

**SYRIA UNDER BASHAR (I):
FOREIGN POLICY CHALLENGES**

11 February 2004



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SYRIA UNDER BASHAR (I): FOREIGN POLICY CHALLENGES

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Since the end of the Iraq war, Washington and Damascus have been locked in a dialogue of the deaf. U.S. policy has been reduced to a series of demands and threats. Syrian policy, with President Bashar still struggling to formulate and implement a coherent strategy, has been mainly wait-and-see – offering a few concessions and hoping to weather the storm while refusing to relinquish what it sees as trump cards (support for Hizbollah and radical Palestinian groups) so long as the conflict with Israel continues. Despite the current deadlock, however, the current regional situation presents an opportunity for an intensive, U.S.-led diplomatic effort to revive the Israeli-Syrian peace process and thereby achieve significant changes in Syrian policy.

The fall of the Baathist regime in Iraq, Iran's steps to address concerns about its nuclear program and Libya's surprise decision to forsake its WMD efforts and seek normal relations with Washington undeniably have heightened pressure on Syria. Yet, unless the Israeli-Syrian conflict is resolved, whatever progress these developments might represent toward transforming the region will be both incomplete and reversible.

There are opponents of bilateral engagement in both countries. Many in the U.S. believe that Syria should be forced to change its behaviour without a quid pro quo; based on past experience, they fear that dealing with Syria before it has fundamentally altered its policies would provide its leaders with the breathing space they desperately want and convince them that the U.S. was not serious about a new approach. However, if past U.S. administrations arguably turned too much of a blind eye to Syria's antagonistic behaviour, the current one is turning too much of a cold shoulder to its legitimate interests. Syria will not forsake its longstanding positions or its support for groups that engage in armed action unless others

take serious steps to address its genuine fears and grievances.

On the Syrian side, too, are those who do not feel the urgency of engagement. Anxiety in Damascus was at its peak immediately after major combat ended in Iraq but it markedly decreased as the U.S. found itself facing mounting challenges there, and the Israeli-Palestinian Roadmap appeared to collapse. Though the prospect of U.S. military action has receded, Syrian leaders would be wrong to minimise how profoundly perspectives have changed in Washington. The emphasis on the fight against terrorism and suspicion of regimes viewed as being on the wrong side of that fight are unlikely to be diluted by time or token gestures. Syria's tendency to respond to U.S. pressures piece-meal has both failed to satisfy the administration and convinced it pressure can work. Meanwhile, Syria potentially remains but one suicide attack away from major Israeli military action should one of the Palestinian groups it harbours claim responsibility.

A different approach is possible that addresses core American, Syrian and Israeli needs: for the U.S., an unequivocal break in any ties between Syria and organisations involved in terrorism and Syrian cooperation to stabilise Iraq; for Syria, recovery of the territories lost in 1967 along with steps to rebuild its economy; for Israel, normalisation with a key Arab country and at least a substantial reduction in the terrorist threat. Given mutual suspicion, the process would have to begin with confidence-building steps; but all would need to agree from the outset on the comprehensiveness of the ultimate agenda.

A direct, high-level channel between Washington and Damascus clearly is the preferred model. Should that not yet be feasible, other countries – France and the UK in particular – ought to use their ties to

persuade Syria's leadership to produce a package of sequential, reciprocal steps to be presented to the U.S.. Ultimately, President Bashar's goal ought to be to work out with the U.S. a different strategic reality in the region.

This report analyses the state of the U.S.-Syrian relationship, describes a comprehensive strategy that would address U.S., Syrian and Israeli interests alike and spells out the steps each party would need to take. It is published simultaneously with another on Syria's domestic policy challenges.¹ The two subjects are interconnected. A strengthened domestic consensus, including renewed political legitimacy for its leadership, will make it possible for Syria to play a more effective and confident role on the regional scene. Conversely, what happens internationally affects Bashar's domestic standing and ability to push through reform.

RECOMMENDATIONS

Initial Confidence-Building Steps

To Syria:

1. Press Hamas, Islamic Jihad and other radical Palestinian groups to agree to a ceasefire.
2. Continue exercising influence over Hizbollah to maintain quiet on the Israeli-Lebanese border, do not help Hizbollah obtain weapons (especially longer-range rockets or missiles) that could be used to extend the conflict, and encourage the Lebanese government to deploy its army throughout southern Lebanon in accordance with UNSCR 425 and subsequent resolutions.
3. Reach out to the Israeli public through statements and by providing information on Israeli soldiers missing in action, returning the remains of Eli Cohen and inviting public figures to Syria.
4. Transfer to Iraq all assets held in accounts over which Syria makes no claims and at least part of the disputed assets in accordance with UN Security Council Resolution 1483.

To Israel:

5. Refrain from attacks against civilians in Lebanon and take steps to sustain a Palestinian ceasefire, should it materialise.
6. Cease intrusive violations of Syrian and Lebanese airspace and territorial waters in accordance with UNSCR 425.
7. Halt any effort to augment settlement presence on the Golan Heights.
8. Respond positively to Syria's offer to resume peace negotiations.

To the U.S.:

9. Avoid inflammatory statements and open a direct, high-level channel of communication between the White House and President Bashar in which each would flesh out what it expects and would be prepared to do on the peace process, terrorism, Iraq, and WMD.
10. State that, consistent with past Israeli-Syrian negotiations, any agreement ultimately should entail Israeli withdrawal from the Golan Heights, together with adequate security arrangements and the establishment of normal, peaceful relations between the two states.

In the Context of a Comprehensive Settlement

To Syria:

11. Agree to take measures against terrorism and groups that engage in armed attacks, including:
 - (a) continuing and intensifying information-sharing and cooperation on terrorism and particularly on al-Qaeda;
 - (b) refraining from assisting any group engaged in violence against Israel, and if a group engages in such attacks, preventing its presence and operation in Syria, expelling its members and ensuring it does not relocate in Lebanon.
12. Agree to stabilise and normalise the situation in Lebanon by:
 - (a) working with Lebanese authorities and parties, in the context of an Israeli-Syrian peace agreement, to transform Hizbollah into a disarmed, strictly political organisation;

¹ ICG Middle East Report N°24, *Syria Under Bashar (II): Domestic Policy Challenges*, 11 February 2004.

- (b) continuing the process of military withdrawal from Lebanon, in accordance with the Ta'if Accord.
- 13. Agree to steps to stabilise the situation in Iraq, including:
 - (a) strengthening efforts to police the border and prevent infiltration by militants in cooperation with Iraqi authorities and agree with the U.S. on mechanisms of cooperation on security on that border; and
 - (b) conducting a joint audit – Syrian Chamber of Commerce and an Iraqi counterpart – to determine legitimate Syrian pre-war claims and transfer all remaining sums to Iraq.
- 14. Agree to sign and ratify the Chemical Weapons Convention (CWC).

To Israel:

- 15. Agree to ratify the CWC.

To Syria and Israel:

- 16. Agree to a comprehensive peace settlement proposed by the U.S. entailing full Israeli withdrawal to the lines of 4 June 1967, Israeli sovereignty over the Kinneret and Jordan River, security arrangements including demilitarised zones, water sharing arrangements and the establishment of full diplomatic and normal bilateral relations.

To the U.S.:

- 17. Agree to remove Syria from the state-sponsors-of-terrorism list once it halts assistance to groups engaged in such activity and consult on measures to help revive Syria's economy, including trade and investment and technical assistance on economic reform.
- 18. Agree to craft, present to the parties and vigorously promote a comprehensive Israeli-Syrian peace settlement that addresses both sides' core needs.
- 19. Agree to establish a "Contact Group" consisting of the U.S., Iraq and Iraq's neighbours (including Syria) to discuss Iraq's future in the region and seek to form a regional security structure.
- 20. Agree, in coordination with Iraq, to offer Syria increased access to the Iraqi market and invite Syrian companies to bid on reconstruction projects.

To the EU, its Member States and the Arab World:

- 21. Use good offices to persuade the U.S. and Syria to open a dialogue based on these principles and help Syria develop a comprehensive proposal.

Amman/Brussels, 11 February 2004

SYRIA UNDER BASHAR (I): FOREIGN POLICY CHALLENGES

I. THE CRISIS IN U.S.-SYRIAN RELATIONS

A. BACKGROUND

During his 30-year tenure, which lasted from 1970 to 2000, the late President Hafez al-Assad was widely acknowledged to pursue a skilful foreign policy that placed Syria at the centre of regional affairs, with a role that exceeded its military or economic weight.² After intervening in its civil war in 1976, Syria became the unchallenged power-broker in Lebanon; played a powerful part in Palestinian affairs by supporting various Palestinian factions; maintained pressure on Israel through Hizbollah and the Palestinian factions without having to fire a shot in the Golan; and managed to gain aid from both Saudi Arabia and Iran by backing Tehran in its war against Iraq without alienating the Gulf Arab states that supported Baghdad. It maintained a strategic relationship with the Soviet Union, outmanoeuvred Washington in Lebanon and yet maintained ties to the U.S., which saw it as an indispensable regional player.³ That Syria backed the Maronite community against the Moslem-Palestinian alliance in Lebanon, Tehran against Baghdad and dissident Palestinians against Yasser Arafat's PLO while retaining pan-Arab credentials is, if nothing else, a tribute to Hafez al-Assad's remarkable tactical skills.⁴

After the 1991 Gulf War, during which Syria joined the U.S.-led coalition against Iraq, it participated in the Madrid Peace Conference; subsequently, Assad gave his green light to U.S.-sponsored Israeli-Syrian negotiations. For the first time, Syrian and Israeli officials sat together to discuss resolution of their conflict. Talks continued over four and a half years, often appearing productive, but finally collapsing in March 1996.

Formal negotiations resumed after Ehud Barak was elected Prime Minister of Israel; in the view of U.S. negotiators at the time, Assad appeared more eager than ever to reach an agreement before having to deal with his own succession. Uncharacteristically, he agreed to high-level political talks without a prior Israeli commitment. These were held in the U.S., in Shepherdstown, in January 2000. According to U.S. participants, the Syrians showed unusual flexibility on a number of issues, including security arrangements and "normal, peaceful relations". However, it quickly became apparent that Barak had not come to conclude an agreement. Alarmed by polls that showed broad domestic opposition to a full Golan withdrawal and fearful of appearing to rush, he did not offer reciprocal concessions. On the key issue of withdrawal, he refused to commit to the 4 June 1967 lines, a well-known Syrian sine qua non. The Syrians left feeling angry and betrayed; for some U.S. diplomats, Shepherdstown was a turning point and a genuine lost opportunity.⁵

² See E. Zisser, *Assad's Legacy: Syria in Transition* (London, 2001), pp. 67-152. For more background on the history of the Baathist regime in Syria, see ICG Report, *Syria Under Bashar II*, op. cit.

³ See, G. Gambill, "The American-Syrian Crisis and the End of Constructive Engagement", *Middle East Intelligence Bulletin*, April 2003 (www.meib.org/articles/0304_s1.htm).

⁴ Riad al-Turk, one of the Baathist regime's most famous opponents, remarked: "Hafez al-Assad helped the Americans in three significant ways: he contributed to Iraq's isolation; he helped stabilise Lebanon through Syria's security and

military presence; and he pacified the Israeli-Syrian conflict on the Golan". ICG interview, Damascus, 22 April 2003. Syria's diplomatic gains were accompanied by at times harsh repression at home. See ICG Report, *Syria Under Bashar(II)*, op. cit.

⁵ See ICG Middle East Report N°4, *Middle East Endgame III: Israel, Syria and Lebanon – How a Comprehensive Peace Settlement Would Look*, 16 July 2002, pp. 4-5; ICG interviews with former U.S. officials, June 2002; Charles Enderlin, *Le Rêve Brisé: Histoire de l'Échec du Processus de Paix au Proche-Orient, 1995-2002* (Paris, 2002).

Several months later, Barak persuaded President Clinton to make a last-ditch effort to present Israel's proposal. Clinton told Assad he had an interesting proposal, and the two met in Geneva on 26 March 2000. Under its proposal, Israel would not withdraw fully from the Golan but would retain a strip of land east of Lake Kinneret's northeast shoreline over which Syria was sovereign before 4 June 1967 (indeed, even under the 1923 international border). In return Barak was prepared to trade a larger amount of land southeast of the Kinneret. This would leave a core Syrian demand unsatisfied since Syrian sovereign territory would not reach the lake. Before Clinton could complete his presentation, it was clear the meeting would go nowhere. Assad refused substantive discussion or to make a counter-proposal, simply saying, "Barak does not want peace".⁶

B. THE UNRAVELLING OF THE U.S.-SYRIAN RELATIONSHIP

U.S.-Syrian relations have long been paradoxical. Syria is the only country identified by Washington as a state-sponsor of terrorism with which it enjoys normal diplomatic relations. Syrian officials and the state-controlled press vehemently attack U.S. policy in the region and engage in actions viewed as hostile by Washington at the same time as the regime has strived for an improved bilateral relationship. Despite periodic flare-ups, this awkward balance was held together for decades by mutual recognition of need. Washington has long been convinced that the key to regional stability was an Israeli-Arab peace deal, that reaching such a deal was a paramount national interest, and therefore that other concerns such as Syria's support for militant groups had to take a back seat as it tried to coax Syria's leaders into an agreement with Israel.⁷ It was believed

that resolution of the Syrian-Israeli conflict would simultaneously resolve the problems posed by Syria's support for Hizbollah, Palestinian radical groups and, perhaps, pursuit of weapons of mass destruction (WMD). The late President Assad concluded that Syria could only hope to recover the Golan Heights through U.S. mediation and pressure.

As a result, and while the U.S. was frustrated by Syria's support for Hizbollah and groups like Hamas and Islamic Jihad, this arrangement lasted throughout the 1990s. It was rocked, however, by a succession of events including:

The end of the Syrian track. The collapse of the Israeli-Syrian peace talks in 2000, following the failed Clinton/Assad summit, blocked the Syrian track. Although Barak may have envisaged re-launching the process at some point,⁸ the Sharon election ended any such prospect, undermining a core foundation of the U.S.-Syrian relationship.

A new ruler in Damascus. President Hafez al-Assad's death in 2000 and replacement by his less seasoned son further eroded the likelihood of significant movement in the peace process. His successor, Bashar al-Assad, inevitably would need time to consolidate his rule and was not about engage in an ambitious and risky diplomatic endeavour upon taking office.

The 11 September 2001 events. While wholly unrelated to Syria, the attacks had an important impact because they reinforced elements within the administration that challenged traditional U.S. policy in the region and shifted the emphasis to the fight against terrorism. Initially, it appeared as if cooperation against al-Qaeda could become a new rationale for U.S. engagement with Damascus.⁹

⁶ Enderlin, op. cit., p. 151.

⁷ As Martin Indyk, former Assistant Secretary of State for Near Eastern Affairs in the Clinton administration, explained: "What were we to do about the fact that Syria is a sponsor of terrorist organisations who were opposed to the peace process with Israel? Well, the assumption was made that the peace process was the theme in which we would resolve this problem. That once peace was made, once the deal was cut, that the Syrians would shut down the operations of [terrorist organisations]....Therefore, the deal would come first, and the shutting down of the terrorists would come in its wake". Martin Indyk at Middle East Institute forum, "Striking a Balance: The Future of U.S.-Syria Relations", Washington, 19 May 2003. Similar reasoning was applied to Syria's alleged program of weapons of mass destruction: "The idea

was that the only way to resolve this problem was in the context of a peace treaty". ICG telephone interview with Gary Samore, former White House Senior Director for Non-Proliferation, 10 November 2003.

⁸ ICG interview with former U.S. official, September 2003.

⁹ Syria reportedly provided intelligence stemming from its interrogations of a German-Syrian national, Muhammad Haydar Zammar, suspected of having played a part in the 11 September attacks. Damascus also provided information on Muhammad 'Atta, one of those directly involved in the World Trade Center attack, who worked in Aleppo in the mid-1990s. Valuable information was also given about Ma'mun Darkazanli, a Syrian businessman who allegedly served as a financial conduit to al-Qaeda members responsible for the 11 September attacks and the 1998 bombings of two U.S. embassies in East Africa. See Seymour M. Hersh, "The Syrian Bet", *The New Yorker*, 28 July 2003.

Syria's help – which according to a U.S. official “has been substantial and has helped save American lives”¹⁰ – was a reason why the country was not included in President Bush’s January 2002 “axis of evil” State of the Union Speech.

When, in September 2002, members of the U.S. Congress pressed the administration to support the “Syria Accountability Act”, which would have imposed additional sanctions, Deputy Assistant Secretary of State Satterfield testified:

The imposition of new sanctions on Syria would severely limit our ability to address a range of important issues directly with the highest levels of the Syrian government. It would also render more difficult our efforts to change Syrian behaviour and avoid a dangerous escalation of violence in the region ... Imposing the new sanctions regime envisioned by the Syria Accountability Act would limit our options and restrict our ability to deal with a difficult and dangerous regional situation at a particularly critical time.¹¹

However, Syria’s cooperation against al-Qaeda, although highly valued, did not make up for its support for other groups (Hizbollah, Hamas and Islamic Jihad) considered by the U.S. as priority targets in its fight against terrorism.

