POLICY BRIEF

August 2026

SYRIA'S RECONSTRUCTION

Navigating Political Realities and Opportunities

Syria Policy Dialogues Expert Workshop

16–17 May 2026 | Damascus, Syria

Conducted under Chatham House Rules

Executive Summary

On 16–17 May 2026, The Syria Report convened the inaugural workshop of the Syria Policy Dialogues initiative in Damascus, in collaboration with the Omran Center for Strategic Studies. Titled "Syria's Reconstruction: Navigating Political Realities and Opportunities," the two-day closed-door workshop brought together a diverse group of Syrian and international participants under Chatham House Rules to examine the political dimensions of Syria's reconstruction challenge.

Participants included Syrian bankers and financial sector representatives, businesspeople and industrialists, economists, urban planners, agricultural specialists, political analysts, lawyers, civil society representatives, and researchers. On the second day, the workshop expanded to include officials from key Syrian Ministries including Foreign Affairs and Expatriates, Finance, Economy and Industry, Energy, Local Administration, and Agriculture, as well as representatives from the General Establishment for Social Housing, the Syria Development Fund, and the Planning and Statistics Commission. The final session brought together diplomatic representatives from several key European and international states actively engaged in Syria's reconstruction process.

The workshop proceeded from a central premise: reconstruction in Syria is not a technical or economic exercise alone but a deeply political process with direct implications for the trajectory of Syria's political transition, the distribution of power and resources, and long-term social stability. Across five sessions, participants examined the governance and legal architecture required for credible reconstruction, the roles and responsibilities of key actors, housing as a politically sensitive domain, the relationship between reconstruction and equity, and the conditions governing international financing.

The following are the workshop's principal findings:

- Syria is moving through overlapping early-recovery and initial reconstruction activities. The institutional, legal, and political foundations for large-scale reconstruction—including fully operational legislative and oversight bodies, a coherent legal framework, and an operational national reconstruction strategy—are not yet in place.
- Reconstruction policy is currently being shaped by investment logic rather than a national plan. The absence of a unified Syrian vision risks allowing market dynamics to determine priorities, concentrating benefits in commercially attractive urban centres while neglecting conflict-affected and rural areas.[1]
- Housing, land, and property rights constitute one of the most politically sensitive dimensions of reconstruction. Unresolved ownership disputes, informal settlements covering 30–40 percent of the pre-war housing stock,[2] and a largely frozen real estate market create a fertile environment for social injustice and the unequal distribution of reconstruction benefits.
- Syrian state institutions, amid reduced resources and accumulated damage over the years of conflict, face financial and institutional constraints and weak inter-institutional coordination, limiting their current ability to manage reconstruction independently. Nevertheless, the state's role as regulator, planner, and guarantor of equity remains indispensable.[3]
- Workshop participants described the banking and financial sector as currently unable to support reconstruction at the required scale. Several public banks face financial and operational difficulties, international banking engagement remains limited, and gaps in the financial architecture constrain other dimensions of recovery.

- International financing will be essential but cannot substitute for a Syrian-led reconstruction strategy. The EU's €15 million Technical Assistance Hub and broader €620 million support package represent significant steps,[4] but effectiveness depends on Syrian institutional readiness and legal reform.
- Transitional justice is not an obstacle to reconstruction but a precondition for its durability. Economic justice — including accountability for economic crimes under the former regime and equitable distribution of benefits — must be embedded from the outset.[5]
- Agriculture and rural development were identified as the highest-priority productive sectors for reconstruction, given their potential for broad-based employment and their importance to the approximately half of Syria's population living outside major urban centres.[6]

Introduction: Reconstruction as a Political Question

More than nineteen months after the fall of the Assad regime in December 2024, Syria's transitional authorities face a reconstruction challenge of historic proportions. The World Bank's October 2025 Physical Damage and Reconstruction Assessment estimates that the thirteen-year conflict destroyed nearly one-third of Syria's pre-war capital stock, with direct physical damages totalling USD 108 billion.[7] The conservative estimate for reconstruction costs stands at USD 216 billion — roughly ten times Syria's 2024 nominal GDP of USD 21.4 billion — with a full range of USD 140–345 billion. Total economic losses over the course of the conflict are estimated at approximately USD 800 billion when accounting for lost output, human capital depletion, and institutional degradation. [8] Infrastructure alone accounts for USD 82 billion of projected reconstruction costs, followed by USD 75 billion for residential buildings and USD 59 billion for non-residential structures. These figures substantially exceed the corresponding damage values, as rebuilding in a degraded environment carries additional costs including disrupted supply chains, depleted skilled labour, higher material costs, and infrastructure requirements. The governorates of Aleppo, Rural Damascus, and Homs suffered the most severe destruction.[7]

