

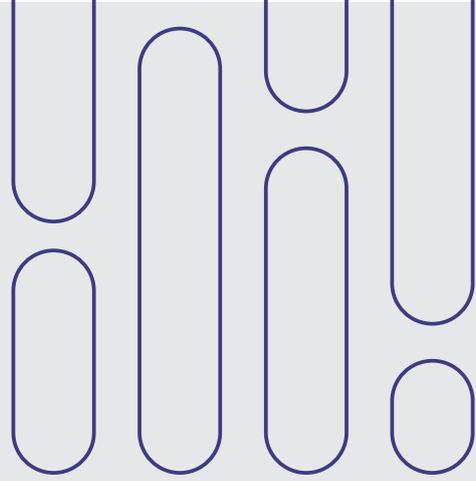
— Position Paper —

THE POLITICAL DIMENSIONS OF SYRIA'S CAESAR ACT AND THE SCOPE OF IRANIAN INFLUENCE

Jan 29 ,2020



RASANAHA
المعهد الدولي للدراسات الإيرانية
International Institute for Iranian Studies



Contents

The Political Dimensions of the Caesar Act	5
 The Implications of the Caesar Act on the Scope of Iranian Influence in Syria	8
The Consequences of the Caesar Act for the Lebanese Home Front	11
Scope of Iranian Influence on the Caesar Act	14
Future Forecasts	17

On June 17, 2020, the Caesar Syria Civilian Protection Act, issued in 2019 and intended to punish the Syrian government and its allies, known in the media as the Caesar Act, entered into force. The law is of special importance in terms of reshuffling the cards and marking a new phase in Syria wherein the United States has the biggest role in determining the future of Syria in this phase where the balance of power has tipped in favor of President Bashar al-Assad.

The Act came after the Russians and Iranians continued to have the final say with regard to decision-making in Syria. It is necessary to determine the political dimensions of the Act, which is a big stick in the hands of the US administration. It is also important to assess its potential impact on the influence of Syria's ally, Iran, not only in Syria but also in Lebanon and Iraq and the extent of Iranian ability to circumvent sanctions in its spheres of influence.

The Political Dimensions of the Caesar Act



The [Caesar Act](#) enables the US administration to impose sanctions on any government, firm or individual providing financial, technical or material support to the Syrian government, or involved in a major deal with it or with a senior political figure within the government. This is applied whether the party is a military contractor, mercenary, or a paramilitary force working in a military capacity in its own favor or directly for the Syrian and Iranian governments. The Act also provides the opportunity to impose sanctions on any government, firm or individual conducting dealings with the Syrian government in four vital sectors: energy, aviation, finance/banking and construction/engineering.

The Act also provides a mechanism for the US President to lift sanctions based on a number of conditions: Assad and his Russian and Iranian allies ending their shelling of civilians and public facilities; lifting all the restrictions imposed by Russia, Iran and Syria and all the armed groups affiliated with them; delivering humanitarian assistance to besieged cities; releasing all political prisoners; allowing human rights organizations to conduct investigations; allowing refugees to return, trying war criminals in

Syria and bringing those involved to justice.

However, there are some conditions which are difficult to achieve, especially those related to trying those who committed war crimes. Assad himself and senior officials within his government are involved in war crimes.

US media circles indicated that the sanctions will be imposed in phases. The first round of sanctions began only a few hours after the law came into effect on June 17, 2020. The sanctions hit [Assad, his wife, his sister Bushra al-Assad and 39 other entities and individuals](#) including the Iranian militia Fatemiyoun Division and Fourth Division of the Syrian Arab Army led by Maher al-Assad. The second round will be imposed during the first half of July 2020 and will hit new individuals who have political and economic ties with the Syrian government. Two other packages of sanctions will be issued in August 2020.

