarian organizations, propose recommendations for a new framework. Since July 2021, U.S. actions suggest a policy pivot on Syria sanctions in the direction the Center has been advocating.