Yet the scale of physical damage tells only part of the story. Syria's GDP contracted by 53 percent between 2010 and 2022, and capital expenditures in 2024 stood at just 11 percent of their 2010 level.[9] The Syrian pound has lost 99 percent of its pre-war value. According to UNDP, an estimated 90 percent of Syrians live below the poverty line,[10] while UNICEF reports that 2.45 million children remain outside the education system and 16.7 million people — including 7.5 million children — require humanitarian support.[11] The banking sector remains largely unable to support reconstruction at scale. For comparison, workshop participants estimated the Syrian government's annual budget at approximately USD 10 billion—less than 5 percent of the estimated cumulative reconstruction cost—while domestic revenue-generation capacity remains severely constrained.[12]

It was against this backdrop that the Syria Policy Dialogues workshop convened in Damascus. The Syrian government's own Statement of Recovery Priorities, released in March 2026, outlines a national strategy for reconstruction and long-term recovery[8] — but as several participants observed, a statement of priorities is not yet the same as an operational plan with institutional mechanisms, timelines, and accountability frameworks. The workshop was structured across two days and five thematic sessions. Day one convened civil society representatives, private sector actors, and independent experts in a closed exchange. Day two expanded the table to include Syrian government officials, with the final session joined by representatives of foreign diplomatic missions.

This policy brief synthesises the principal findings, areas of consensus, unresolved tensions, and policy recommendations that emerged from those discussions. All contributions are anonymised in accordance with Chatham House Rules.

1. The Political and Legal Framework for Reconstruction

The workshop's opening session established what became its defining theme: reconstruction in Syria cannot be separated from the political and institutional context in which it takes place. Participants broadly agreed that reconstruction is not merely a technical or economic endeavour but, as one analyst framed it, "a social and political process" whose design will either strengthen or undermine Syria's fragile transition.

Syria Between Early Recovery and Reconstruction

At the time of the workshop, participants broadly agreed that Syria still lacked several foundations for large-scale reconstruction. Since then, the People's Assembly has held its inaugural sitting and elected its leadership,[13] while the Supreme Constitutional Court has held its inaugural meeting.[14] Key investment and property legislation and related institutional arrangements nevertheless remain under development. Several participants therefore raised questions about the scope of major economic decisions adopted by executive decree during the transitional period and stressed the need for legislative and constitutional review as the relevant institutions become operational.

International institutions have generally described much of the current phase as early recovery. Participants referred to a United Nations Transitional Action Plan built on three pillars—rehabilitation of public services, constitutional and institutional governance, and economic recovery—and noted that engagement between Syrian authorities and international partners around this framework was still evolving at the time of the workshop. Early recovery and initial reconstruction should therefore be treated as overlapping tracks, aligned with national priorities and current institutional capacity.[3]

> *"We are still in a humanitarian response scope. The conditions for large-scale reconstruction have not been met."*
>
> **— Workshop participant**

Legal Architecture: Fragmented and Outdated

Three interlocking legal instruments were identified as particularly consequential and in urgent need of harmonisation: Law 107 of 2011 on local administration, Law 23 of 2015 on urban planning implementation, and Law 26 of 2010 on regional planning. Participants with expertise in urban governance noted that these laws contradict each other in significant respects and collectively fail to provide a coherent framework for reconstruction at the local level. A representative from the Ministry of Local Administration confirmed that Law 107 is a temporary measure and that efforts to replace it with a more functional legal framework are underway, with a target of the end of 2026.

Beyond these specific instruments, the broader legal environment was described as a major deterrent to investment. One Syrian businessman summarised the private sector's frustration: there is no predictability in the legal environment, which makes medium-term planning impossible. The absence of clear investment legislation, unpredictable regulatory decisions, fluctuating customs and tax policies, and the lack of a coherent governance planning framework were all cited as obstacles that compound the already high-risk profile of the Syrian market.