The US administration announced that the main aim of the Act, which has a timeframe of five years beginning on the date of signing by US the president, is to force the Syrian government to change its behavior by accepting a political solution to the crisis via stripping it of the support of its regional and global allies — that have enabled Assad to remain in power — and rooting out the financial lifelines of the Assad government. However, the Act has other important objectives represented in curbing Iranian clout

in the region in general and in Syria in particular; trimming Iran's expanding influence in Syria; exerting pressure to meet the Israeli demand to expel pro-Iran armed militias from Syria; and preventing turning Iranian advances on the ground into political, economic and military accomplishments.

Most importantly, the Act aims to deprive Russia and Iran from getting the lion's share in the reconstruction of Syria [estimated to be at \\$400 billion](#). This comes as Assad made the Russians and Iranians exclusively responsible for energy, investment and reconstruction in Syria.

Yet, Washington bets, via the Caesar Act, on further complicating the scene, which would bring the Russian and Iranian domination over Syria's future to a stop. This is in addition to the United States possessing levers to control the shape and future of the new Syria. This means that the United States wants to be the strongest party in the Syrian equation, capable of determining the outcomes of the settlement, distributing gains and sponsoring political solutions.

The Implications of the Caesar Act on the

Scope of Iranian Influence in Syria



The terms of the Act and its tools reveal that Iran is the number one target of the Act, which has a vast range, hitting its proxies in the region. This is in addition to the fact that the Caesar Act is a natural extension of the US strategy of maximum pressure against Iran. Hence, implementing the Act raises questions about its impact on the scope of Iranian influence in Syria:

1- **Economically:** Tightening the noose around Iran economically by ending all the potential sources of revenues that it hoped to win in Syria. This can be done by hindering Iran from taking advantage of investments, preventing it from using its areas of influence to circumvent US sanctions imposed on it since 2018, and depriving it of any benefits from the reconstruction phase it had hoped to gain in exchange for the material costs it has expended in supporting Assad. Iranian estimates for 2020 put the total cost at \$30 billion, in addition to 2,000 casualties according to figures for 2019. The Act also prevents Iran from implementing dozens of investment and trade agreements signed with Assad since

2017.

2- **Politically:** The Act adds new challenges to the Iranian role at a very crucial moment for Iran, which has long been waiting to consolidate its presence as the balance of power has shifted in favor of its ally Assad. Iran is attempting to exploit Assad's military advances on the ground in Syria, which would enable Iran to make political gains in the new equation. However, the Caesar Act will deprive it of any such gains. It also curbs Iran's influence in the post re-deployment phase by throwing the Syrian situation into confusion; thus, shifting the balance of power against Iran and its ally Assad.

The United States is aware of the Iranian goals in Syria as part of Tehran's strategy to keep Syria weak, submissive and incapable of getting rid of its guardianship. Iran seeks to ensure that Syrian decision-making rests with irregular military forces — duplicating the model of Hezbollah in Lebanon — to enable it to achieve its expansionist plans and demographic ambitions in Syria. The Act also seeks to impede the Iranian Corridor (linking link Tehran to the Mediterranean). This is in addition to depriving Iran from having a foothold in the eastern Mediterranean on/near the Israeli borders to prevent the encirclement of Israel. More importantly, the Act seeks to deal a severe blow to Iranian proxies not only in Syria but in the region. The Act's powers

target Iran's most powerful proxies in Syria such as Hezbollah of Lebanon, designated as a terrorist organization, and some Popular Mobilization Units militias working as part of the Free Shiite Army loyal to Iran in Syria, such as Asaib Ahl al-Haq militia and Harakat al-Nujaba.

3- **Militarily:** The Act places additional restrictions on Iranian ambitions in Syria by preventing it from both continuing to make military advances to expand its influence over all Syrian cities and restructuring the military establishment in Syria to ensure it achieves its ambitions. This is in addition to the Act working to reduce the Iranian military presence in Syria because the military presence of the Lebanese Hezbollah in Syria to support Assad constitutes a breach of the Caesar Act. All this will reduce Iran's presence in Syria and restrict its moves to set up more military bases to further its control of Syria.