A paradigm shift in Washington. While the Bush administration’s Arab policy initially followed broadly that of its predecessors,¹² some of its more powerful elements rejected the underlying bargain – that certain

compromises had to be made with regimes (in terms of their support for radical groups, anti-American rhetoric, or lack of democracy) for the sake of regional stability. Instead, they viewed such arrangements as harmful to U.S. interests and placed a priority on reforming or even replacing such regimes. Syria illustrates this paradigm shift. Explicitly rejecting the policies of the Clinton and the first Bush administrations, members of the Bush team argued that half-measures taken by Damascus to placate the U.S. should no longer suffice. There ought to be no compromise with a regime that succoured violent groups in the Middle East; positive Syrian steps in one area should not be viewed as compensating for negative steps elsewhere. “Syria is used to getting away with its hostile behaviour by doing just enough to mollify us”, a U.S. official told ICG:

But the rules of the game are changing: With President Bush, taking half-measures in the fight against terrorism is not enough. Syria will not be rewarded for doing what is right with al-Qaeda if it continues doing what is wrong with Hizbollah or Hamas. Nor should it expect the U.S. to pay for Syria stopping to do what it never ought to have done in the first place. Let Syria put an end to all support for terror groups, let it first define what kind of Syria it wants to be, then we can engage.¹³

The rapid ousting of the Baathist regime combined with Syria’s hostile rhetoric and actions towards the war bolstered the view in Washington that pressure was the best policy. In interviews with ICG in May-June 2003, U.S. officials described Syria’s leadership as “off-balance,” “perplexed by the turn of events” and “in panic mode”, unable to adjust to the new regional situation that includes overwhelming numbers of U.S. troops at Syria’s borders; the loss of the revenue from trade with Baghdad; few if any Arab allies; and a new U.S. push on the Israeli-Palestinian front embodied in the Roadmap.¹⁴ There were, indeed, indications of confusion in Damascus, whose leadership had grown accustomed to reacting

More recently, U.S. officials were quoted as saying that Syrian cooperation thwarted at least two attacks against American interests in the Gulf over the past year. See *The New York Times*, 6 February 2004.

¹⁰ U.S. Department of State, “Bush Administration Urges Postponement of Syria Accountability Act”, 23 September 2002.

¹¹ Statement of David Satterfield before the House International Relations Committee, Subcommittee on the Middle East and South Asia, 18 September 2002. In a letter to Congress, President Bush expressed concern that the proposed sanctions would “limit our options and restrict our ability to deal with a difficult and dangerous regional situation at a particularly critical juncture”. Letter from President Bush to Representative Robert Wexler, 3 September 2002.

¹² One criticism voiced early on by officials in the Bush administration was that President Clinton had “neglected” relations with Arab states, focusing too much on the Israeli-Palestinian peace process. ICG interview with former official, Washington, July 2003.

¹³ ICG interview, Washington, May 2003. Echoing this view, a U.S. diplomat told ICG: “[We] will not pay for them to undo what they ought not to have done in the first place. They don’t deserve a prize for it. We want strategic, irreversible steps”. ICG interview, Washington, July 2003. Another U.S. diplomat noted, “The Syrians fondly remember the Clinton days and still think they can get away with murder. Haven’t they noticed our shift in policy?” ICG interviews with U.S. diplomats in Damascus, July-August 2003.

¹⁴ ICG interviews, Washington, May-June 2003.

deliberately and cautiously and was now faced with rapidly shifting realities.¹⁵

In the immediate aftermath of the war, when the U.S. suspected Syria of harbouring officials of the former regime and some of its WMD and facilitating border crossings by volunteers seeking to fight in Iraq, some administration officials hinted at more robust – even military – action, perhaps hoping to trigger basic policy changes.¹⁶ More broadly, policymakers made clear the U.S. would continue to pressure and isolate Syria unless it fundamentally shifted on two key issues: Iraq and the Israeli-Palestinian conflict. In contrast to previous policy, sustained diplomatic engagement was not to be used to modify Syria's behaviour but rather would begin only once that behaviour did change. Prior failures by Syria to honour promises, including notably Bashar's pledge in 2001 to shut down the oil pipeline with Iraq, further eroded U.S. confidence and strengthened the view that a tougher approach was required.¹⁷ The message to Syria's leaders, conveyed by Secretary Powell on 3 May 2003, was summarized to ICG as follows:

You are on the losing side: you have lost revenues from Iraq, the U.S. is leading an effort to revive the peace process of which you are not part, and not a single Arab leader pressed us to invite you to the Sharm al-Sheikh summit on 2 June 2003. You can change your policy on Iraq and toward the Israeli-Palestinian conflict and join us in the anti-terrorism coalition. In that case, the Iraqi market will be open to you, you can begin to sway Israeli public opinion and, when the time is ripe, you can be part of the peace process. Or you can continue in your ways

¹⁵ The episode of Syria's odd abstention on, followed by belated support for, UNSCR 1483 (which called for cooperation between the UN and the occupying powers in Iraq) is often cited in this regard. ICG interview with U.S. official, October 2003. According to various sources, including an advisor to President Assad, Syrian officials were divided, with some fearing that a positive vote would amount to legitimising the U.S. occupation. ICG interviews, Damascus, August-December 2003.

¹⁶ Following Defence Secretary Rumsfeld's characterisation of Syria's alleged military supplies to Iraq as "hostile acts" for which it would be held accountable, a senior U.S. official was reported as saying, "We're trying to scare them for a moment [in the hope that] Syria will change its behaviour". Cited in *The Washington Post*, 15 April 2003.

¹⁷ Referring to Bashar's broken promise to end illegal oil trading with Iraq, Secretary Powell said: "I will always have that in my background software and on my hard drive". On-the-record briefing en route to Damascus, Syria, Secretary Colin L. Powell, aboard the Secretary's airplane, 2 May 2003.

and be left behind. The train has left the station. It is your choice. We will not beg you.¹⁸

The sharp change in U.S. approach took Damascus by surprise. The regime had been accustomed to occasional flare-ups in the relationship, but these generally had been short-lived, with Syria mollifying Washington's anger with some of its policies by satisfying it on others – "giving what it must and holding on to what it can".¹⁹ Clearly, that was Syria's calculation this time too. After 11 September 2001, when the priority became al-Qaeda, the regime provided what U.S. officials publicly and privately called first-rate intelligence cooperation; later, it voted with the U.S. on Iraq at the Security Council and shut down the press offices of radical Palestinian organisations in Damascus. The hope was that these would be read as positive signals and compensate for whatever was not being done. Instead, U.S. rhetoric gradually escalated.

The U.S. administration lifted its opposition to the Syria Accountability and Lebanon Sovereignty Act (SALSA), which President Bush signed into law on 12 December 2003.²⁰ It denounces Syria for supporting terrorist groups, allowing armed volunteers to slip into Iraq, developing of weapons of mass destruction and occupying Lebanon. Pending a change on these issues, it bans all exports to Syria of military and dual-use items and offers the president a menu of sanctions from which he must choose at least two.²¹

¹⁸ ICG interview, Washington, June 2003. On Syria's marginalisation in consultations held by the "Middle East Quartet" (an informal grouping established in March 2002 and designed to coordinate steps by the U.S., the UN Secretary General, the European Union and Russia), see ICG Middle East Report N°7, *Old Games, New Rules: Conflict on the Israel-Lebanon Border*, 18 November 2002, p. 13. Although the Roadmap mentioned the need for a Syrian-Israeli peace settlement, it failed to identify mechanisms for getting there or to describe in broad terms the contours of such an agreement. The title of the Roadmap also suggested the secondary importance given to Syrian interests. See U.S. Department of State, "A Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict", 30 April 2003. Powell was reported as saying: "If [Syria] continues to be a terrorist-supporting regime then they will not be a member of this [peace] process". *An-Nahar*, 21 June 2003.

¹⁹ ICG interview with Lebanese journalist, Beirut, July 2003.

²⁰ See http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_public_laws&docid=f:publ175.108.pdf.

²¹ The six a-la-carte sanctions are: a ban on all exports except food and medicines; a ban on U.S. investments in Syria; severe travel restrictions on Syrian diplomats in the U.S.; a ban on all Syrian aircraft in the U.S.; downgrading diplomatic

The President can waive the sanctions if he finds this “in the vital interests of the United States”.

On 5 October 2003, Israel launched an air strike against what it said was a training camp for Palestinians in Syria, the first of its kind in 30 years, in retaliation for an Islamic Jihad suicide attack in Haifa that had killed twenty people.²² Perhaps as disturbing to Syria as the attack itself was the U.S. reaction, which ranged from indifference to the hint of more to come should Syria not mend its ways. President Bush described the raid as defensive, saying Israel’s government “must do what is necessary to protect [itself]”.²³ The next day he added: “We would be doing the same thing”.²⁴

The U.S. attitude appears to have given rise to a debate within the regime. Some, although highly suspicious of the Bush administration, have been pushing for more active engagement with it. They point to Israel’s attack and the U.S. response as well as to the similarities between U.S. policies toward Syria now and toward Iraq in the 1990s²⁵ to argue that Damascus should make concrete suggestions for sequential, calibrated steps the two sides might take to improve relations.²⁶ In interviews with ICG, these officials explained that Syria could, for example, curtail Hamas and Islamic Jihad, ensure that no weapons are delivered to Hizbollah and use its influence to help stabilise the situation in Iraq if it

relations other than contacts “required to protect United States interests”; and a freeze on all Syrian government transactions in the U.S. Ibid.

²² The air strike was on a camp in ‘Ayn as-Sahib, 25 kilometres from Damascus. No one was killed. Syria and Islamic Jihad denied the camp was used for training. See *The Daily Star*, 6 October 2003.

²³ The White House, “President Discusses National, Economic Security in Cabinet Meeting”, 7 October 2003.

²⁴ Cited by Associated Press, 7 October 2003.

²⁵ Iraq had its Iraq Liberation Act, Syria, its SALSAs. Some Syrians expressed concern about the presence in Washington of Farid Ghadry, the leader of the Reform Party of Syria. On 18 November 2003, the party organised a conference in Washington attended by some Syrian groups and individuals in exile. The conference produced a document calling for full democratisation and the end of support to terrorist groups. *Washington Times*, 19 November 2003. A follow-up meeting took place in Brussels on 19 January 2004. Virtually all Syrians – including members of the opposition – interviewed by ICG dismissed the Reform Party: “They have no credibility and are out of touch with the public mood in Syria”. ICG interview with Syrian journalist, Damascus, 30 November 2003.

²⁶ ICG interviews, Damascus, November 2003.

knew that such steps, taken gradually, would in time lead to U.S. reengagement for Israeli-Syrian peace, economic opportunities for Syria in Iraq and Syria’s removal from the terrorism list.²⁷ They concede they have little manoeuvring room:

We can’t offer these ideas without getting something in return or we will be politically killed back home. We need to convince [Bashar] – and he needs to convince his people – that there would be something tangible to gain. We can help the U.S., and the U.S. can help us. But if the goal is to remake the region, to cut Syria down to size, then there will be no way forward.²⁸

As a result, when Syrian and U.S. officials have met, the former have tended to speak in generalities, saying that they could do something with regards to Hamas, Islamic Jihad and Hizbollah in the context of a restarted peace process, but leaving out details.²⁹ Still, and at a minimum, these officials believe that Syria must proactively present its case publicly – in particular that it is eager to resume peace negotiations – if only to put the U.S. and Israel on the defensive and lessen pressure on Damascus. They are behind the recent interviews and statements by President Bashar that have helped Syria’s public image.

Others, particularly foreign ministry officials, appear convinced that the Bush administration is irrevocably opposed to the regime and determined to curtail its regional influence. Its deeds and words will be viewed as insufficient no matter what, bolster those who believe that pressure works, and give rise to yet further demands. A senior official asked ICG “What is the point of showing flexibility? Every gesture on our part only invites another demand”, not genuine negotiations.³⁰ Epitomising Syrian frustration, and

²⁷ In the words of a Syrian official, “if we had guarantees the U.S. would reciprocate, we could put our national interests first”. ICG interview, Damascus, July 2003.

²⁸ ICG interviews, Damascus, July 2003.

²⁹ ICG interview with U.S. official, Washington, December 2003.

³⁰ ICG interview, Damascus, July 2003. A Palestinian official, long known for his antipathy toward the Baathist regime and convinced that Syria had played a key role in thwarting Egyptian-sponsored ceasefire talks between Palestinian factions in December 2003, conceded that “Syria had been given no incentive for taking a more positive approach. It is under constant U.S. pressure, and was being asked to deliver a victory for Cairo, with nothing in it for them. Why should

responding to President Bush's warning that Syria (and Iran) would be held accountable for supporting terrorism,³¹ Foreign Minister Shara described the U.S. administration as "the most violent and stupid" in American history.³² These officials dismiss SALSA and express scepticism about any future Israeli attack: "Nothing happened after Ayn Sahib [the site of the raid]. The Israeli attack was merely informed by their need at the time to do something against suicide attacks. They had run out of Palestinian targets and did not feel they could expel Arafat."³³

The hot-and-cold U.S. approach – alternating high-pitched threats with periods of apparent neglect – gave added ammunition to those who argued that the administration was both unredeemable and would not do real harm to Syria. The sprawling and non-prioritised nature of U.S. demands also did not help. Ever since the Powell visits in May 2003, a favourite pastime in Damascus and Beirut has been to speculate about the order of priority and seriousness of U.S. demands toward Syria.³⁴ Bashar reflected that puzzlement: "It is an American habit not to ask for specific demands, neither in quantity nor in quality. Sometimes, they are contradictory".³⁵ Syrians point to U.S. accusations about WMD, which the administration periodically raises but without, they claim, offering proof. The same goes for the alleged operational activities of Palestinian militants in Damascus about which, officials say, they have never been presented evidence.³⁶ To Syrian officials, the logical conclusion was that many of these demands were unserious, intended merely to increase pressure. As a result, the entire range of US demands – including those very much at the heart of U.S. regional interests – have taken on the appearance of a

they have behaved differently?" ICG interview, December 2003.

³¹ See The White House, "President Bush, PM Berlusconi Discuss Iraq and War on Terrorism", Crawford, Texas, 21 July 2003.

³² Cited in *Al-Hayat*, 28 July 2003.

³³ ICG interview, Damascus, November 2003.

³⁴ ICG interviews with officials, political activists and journalists in Beirut and Damascus, May, July-November 2003. One Syrian journalist visiting Beirut said he spent days reading back issues of U.S. newspapers to "find out what the Americans really want from us".

³⁵ Interview in *Al-Hayat*, 7 October 2003.

³⁶ A Syrian official explained that if they were to expel Palestinian militants without being able to substantiate the charges, Syrian leaders would be attacked within the country for caving in to U.S. pressure. ICG interview with Syrian official, January 2004.

wide-ranging wish list, subject to change, negotiation and bargaining.³⁷

For many Syrian officials, the conclusion is that it is better to hunker down, offer some gestures, weather the storm and wager that Washington will lose interest or, better yet, decide it needs Syrian help on various regional issues.³⁸ A Lebanese official with close ties to the Syrian regime explained:

Syria has major cards to play and the U.S. will soon learn it. The Americans may try to shield Iraq from its neighbours, but they cannot. There is too much spill-over, too many connections to adjoining countries like Syria: geographic, religious, tribal, political not to mention the circulation of weapons. The U.S. will need Syria to handle all of these.³⁹

Developments buttressed this view, most notably the decision made by General David Petraeus, the commander of the 101st Airborne Division, to restart trade along the Syrian-Iraqi border,⁴⁰ and the decision to offer Syria a contract to supply electricity for Iraq.⁴¹ While certainly understandable from the perspective of stabilising Iraq, they "sent confusing signals, made the Syrian leadership believe that, despite U.S. warnings, it was business as usual", and confirmed the belief that the U.S. eventually would need to engage Syria without Damascus having to pay a significant price.⁴²

³⁷ ICG interview with a Syrian analyst with close ties to the regime, Damascus August 2003. A U.S. diplomat complained that his task was reduced to "transmitting strong messages every day". ICG interview, Damascus, August 2003.

³⁸ This view was repeatedly expressed by Syrian and Lebanese opposition figures and journalists in interviews with ICG. Samir Kassir, a Lebanese journalist, explained: "every GI killed in Iraq will delay Syria's withdrawal from Lebanon as it will alleviate the pressures on Syria". ICG interview, Beirut, 11 November 2003.

³⁹ ICG interview, Beirut, July 2003.