The Financial Sector: A Binding Constraint

The dysfunction of Syria's banking and financial sector emerged as a cross-cutting obstacle. Participants from the banking sector provided a frank assessment: many Syrian public banks are currently operating at a loss, generating revenue primarily through servicing international NGO operations rather than productive lending. Private deposits remain minimal due to widespread distrust of the financial system. Lending was halted entirely by a presidential directive before being partially reversed, and the Sham Cash digital payment platform — currently used to pay government salaries — is viewed by market participants as insecure and inadequate, though one government representative characterised it as a positive step toward modernising Syria's payment infrastructure.

Participants reported that major foreign banks had not yet received political clearance from their governments to engage with Syria despite the easing of international sanctions. One Syrian banker noted that even banks that had maintained full sanctions compliance during the conflict period could not attract foreign correspondents willing to conduct due diligence. The recent decision to replace the central bank governor was described by several financial sector participants as having sent a destabilising signal at precisely the moment when fiscal credibility was most needed. Over-compliance — in which international banks apply restrictions beyond what sanctions legally require — remains a structural barrier. Moreover, on 8 July 2026, the U.S. Department of State initiated the process to rescind Syria's State Sponsor of Terrorism designation.[15] The designation remains in effect during the statutory review period, while legacy sanctions, export controls, and over-compliance may continue to affect financial engagement with Syria.

> *"Without a banking sector there will be no reconstruction process."*
>
> **— Syrian banking sector representative**

The Coordination Deficit

A recurring concern across sessions was the absence of coordination between government ministries. Participants described a system in which each minister and each governor operates as a separate authority, making decisions with limited awareness of their implications for other agencies. One official acknowledged that the first six months at a government ministry had been spent mapping internal entities suffering from corruption, mismanagement, and inefficiency.[5] The absence of a prime ministerial office — which historically held coordinating powers — was flagged as a structural gap. Several participants called for the establishment of an independent high commission for reconstruction with binding executive authority.

2. Who Should Lead the Reconstruction Agenda?

The second session shifted from institutional architecture to the question of agency: who are the legitimate actors in Syria's reconstruction, and what should the relationship between them look like?

The State: Coordinator, Not Sole Executor

Participants largely agreed that the state's primary role should be coordination, standard-setting, and provision of the legal framework rather than sole direct execution. Current fiscal and institutional constraints limit its ability to serve as the sole engine of reconstruction; however, its role as regulator, planner, and guarantor of equity remains indispensable. Participants also noted that representative, oversight, and accountability mechanisms are still being completed during the transitional period and may develop unevenly across regions and communities.

Several participants expressed concern that decision-making authority had at times become concentrated at the governorate level rather than coordinated through line ministries, and that appointed officials could in practice displace local councils. They argued that clearer mandates, institutional coordination, and transparent procedures are needed for a rules-based reconstruction process.

Local Governance: Essential but Uneven

Strong arguments were made for empowering local administrative units as the primary vehicles for reconstruction planning. Syria has approximately 1,470 local administrative units, many of which possess practical experience from managing services during the conflict. The example of local development committees that implemented projects worth over SYP 1 billion using diaspora funding during the war years was cited as evidence of local capacity.

However, local governance structures vary enormously in readiness, representativeness, and capacity. Direct local elections are yet to be conducted and face significant logistical and political obstacles under current conditions, while appointed councils risk reproducing the biases of whoever does the appointing. The discussion converged on the need for interim consensus-building mechanisms — short of formal elections but more representative than pure appointment — as a bridge to eventual elected local governance.

The Private Sector: A Dual Role Under Pressure

The Syrian private sector was described as historically playing both an economic and a social role — providing employment, supporting communities, and underpinning local stability. One representative of a chamber of commerce noted that many businesses continued operating at a loss during the conflict years solely to keep their workers employed. This social dimension, participants argued, is what distinguishes the Syrian private sector from the conglomerate-driven foreign direct investment model currently being pursued by the government.[16]

> *"This model of bringing in large foreign investors to develop projects doesn't work in Syria by itself. You need to walk the economic, social, and political paths together."*
>
> **— Syrian private sector representative**

Today, however, the private sector faces a crisis of confidence. Internal investors report feeling sidelined in favour of larger Gulf-based capital, while concerns were raised about the emergence of a new business elite with close ties to the transitional authorities.[1] Workshop participants reported that an estimated 80 percent of companies registered in the official gazette since the transition have been registered in Damascus and Rural Damascus,[17] reinforcing the perception that the reconstruction economy is being built for and by a narrow segment of the population.