As Iran is well aware of the fact that the Caesar Act targets its clout in the countries central to Tehran's project in the region (Syria, Lebanon and Iraq), Iranian Foreign Minister Mohammad Javad Zarif broke the coronavirus lockdown and visited the capitals of the major global players. He visited Ankara and Moscow on June 14, 2020, three days before the Act came into effect to coordinate with the Russians and Turks as part of the Astana Peace talks and in

The Implications of the Caesar Act on the

Scope of Iranian Influence in Syria



the context of Russian-Iranian coordination on Syria. This visit rendered the Act's content ineffective. Russia and Iran are two major parties to the Astana Peace talks and Russia is the second party to be impacted by the Act after Iran.

Zarif could not keep his deliberations secret, saying that his country has strong economic and commercial ties with Syria and the two sides seek to enhance bilateral relations in the coming phase. Also, Secretary General of Hezbollah, Hassan Nasrallah, [said](#), "The allies of Syria, which stood by its side during the war, will not abandon Syria in the face of economic warfare and will not allow its fall, even if they are themselves going through difficult circumstances," in a clear defiance of the Caesar Act.

The Consequences of the Caesar Act for for the Lebanese Home Front



The scope of the Caesar Act covers Lebanon, which the Assad government treats as a financial, banking and commercial backyard. The Act targets Iranian proxies, which help and support the Syrian government directly and indirectly. Hezbollah of Lebanon is among the major Iran-aligned armed militias which work in favor of the Assad government in Syria. The US administration could impose sanctions on Lebanon by virtue of the Act because Hezbollah has several ministers within the Lebanese government headed by Hassan Diab. In light of the party's activities in Syria which breach the Caesar Act, Washington could object to Lebanon receiving [\\$10 billion](#) from the International Monetary Fund (IMF) to address the economic crisis which could lead to protests reoccurring in the country. This would further impact the already difficult socio-economic conditions in Lebanon,

The imposition of sanctions on Lebanon due to the activities of Hezbollah in Syria could reignite differences between the biggest two blocs in Lebanon: the March 8 Alliance and the March 14 Alliance.

These differences could amount to armed clashes amongst the Lebanese parties, bringing Lebanon back to square one. The Caesar Act will place some difficult options before Hassan Diab's government; whether to pressure Hezbollah to withdraw from Syria or to edge closer to Washington. Consequently, Diab might face assassination attempts by supporters of Hezbollah, the work of his government could be impeded, or he could be forced to resign. The potential political vacuum could bring Lebanon to the verge of a new long-term crisis.

Scope of Iranian Influence on the Caesar Act



The Caesar Act undoubtedly imposes some of the most powerful US sanctions, even though it has not identified the entities, firms, sectors and individuals targeted. It also gives the US administration vast powers via executive orders to impose sanctions as US interests require. It is also linked to the US National Defense Act to send a message to Assad and his Russian and Iranian allies that the Syrian crisis is now directly connected to US national security. Observers touched on the weaknesses of the Act and the long experience of the Syrians and Iranians in circumventing laws, as follows:

1- **Confining the Syrian arena to Iranian control:** The provisions of the Act give an opportunity to Iran, though scant, to invest, conduct trade and unilaterally expand its influence. This opportunity is not given to any other party to the Syrian crisis because the sanctions — which the Act will impose on the countries breaching its provisions — will make many countries that consider investing and partaking in the reconstruction of Syria avoid breaching these provisions in fear of US sanctions. This opens the door for Iran to boost its influence and increase

commercial cooperation with Syria.

Which country can invest, increase influence, and conduct trade dealings in Syria at the present time through the firms already existing on Syrian soil other than Iran and the IRGC?