⁴⁰ Following a four-month interruption, Syrian-Iraqi trade resumed in August 2003 via the Arubiya crossing. The commander of the U.S. 101st Airborne Division handed over a letter to Syrian border guards notifying them that trade would be allowed. See *Al-Hayat*, 12 August 2003, *International Herald Tribune*, 5 September 2003.

⁴¹ The deal, which was signed in September 2003, facilitates the exchange of Iraqi oil for Syrian electricity. See *Al-Hayat*, 24 September 2003, *Syrian Times*, 28 August 2003.

⁴² ICG interview with a Lebanese Syria observer, Beirut, November 2003. U.S. officials in Washington, recognizing this dilemma, said they were in no position to second-guess Petraeus, though they conceded that such a step was hardly

II. A COMPREHENSIVE BLUEPRINT

A. THE NEED FOR A NEW APPROACH

The war in Iraq has brought underlying U.S.-Syrian tensions to the fore. The shift from concentration on a peace process to terrorism and Iraq has left the relationship without a familiar anchor, and, in the words of a former U.S. official, led to a “serious policy vacuum”.⁴³ U.S. policy has been reduced to demands and threats: without decisive Syrian action on militant groups in particular, the U.S. will remain disengaged or even heighten the pressure. Syrian policy has been reduced to a wait-and-see approach that seeks to weather the storm by making episodic gestures while hoping for better times and, so long as the conflict with Israel continues, refusing to relinquish what it sees as its trump cards: support for Hizbollah and radical Palestinian groups.

Syria will not fundamentally alter its policies unless it recovers the Golan but the U.S. will not move on the peace process until Syria fundamentally alters its policies. Syria’s piece-meal approach has left the U.S. both dissatisfied and persuaded that pressure works. The resulting standstill in a relationship that is central to many of the Middle East’s most volatile issues is hazardous. It leaves the region but one step or miscalculation – a Palestinian terrorist attack that Israel attributes to a Damascus-based group,⁴⁴ a violent incident in Iraq that the U.S. blames on volunteers from Syria, or escalation along the Lebanese-Israeli border – away from a conflagration.

A different approach, entailing serious give-and-take, is needed to meet U.S., Syrian and also Israeli core interests: for the U.S., an unequivocal break by Syria with organisations involved in terrorism and Syrian cooperation to stabilise Iraq; for Syria, recovery of the territories lost in 1967 along with economic assistance to rebuild its battered economy; and for

Israel, normalisation with a key Arab country and at the least substantial reduction in the terrorist threat.

As a preliminary step to demonstrate good faith on an issue of primary concern to the U.S., Syria should press Palestinian groups, including notably Hamas and Islamic Jihad, to agree to a ceasefire. It also should ensure that Hizbollah refrains from armed action on the Lebanese border. Finally, it should seriously consider reaching out to the Israeli public, to change the mood there and build support for a peace agreement involving withdrawal from the Golan.⁴⁵ This could involve providing information on Israeli soldiers missing in action, returning the remains of Eli Cohen, an Israeli spy executed by Syria,⁴⁶ and inviting public figures to visit.

The White House should open a discreet, direct channel to President Bashar. The array of unofficial back-channels has hurt more than it has helped, as have disagreements within the U.S. administration. This high-level channel should be used to flesh out what each expects and would be prepared to do on the peace process, terrorism, Iraq, and WMD. As the discussions evolve, the U.S. would have to consult closely with Israel and eventually involve it directly. The goal would be to produce both a picture of the endgame and reciprocal steps to reach it.

Such a course would encounter strong resistance in both capitals. In the U.S., many prefer a policy of sticks without carrots, believing that Syria should be forced to change its behaviour without receiving any benefits; they fear that engagement before Syria has acted would let its leaders off the hook and convince them that the U.S. was not serious about its new approach. They regard SALSA and the Israeli air strike as powerful signals that the regime is only beginning to absorb. Even more hard-line officials and some outside analysts argue that without a fundamental change in the regime, anything it does will be tactical and illusory.

While the efforts of prior U.S. administrations have failed to produce the desired results, a policy of

consistent with their stated approach toward Syria. ICG interviews, Washington, November 2003.

⁴³ “The Bush administration came to office with no inherited operational framework for policy toward Syria....Three years into its tenure, the Bush administration has failed to develop a genuine strategy for changing problematic Syrian behaviours”. Testimony by Flynt Leverett, U.S. Senate, 30 October 2003.

⁴⁴ An eventuality made only more likely by recent U.S. and Israeli allegations that Syria was providing weapons to Hamas. *The New York Times*, 6 February 2004.

⁴⁵ A recent opinion poll found that 56 per cent of Israelis oppose a full withdrawal from the Golan. See *Ma’ariv*, 9 January 2004.

⁴⁶ “In early 1961, Chaim Herzog, Chief of Military Intelligence and later president of Israel, signed the documents authorising Cohen’s use as a spy. . . .Eli was caught in the act [in Syria] and there was nothing he could do. He was hanged on May 18, 1965”. See http://www.us-israel.org/jsource/biography/Eli_Cohen.htm.

pressure alone is unlikely to succeed. Commenting on U.S. and Israeli preconditions for renewed engagement, Shlomo Gazit, former Israeli Military Intelligence commander, noted: "Damascus cannot accept such conditions. They would mean de facto public surrender to American-Israeli diktats".⁴⁷ More than twenty years of unilateral U.S. sanctions have had little effect on Syria, and most independent economists agree that the additional U.S. sanctions in SALSA will not change this.⁴⁸ Bilateral trade volume is already at rock bottom, there is no U.S. economic or military aid, and military or dual-use goods already are banned.⁴⁹ The sanctions arguably will discourage some European companies from doing business with Syria – a principal reason why Syria has shown markedly greater interest in concluding an Association Agreement with the EU – but the overall effect is likely to be manageable. "In Assad's school, political-security matters prevail over economic issues".⁵⁰

The threat of further Israeli action also has its limitations: Syria does not believe that Jerusalem wants an all-out war, particularly at a time of continued strife with the Palestinians.⁵¹ Should Israel engage in further military raids, in any event, the regime may feel compelled to retaliate to salvage its domestic and international credibility: "Next time they will have to respond, presumably via all sorts of covert actions in Southern Lebanon or the Golan, unexplained incidents and the involvement of so-called 'rogue elements'".⁵²

On the Syrian side, too, are those who do not feel engagement is urgent. While there was intense anxiety in the wake of the Iraq war, mounting difficulties for the U.S. there, the apparent collapse of the Israeli-Palestinian Roadmap, and Washington's resulting neglect of other regional issues has restored the confidence of many officials.⁵³ Certainly, they no longer see much prospect of hostile U.S. military action. Instead, they calculate that, over time, the U.S. will have to deal with Syria about both Iraq and the peace process. Yet they would be wrong to minimise how profoundly perspectives have changed in Washington. The emphasis on terrorism and deep-seated suspicion of regimes viewed as being on the wrong side of that fight is unlikely to be diluted by time or token Syrian gestures. Absent emergence of a shared strategic vision, Syria will remain at the mercy of a potential Israeli or U.S. strike.

B. TERRORISM AND RADICAL PALESTINIAN GROUPS

Syria has been on the U.S. list of state-sponsors of terrorism since 1979, accused most specifically of harbouring Palestinian groups such as Hamas, Islamic Jihad and the Popular Front for the Liberation of Palestine (PFLP).⁵⁴ In the immediate aftermath of 11 September, U.S. officials praised Syrian help in saving American lives. Gradually, as part of both its global campaign against terrorism and its efforts on the Israeli-Palestinian track, the Bush administration put renewed emphasis on the issue of Palestinian organisations. U.S. officials complained that Syrian information on al-Qaeda was "drying up", and Damascus had become less cooperative.⁵⁵ Syrians said they had provided all the intelligence they had on al-Qaeda and so had lost their value to the U.S.⁵⁶ Other reports suggested that, driven by its hard-line elements, the Bush administration had severed ties despite a continuing flow of Syrian information. Indeed, U.S. policy was criticised by some members

⁴⁷ *Ma'ariv*, 12 January 2004.

⁴⁸ ICG interview with Syrian and Lebanese economists, Damascus and Beirut, November-December 2003. Syrian officials told ICG they assumed passage of the act, took it into account in their own economic predictions, and in a way were relieved when it was signed into law: "at least U.S. officials won't be able to constantly threaten us with it in the future". ICG interviews, Damascus, Washington, July-November 2003.

⁴⁹ U.S. exports to Syria amounted to U.S.\$274 million in 2002. That same year U.S. imports from Syria amounted to U.S.\$148 million. See U.S. Foreign Commercial Service and Department of State, op. cit.

⁵⁰ ICG interview with Yahya 'Ayyash, Lebanese economist, Beirut 8 September 2003.

⁵¹ ICG interview with Syrian official, January 2004. This does not mean that such a war is out of the question, given the highly charged environment and potential for missteps. See ICG Report, *Old Games, New Rules*, op. cit.

⁵² ICG interview with European diplomat, Beirut November 2003. A Syrian official echoed this view. ICG interview, January 2004.

⁵³ ICG interview with high-level Syrian diplomat, November 2003.

⁵⁴ For an overview of these lists and accompanying U.S. sanctions against Syria see: Congressional Research Service, "Syria: US Relations and Bilateral Issues", 13 May 2003, "U.S. Aid and Sanctions". See also U.S. Department of State, "Patterns of Global Terrorism", 30 April 2003

⁵⁵ ICG interview with U.S. official, Washington, November 2003.

⁵⁶ ICG interviews, Damascus, July-September 2003.

of the U.S. intelligence community, who felt a genuine anti-terrorism opportunity was lost.⁵⁷

In June 2002, President Bush warned Syria that it “must choose the right side in the war on terrorism by closing terrorist camps and expelling terrorist organizations”.⁵⁸ Efforts redoubled after the Iraq war and the official launch of the Israeli-Palestinian Roadmap, which the U.S. feared radical Palestinian groups would undermine through violence. The U.S. demand was straightforward: close the offices and expel all the leaders. To Syrian officials who argued that keeping the officials in Damascus meant they could be more closely controlled, the Americans responded that the evidence suggested Syria could not or would not control them. Having them anywhere but Syria (or Lebanon) was the key.⁵⁹

In a sign that pressure might pay off, Syria closed the Damascus “media offices” of the Palestinian groups; the telephone lines used by the organisations to communicate with the media were disconnected, and some members of Hamas’s political bureau left the country. Those who remained were asked to assume a low profile.⁶⁰ Reportedly, Syria also had a hand in persuading Hamas and Islamic Jihad to sign the three-month ceasefire negotiated in Egypt in July 2003.⁶¹ But the effort was half-hearted. Representatives of the Palestinian organisations, including Hamas politburo member Imad Khalil al-‘Alami and its spokesperson Khalid Mish’al, remained in Syria where, according to U.S. officials, “they are free to use laptops and cell phones to coordinate action in the Palestinian territories”.⁶² Some individuals simply relocated to

Lebanon, holding press conferences and issuing statements in Beirut and Zahleh, a short drive from Damascus. Syrian pressure allegedly halted an attempt by the Lebanese Central Bank to investigate Hamas funds in Lebanese banks.⁶³ Syrian officials also bluntly rejected U.S. demands in statements. Shortly after assuring Powell in May 2003 that Syria would move against Palestinian groups, President Bashar al-Assad explained:

We told the Americans that closing the offices would not solve the problem. Any Palestinian can buy or rent an apartment and arrange meetings there or talk on the phone. It’s meaningless to close the offices as they can conduct their activities anywhere. There are hundreds of thousands of Palestinians in Syria, Lebanon and elsewhere. They can disrupt everything.⁶⁴

By the end of November 2003, U.S. officials were saying Syria was doing “nothing” about the groups: “The only thing they tell them when they meet is to be careful because the U.S. is watching. But there is no attempt to curb their activities”.⁶⁵ They claimed that Palestinian militants were continuing to plan “terrible acts” from Damascus, and Syria had been unhelpful during the failed December 2003 attempt to reach a Palestinian cease-fire in Cairo.⁶⁶ After the horrific 29 January 2004 suicide bombing in Jerusalem, Secretary Powell implied that Syria had sent weapons to the perpetrators: “Syria cannot be serious about wanting a better relationship with Israel, the United States or anyone else, as long as it serves as any kind of transshipment point for weapons that are going to terrorists of the kind who killed innocent people this morning in Jerusalem”.⁶⁷ U.S. and Israeli officials alleged that Syria had facilitated arms supplies to Hamas by using a cargo plane

⁵⁷ See Seymour Hersh, “The Syrian Bet”, in *The New Yorker*, 27 July 2003; *The New York Times*, 6 February 2004. An indication of deteriorated Syrian-U.S. cooperation in this field was the arrest by U.S. authorities of a translator at the Guantanamo Bay detention camp, on charges of spying for Syria. The Syrian government dismissed the allegations as baseless. See BBC, 24 September 2003. The most serious charge (“aiding the enemy”) was dropped but the translator still stands accused of espionage. The U.S. holds two Syrians in Guantanamo. Associated Press, 13 January 2004; UPI, 4 February 2004..

⁵⁸ The White House, “President Bush calls for new Palestinian leadership”, 24 June 2002.

⁵⁹ ICG interview with U.S. officials, Washington, September-November 2003.

⁶⁰ ICG interview with a Palestinian militant, Damascus, May 2003.

⁶¹ ICG Middle East Briefing, Hizbollah: Rebel without a Cause?, 30 July 2003, p. 9.

⁶² ICG interview with U.S. diplomat, Damascus July 2003. A European diplomat added: “There is evidence to suggest that

Palestinian groups in Syria are still playing an important role in funding and directing operations.” ICG interview, Damascus July 2003.

⁶³ *The Daily Star*, 27 September 2003.

⁶⁴ Interview on al-‘Arabiyya, 22 June 2003. President Bashar also asserted that he “talked with Mr. Powell about stopping ‘activities’, not closures”. See *The Washington Post*, 11 May 2003.

⁶⁵ ICG interview, Washington, November 2003.

⁶⁶ ICG interviews, Washington, November-December 2003. A U.S. official told ICG: “If Syria told Hamas and Islamic Jihad to agree to a cease-fire, they would. But it did not”. Ibid.

⁶⁷ State Department Press Releases and Documents, 29 January 2004.

returning from Iran where it had delivered earthquake relief.⁶⁸

Even the more pragmatic Syrian officials argue that expelling Palestinian leaders is a bridge too far; without either hard evidence of their implication in armed attacks or a breakthrough on the peace process, it would in their eyes be a humiliating capitulation and deprive Syria of a key bargaining card. Syrian officials also question the capacity of Hamas and Islamic Jihad leaders in Damascus and note that the demand to expel them came while Cairo was hosting them in a U.S.-blessed effort to reach a cease-fire.⁶⁹

As noted, for the Bush administration, an unambiguous break with such groups is a precondition for renewed engagement with Syria, while for Syria, significant progress on the peace process is a prerequisite for resolute action. Sequencing will be delicate, as Syria would have to take some action up front to demonstrate its good faith.

- As a first step, Syria should push Hamas, Islamic Jihad and other radical Palestinian groups to agree to a total ceasefire.
- Once a high-level channel of communication is opened between the White House and President Bashar, Syria and Lebanon should shut down any training camps used by Palestinian groups in their respective countries.
- Cooperation on al-Qaeda should continue and be reinforced.
- In the context of a peace agreement with Israel, Syria should formally commit to refrain from assisting, organising, instigating or inciting any acts or threats of violence against Israel, its citizens or property by Palestinian groups. Should such groups engage in armed attacks against Israel, Syria should prevent their presence and operation on its territory, expel their members and ensure they do not relocate in Lebanon.

- Once these steps are taken, the U.S. would remove Syria from the list of state-sponsors of terrorism and discuss how it could help revive Syria's economy.

C. THE ISRAELI-SYRIAN PEACE PROCESS

In an interview with *The New York Times* on 1 December 2003, Bashar called for a resumption of peace negotiations with Israel.⁷⁰ This was read by some as a signal of new flexibility resulting from new concern and triggered speculation about his motives and how Israel should respond. Whereas some in Israel – including Foreign Minister Silvan Shalom, the head of military intelligence and many in the defence establishment – argued that Israel should explore the offer and respond positively if he was sincere,⁷¹ Prime Minister Sharon was far more sceptical.

The intense Israeli speculation regarding the Syrian President's motives is hard to comprehend. First, Syria for some time has made clear it is prepared to reach peace with Israel, so long as its core demand on withdrawal to the 1967 lines is met. There is, in other words, nothing groundbreaking in Bashar's remarks. Secondly, Bashar considers a deal will be hard if not impossible so long as Sharon is in power. Thirdly, he believes he has nothing to lose and, under increased international pressure, potentially something to gain by reasserting his willingness to make peace, thus shifting the burden to Israel and the U.S. and buying

⁶⁸ See *The New York Times*, 6 February 2004.