Civil Society, the Diaspora, and the Hama Model

Civil society's role was acknowledged as vital in principle but limited in practice. Participants observed that years of international donor funding have created what one speaker described as an "NGO-isation" of Syrian civil society, oriented toward donor priorities rather than genuine community representation. Participants stressed that civil society and local communities must be treated as distinct categories: civil society organisations are not the same as the communities they claim to represent.

The diaspora was recognised as a significant source of capital, expertise, and international networks. Participants described a Hama initiative in which diaspora members were reported to have raised approximately USD 100 million for a new-city project incorporating solar energy, sustainability principles, and social housing, developed in consultation with the local governor and community stakeholders.[18] Participants presented this as a possible example of Syrian-led, community-driven reconstruction. However, as recent research on community financing in Syria has cautioned, grassroots fundraising campaigns carry their own risks: without proper governance frameworks, transparency mechanisms, and accountability structures, community-driven reconstruction can reproduce the same patterns of elite capture and misallocation that it seeks to avoid.[19]

3. Housing as a Politically Sensitive Domain

Of all the themes discussed, housing emerged as the most politically charged. It is the domain where reconstruction policy intersects most directly with the daily lives of ordinary Syrians and where concerns about exclusion, grievance, and involuntary demographic change are most acute.

SYRIA'S HOUSING CRISIS: KEY FIGURES

- 2–3 million housing units destroyed or severely damaged (workshop estimate)
- 30–40% of pre-war housing stock was in informal or unregulated areas[2]
- USD 33 billion in direct damage to residential buildings (World Bank, 2025)[7]
- USD 75 billion estimated residential reconstruction cost (World Bank, 2025)[7]
- ~90% of Syrians live below the poverty line (UNDP, 2025)[10]
- Workshop estimate of youth housing demand: 36,000 units, compared with an initial government estimate of 10,000 units.[12]
- Housing loans largely unserviceable at current income levels

Unresolved Property Rights

Housing, land, and property rights were identified as among the most intractable obstacles to reconstruction. The problem predates the conflict: one of the original demands of the 2011 protests in Daraa included housing and land grievances. According to UN-Habitat and subsequent research by the Arab Reform Initiative, informal housing represented 30–40 percent of total dwellings nationally before 2011, with approximately 40 percent of Damascus's population living in informal settlements.[2] Today, the challenge is compounded by mass destruction, mass displacement, and the absence of reliable civil registries.[20]

The real estate market is effectively frozen. Security clearance requirements for property transactions have had the unintended effect of paralysing legitimate sales. Meanwhile, the delayed release of regulatory and zoning plans has created a black market in land speculation, with prices in areas rumoured for development rising sharply. One participant observed that insiders with knowledge of forthcoming regulatory decisions are effectively engaged in insider trading in land values.

The Affordability Crisis and Unequal Access

Even where housing is being built, the question of who can afford it remains unanswered. With approximately 90 percent of Syrians living below the poverty line,[10] even subsidised housing loans are beyond the reach of most families. The General Establishment for Social Housing described programmes that require 30 percent down payments and salary-based repayments — terms that are inaccessible to the majority of the population.

One economist put the problem starkly: before discussing housing policy, Syria needs to create sustainable employment and raise incomes. Without purchasing power, new housing stock will simply be absorbed by investors and speculators. Current investment patterns reinforce this concern. Large-scale real estate developments such as Marota City and Basilia City are concentrated in commercially attractive areas, while conflict-damaged neighbourhoods remain untouched. One participant described the experience of visiting Yarmouk camp: entire neighbourhoods destroyed, no electricity or infrastructure, but luxury cars parked on the streets — a visible symbol of two parallel realities that cannot coexist indefinitely without generating social unrest.

> *"If companies come today to build houses, who will live there? Over 90 percent of the population is under the poverty line."*
>
> **— Syrian economist**

New Cities, Old Resistance

Participants discussed a proposal attributed to the Syria Development Fund to build a new city to replace destroyed neighbourhoods in Deir ez-Zor. They mentioned that residents rejected the proposal and protested, refusing to abandon their original communities as long as any possibility of return exists. Reconstruction in Homs is following a similar pattern, with residents rebuilding independently and adding floors to damaged buildings. The government is falling behind the pace of spontaneous reconstruction, and every day without a framework creates facts on the ground that will be increasingly difficult to reverse.