2- Using only one lever: Observers indicated that the card of sanctions alone against Iran and its clout is ineffective as it has been hit by sanctions since 2018. The Iranian government has been adapting itself to sanctions for more than 40 years. Also, the Syrian government has survived sanctions in different historical periods since the 1970s. The government of Saddam Hussein also lived through sanctions for the longest possible period. Therefore, sanctions should be followed by other means such as imposing a land, sea, and air blockade, which is hard to achieve as pro-Iran militias are controlling geographical areas and borders. This is in addition to the US coordinating with regional allies and neighbors of the targeted countries and enhancing its military presence at border areas and maritime ports.

3- Iran's extensive experience in circumventing sanctions: Iran has more than 40 years of experience in circumventing sanctions. It also has tools to overcome sanctions in cooperation with Syria, which enables it to export its products to Syria easily and provide assistance to its proxies. Tehran has

vast military, economic and political clout in Syria, with its militias being stationed near the Iraqi-Iranian and Iraqi-Syrian borders. This facilitates the transfer of arms, medicine, and basic commodities to Syria. This is in addition to Iran having a strategic port on the Mediterranean via wresting control over Latakia port at the beginning of November 2019; the most important Syrian commercial hub according to The Times newspaper.

4- Iran's relations with its neighbors: Iran has maintained strong relations with Iraq since 2003 and with Syria since 2011. It also holds vast political, economic, and military clout with its two western neighbors. This clout helps Tehran in completing several projects smoothly in exchange for supporting and offering assistance to these two countries.

Future Forecasts



Inevitably, the Caesar Act will create a new equation in Syria as it will throw the scene into limbo. Socio-economic indicators will decline to extremely low levels. This has been clear in the decline in the value of the Syrian lira on the one hand and Washington's bargaining chips that influence Syria's future on the other hand. The Russians and Iranians may agree to depose Assad, according to German media outlets, while maintaining Russian and Iranian influence in Syria.

Considering the Syrian position with regard to the Act, the Syrian options to respond to it are expected to be as follows:

Assad, backed by his allies, may resort to zero-sum games by escalating militarily again to further complicate the scene by taking control of Idlib to improve his negotiating position, which opens a path to reach a settlement. He may also resort to changing the rules of engagement in the autonomously ruled territories in Eastern Euphrates against the Kurdish factions allied with the United States. This is in addition to the possibility of taking economic measures such as resorting to front companies, private firms loyal to the government, and granting licens-

es to private airlines for circumventing sanctions. This comes as there is no Syrian economic system connected to the global economy. The government could also turn to neighboring countries to meet basic needs to mitigate the impact of sanctions.

The Syrian government may pretend to be opting for a political process in order to win more time in the hopes of seeing global changes or changes in Washington. The government could also bet on future Russian-American understandings, which could be used to win more time. But there are no certain results. The opposition against the US Act is clearly expressed by the Russians, Iranians and Syrians – though Assad has expressed his desire to move ahead with the political solution to mitigate sanctions.

This means that the US sanctions will not be as effective as desired by the United States as long as there are loopholes exploited by Iran and Syria to circumvent sanctions. This is because Iran possesses strong ties with Syria and Iraq and possesses tremendous clout in these two countries compared to the US clout therein.

This requires finding more tools, in addition to sanctions, to make the Act more effective in achieving its goals. Also, the Caesar Act did not mention any escalatory tools against Assad and his allies in case the timeframe of the Act expires with Assad refus-

ing to accept the US conditions to politically settle the crisis.

In the end, it could be said that the Caesar Act has entered into force. There is no doubt that the Trump administration, as with sanctions on Iran, will assess the Act and will not allow it to become ineffective.

Therefore, it is likely that Syria, its Iranian allies, and armed militias, will face more escalatory measures in the coming weeks and months to curb Tehran's regional clout. This comes as part of the US pursuit to render successful the strategy of maximum pressure against Tehran. But it is difficult to imagine that the Syrians and Iranians will stand idle, especially Iran as it will not easily concede all its gains in Syria in light of the heavy material and human costs it has incurred in the conflict.



✉ info@rasanahiiis.com

🐦 📺 📺 @rasanahiiis

🌐 www.rasanah-iiis.org