⁶⁹ "We will not be the policemen of the U.S. and chase Hamas, especially when at the same time other countries like Egypt continue to deal with them". ICG interview with senior Syrian official, Damascus, July 2003.

⁷⁰In a subsequent meeting with a U.S. congressional delegation, he reportedly went further, stating that it would be a waste of time to start from scratch and ignore all that had been achieved in the past "but if that's what the Israelis want, all right." *Haaretz*, 13 January 2004. That position – a sharp departure from Syria's traditional posture – was also stated to ICG by a senior Syrian official in July 2003. However, Suleiman Haddad, chairman of the foreign relations committee in the Syrian parliament later denied any such change of stance: "It's impossible that the Syrian president said the he was ready to negotiate from scratch . . . Syria's only condition is to start from the point that [the talks] stopped at because we had reached major agreements through very intensive negotiations in past years." Associated Press, 13 January 2004.

⁷¹ Some defence sources believe that "Assad has made a strategic change," as a result of the transformed regional environment; others argue that "even if it is a tactical move by the Syrian president, Israel must corner him with positive signals". Quoted in *Haaretz*, 8 January 2004.

himself some time.⁷² Whether Bashar is sincere is the wrong question: he is prepared to make peace if Israel is willing to satisfy Syria on the Golan but he does not expect Israel will take up his offer. There is nothing to suggest a radical change on Syria's part.

In short, and for now, there appears to be more noise than substance. For the Syrian leadership, the target audience was not Jerusalem but Washington, and the primary goal was to deflect U.S. pressure. Israel may feel compelled to respond, but it is hard to see the Sharon government agreeing to full withdrawal from the Golan.⁷³ From Sharon's view, there is little incentive to engage with Syria before seeing how far Washington's more aggressive posture toward Damascus may go.⁷⁴ The U.S. reaction to Bashar's offer was telling. According to an Israeli official, Washington told Jerusalem. "It's up to you. We're not pushing. If you go forward, we will support you. If you do not, we will support you as well".⁷⁵

In time, however, the Israeli-Syrian conflict will have to be addressed. Otherwise, Damascus will not take the decisive steps on radical Palestinian groups

⁷² The Foreign Ministry spokeswoman confirmed that there were plans afoot to improve Syria's image in the U.S. "We should have a public relations campaign. But we are not good at this, we have our shortcomings". ICG interview, Damascus, 1 December 2003. Ratib Salah, head of the Syrian Chamber of Commerce and Industry, remarked "Syrian officials and non-officials alike often assume that their views do not need any explanation". ICG interview, 1 December 2003.

⁷³ As Prime Minister Sharon candidly acknowledged in arguing against a resumption of talks, "it's important to know that at the end of negotiations with Syria, Israel would have to leave the Golan Heights." Agence France Presse, 19 January 2004. According to *Haaretz*, an Israeli official said: "We are aware of Syria's territorial demands. . . . It would be very difficult to impose new dilemmas on the public about these demands – there are enough [dilemmas] on the Palestinian track". Quoted in *Haaretz*, 28 December 2003.

⁷⁴ An Israeli official explained: "[The Americans] think [Assad] is trying to evade their demands. Any renewal of peace negotiations would grant Syria immunity from American pressure at its most difficult moment." Ibid.

⁷⁵ ICG interview, January 2004. Contradictory statements issued by Israeli government officials in the wake of Bashar's interview concerning a possible plan to double settlements in the Golan in the coming three years hardly signalled an Israeli intention to move positively on the Syrian front. See *Yedioth Ahronot*, 2 January 2004. Agriculture Minister Yisrael Katz explained: "The aim is that Assad will see the thriving and flourishing Israeli Golan from the window of his house". *Yedioth Ahronot*, 31 December 2003. Israel's Deputy Prime Minister Ehud Olmert countered Katz's statement by saying the government had "no such approved program". Cited by BBC, 2 January 2004.

or Hizbollah that are a central priority for both Washington and Jerusalem. Bashar's suggestions should be seized as an opportunity to re-engage and explore ways to resolve the conflict.⁷⁶ The U.S. will need to play the central role since Syria probably will resist any bilateral negotiations without a U.S. presence. A Track II initiative negotiated by non-officials – akin to what recently produced the private Geneva Accord between Israelis and Palestinians could generate some momentum fairly quickly since the conflict itself is comparatively straightforward. Syria should thus seriously consider encouraging such an initiative. However, while not dismissing it out of hand, Syrian officials interviewed by ICG reacted coolly. "It's not our style", an adviser to the government put it simply.⁷⁷

As an initial confidence building measure in the context of resumed U.S.-Syrian discussions and the above Syrian steps, the U.S. should state that, based on prior Israeli-Syrian negotiations, any peace agreement ultimately will have to entail Israel's withdrawal from the Golan Heights, along with security arrangements and the establishment of normal, peaceful relations. The U.S. should agree to work with Israel and Syria to prepare a full-fledged U.S. peace proposal. Once the U.S. tables its proposal, Syria's leader should seriously consider travelling to Jerusalem, a step that would have enormous psychological implications in Israel and give the effort a major boost. The main elements of the peace proposal, built on past negotiations and designed to meet both sides' essential needs, should be as follows:⁷⁸

⁷⁶ Although ICG strongly believes in the merits of a comprehensive approach including the Syrian, Lebanese and Palestinian tracks, see ICG Middle East Report N°2, *Endgame I, Getting to a Comprehensive Arab-Israeli Peace*, 16 July 2002, Syrian officials maintain that "the Palestinians have ignored us ever since Oslo. It would look bad [if Syria made a deal before the Palestinians] but if Israel agrees on a clear withdrawal, we will have a deal anyway". ICG interview with adviser to President Bashar, Damascus, 1 December 2003.

⁷⁷ ICG interview, Damascus, December 2003. An advisor to Bashar added: "It would make us look weak. Besides, there is nothing to negotiate. Our demands are clear. We want our rights and so the only thing that should happen is for Israel to withdraw from the Golan". ICG interview, Damascus, December 2003.

⁷⁸ These elements are drawn from ICG Report, *Endgame III*, op. cit. For the full ICG proposed draft negotiating text of an Israel-Syria treaty of peace from that report, see Appendix C below.

- The boundary between Israel and Syria will be the line of 4 June 1967. A commission headed by the Chief Cartographer of the United Nations will demarcate the precise line. Syria will have sovereignty over the land up to the Kinneret/Lake Tiberias and the Jordan River; Israel will have sovereignty over the Kinneret/Lake Tiberias.
- To help safeguard the water resources of the Jordan Valley and facilitate mutual access, key portions of the Syrian side of the boundary would be designated a “Jordan Valley Nature Preserve” under Syrian administration. It would extend eastward from the boundary to an elevation of sea level (Kinneret/Lake Tiberias is more than 200 metres below sea level). It would for the most part be free of permanent residents except for Syrian conservation and law enforcement personnel. Visitors from Israel would be free to enter; Syrian border and customs posts would be east of the Preserve, so visitors from Israel would retain 360-degree access to the lake, and visitors from Syria would have recreational access to it.
- Evacuation of all Israeli military and civilian personnel from territory returned to Syria would be completed within two years of the treaty coming into force.
- To accommodate Israeli water concerns, water resources below and west of the Golan plateau flowing naturally into the Jordan Valley and the lake will, with limited specified exceptions, continue to do so notwithstanding the return of territory to Syria. Syria would also limit resettlement to mitigate environmental risks to Jordan Valley water resources. In return, Israel would refrain from dismantling the water-capturing infrastructure it has built on the Golan Heights and would make available to Syria water from the Jordan River and the lake sufficient to meet the needs of the Nature Preserve.
- All territory occupied by Israel and returned to Syria, the currently demilitarised “Area of Separation” to the east of the Golan Heights, and those parts of the 1949 demilitarised zone that will remain in Israel once the boundary is demarcated by the UN will form a demilitarised zone. The zone would be further insulated by “Areas of Limitation in Armament and Forces” on its eastern and western flanks. To the east, the two ten-kilometre areas established by the 1974 Agreement would remain in effect, though all armour units also would be removed. To the west, a single ten-kilometre zone would be established with identical limitations.
- Within the demilitarised zone, the U.S. would run for the benefit of both parties an early warning ground station on the slopes of Mt. Hermon. The U.S. would share with Israel and Syria, as appropriate, data from its intelligence collection. The early warning system would have a sunset provision of five years, unless extended by the parties.
- Within the demilitarised zone and the flanking Areas of Limitation in Armament and Forces, a U.S.-led multinational “monitoring, inspection and verification mechanism” would operate to ensure implementation of all security arrangements. It would have a five-year sunset provision.⁷⁹
- Stabilising elements of normalisation would be frontloaded, including exchange of resident ambassadors within 72 hours of the treaty coming into effect. Other steps would be tied to implementation of mutual commitments (e.g., removal of economic boycotts within 90 days of the treaty coming into effect; normal communications within 180 days; unimpeded flow of people, goods and services and cooperation on tourism within 90 days of the removal of Israeli military forces and civilians from occupied Syrian territory).

D. HIZBOLLAH AND LEBANON

Hizbollah, accused by the U.S. of involvement in attacks against its nationals in Lebanon during the country’s civil war in the 1980s and of having perpetrated two bomb attacks in against Israeli and Jewish targets in Buenos Aires in 1992 and 1994,⁸⁰ has long benefited from Syrian material and political backing.⁸¹ In response to U.S. pressure, the Syrian leadership has first and foremost insisted that it is a

⁷⁹ Other security provisions relating to terrorism or the operation of groups hostile to one country within the territory of the other – which would need to be included in any treaty – are discussed in sections dealing with Syrian support for radical Palestinian groups and Hizbollah.

⁸⁰ For more details see: ICG Report, *Old Games, New Rules*, op. cit., pp. 20-23; ICG Briefing, Hizbollah, op. cit.

⁸¹ For background on Syria’s support to Hizbollah and related US concerns see *ibid*.

legitimate resistance organisation; unlike its position vis-à-vis Palestinian groups, Damascus openly admits supporting Hizbollah.⁸² It also has downplayed the seriousness of U.S. demands,⁸³ denied that Syria facilitates arms supplies to it,⁸⁴ and evoked the prospect of renewed civil war in Lebanon if Syria took action against it.⁸⁵ Summing up Syria's position, President Bashar al-Assad said "We support the resistance [Hizbollah] in Lebanon. Should I be ashamed of it? We supported and will support the resistance, until Israel withdraws from the Shab'a Farms as well".⁸⁶

The U.S. administration presently asks Damascus to restrain Hizbollah cross-border activities in South Lebanon, to cut off arms and materiel to it, and to allow the placement of Lebanese troops at the border. It considers that Syria has only partially complied. Syria reportedly has asked Iran to suspend shipments of arms, and Hizbollah has for the most part shown restraint.⁸⁷ This was true even after Israel's air strike

against an alleged Palestinian training camp on 5 October 2003. As one foreign diplomat pointed out, "Given the circumstances, it was encouraging to see that, instead of resorting to Hizbollah attacks, Syria filed a complaint with the UN Security Council".⁸⁸ But the Lebanese army still has not redeployed, and the threat of escalation remains. U.S. officials also suspect Hizbollah has been planning attacks against U.S. forces in Iraq, in coordination with members of Iran's Islamic Revolutionary Guards Corps.⁸⁹ Washington discounts the apparent freeze in airborne arms shipments, which it attributes both to increased Syrian fear of detection by U.S. troops in Iraq and to Hizbollah's massive stock of weapons.⁹⁰

The ultimate U.S. demand – the dismantling of Hizbollah's military infrastructure and its transformation into a conventional political party – is unrealistic as long as the Israeli-Syrian conflict is unresolved. In Syria's calculations, rightly or wrongly, Hizbollah's capacity to fire deep into Israel remains the most effective

⁸² "Hizbollah is a Lebanese, not a Syrian, party. We have ties with most Lebanese groups, perhaps with all of them, but we do not control them. They have their views and we have ours. When our beliefs coincide, we go with them, and they with us....If you do not want Hizbollah to respond to Israel, you must put pressure on Israel not to occupy [the Shab'a Farms in] Lebanon, not to penetrate Lebanese skies on a daily basis and bomb villages....We have no control over Hizbollah, other than an agreement about their right of resistance". President Bashar al-Assad in interview with Al-Hayat, 15 October 2003. On Syrian/Lebanese views regarding the Shab'a Farms, see ICG Report, *Old Games, New Rules*, op. cit., p. 33.

⁸³ The Syrian Foreign Minister described reports on U.S. pressures to dissolve Hizbollah as "a scare campaign" that was not to be taken seriously. See *The Daily Star*, 3 May 2003.

⁸⁴ President Bashar al-Assad told *Newsweek*, "They do not get arms via Syria. We give them political support because they want to get back their lands". See *Newsweek*, 19 May 2003. That said, a recruitment film for the Syrian army frequently broadcast on Syrian state television shows footage of Syrian commandos alternated with recordings of Hizbollah fighters blowing up Israeli positions in Southern Lebanon, against the background of the Syrian national anthem and Hizbollah military songs.

⁸⁵ "[The demand to] dismantle Hizbollah is designed to stir ethnic and sectarian instincts to the verge of civil war [...] and to invite Israeli intervention in Lebanon". Syrian Foreign Minister Faruq as-Shara', cited in *Al-Hayat*, 28 July 2003.

⁸⁶ Interview with Al-Hayat, 15 October 2003. With respect to the Shab'a Farms controversy, see ICG Report, *Old Games, New Rules*, op. cit.

⁸⁷ In the build-up to the war in Iraq, the party refrained from shelling Israeli positions at the Israeli-Lebanese demarcation line, except for an attack on Shab'a on 21 January 2003. While Hizbollah probably realised on its own that any move

in those circumstances could trigger serious reactions, another factor explaining the lull in fighting almost certainly was Syria's own fear that Israel would retaliate by attacking its positions in Lebanon. Subsequent months have also seen only sporadic incidents. Clashes occurred at the end of July, early August 2003 and in January 2004. On 22 July 2003, two Israeli civilians were injured by falling anti-aircraft shrapnel fired over the Israeli town of Shlomi. Hizbollah stated that this was in response to increasing Israeli over flights in Lebanon. See *An-Nahar*, 25 July 2003. On 9 August 2003 a similar incident killed one Israeli civilian. The attack followed the car bomb assassination of a senior Hizbollah official, Ali Hassan Salih, in Southern Beirut on 2 August. Hizbollah – but also some Israeli media – blamed the assassination on the Israeli secret service, Mossad. See *Ma'ariv*, 11 August 2003. On both occasions, Israel retaliated by hitting Hizbollah positions in Southern Lebanon and by stepping up its incursions into Lebanese airspace. On 19 January 2004, Hizbollah fired at a bulldozer sweeping mines a few metres inside Lebanese territory, killing one Israeli soldier and wounding another. Israeli warplanes retaliated by striking Hizbollah targets in the south.

⁸⁸ ICG interview with foreign diplomat, Beirut, October 2003. However, on 27 October, Hizbollah shelled Israeli positions in and around Shab'a, though without causing any casualties.

⁸⁹ ICG interview with U.S. official, Washington, November 2003.

⁹⁰ ICG interviews with U.S. officials, November-December 2003.

deterrent against an Israeli attack.⁹¹ Still, certain immediate steps should be taken.

- Syria should press Hizbollah not to attack Israel, refrain from giving it more weapons, press it to move its rockets away from the border, and allow Lebanon to continue to deploy its army south, in accordance with UNSCR 425 and subsequent resolutions;
- Israel should cease violations of Lebanese airspace and territorial waters.
- In the context of a peace agreement with Israel, Syria should work with Lebanese authorities and parties to transform Hizbollah into a disarmed, strictly political organisation. An Israeli-Lebanese peace treaty will have to be concluded that deals specifically with security arrangements along the border between the two countries.⁹²

In the wake of the Iraq war, U.S. officials also invoked Syria's presence in Lebanon (some 18,000 troops and an unknown number of security forces) with increased frequency. Despite Security Council resolutions calling for withdrawal of all foreign troops, this presence has been effectively recognized by the international community; de jure by the Arab League in 1978⁹³ and de facto by the U.S. at the end of the Lebanese civil war in December 1990.⁹⁴

⁹¹ ICG interviews, Beirut, Damascus, July 2003. "We want the Golan and we will not surrender on that. Hizbollah is our best card to guarantee our interests. . . . It is our trump card to pressure Israel. We don't have a credible army or the technology we need to fight or resist anyone! Yet Syria is the only regional country that can control Hizbollah". ICG interview with a Syrian close to President Bashar, Damascus, April 2003.

⁹² See ICG Report, *Endgame III*, op. cit. Syrian and Lebanese analysts debate the ease with which Syria could curb Hizbollah if it so desired. According to a Syrian opposition activist, "Hizbollah is a small organisation that is totally infiltrated by the Syrian secret services. It is all too easy for the Syrian regime to dismantle it if it came to that". ICG interview, Damascus, April 2003. A Lebanese close to Hizbollah's leadership unsurprisingly offered a different view: "Syria will not be able to disarm Hizbollah short of a very risky military operation. Hizbollah has a highly charismatic leader and skilful fighters who are ready to fight". ICG interview, Beirut, April 2003.