The workshop identified the need for mandatory affordable and social housing quotas in all new real estate developments, rent protection legislation linked to inflation, and the empowerment of local councils to designate residential, commercial, and industrial zones as immediate policy priorities.

4. Reconstruction, Equity, and the Transition

The fourth session, which for the first time included government officials alongside independent experts, addressed the relationship between reconstruction, equity, and Syria's broader political transition.

Geographic Inequality

Participants presented a striking contrast. In the western suburbs of Damascus, large-scale real estate developments are proceeding rapidly. In Jobar, Qaboun, Daraya, and other conflict-damaged areas of Damascus, there is no comparable activity. One participant described the experience of living through weeks of construction dust from new luxury developments while knowing that neighbourhoods a few kilometres east remain in ruins. The political implications were described as potentially destabilising.[1]

This geographic disparity extends well beyond Damascus. Rural areas and medium-sized cities, which were disproportionately affected by the conflict and represent approximately half of Syria's population, receive little attention in current investment flows. The repeated concentration of economic activity in major urban centres was described as a reproduction of the pre-war development model that itself contributed to the grievances underlying the 2011 uprising.[21]

Agriculture and Rural Development: The Overlooked Priority

Agriculture and rural development emerged across multiple sessions as the most consistently identified priority sector for reconstruction — yet also the most neglected in current policy. The agricultural sector's share of GDP declined from approximately 25 percent in 2000 to around 13–14 percent by the mid-2010s, and a 2017 FAO study estimated USD 16 billion in losses to the sector between 2011 and 2016 alone.[6] Despite this, participants argued that agriculture remains the sector with the highest potential for broad-based employment and income generation.

The World Bank's Spring 2026 Macro Poverty Outlook confirms that agriculture, though benefiting from better 2026 rainfall, is still recovering from the sharp 2025 drought that cut vegetation indices by 21 percent and drove wheat output to historic lows.[22] Several participants argued that investment in agricultural infrastructure, including irrigation rehabilitation, rural roads, and agricultural processing facilities, would generate faster and more equitable economic returns than the urban real estate projects currently attracting the most attention.

The protection of agricultural land from urban encroachment was flagged as an urgent environmental and food security concern. Approximately 21–24 percent of Syrian territory is currently utilised for agricultural purposes, with forests reduced to just 1–2 percent of land cover. Participants called for clear regulatory protections against the conversion of productive agricultural land to construction, backed by enforcement mechanisms at the local level.

Transitional Justice as an Economic Concept

One of the workshop's most significant contributions was the reframing of transitional justice beyond its conventional political and legal dimensions. Participants argued that transitional justice in the reconstruction context must include accountability for economic crimes committed under the former regime, the resolution of property disputes arising from confiscation, and the equitable distribution of reconstruction benefits.[5] As one participant stated, justice is not an obstacle to reconstruction; it is a prerequisite for its durability.

The moral dimension of reconstruction in specific locations was also raised. In neighbourhoods that were systematically destroyed as acts of collective punishment, rebuilding without acknowledgment of what occurred risks compounding the original injustice. Participants suggested that reconstruction in the most severely affected areas must be accompanied by community dialogue and formal processes of recognition and redress.

The Security and Regional Dimension

Participants also raised the regional security environment as a factor that cannot be ignored in reconstruction planning. Israel's continued military presence on Syrian territory and the broader regional instability stemming from the Iran-Israel confrontation were cited as factors that undermine investor confidence and complicate long-term planning.[23] On a more practical level, the absence of personal security guarantees — including medical insurance, legal protections, and physical safety assurances for foreign personnel — was cited as a concrete deterrent to private investment.

5. International Financing: Conditions, Capacity, and Coordination

The final session, which included representatives from foreign diplomatic missions alongside government officials and experts, addressed the political economy of international reconstruction financing.