⁹³ In October 1978 The Arab League mandated Syria to lead the Arab Deterrent Force to oversee the withdrawal of all foreign troops in Lebanon. Syrian troops had already been in Lebanon since 1976 by invitation of Lebanese President Elias Sarkis. See ICG Report, *Old Games, New Rules*, op. cit., p. 2.

A hardening of the U.S. stance was first suggested when Secretary Powell on 13 March 2003 pointed out that the U.S. wanted to see Syria withdraw its "occupation army" from Lebanon.⁹⁵ National Security Advisor Rice added that Syria should be "ready and willing to end its occupation of Lebanon" in ways going beyond its "stage-by-stage operation" of partial redeployments.⁹⁶ U.S. officials subsequently clarified that complete withdrawal needed to take place "at an early point in the future" and that Syria's military presence in Lebanon "is certainly coming to an end".⁹⁷

None of this has translated into meaningful Syrian action. Syrian troops were reduced by 1,000 in mid-July 2003, the result of a pullout affecting the north and the southern suburbs of Beirut and Ba'albak. Syrian officials also began to speak openly of a possible full pullout, though mingling this with the implicit threat that it could rekindle civil war.⁹⁸

It is highly questionable whether Washington accords a high priority to its demand for a full restoration of Lebanese sovereignty. When U.S. officials are asked to prioritise their objectives, the Lebanon file (also domestic Syrian reform) comes well after those related to Iraq and the Israeli-Palestinian conflict.⁹⁹

Whether the Arab League's legal stamp of approval on Syria's presence in Lebanon extends beyond the war years is questionable. In 1989, the Arab Tripartite High Commission (ATHC) – established by the Arab League to help negotiate a peace treaty among Lebanon's warring factions – pledged to act as the "moral guarantor" of Lebanon's sovereignty regarding its "special relations" with its Syrian neighbour. See Communiqué du Haut Comité Tripartite Arabe, 24 October 1989, in: *Les Cahiers de l'Orient*, 4th trimestre 1989, 1st trimestre 1990, no 16-17, pp. 129-133. However, due to internal divisions in the Arab League caused by the Gulf War, the ATHC became defunct.

⁹⁴ The U.S. is widely believed to have quietly tolerated Syria's presence in Lebanon. See Habib C. Malik, "Lebanon in the 1990s: Stability without Freedom?", in *Global Affairs*, Vol VII, No 1 Winter 1992; Gary C. Gambill, "U.S. Mideast Policy and the Syrian Occupation of Lebanon", in *Middle East Intelligence Bulletin*, March 2001.

⁹⁵ Secretary Powell's testimony on Iraq, Europe before House Subcommittee on Foreign Operations, Export Financing and Related Programs, 13 March 2003.

⁹⁶ Cited in *An-Nahar*, 16 May 2003.

⁹⁷ Condoleezza Rice and Deputy Secretary of State Richard Armitage as cited in, respectively, *An-Nahar*, 30 October 2003 and *The Daily Star*, 24 September 2003.

⁹⁸ Bahjat Sleiman, a senior Syrian security chief, argued that Syria controlled the Palestinians in Lebanon and preserved a balance of power between Lebanese factions formerly at war. *As-Safir*, 15 May 2003.

⁹⁹ ICG interviews, Washington, September-December 2003.

Most Syrian, Lebanese and European observers have concluded that the U.S. intends to play what it believes to be a highly sensitive card for Syria in order to pressure it on other matters.¹⁰⁰ For a country like France, on the other hand, with deep historical ties to Lebanon, the concern appears far more genuine. Should Syria wish to enlist French and wider European support for efforts to improve ties with the U.S., a more significant military pullout would help.¹⁰¹ Of course, the issue will come to the fore in the context of peace agreements between Israel, Syria and Lebanon and need to be dealt with as part of the relationship between Damascus and Beirut.

E. IRAQ

1. Background

A combination of hostility and coexistence has long marked Syria's relations with Iraq. To the traditional struggle for predominance in Arab affairs, an ideological and even personal rivalry was added between the branches of the Baath Party that ruled the two states.¹⁰² They took opposite sides on a series of critical issues: Iraq condemned Syria's participation in the peace process that resulted in partial disengagement agreements with Israel, and it emerged as the capital of the Arab world's rejectionists, condemning a cease-fire with Israel and denouncing UN Security Council Resolutions 242 and 338. Tensions peaked between 1976 and the late 1980s, stoked by differences over the Lebanese civil war, the Islamic Revolution in Iran and the 1980-1988 Iran-Iraq war, and exacerbated by Iraqi oil wealth.

Syria, alone among Arab nations, sided with Tehran against Baghdad; Iraq responded with covert anti-Syrian actions in Lebanon and a bombing campaign in Syria. Each helped the other's opponents. Syria backed Iraqi Kurds (principally Jalal Talabani), the

communists, a faction of the Islamist Da'wa Party and several military defectors. Iraq gave refuge to dissident Syrian Baathists and members of the Muslim Brotherhood who fled the repression of the 1980s. After coming close to direct military confrontation in 1976,¹⁰³ the regimes focused their antagonism on the Lebanese civil war and the Israeli-Palestinian conflict. In Lebanon's final major battle (1989-1990), Iraq supported the dissident General Michel 'Awn, who was defeated by rival Maronite factions after heavy Syrian shelling. Syria fought beside the U.S. in the 1990-1991 Gulf War to prevent Iraq from emerging as the dominant regional power. Once the war ended, and hoping to further destabilise Saddam's regime, it stepped up its help to Iraqi opposition groups.

Three times during the past two decades Damascus has had to choose sides in an Iraqi war. Of the three, Damascus chose to back Baghdad in the one most likely to lead to the fall of Saddam's regime. This is the more noteworthy since Syria (particularly under Hafez al-Assad) had built a reputation for extreme caution and skilful manipulation of relations with the U.S. The paradox of it jeopardizing that standing and siding with a long-time foe during its dying days needs explanation.

The relative warming of relations with Iraq began at the end of Hafez al-Assad's rule. In 1997, the border was discreetly reopened.¹⁰⁴ Syria also became increasingly vocal about the need to lift economic sanctions. Behind the shift were several factors, including a growing sentiment that the fall of Saddam was far from imminent, concern that the peace process was at an impasse and that other neighbours (including Jordan and Turkey) were becoming increasingly hostile. But it was essentially motivated by economics. The end result was a quiet, almost embarrassed rapprochement, coupled with public denials that Syria had changed its stance.

Economic and commercial relations with Iraq rose significantly upon Bashar's accession.¹⁰⁵ Seeking to

¹⁰⁰ ICG interviews, Beirut, Damascus, July 2003.

¹⁰¹ Even a substantial military withdrawal is unlikely to alter significantly Syria's control over Lebanon, which at this point is based more on intelligence and political influence than on direct military presence. In recent months, the appointment of an even larger number of pro-Syrian ministers following a Lebanese cabinet reshuffle in April 2003 and daily Syrian interventions in disagreements between President Emile Lahud and Prime minister Rafiq al-Hariri have served as reminders of Syria's continued role.

¹⁰² See ICG Middle East Report N°11, *War in Iraq, Political Challenges after the Conflict*, 25 March 2003, pp. 19-20.

¹⁰³ Iraq massed troops on its western borders in June 1976 in reaction to Syria's military move into Lebanon.

¹⁰⁴ For the first time in some seventeen years, the border was crossed by a delegation of Syrian businessmen led by the head of the Chamber of Commerce of Damascus, Ratib Shallah. The delegation left with contracts valued at U.S.\$70 million. See *An-Nahar*, 22 March 2003.

¹⁰⁵ Several Syrian personalities known for their historic association with the Baath played an important role as intermediaries. Mansour Al-Atrash, who between 1963 and

end its diplomatic isolation and crack the embargo, Iraq gave Syria the status of privileged economic partner. Oil ministers agreed to test the pipeline that linked the oil fields in Kirkuk to the Syrian port of Baniyas. Officially, the purpose was eventually to restore the pipeline, closed since 1982. The real goal was to resume oil shipments at a significant discount, in violation of the UN embargo. As of November 2000, between 150,000 and 200,000 barrels of Iraqi crude were being delivered daily¹⁰⁶ – a pattern that continued until U.S. troops ended it in mid-April 2003. According to most estimates, Syria netted a profit of around U.S.\$1 billion annually by re-exporting Iraqi oil.¹⁰⁷

Commercial links also grew. In the late 1990s, Iraq began opening its market to Syrian products, which were exported duty-free. Given its people's low purchasing power, Iraq was an ideal market for low quality but cheap Syrian consumer products. Many factories and workshops that earlier had been hit by the termination of the so-called "debt repayment through exports agreement" with the Soviet Union¹⁰⁸ found a new customer. Initially left to individual initiative, this trade was formally encouraged by

1966 had been a minister and a member of the Baath Regional Command in Syria and had since retired from public life, was particularly active. "I went to Iraq several times and I met high level officials. We developed several economic projects, and I ensured the link between the two governments. We were able to build a climate of confidence and cooperation. Under Hafez, such an evolution would almost certainly have been impossible. Hafez was a solid obstacle to this kind of rapprochement, and Iraq was a taboo topic! Just to give you an idea: when I returned to Syria from my first trip, I went back to my village. People waited four days before daring to pay me a visit, fearing that the regime would retaliate. Before, the mere fact of talking about Iraq was a punishable offence". ICG interview, Damascus, 2 May 2003.

¹⁰⁶ According to a Syrian businessmen interviewed by ICG, lesser quantities of oil were delivered from Mosul to the Syrian towns of Aleppo, Baniyas (the site of an electric power plant and Homs (the site of two refineries) via trucks. ICG interview, Damascus, April 2003.

¹⁰⁷ ICG interview with Nabil Sukkar, former senior economist at the World Bank and now head of a Syrian consultancy firm, Damascus, 1 May 2003.

¹⁰⁸ In order to pay back a debt of around U.S.\$12 billion, both public and private Syrian industries exported low quality goods to the Soviet Union until its dissolution in 1991. See Bassam Haddad, "The Formation and Development of Economic Networks", in Steven Heydeman (ed.), *Networks of Privilege: The Politics of Economic Reform in the Middle East*, (Palgrave-St Martin's Press, forthcoming); Hanadi Salman in *As-Safir*, 31 July 2003.

both governments via a Higher Joint Syrian-Iraqi Committee.

In 2001, we signed a secret financial and commercial protocol with the Iraqis. They then opened up an account at the Syrian Commercial Bank in order to be able to pay for their purchases. Roughly U.S.\$1 billion was deposited in the account annually. Once the goods reached Iraq, Syrian exporters were paid directly from the account. This trade did not involve any goods barred by the sanctions, but obviously they did not go through the UN Sanctions committee.¹⁰⁹

Additionally, trans-border contraband flourished, and transit operations provided further significant revenue for Syria; its ports of Tartus and Latakia were almost exclusively used for the transfer of commodities to Iraq.¹¹⁰ Finally, in 2002, preparations were reportedly made to establish a Syrian-Iraqi holding company to finance joint industrial projects.¹¹¹

Iraq undoubtedly helped boost Syria's balance of trade and foreign reserves, which had seen growing deficits since the mid-1990s. The regime reportedly used part of these revenues to increase the salaries of state employees,¹¹² and there is little doubt that some members of the elite also profited handsomely, becoming virtual commercial intermediaries between Iraq and the rest of the world.¹¹³ The Syrian regime appeared to have found a way to cash in on regional politics while avoiding long overdue but potentially destabilising reforms of its largely unproductive economy. As explained by a Syrian intellectual opposed to the regime:

Thanks to Iraqi oil and money, the regime successfully put the question of Syrian economic reform on the back burner. Reform

¹⁰⁹ ICG interview with Waddah Abd Rabbo, chief editor of the privately owned weekly *Al-Iqtisadiyya*, Damascus, 23 April 2003.

¹¹⁰ ICG interview with Western businessman in Damascus, July 2003.

¹¹¹ See *Al-Majd*, 2 December 2002.

¹¹² ICG interview with a Syrian economist, Damascus, April 2003.

¹¹³ ICG interview with member of pro-Iraq lobby, Damascus, 25 April 2003. Allegations that Syrian officials privately benefited have been fuelled by the lack of transparency in managing the revenues from Iraqi oil sales. ICG interview with Syrian economist, Damascus July 2003.

no longer was a priority: the ruinous policies of the past could continue, undisturbed.¹¹⁴

2. The War

In the period leading up to the war, Syria was relatively cautious. On 8 November 2002 it surprised many observers – and disappointed many in the Arab world¹¹⁵ – by voting for Security Council Resolution 1441, which called on Iraq to declare its arsenal of weapons of mass destruction and allow UN inspectors back into the country.¹¹⁶ Officials defended the vote on the grounds that Syria “wanted to show goodwill, to help the region and Iraq avert a war”.¹¹⁷ Moreover, they claimed to have assurances from the U.S. and other Security Council members that the resolution would not be used to launch a military strike.¹¹⁸ At the same time, they were careful not to be too closely associated with the Iraqi regime.

As prospects for war grew, Syria became increasingly hostile, denouncing U.S. plans for Iraq and the region as a whole.¹¹⁹ In unusually harsh tones, the regime openly denounced other Arab regimes for what it called their hypocritical stance of public rejection of the war coupled with logistical and military support for it. Syria also took strong issue with last-minute attempts to persuade Saddam to resign or leave Iraq.¹²⁰ Its border with Iraq remained open, and the official religious establishment (through the Mufti, Sheikh Ahmad Kaftaru) called for *jihād* or holy war, against the

Anglo-American forces.¹²¹ A week after the onset of the invasion, Bashar strongly opposed the war, alluding to the Arabs’ moral obligation to help Iraqis resist the invaders:

The logical thing to do would be to implement the Arab Defence Agreement. According to this agreement, if an Arab country is invaded, other Arab countries should defend it. But rather than implementing this agreement, some facilitated the aggression, while neighbouring countries refused to do so.¹²²

Syria’s attitude differed markedly from that of virtually every other Arab state. Some observers, as well as individuals close to the president, argue that he made the only viable choice available given the mood of the “Arab and Syrian streets”, largely and intensely opposed to the war.¹²³ The choice may well have redounded in Bashar’s favour, at least in the short run. Indeed, indications are that Syria experienced intense popular support for Iraq, which the regime tried to follow more than provoke. After the fact, Baath party organisations and quasi-official non-governmental organisations sought to capitalise on popular feelings.¹²⁴ There reportedly were several

¹¹⁴ ICG interview with Michel Kilo, Damascus 24 April 2003.

¹¹⁵ Faruq as-Shara, the Syrian foreign minister, acknowledged that he was “well aware that Syria’s vote for the resolution sparked strong criticism from many Arab nationalists”. Quoted in *Christian Science Monitor*, 12 December 2002.

¹¹⁶ Syria became a non-permanent member of the Security Council in October 2001.

¹¹⁷ ICG interview with Buthaina Shaaban, then director of the newly-created foreign media department at the Syrian Foreign Ministry, Damascus, November 2002.

¹¹⁸ Faruq as-Shara cited in *The Daily Star*, 14 November 2001.

¹¹⁹ As early as September 2002, Syrian diplomats told ICG they feared that the war was part of a far more ambitious US plan to refashion the region. ICG interview, New York, September 2002.

¹²⁰ It appears that Syria vetoed a Kuwaiti-Qatari proposal in early March 2003 for the Arab League to send a ministerial committee to Iraq in order to persuade Saddam to step down. Syrian Vice-president Abd al-Halim Khaddam earlier strongly rejected the idea during a visit to Damascus of the Iraqi envoy ‘Ali Hassan al-Majid, a cousin of Saddam Hussein. See Reuters, 17 January 2003.

¹²¹ Kaftaru’s statement, issued on 26 March 2003, called on all Moslems in Iraq and neighbouring countries to “use all possible means and to become martyrs in order to defeat the American-British-Zionist aggression against Iraq”. Cited by Agence France-Presse, 26 March 2003. An assistant of Kaftaru later denied reports that the statement was a fatwa with the binding force that would imply. ICG interview in Damascus, July 2003.

¹²² Cited in *As-Safir*, 30 March 2003.

¹²³ ICG interview with Waddah Abd Rabbo, chief editor of the privately owned weekly *Al-Iqtisadiyya*, Damascus, 23 April 2003. Not everyone agrees. A European official stated: “Bashar miscalculated. He gained popularity, he gained legitimacy – but all this will be very short lived. His people are bound to conclude that his gamble proved ill-advised: Saddam is gone, the American troops are there, and Syria has lost influence and economic opportunity. It is hard to imagine that Bashar would have acted the way he did had he properly assessed the situation”. ICG interview, Paris, June 2003.

¹²⁴ The period both before and during the war saw the emergence of various unlicensed “NGOs”, including the Popular Committee for the Victory of the Iraqi People, which sought to capitalise on widespread opposition to the U.S. invasion. Many of these organizations were run by former Baath officials or their relatives. According to some analysts, rather than initiating popular opposition to the war, they were designed primarily to keep an eye on and control radical activists. ICG interview with Syrian political activist, Damascus July 2003. See also *As-Safir*, 1 August 2003.

spontaneous demonstrations¹²⁵ and disgruntled tribes with ties to Iraq needed no encouragement to express anger, particularly the Shammar, whose territory crosses the border to extend from the Syrian Jazira to Mosul, in northern Iraq. Such tribal solidarity (*‘assabiya*) is likely to have played a part in promoting anti-war sentiment, especially since the Shammar was strongly represented in the Iraqi military.

Bashar’s popularity soared not only in Syria, but in the Arab world in general as a result of his strong anti-war position.¹²⁶ Also important in explaining the leadership’s attitude is that it was banking on a strong and sustained Iraqi resistance to the invasion that would result in a quagmire for U.S. and British troops.¹²⁷

Others speculate that the regime’s reaction was provoked by fear that the new U.S. pre-emptive war doctrine could be extended to Syria itself. This had two consequences: on the one hand, fervent denials of any link between the two Baathist regimes;¹²⁸ on the other hand, equally strong denunciations of the rationale behind the U.S.-led war.

There are factual questions as to the steps the Syrian government took once the war began. According to U.S. officials, Damascus allowed Iraqi Baathist officials and WMD in and dispatched militant

volunteers and military equipment to Iraq,¹²⁹ Western diplomats told ICG they believed that “the Syrian regime gave [the volunteers] new passports in record time; such movements of people cannot have gone unnoticed”.¹³⁰ Others claim they witnessed Syrian security forces allowing rallies in Aleppo designed to recruit potential volunteers shortly before the war.¹³¹

In response to these charges, and as the military campaign made major strides, Syria announced on 21 April 2003 that it had closed its borders with Iraq.¹³² Yet suspicions that the border remained porous continued following an incident on 18 June in which U.S. troops attacked an Iraqi convoy, allegedly carrying fugitive Iraqi officials to Syria.¹³³ Armed attacks in Iraq on both military and civilian

¹²⁵ Between March and June 2003, Syrian security forces allegedly reacted nervously to spontaneous anti-U.S. demonstrations, banning them and arresting dozens of activists. See *Al-Marsad*, 2 March and 5 June 2003.

¹²⁶ In the words of a French diplomat who visited Damascus during this period, “Bashar is one of the rare Arab leaders in synch with his people. He has never been so popular nor his legitimacy so great”. ICG interview, Paris, April 2003.

¹²⁷ One week into the war in Iraq, Bashar stated in an interview, “The aggressors will not succeed in controlling Iraq. The U.S. and Great Britain will face an even stronger resistance. The events will unmask the deceitful allegations of some Arab leaders who, whether deliberately or not, seek to present a wholly different version of reality”. *As-Safir*, 27 March 2003. The relevant comparison for Syria’s leaders was Lebanon in the early 1980s. In 1983, U.S. forces found themselves under attack in Lebanon, most notably the bombing of the Marine barracks in Beirut, enabling Syria (and Iran) to register important regional gains and to assert themselves as indispensable interlocutors. See *Al-Hayat*, 27 March 2003.

¹²⁸ Syrian officials and editorialists often made the point that the 1966 coup in Syria marked the beginning of an ideological split between the two Baath parties, leaving the Syrian Baath as the original party and the Iraqi Baath as its “artificial copy”. See *At-Thawra*, 16 April 2003, *Al-Baath*, 16 April 2003.

¹²⁹ U.S. officials repeatedly accused Syria of turning a blind eye to volunteers crossing into Iraq in order to fight coalition forces. See *The Washington Post*, 9 April 2003; Associated Press, 15 April 2003. On 9 April Defence Secretary Rumsfeld stated that the U.S. “had scraps of intelligence that Syria has been co-operative in facilitating the move of people out of Iraq and into Syria”. BBC, 9 April 2003. U.S. officials also alleged that Iraq had moved some WMD into Syria. Press reports cited unnamed CIA sources as confirming the allegation. See United Press International, 7 February 2003. Responding to a question regarding Syria’s alleged concealment of Iraqi WMD, Secretary Powell said “we do have some concerns”. See on-the-record briefing en route to Damascus, Syria, Secretary Colin L. Powell, aboard the Secretary’s airplane, 2 May 2003. More recently, David Kay, the former head of the Iraq Survey Group, commented: “We know from some of the interrogations of former Iraqi officials that a lot of material went to Syria before the war, including some components of Saddam’s WMD program. Precisely what went to Syria and what has happened to it, is a major issue that needs to be resolved”. *Sunday Telegraph*, 25 January 2004.

¹³⁰ ICG interview with Western diplomat, Damascus, May 2003. The precise number of volunteers who went to Iraq is hard to establish. According to some accounts, during the first week of the war, three buses left Damascus on a daily basis, which would represent roughly 300 to 400 people per day. Palestinian groups are said to have quickly come under the Syrian government’s strict control. ICG interview with European diplomat, Damascus, April 2003. See also *The New York Times*, 21 April 2003.

¹³¹ For more details on this see below.

¹³² See *The Guardian*, 22 April 2003.

¹³³ Syrian border guards and U.S. troops exchanged fire, as a result of which several Syrians were wounded. Five of the border guards subsequently held by the U.S. were returned after Damascus protested the attack. It remains unclear whether Syrians had tried to facilitate the convoy’s entry into Syria. Secretary Rumsfeld commented: “We have things that would suggest that someone on the Syrian side was involved, but whether it was ‘the Syrians,’ quote, unquote, as you put it, meaning people connected with the government ... I haven’t got a definitive answer.” Associated Press, 30 June 2003.

targets continue to be blamed on volunteers who, in some instances, are believed to have crossed from Syria. Following the truck bombing of the UN compound in Baghdad on 19 August 2003, Paul Bremer, the U.S. administrator in Iraq, said there are “still foreign terrorists entering Iraq across the border from Syria”.¹³⁴ A month later, Bremer stated that 123 of 248 foreign fighters captured by coalition forces were Syrian.¹³⁵ On 14 October, a U.S. military spokesman claimed that U.S. troops had killed several “infiltrators” from Syria and captured others after they opened fire on a U.S. helicopter near the border town of Qaim.¹³⁶

U.S. assessments of the role and number of foreign volunteers are not always consistent. Several U.S. military sources in Iraq have challenged the official accounts and countered assertions regarding a large influx of volunteers from Syria.¹³⁷ According to a former official at the U.S. Defence Intelligence Agency, many in the U.S. government believe that the June border incident “was an effort by ideologues [within the U.S. administration] to disrupt cooperation between the United States and Syria”.¹³⁸ The official version regarding the incident near Qaim was contradicted by a local U.S. commander who denied involvement of Syrian volunteers.¹³⁹ Allegations of WMD shipments remain unsubstantiated.

It is not wholly possible to disentangle fact from fiction, though some things appear clear. Some Iraqi Baathists reached Iraq, as confirmed by the fact that several were subsequently returned. While Syria has denied actively dispatching volunteers and points to the difficulties inherent in patrolling the 600-

kilometre frontier,¹⁴⁰ even Syrian officials acknowledge that, at the onset of the war, the regime “turned a blind eye” to border crossing by volunteers – though they also assert that passive acquiescence ended soon after the war began.¹⁴¹ They also concede that some may still make it across the border, arguing that corrupt Syrian officials may be individually involved in facilitating this for financial gain.¹⁴² Such privatisation of foreign policy by corrupt officials – whose activities President Bashar is believed either to have been unaware of or, more likely, unwilling to halt for reasons of domestic politics¹⁴³ – appears to account for the sale of military equipment to Iraq prior to the war.¹⁴⁴ In short, and though the precise scope remains unclear, Syria’s behaviour can be explained by a series of factors: genuine opposition to the war; hope the U.S. would bog down in Iraq; desire to shore up regime legitimacy; economic interest; and personal greed.

The U.S. and the Iraqi Interim Governing Council have demanded return of Iraqi assets held in Syrian banks. This reportedly involves five accounts, the largest of which contains Iraqi government assets. Syria claims the total in this account is roughly

¹³⁴ Cited by Reuters, 20 August 2003.

¹³⁵ Pentagon Briefing, 26 September 2003. See also “Testimony of John R. Bolton”, the House International Relations Committee, Subcommittee on the Middle East and Central Asia, 16 September 2003

¹³⁶ See BBC, 15 October 2003. In January 2004, the U.S. military commander in Iraq, General Ricardo Sanchez, was quoted as saying that the “small numbers” of foreign fighters who continue to slip into Iraq primarily used the Syrian border. See Agence France-Presse, 27 January 2004.

¹³⁷ See International Herald Tribune, 28 October 2003.

¹³⁸ Patrick Lang cited by Nicholas Kristof in the *International Herald Tribune*, 16 July 2003.

¹³⁹ According to this commander, Greg Reilly, no Syrians were detained. “True, there was a shootout but no one had been crossing the border. You got to be on the ground to get the truth”. Cited in *International Herald Tribune*, 21 October 2003.

¹⁴⁰ “We are doing everything we can. We have tightened our checkpoints and are turning people back. But the border is long and we cannot cover it all... If America, a rich superpower cannot stop Mexicans crossing into the United States, then how can we, a poor country, be expected to stop Palestinians getting into Iraq.” Foreign Minister Shara, quoted in *The Sunday Telegraph*, 26 October 2003.

¹⁴¹ ICG interview, October 2003.

¹⁴² Diplomats in Damascus offer contrasting views. A European diplomat said “not to rule out” that Syrian volunteers continue to head for Iraq. He cited “rumours about busloads of Syrians who are given false Iraqi identity papers before they travel to Iraq”. Yet another diplomat dismissed Syrian claims that it is unable to fully control the phenomenon. “The *mukhabarat* is otherwise perfectly well informed. I find it difficult to believe that they don’t know who is planning something as significant as raising a jihad in Iraq”. ICG interviews, Damascus, July-September 2003. Contrastingly, several other diplomats questioned U.S. assertions, pointing to differing military assessments from the ground. One U.S. diplomat even listed a series of steps undertaken by Syria: beefing up security posts along the entire border; reinforcing a berm on the border and creating a clearly demarcated no-man’s-land; and conducting regular patrols. ICG interview, Damascus, December 2003.

¹⁴³ See ICG Report, *Syria Under Bashar (II)*, op. cit.

¹⁴⁴ According to the *Los Angeles Times*, 30 December 2003, documents recovered in Iraq show that “a Syrian trading company with close ties to the ruling regime smuggled weapons and military hardware to Saddam Hussein between 200 and 2003,” and in particular in the run-up to the war.

U.S.\$260 million and that most is owed to Syrian companies as payment for pre-war transactions.¹⁴⁵ The U.S. argues that more is involved, many Syrian claims are fraudulent, large amounts are being distributed to regime insiders for private benefit and “the Syrians are dragging their feet”.¹⁴⁶ The U.S. insists that Syria transfer all sums to Iraq before its claims will be settled. Although Syria has taken some steps, in particular allowing a delegation from the Governing Council, assisted by U.S. experts, to visit, the matter remains unresolved.¹⁴⁷

3. Managing Iraq

U.S. interests are clear: to stabilise Iraq politically, end or at least minimise the insurgency and help put the country’s economy back on track. Syria’s goals are to ensure that it is not surrounded by hostile countries, that it have a say in Iraq’s future and, importantly, that it be allowed to participate in trade and economic reconstruction.¹⁴⁸ While for now Washington holds most of the cards, Damascus is not devoid of leverage. As discussed, predominantly Sunni tribes straddle the border area over which Syria enjoys influence; as the U.S. continues to encounter difficulties in the so-called Sunni triangle, such contacts could prove useful. Moreover, Syria has links to several influential political parties that opposed Saddam Hussein. Pointedly, it organised

meetings in Damascus with Iraqi party leaders, tribesmen and notables, most of whom were excluded from the Iraqi Interim Governing Council. In September 2003, over 80 members of the “Council of Iraqi Tribes” met with Bashar and other high-level Syrian officials.¹⁴⁹ A month later, 38 Iraqi tribal leaders announced in Damascus formation of the “Alliance of Iraqi National Forces” and called for withdrawal of U.S. forces.¹⁵⁰ In early November, Syria hosted a regional conference on Iraq attended by all Baghdad’s neighbours plus Egypt, another reminder of its role and its acknowledgment by the region.¹⁵¹ As a U.S. diplomat remarked, “Syria can play a role via its contacts with Sunni tribes and cooperate with the neighbours to strengthen the Interim Governing Council”.¹⁵²

Placing the issue of Iraq within a broader context of bilateral give-and-take would present another advantage to the U.S. As suggested above, trade between Syria and Iraq already is occurring and of late has taken on significant proportions. Although figures are unavailable, the large trade volume is suggested by the recent inflation in the price of Syrian food items that Syrians now share with Iraqi buyers.¹⁵³ According to Syrian businessmen, it takes place via virtually all official border gates; train traffic resumed between Aleppo and Mosul in July 2003 for cargo freight and in mid-November for people. Turkey has begun to use the railway connection with Mosul for its own trade with Iraq, paying transit fees to Syria.¹⁵⁴ Because this is not part of a central strategy but rather is driven largely by local U.S. commanders seeking to stabilise the area under their control, the U.S. cannot use it as a lever to seek Syrian concessions on other fronts.¹⁵⁵ Because

¹⁴⁵ The Syrians also claim that this could easily be resolved by checking the accounts at both the Syrian and Iraqi sides. ICG interview with Ratib Shalah, Damascus, December 2003. The four remaining accounts are straightforward Iraqi assets and contain up to U.S.\$6 million; so far all have been verified and representatives from the Interim Governing Council have audited them. However, the return of these funds has been held up by disagreements over the first account.

¹⁴⁶ ICG interviews, Washington-Damascus, December-January 2003.

¹⁴⁷ The recent permission granted to Interim Governing Council representative to start looking into the accounts was considered by the U.S. a “token gesture.” ICG interviews, Damascus, December 2003.

¹⁴⁸ Interestingly, several Syrian businessmen criticised Syria’s policies, fearing they would affect its access to trade with Iraq. ICG interviews, Damascus July 2003. Another Iraq-related concern is to avert Kurdish independence, which could have a ripple effect on the Kurdish community in Syria. ICG interview with Bushra Kanafani, Syrian foreign ministry spokeswoman, Damascus, 1 December 2003. With that in mind, elements within the Syrian regime have been gravitating toward the view that they should promote stability in Iraq without legitimising the U.S. occupation. Increased contacts with the Interim Governing Council can be explained in that light. ICG interview, Damascus, November 2003.

¹⁴⁹ See *Al-Hayat*, 23 and 24 September 2003.

¹⁵⁰ The delegates included Muhammad ‘Izz ad-Din Hassan al-Majid, a cousin of Saddam Hussein. See *As-Safir*, 25 and 27 October 2003.

¹⁵¹ A Lebanese daily wrote that the conference “reflects Syria’s leading role in the region’s politics at this critical stage. This in itself is a message to the U.S. saying that given the latest security breakdown, no security is possible if Iraq’s neighbours are ignored”. *As-Safir*, 1 November 2003.

¹⁵² ICG interview, December 2003.

¹⁵³ Syrian observers say trade with Iraq expanded significantly after December 2003.. ICG interviews, Damascus, February 2004.

¹⁵⁴ ICG interview with Ratib Shalah, Head of the Syrian Federation of Chambers of Commerce and Industry, Damascus, 1 December 2003.

¹⁵⁵ ICG interview with U.S. officials, Washington, December 2003.

most trade with Iraq is haphazard, it is monopolised by a handful of regime officials and crony capitalists and generally excludes medium-sized entrepreneurs, thereby harming the very reformists the U.S. ought to be strengthening.¹⁵⁶ Were the trade within a larger plan for Iraqi reconstruction, Syrian partners could be selected in transparent ways and in accordance with competitive practices.

There is little doubt that Syria would benefit from increased trade. In interviews with ICG, Syrian businessmen and economists were quick to underscore how complementary the economies of the two countries are, in particular the extent to which Syrian ports, roads and tracks offer optimal transit for the Iraqi market.¹⁵⁷ Syrian businessmen suffered substantial losses when they were deprived of the Iraqi market. Immediately after the war, industrialists from Aleppo, the country's second largest city and whose economy historically has been closely tied to Iraq, started cutting back on their workforces. "We experienced an economic shock in the order of the one provoked by the collapse of the Soviet bloc. All of a sudden, our privileged access to the Iraqi market disappeared".¹⁵⁸ Subsequent trade has clearly helped but commercial exchanges have not reached pre-war levels let alone their potential under conditions of large-scale reconstruction in Iraq.