The Absorption Capacity Gap

A candid assessment emerged early in the session: Syria does not currently possess the institutional infrastructure to absorb large-scale reconstruction funding, even if it were available. One participant estimated that the country would struggle to absorb even USD 3 billion effectively given current institutional weaknesses. The Syrian government has signalled a preference for foreign direct investment over international loans. Gulf investors have shown renewed interest — Saudi Arabia and the UAE have announced major investment discussions spanning infrastructure, telecommunications, aviation, logistics, and real estate.[24] Syria's geographic position at the centre of emerging trade corridors linking the Gulf, Turkey, the Levant, and the Mediterranean makes it a significant factor in the region's evolving economic architecture.[24] However, participants noted that private investment gravitates toward the highest returns and lowest risk, which in Syria means urban real estate and commercial ventures, precisely the sectors least likely to generate broad-based recovery.[16]

A foreign ambassador offered a practical reframing: the USD 216 billion figure should not be discussed as a lump sum but broken down by sector, timeline, and funding source.[25] What is needed is a five-year economic plan that distinguishes between what can be addressed in the short, medium, and long term, with realistic assessments of absorptive capacity at each stage.

Conditionality: Conditions for Success

The question of political conditionality generated considerable discussion. One European diplomat reframed the debate by arguing that conditions attached to international support should be understood as conditions for the success of reconstruction itself, not as externally imposed barriers.[3] An inclusive transition, transparent governance, and the rule of law are not Western demands but prerequisites without which reconstruction investments will fail regardless of who funds them.

> *"No state, no international actor, even altogether, will be able to bring that sum up. This sum can only be brought up by the Syrians themselves."*
>
> — **European diplomat**

Several participants endorsed this framing while cautioning against conditionality driven by donor political cycles rather than Syrian realities. One foreign ambassador argued that humanitarian assistance, early recovery support, and investment should not be treated as sequential stages but as parallel tracks that reinforce each other. The Syrian government's stated preference for investment over aid was described by multiple speakers as a false choice.

The EU Technical Assistance Hub

The European Union's Technical Assistance Hub — a €15 million flagship initiative announced at the Syria Partnership Coordination Forum in Brussels on 11 May 2026 — was discussed as a potentially significant mechanism for capacity building.[4] Designed as a one-stop shop for Syrian institutions seeking technical expertise from the EU and its member states, the Hub forms part of a broader €620 million EU support package for 2026–2027 and accompanies the reinstatement of the EU-Syria Cooperation Agreement suspended since 2011.[4]

However, the diplomat who described the Hub emphasised that its effectiveness depends on Syrian institutions actively seeking and utilising the support on offer. A representative from a European Embassy provided a concrete illustration: his government had used humanitarian funding to introduce companies to the Syrian market, but when asked whether they would invest with their own capital, the answer was consistently "not yet" — citing the absence of investment insurance, political risk guarantees, and even basic medical insurance for personnel.

> *"The pull factor for investment has to come from the Syrian side. Whatever Syria does will positively affect the European regulatory environment and hopefully alleviate these obstacles."*
>
> — **European diplomat**

6. Unresolved Tensions

The workshop surfaced several points of genuine disagreement that carry significant implications for policymakers. Identifying these tensions is as important as recording the areas of consensus, because they mark the fault lines along which reconstruction policy will either succeed or fracture.

Sequencing: act now or consolidate institutions?

The most fundamental tension was between those who argued that large-scale reconstruction should proceed only as institutional, legal, and planning frameworks become fully operational, and those who pointed out that Syrians are already rebuilding, with or without government direction. Both positions have merit: premature large-scale reconstruction without oversight risks elite capture, but paralysis risks allowing irreversible informal facts on the ground. This tension was not resolved and represents the central policy dilemma facing Syrian policymakers and their international partners.

Who benefits: productive sectors or real estate?

A sharp division emerged between participants who saw private real estate investment as the most realistic driver of near-term economic activity and those who argued that real estate “does not kickstart the economy” and that priority must be given to agriculture, manufacturing, and productive employment. The government’s current posture — offering land to investors and allowing market dynamics to determine sectoral allocation — was criticised by some participants as a de facto real estate strategy masquerading as a reconstruction policy.

Agriculture: profitable sector or structural dependency?

Participants disagreed on whether agriculture is a commercially viable sector in Syria without sustained government subsidy. Some argued that Syria’s agricultural potential is high and profitable with proper support; others pointed to the collapse of the Agricultural Cooperative Bank, water scarcity, and the low commercial returns on key crops such as wheat. This debate has direct implications for where reconstruction investment should be directed.

The Role of Foreign Investors: Forms of Partnership and Public Benefit

While all participants acknowledged the necessity of foreign investment, there was significant tension between those who saw Gulf and Turkish investors as essential partners and those who stressed the need for transparent terms, local value creation, and broad public benefit. Some participants expressed concern that foreign and regional companies could acquire dominant positions in certain sectors. The workshop did not resolve how such risks should be mitigated.

Policy Recommendations

The following recommendations are drawn from the areas of consensus identified across the workshop’s five sessions.

For Syrian Policymakers

1. Establish, within state institutions, a national reconstruction coordination mechanism with cross-ministerial authority, transparent governance, and a clear mandate to develop a phased national reconstruction plan. This mechanism should incorporate representation from local governance structures, the private sector, and civil society.

2. Support the People’s Assembly in exercising its legislative and oversight functions and prioritise the enactment of foundational legislation, including revised investment, property, urban planning, and local administration laws.

3. Develop and publish a comprehensive national reconstruction plan with clear sectoral priorities, geographic equity provisions, realistic timelines, and identified funding sources.[25]

4. Prioritise agriculture and rural development as strategic reconstruction sectors through the rehabilitation of agricultural lending, irrigation infrastructure, rural roads, and agricultural processing. Establish regulatory protections against the conversion of productive agricultural land.

5. Mandate affordable and social housing quotas in all new real estate developments, introduce rent-protection legislation indexed to inflation, and develop proportionate safeguards for off-plan sales—including escrow, disclosure, and phased-completion requirements—to protect buyers from incomplete developments.

6. Reform security-clearance requirements for property transactions and establish clear, legally grounded procedures for any asset restrictions under transitional justice processes, including reasoned decisions, notification, and accessible review or appeal mechanisms.
7. Embed transitional justice principles in reconstruction policy by prioritising investment in conflict-affected communities and establishing mechanisms for community dialogue in areas that suffered systematic destruction.
8. Empower local administrative units with fiscal resources, planning authority, and technical capacity within a unified national legal and administrative framework, while reforming relevant legislation to make decentralisation operational.
9. Stabilise the financial sector by protecting central bank independence, resolving the status of non-performing public banks, and creating conditions for the re-engagement of international correspondent banking.
10. Invest in baseline data collection, including systematic needs assessments, public opinion research, census data, and economic surveys.

For International Partners

1. Align reconstruction support with Syria's political transition timeline rather than external donor cycles. Invest in building the absorptive capacity of Syrian state and local governance bodies.
2. Operationalise the EU Technical Assistance Hub rapidly and ensure that local administrative units and civil society organisations can access it in coordination with the relevant national institutions.[4]
3. Adopt a partnership framework based on nationally owned priorities and mutually agreed, measurable results on inclusivity, transparency, and institutional reform.[3]
4. Pursue the integration of humanitarian aid, early recovery, and longer-term investment as parallel and mutually reinforcing tracks.
5. Address the over-compliance problem by providing clear regulatory guidance to financial institutions regarding transactions with Syria and strengthen anti-money laundering frameworks to facilitate correspondent banking re-engagement.
6. Support the development of investment insurance and risk-mitigation instruments and address practical obstacles including medical insurance and personal security guarantees for foreign personnel.
7. Coordinate donor engagement through mechanisms such as the Syria Partnership Coordination Forum, establishing regular multilateral coordination to prevent duplication, competitive influence-seeking, and geopolitical fragmentation.[4]
8. Support Syrian-led diaspora engagement in reconstruction, including governance frameworks for diaspora investment vehicles and regulatory clarity on diaspora capital flows.[19]

Conclusion

Syria's reconstruction will be defined not by the volume of capital invested but by the political choices that govern how that capital is deployed, who benefits from it, and what kind of state and society it helps to build. The Syria Policy Dialogues workshop in Damascus revealed broad consensus that Syria is moving through overlapping early-recovery and initial reconstruction stages, while its national institutional, legal, and planning foundations still require further consolidation.