A blueprint for improved U.S.-Syrian relations should include:

- strengthened efforts by Syria to police its borders with Iraq and prevent infiltration by militants, building on recent contacts with the Interim Governing Council and formalised in a security agreement;¹⁵⁹ in parallel, U.S.-Syrian technical talks should seek to design cooperative mechanisms for border patrols and avoiding clashes, for example during hot pursuit;¹⁶⁰

¹⁵⁶ ICG interview with observer close to Syrian government, Damascus, December 2003.

¹⁵⁷ ICG interviews, Damascus, April-May 2003.

¹⁵⁸ ICG interview with Aleppo industrialist, Damascus, 10 May 2003.

¹⁵⁹ Following a visit to Damascus, Abd al-Aziz al-Hakim, the head of Iraq's Interim Governing Council, said he negotiated with President Bashar al-Assad a range of issues including "cooperation in intelligence, securing the border and the extradition of criminals who carry out any criminal acts in Iraq". Cited by Reuters, 21 December 2003.

¹⁶⁰ According to Syrian officials, Syria approached the U.S. seeking to discuss such joint border arrangements but was rebuffed. ICG interview, December 2003. Currently, no

- establishing a "Contact Group" of the U.S., Iraq and its neighbours (including Syria) to discuss Iraq's future in the region and begin to put in place a regional security structure;
- building on current trade to offer Syria increased access to the Iraqi market and inviting Syrian companies to bid on reconstruction projects, with contracts guided by a needs assessment on the Iraqi side and identification of potential Syrian partners based on competitiveness;¹⁶¹ and
- joint audits by the Syrian Chamber of Commerce and an Iraqi counterpart designated by the Interim Governing Council or its successor to establish at source and destination the legitimate pre-war Syrian claims,¹⁶² after which Syria should immediately transfer all Iraqi assets it holds and over which it has no genuine claim. As an interim confidence-building measure, and in accordance with UN Security Council Resolution 1483, Syria ought to transfer at least a portion of the disputed funds whose final disposition will be determined in the auditing process.¹⁶³

F. WEAPONS OF MASS DESTRUCTION

While suspected Syrian WMD has been a long-standing U.S. concern, it gained public prominence

genuine cooperation – including joint border patrols – exists. ICG interview with U.S. diplomat, Damascus, February 2004.

¹⁶¹ Such market feasibility studies could be conducted in cooperation with the EU-funded Syrian-European Business Centre (SEBC) in Damascus which already has considerable expertise in such work. For more details on the SEBC see <http://www.sebcysyria.org/>.

¹⁶² Ratib Shalah suggested that this be done by comparing Syrian claims with the records of up to 175 Iraqi trade partners – all public sector companies and institutions. ICG interview, Damascus, 1 December 2003.

¹⁶³ "Why doesn't Syria transfer some of the assets, say 20 per cent, just like other countries in the region have done? They should realise that it is Iraq's money and that there is a UN resolution [UNSCR 1483] to which they signed up". ICG interview with U.S. diplomat, Damascus, February 2004. UNSCR 1483 (paragraph 23-b) calls for the immediate transfer of all Iraqi assets held abroad and stipulates that "claims made by private individuals or non-government entities on those transferred funds ... may be presented to the internationally recognised, representative government of Iraq". Lebanon and Jordan reportedly have agreed to transfer Iraqi assets before settling their outstanding claims. See *Az-Zaman*, 3 January 2004; *The Daily Star*, 3 February 2004.

in the aftermath of the Iraq war when a history of allegations concerning a nuclear research program, purchase and development of chemical agents including Sarin and VX, production of biological weapons and acquisition and manufacture of medium-range missiles came to the fore.

Questions have been raised about the accuracy of U.S. assessments, especially after the controversy surrounding Iraqi WMD. Scheduled July 2003 testimony by John Bolton, Undersecretary of State for Arms Control, was postponed, reportedly after the U.S. intelligence community voiced reservations.¹⁶⁴ In the testimony eventually delivered, Bolton reiterated U.S. accusations that Syria sought to acquire “what is now one of the most advanced Arab chemical weapons capabilities” and stated his belief that Syria is “continuing to develop an offensive biological weapons capability”.¹⁶⁵ On balance, it did not add much to prior (publicly available) intelligence reviews and independent assessments of Syria’s likely capabilities.¹⁶⁶ Nor did it seriously challenge independent estimates that Syria’s WMD arsenal did not pose an offensive threat to its neighbours.¹⁶⁷

In response, Syria denied possessing any WMD, argued that any effort to address this issue should be region-wide – i.e., include Israel – and urged a UN Security Council Resolution to that effect.¹⁶⁸ Without conceding it actually had such weapons, President Bashar said: “We are a country which is [partly] occupied and from time to time we are exposed to Israeli aggression. It is natural for us to look for means to defend ourselves. It is not difficult to get

most of these weapons anywhere in the world and they can be obtained at any time”.¹⁶⁹

Syria views possession of WMD, chemical weapons in particular, less as a deterrent to war than as a deterrent within war – one that although not fully capable of deterring Israel from initiating hostilities, could help limit the scope of a conflict. As a result, it is difficult to imagine Syria duplicating Libya and unilaterally foregoing its WMD. By the same token, it is equally hard to see Israel dismantling its arsenal in the absence of a profound regional transformation involving not only Syria but other countries such as Iran and even Egypt.¹⁷⁰

This may or may not accurately reflect the mood in Washington, where proliferation of WMD has emerged as a central concern. In any event, and in the context of resumed U.S.-Syrian and Israeli-Syrian contacts, both Syria and Israel should consider taking initial steps, such as signing and ratifying the Chemical Weapons Convention (a step that, in Israel’s case, may require Egypt’s joining as well).¹⁷¹ The EU-Syria Association Agreement currently under discussion includes a clause on WMD non-proliferation that is one of the last obstacles to agreement. The Netherlands, the UK and possibly Germany reportedly are seeking to strengthen the language to require concrete Syrian

¹⁶⁴ See *The New York Times*, 19 July 2003.

¹⁶⁵ Testimony of John R. Bolton, before the House International Relations Committee, Subcommittee on the Middle East and Central Asia, 16 September 2003.

¹⁶⁶ Earlier intelligence assessments include: CIA, “Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 January Through 30 June 2002”, released in April 2003; “Foreign Missile Development and the Ballistic Missile Threat Through 2015”, Unclassified Summary of National Intelligence Estimate, released in December 2001. For an independent assessment see Anthony C. Cordesman, “If it’s Syria: Syrian military forces and capabilities”, Center for Strategic and International Studies, 15 April 2003.

¹⁶⁷ ICG telephone interview with Gary Samore, former White House Senior Director for Non-Proliferation, 10 November 2003.

¹⁶⁸ Bashar stated that unless a ban on WMD applied to all countries in the region, “we are wasting our time.” *The Daily Telegraph*, 6 January 2004.

¹⁶⁹ Quoted in *The Daily Telegraph*, 6 January 2004.

¹⁷⁰ An Israeli analyst explained: “Israel sees the issue in relation to the regional atmosphere and Israel’s relations with all her neighbours. Israel does not, therefore, tend to look at what Syria or any other lone actor is doing. From Israel’s perspective, it is Israel against the Arab world and not individual states”. ICG interview with Emily Landau, Jaffee Center for Strategic Studies Tel-Aviv, January 2004; ICG interview with Israeli official, January 2004.

¹⁷¹ Syria is a party to the Nuclear Non-Proliferation Treaty (NPT); has signed but not ratified the Biological Weapons Convention (BWC); and has not signed the Chemical Weapons Convention (CWC). Israel has not joined the NPT, has not signed the BWC and has signed but not ratified the CWC. Full membership commences only with ratification. The CWC bans all chemical weapons and toxins acquired for the purpose of developing chemical weapons and requires member states to declare all their stockpiles and destroy them within ten years. In addition to announced routine inspections, the CWC allows for so-called “challenge inspections”: unannounced inspections of declared or undeclared facilities following a request by any of its member states that can only be overruled within 12 hours by a decision of three-quarters of all members. For details see Jonathan B. Tucker (ed), *The Chemical Weapons Convention: Implementation Challenges and Solutions*, Monterey Institute of International Studies, April 2001.

steps, including signing and ratifying the Chemical Weapons Convention, and even to have conditioned finalisation of the agreement on this.¹⁷² The clause should be used to press for Syrian movement, as part of a broader European effort to help Syria frame a comprehensive proposal to the U.S.¹⁷³

Some have suggested a different approach. The UN Security Council would pass a resolution calling on the Middle East to become a WMD-free region. Such a resolution could provide political cover for Syria to act, not under U.S. pressure but in conformity with UN will, and to agree to internationally-verified steps to dismantle its WMD programs. However, it is hard to imagine the U.S. agreeing to such a scenario in the absence of a comprehensive Arab-Israeli settlement; indeed, while the resolution could be drafted to rule out any sanctions or means of enforcement, it inevitably would increase pressure on Israel.¹⁷⁴

¹⁷² The original clause on WMD, by contrast, only refers to the parties “working towards the signature, ratification and implementation of other relevant international instruments”. Draft Text of Article 3, as provided to ICG.

¹⁷³ The EU-Syrian Association Agreement is the first of its kind to include a paragraph on non-proliferation, a result of the Thessaloniki summit of the European Council of Ministers in June 2003, which declared that meeting the challenge of WMD proliferation “must be a central element” in the EU common foreign and security policy. As appropriate policy instruments the Council mentioned the “universalising” of international WMD treaties, enhancing EU support for international verification agencies, strengthening export control policies and “ways to deploy the EU’s political, diplomatic and economic influence”. See Council of the European Union, “Thessaloniki European Council 19 and 20 June Presidency Conclusions”, Brussels 1 October 2003. While Syria felt unfairly singled out, European officials insist that this has become an EU policy of general applicability, to which Syria – because it was slow in negotiating an association agreement – is now subjected. ICG interview, January 2004.

¹⁷⁴ Ultimately, the question of WMD in the Middle East is unlikely to be fully resolved without a comprehensive and region-wide approach. In this respect, ICG has suggested the establishment of a regional security forum whose goal would be to work toward a zone free from WMD and that would include Israel and Iran once the former reaches peace agreements with the Palestinians, Syria and Lebanon. See ICG Middle East Report N°18, *Dealing with Iran’s Nuclear Program*, 27 October 2003.

III. CONCLUSION

Syria is under pressure to accommodate to the new geopolitics of the Middle East, in particular the much more intrusive and military presence of the U.S. However, only a vigorous, ambitious international strategy, that offers Syria in exchange the prospect of satisfying its own pressing needs – recovery of the Golan Heights, market opportunities in Iraq, and economic recovery at home – has a good chance of achieving fundamental changes in its policies.

There are many obstacles to such a grand bargain, in Damascus, Washington and Jerusalem. The U.S. demands such fundamental changes vis-à-vis militant Palestinian groups and Hizbollah before it will consider Syrian concerns; Syria will not surrender to perceived U.S. injunctions and will not break with its past without guarantees about the future; and the Sharon government has given no indication it is prepared to withdraw from the Golan Heights. Resistance by those who benefit economically and politically from the domestic Syrian status quo,¹⁷⁵ divisions within the U.S. administration and the increasing American preoccupation with the country’s November 2004 election are further complications.

Yet given all that is at stake – peace between Israel and its Arab neighbours; stability in Iraq; safeguards against terrorism and the proliferation of weapons of mass destruction – there is every reason to test whether a comprehensive solution can be achieved. President Bashar is in a unique position. His domestic credibility has been bolstered by his stance on the Iraq war but his plans for Syria are held back by the country’s relative international isolation and the risk of violent confrontation with Israel or even the U.S. Recovery of the Golan Heights and normalisation of relations with Washington would promote Syria’s strategic interests, boost its economy, further broaden support for the government, make possible domestic reform and contribute to longer-term stability.

President Bush has set himself a bold agenda that calls for a transformation of the Middle East. The partial successes he has achieved thus far risk giving way to a deep and even more violent wave of anti-American militancy if the U.S. does not do more to resolve the region’s underlying political

¹⁷⁵ See ICG Report, *Syria Under Bashar (II)*, op. cit.

problems, chief among them the Arab-Israeli conflict. Working with Syria on a comprehensive basis – with guarantees up front that Damascus would take the requisite steps on issues of primary U.S. concern – offers a chance to transform the region in a sustainable fashion.

When neither the status quo nor the measures currently applied to change it are working, it is time for a fundamental rethink.

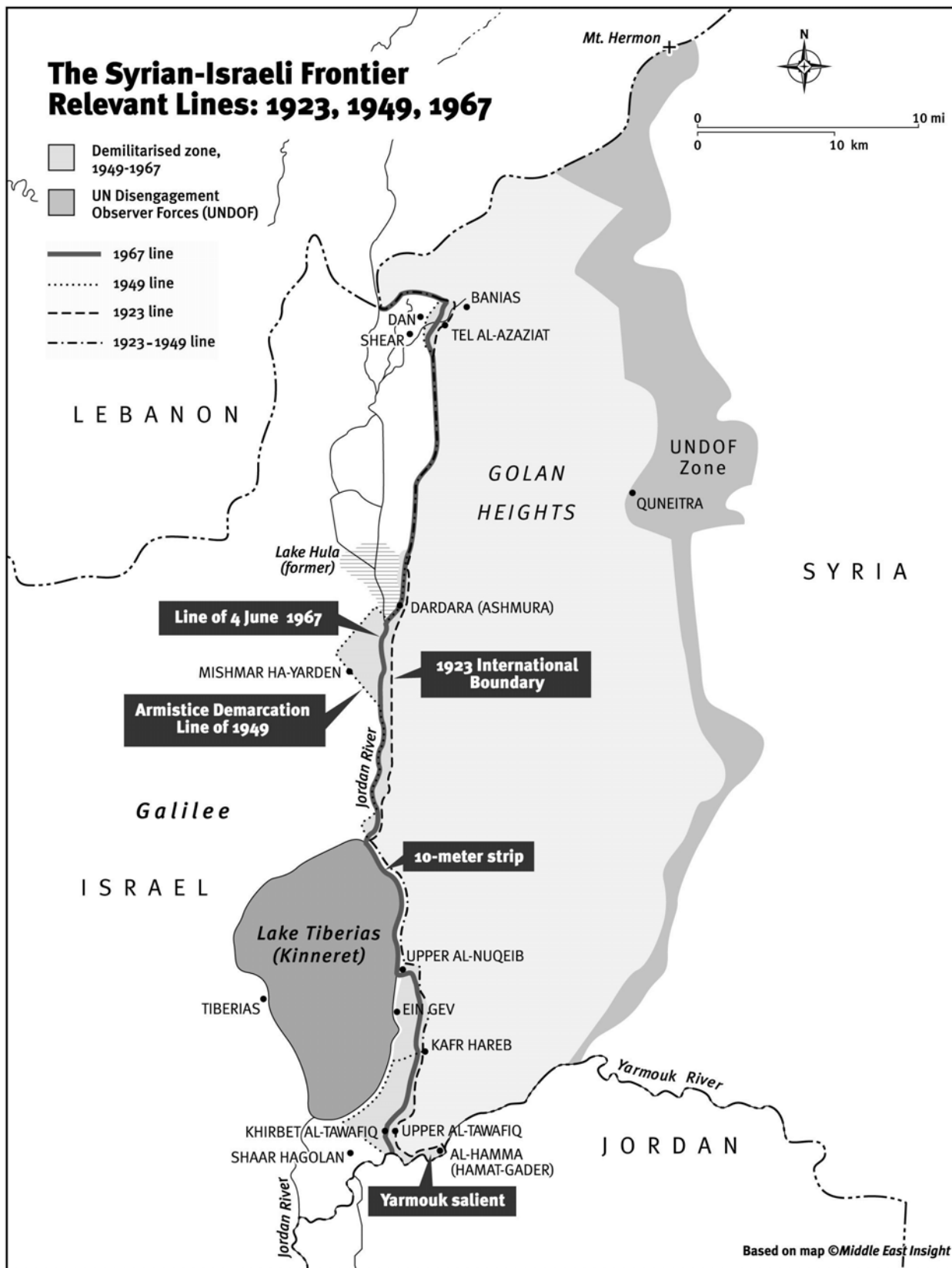
Amman/Brussels, 11 February 2004

APPENDIX A MAP OF SYRIA



APPENDIX B

MAP OF THE SYRIAN-ISRAELI FRONTIER: RELEVANT LINES 1923, 1949, 1967



APPENDIX C*

AN ISRAEL-SYRIA TREATY OF PEACE: DRAFT NEGOTIATING TEXT

The Government of the State of Israel and the Government of the Syrian Arab Republic:

Aiming at the achievement of a just, lasting and comprehensive peace in the Middle East based on United Nations Security Council Resolutions 242 and 338 and within the framework of the peace process initiated at Madrid on 31 October 1991;

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and recognising their right and obligation to live in peace with each other, as well as with all states, within secure and recognized boundaries;

Desiring to establish mutual respect and to develop honourable, friendly and good neighbourly relations;

Resolving to establish permanent peace between them in accordance with this Treaty;

Have agreed as follows:

ARTICLE I – Establishment of Peace and Security within Recognised Boundaries.

1. The state of war between Syria and Israel (hereinafter “the Parties”) is hereby terminated and peace is established between them. The Parties will maintain normal, peaceful relations as set forth in Article III below.
2. The international boundary between Israel and Syria is the boundary to be demarcated as set forth in Article II below.
3. To enhance the security of both Parties, agreed security measures will be implemented in accordance with Article IV below.

ARTICLE II – International Boundary

1. The boundary between Israel and Syria will be based on the line of 4 June 1967.
2. The Parties agree on the need to precisely demarcate their boundary. To that effect, the boundary will be demarcated by an International Boundary Commission (hereinafter “the Commission”) organised and chaired by the Chief Cartographer of the United Nations. The Parties shall participate as members of the Commission and shall facilitate its work fully. Final demarcation decisions shall be made by the Chief Cartographer in consultation with the Parties and in a manner consistent with the precedents, principles and special provisions agreed to by the Parties as enumerated below. Boundary demarcation shall be completed within one year of this Treaty entering into force, and a full record of the demarcation including maps and other supporting documentation shall be annexed to it as an integral part of the Treaty and filed with the United Nations.
3. Israeli military and civilian personnel shall fully vacate all territory returned to Syria no later than two years after this Treaty enters into force. Israel will leave intact the housing and infrastructure in territories it evacuates.

* ICG Middle East Report N°4, Middle East Endgame III: Israel, Syria and Lebanon – How Comprehensive Peace Settlements Would Look 16 July 2002, pp. 10-15.

4. The boundary to be demarcated by the Commission shall take fully into account the following principles:
 - (a) Syrian sovereignty shall extend to all land areas occupied by Israel as a result of Israeli-Syrian combat during the June 1967 War.
 - (b) Israeli sovereignty will apply to all bodies of water lying to the west of the boundary.
5. The boundary to be demarcated by the Commission shall take into account the following historical precedents:
 - (a) The provisions of UN Security Council Resolution 242;
 - (b) The locations of Syrian and Israeli nationals in the Jordan River Valley as of 4 June 1967;
 - (c) The terms of the 1949 General Armistice Agreement between the Parties; and
 - (d) The 1922 Anglo-French Boundary Commission Report.
6. In order to facilitate good neighbourly relations, the Parties agree that the following special provisions shall apply to land and water resources in close proximity to their common boundary:
 - (a) A Jordan Valley Nature Preserve (hereinafter “the Preserve”), covering Syrian territory within the Jordan River Valley up to an elevation of zero metres above sea level, shall be established under Syrian administration. Within the Preserve all permanent human habitation, except for Syrian residents of Al-Hamma and Syrian conservation and law enforcement personnel and their families, shall be excluded. Syria shall refrain from establishing border and customs posts within the Preserve.
 - (b) The Preserve shall be accessible to visitors from both sides without restriction, except for Syrian rules and regulations within the Preserve designed to protect the ecology of the Jordan River Valley and to maintain law and order.
 - (c) Irrespective of the placement of the boundary, access by motor vehicles from Israel to roads and highways lying within the Preserve shall not be impeded. In order to ensure the timely provision of emergency services to motorists and other visitors within the Preserve, the Syrian Arab Red Crescent and the Israeli Magen David Adom shall establish a joint Emergency Services Centre at a location mutually agreed by the two organisations within the Preserve in the vicinity of Kinneret/Lake Tiberias. The Parties agree that the Emergency Services Centre shall be empowered to summon appropriate emergency assistance from either Party. The Parties further agree to provide emergency medical assistance to visitors within the Preserve solely on the basis of medical exigency, without regard to the nationality of any person requiring emergency medical assistance.
 - (d) The recreational access of Syrian citizens to bodies of water adjacent to the boundary shall likewise be unrestricted, except for Israeli rules and regulations for Kinneret/Lake Tiberias and the Jordan River pertaining to boat safety, fishing and the like.

ARTICLE III – Normal Peaceful Relations

1. The Parties will apply between them the provisions of the Charter of the United Nations and the principles of international law governing relations among states in time of peace. In particular:
 - (a) They recognise and will respect each other’s sovereignty, territorial integrity, political independence and right to live in peace within secure and recognised boundaries; and
 - (b) They will establish and develop friendly and good neighbourly relations, will refrain from the threat or use of force, directly or indirectly, against each other, will cooperate in promoting peace, stability and development in their region and will settle all disputes between them by peaceful means.

2. The Parties will establish full diplomatic and consular relations, including the exchange of resident ambassadors. The exchange of resident ambassadors shall be completed within seventy-two (72) hours of this Treaty entering into force.
3. The Parties recognise a mutuality of interest in honourable and good neighbourly relations based on mutual respect and for this purpose will:
 - (a) Promote beneficial bilateral economic and trade relations including by enabling the free and unimpeded flow of people, goods and services between the two countries; remove all discriminatory barriers to normal economic relations; terminate economic boycotts directed at the other Party; repeal all discriminatory legislation; and cooperate in terminating boycotts against either Party by third parties.
 - (b) Promote relations between them in the sphere of transportation. In this regard, the Parties will open and maintain roads and international border crossings between the two countries, cooperate in the development of rail links, grant normal access to ports for vessels and cargoes of the other or vessels or cargoes destined for or coming from that Party, and enter into normal civil aviation relations.
 - (c) Establish normal postal, telephone, telex, data facsimile, wireless and cable communications and television relay services by cable, radio and satellite between them on a non-discriminatory basis in accordance with relevant international conventions and regulations; and
 - (d) Promote cooperation in the field of tourism in order to facilitate and encourage mutual tourism and tourism from third countries.
4. The Parties undertake to ensure mutual enjoyment by each other's citizens of due process of law within their respective legal systems and before their courts.
5. The Parties agree that the commitments enumerated in Article III, Sections 3 and 4 above, shall be implemented in full no later than ninety (90) days following the implementation of Article II, Section 3 above, with the following exceptions:
 - (a) Economic boycotts of a bilateral nature shall be terminated within ninety (90) days of this Treaty entering into force.
 - (b) The provisions of Article III, Section 3c above shall be implemented within one-hundred-eighty (180) days of this treaty entering into force.

ARTICLE IV – Security

1. The Parties undertake to refrain from cooperating with any third party in a hostile alliance of a military character directed at the other Party and to ensure that territory under their control is not used by military forces of a third party (including their equipment and armaments) in circumstances that would adversely affect the security of the other Party.
2. The Parties undertake to refrain from organising, instigating, inciting, assisting or participating in any act or threats of violence against each other, the citizens of each other or their property wherever located, and will take effective measures to ensure that no such acts occur from, or are supported by, individuals on their respective territory or territory under their respective control. In this regard, without prejudice to the basic rights of freedom of expression and association, the Parties will take necessary and effective measures to prevent the entry, presence and operation in their respective territories of any group or organisation, and its infrastructure, which threatens the security of the other Party by use of, or incitement to the use of, violent means.
3. Both Parties recognise that international terrorism in all its forms threatens the security of all nations and therefore share a common interest in the enhancement of international cooperative efforts to deal with this problem.

4. Each Party recognises that the security of the other is an essential element of permanent peace and stable bilateral relations. The Parties have agreed, therefore, drawing upon historical precedents, to the following special security arrangements:
 - (a) A demilitarised zone will be established. It will cover the following areas:
 - (i) The territory to be vacated by Israeli military personnel and civilians.
 - (ii) The Area of Separation established under the Agreement on Disengagement between Syrian and Israeli Forces of 31 May 1974.
 - (iii) The demilitarised zone established by the Israel-Syria General Armistice Agreement of 20 July 1949.
 - (b) No military forces, armaments, weapons systems, military capabilities or military infrastructure will be introduced into the demilitarised zone or its airspace by either Party. The Parties agree that civil police may be deployed into the demilitarised zone, but that all weaponry beyond police side arms will be excluded.
 - (c) Areas of Limitation in Armament and Forces shall be established in Syria and Israel on territory adjacent to the demilitarised zone. To the east of the demilitarised zone, the First and Second Areas of Limitation in Armament and Forces as designated and defined by the Agreement on Disengagement between Israeli and Syrian Forces of 31 May 1974 shall remain in effect, except that armour (tank) units shall be excluded. To the west of the demilitarised zone, there shall be an Area of Limitation in Armament and Forces ten (10) kilometres in depth, with limitations on armaments and forces equal to those of the Area of Limitation in Armaments and Forces to the east of the demilitarised zone.
 - (d) A comprehensive surveillance and early warning security system shall be designed and implemented by the United States in consultation with the Parties. The system shall include an early warning ground station on Mt. Hermon to be operated by American personnel and shall also employ unmanned aerial vehicles operated in the region by the United States. The United States will share with the parties, as appropriate, the information gathered through its collection efforts. The surveillance and early warning security system shall become operational within ninety (90) days after the completion of the boundary demarcation referred to in Article II section 2 above. It shall remain in effect for five (5) years from the date it becomes operational, unless the Parties mutually agree on its extension.
 - (e) A monitoring, inspection and verification mechanism to oversee and ensure the implementation of the foregoing security arrangements shall be designed and implemented by the United States in consultation with the parties. The mechanism shall be multinational in composition, with personnel provided by the United States, the European Union, Russia and elsewhere, as agreed by the Parties. The mechanism shall become operational immediately upon the implementation of Article II, section 2 of this Treaty and shall remain in effect for five (5) years from that date, unless the Parties mutually agree on its extension. Pending the commencement of operations by the monitoring, inspection and verification mechanism, the United Nations Disengagement Observer Force (UNDOF) will, with the full cooperation of the Parties, continue its mission.
 - (f) A Mutual Security Working Group shall be formed by the Parties within thirty (30) days of this Treaty entering into force to facilitate the implementation of the foregoing special security arrangements.

ARTICLE V – Water

1. In order to promote communication, cooperation and good neighbourly relations in the water sector, the Parties will establish a Joint Water Consultative Committee [hereinafter “the Committee”]. The Committee will be comprised of three members from each country. It will, with the approval of the respective governments, specify its work procedures, the frequency of its meetings and the details of its scope of work. The Committee may invite experts and/or advisors as may be required.

2. The principal mission of the Committee will be to facilitate bilateral cooperation in the protection of water resources. The Parties acknowledge their individual and joint responsibilities for the prevention of contamination, pollution and depletion of water resources in the watershed of the Jordan River, which includes territory of each. They recognize that the subject of water can form the basis for practical cooperation between them, and therefore jointly undertake to ensure that the management and development of their water resources do not, in any way, harm the water resources of the other Party.
3. The Parties further agree that their mutual undertakings in the water sector will be governed by the following commitments:
 - (a) With respect to the Golan Heights, Israel agrees to leave undisturbed the water-related infrastructure it has constructed during its presence and to make available said infrastructure without charge for use by Syrian citizens. Syria, in turn, agrees to regulate the resettlement of lands returned to its sovereign control in such a way as to mitigate the risks of contamination, pollution and depletion to the Jordan River and its sources, Lake Tiberias/Kinneret, and the Yarmouk River.
 - (b) With respect to the Baniyas River, Syria agrees to limit its extraction of water to that amount needed to service resettlement of Syrian citizens in the village of Baniyas and its immediate environs, and to allow the balance to flow freely into Israel.
 - (c) With respect to the Hasbani River, Syria agrees to limit its extraction of water to that amount needed to service the Syrian residents of the village of Al-Ghajar and its environs, and to allow the balance to flow freely into Israel.
 - (d) With respect to the Yarmouk River, Syria takes note of the Jordanian-Israeli undertakings contained in Annex II of the Jordan-Israel Treaty of Peace and pledges to manage the catchment area of the Yarmouk basin in a manner respectful of the interests of all downstream riparians.
 - (e) With respect to the Jordan River and Kinneret/Lake Tiberias, Israel agrees to make available to Syria sufficient amounts of water to service the requirements of the Jordan Valley Nature Preserve (see Article II, Section 6 above).

ARTICLE VI – Rights and Obligations

1. This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations.
2. The Parties undertake to fulfil in good faith their obligations under this Treaty, without regard to action or inaction of any other party and independently of any instrument external to this Treaty.
3. The Parties will take all the necessary measures for the application in their relations of the provisions of the multilateral conventions to which they are Parties, including the submission of appropriate notification to the Secretary General of the United Nations and other depositories of such conventions. They will also abstain from actions that would curtail the rights of either Party to participate in international organisations to which they belong in accordance with the governing provisions of those organisations.
4. The Parties undertake not to enter into any obligation in conflict with this Treaty.
5. Subject to Article 103 of the United Nations Charter, in the event of a conflict between the obligations of the Parties under the present Treaty and any of their other obligations, the obligations under this Treaty will be binding and implemented.

ARTICLE VII – Legislation

The Parties undertake to enact any legislation necessary in order to implement the Treaty, and to repeal any legislation inconsistent with the Treaty.

ARTICLE – VIII – Settlement of Disputes

Disputes between the Parties arising out of the interpretation or application of the present Treaty shall be settled by negotiation.

ARTICLE IX – Final Clauses

1. This Treaty shall be ratified by both Parties in conformity with their respective constitutional procedures. It shall enter into force on the exchange of instruments of ratification and shall supersede all previous bilateral agreements between the Parties.
2. The Annexes and other attachments attached to this Treaty shall constitute integral parts thereof.
3. The Treaty shall be communicated to the Secretary General of the United Nations for registration in accordance with the provisions of Article 102 of the Charter of the United Nations.

DONE THIS DAY ----- IN ----- IN THE ENGLISH, HEBREW AND ARABIC LANGUAGES, ALL LANGUAGES BEING EQUALLY AUTHENTIC. IN CASE OF ANY DIVERGENCE OF INTERPRETATION, THE ENGLISH TEXT WILL BE AUTHORITATIVE.

APPENDIX D

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (ICG) is an independent, non-profit, multinational organisation, with over 90 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

ICG's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers. ICG also publishes *CrisisWatch*, a 12-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

ICG's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, www.crisisweb.org. ICG works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The ICG Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; and its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

ICG's international headquarters are in Brussels, with advocacy offices in Washington DC, New York, London and Moscow. The organisation currently operates thirteen field offices (in Amman, Belgrade, Bogotá, Cairo, Freetown, Islamabad, Jakarta, Kathmandu, Nairobi, Osh, Pristina, Sarajevo and Tbilisi) with analysts working in over 40 crisis-affected countries and territories across four continents. In Africa, those countries include Burundi, Rwanda, the Democratic

Republic of Congo, Sierra Leone, Liberia, Guinea, Ethiopia, Eritrea, Somalia, Sudan, Uganda and Zimbabwe; in Asia, Indonesia, Myanmar, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Pakistan, Afghanistan, Kashmir and Nepal; in Europe, Albania, Bosnia, Georgia, Kosovo, Macedonia, Moldova, Montenegro and Serbia; in the Middle East, the whole region from North Africa to Iran; and in Latin America, Colombia.

ICG raises funds from governments, charitable foundations, companies and individual donors. The following governmental departments and agencies currently provide funding: the Australian Agency for International Development, the Austrian Federal Ministry of Foreign Affairs, the Canadian Department of Foreign Affairs and International Trade, the Canadian International Development Agency, the Royal Danish Ministry of Foreign Affairs, the Finnish Ministry of Foreign Affairs, the French Ministry of Foreign Affairs, the German Foreign Office, the Irish Department of Foreign Affairs, the Japanese International Cooperation Agency, the Luxembourgian Ministry of Foreign Affairs, the Dutch Ministry of Foreign Affairs, the Royal Norwegian Ministry of Foreign Affairs, the Swedish Ministry for Foreign Affairs, the Swiss Federal Department of Foreign Affairs, the Republic of China Ministry of Foreign Affairs (Taiwan), the Turkish Ministry of Foreign Affairs, the United Kingdom Foreign and Commonwealth Office, the United Kingdom Department for International Development, the U.S. Agency for International Development.

Foundation and private sector donors include Atlantic Philanthropies, Carnegie Corporation of New York, Ford Foundation, Bill & Melinda Gates Foundation, William & Flora Hewlett Foundation, Henry Luce Foundation Inc., John D. & Catherine T. MacArthur Foundation, John Merck Fund, Charles Stewart Mott Foundation, Open Society Institute, Ploughshares Fund, Sigrid Rausing Trust, Sasakawa Peace Foundation, Sarlo Foundation of the Jewish Community Endowment Fund, the United States Institute of Peace and the Fundação Oriente.

February 2004

APPENDIX E

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* The Algeria project was transferred from the Africa Program to the Middle East & North Africa Program in January 2002.

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