If those foundations are laid well — through inclusive governance, legal reform, transparent planning, and equitable distribution — reconstruction can become a vehicle for Syria's political transition rather than an obstacle to it. If they are not, the process risks reinforcing exclusion, unequal access, and geographic disparities, thereby weakening public confidence in the transition. [26]

The urgency is real. Syrians are already rebuilding while national frameworks are still being developed. Further delay in completing a national framework increases the likelihood of difficult-to-reverse developments in land use, urban form, property rights, and economic structure. The task for Syrian policymakers and their international partners is not to wait for perfect conditions but to act with sufficient speed and sufficient care to ensure that reconstruction serves all Syrians.

About

Syria Policy Dialogues

The Syria Policy Dialogues is a track 1.5 initiative by The Syria Report, funded by the Swiss Federal Department of Foreign Affairs (FDFA). This workshop was conducted in collaboration with the Omran Center for Strategic Studies. It is an initiative aimed at tackling key and ongoing issues relevant to Syria's political transition with experts, stakeholders, and government representatives, fostering a deeper exchange on key policy issues and ensuring that an open and transparent dialogue is sustained on the questions that will shape Syria's future.

The Syria Report

The Syria Report is an independent economic publication covering Syria's economy, business environment, and political economy. Founded in 2001 and marking its 25th anniversary in 2026, it provides analysis, data, and advisory services to a wide range of international and Syrian stakeholders. The Syria Report is the lead organisation of the Syria Policy Dialogues initiative.

Omran Center for Strategic Studies

The Omran Center for Strategic Studies is a policy think tank established in 2013 and currently operates from its headquarters in Damascus. It serves as the policy and knowledge program at the Syrian Forum, an independent non-governmental organization working on Syrian affairs. The Center's work extends beyond producing research and policy papers. It contributes directly to the design of practical implementable policy solutions that support complex security, development, political, and societal challenges. Through a broad network of researchers and experts inside and outside of Syria, the Center engages in professional and technical collaboration with state institutions and policymakers, thereby strengthening its role in shaping public policy and supporting Syria's national transition process.

Disclaimer

This policy brief draws on two categories of source material. The primary source is the workshop itself: five sessions of structured expert discussion, rapporteur notes, and workshop minutes. The secondary sources are publicly available reports, data, and analysis from international institutions and policy research organisations, used to verify and contextualise the claims made during the workshop, where possible. Where statistics or claims are derived solely from workshop participant contributions and have not been independently verified, this is noted in the endnotes (see in particular endnotes 12 and 18). All figures cited from external sources are referenced with full attribution below.

All workshop contributions are anonymised in accordance with Chatham House Rules. Where direct quotations are used, they are attributed by professional profile only. No statement in this brief should be attributed to any individual participant or their affiliated organisation.

The findings, interpretations, and recommendations presented in this brief reflect the collective discussions of the workshop and do not necessarily represent the views of any single participant, the organisers, or their respective institutions.

The workshop was conducted primarily in Arabic while the policy brief was drafted in English. Quotations and participant contributions referenced in this brief are based on transcripts and rapporteur notes, and may reflect minor variances from the original spoken remarks.

This brief used AI language tools to support transcription analysis and data synthesis. All findings, interpretations, and recommendations reflect human editorial judgment and were independently verified by the authors.

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9. World Bank, ibid. GDP contracted 53% (2010–2022); nominal GDP: $67.5B (2011) to $21.4B (2024). Capital expenditures at 11% of 2010 levels. Syrian pound lost 99% of its value.
10. UNDP, “The Impact of the Conflict in Syria,” February 2025. 90% below the poverty line. World Bank June 2025: 25% in extreme poverty (<$2.15/day), 67% below lower middle-income line (<$3.65/day).

11. UNICEF, “Delivering Impactful Results for Every Child and Young Person in Syria 2025–2026,” October 2025. 16.7 million in need; 2.45 million children out of school; 2 million at risk of malnutrition.

12. Workshop-sourced estimates: the approximately USD 10 billion annual government budget, the estimated 80 percent concentration of company registrations in Damascus and Rural Damascus, and the youth housing demand figures are derived from participant contributions and should be treated as informed estimates.

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14. Syrian Arab News Agency (SANA), “Syria’s Supreme Constitutional Court Holds First Meeting to Discuss Draft Law,” 19 July 2026.

15. U.S. Department of State, “Initiating Rescission Process of Syria’s Designation as a State Sponsor of Terrorism,” 8 July 2026.

16. Gulf International Forum, “How Gulf Engagement Could Shape Syria’s Reconstruction,” January 2026.

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