Syrian crisis: Impact on Iraq

SUMMARY
The Syrian crisis, which began with anti-government protests before escalating into full-scale civil war, has had a huge impact on neighbouring Iraq. From its stronghold in the Syrian town of Raqqa, the 'Islamic State of Iraq and the Levant' (ISIL/Da'esh), which originated in Iraq, was able to over-run a third of Iraq's territory in 2014, sowing death and destruction in its path and leading to the internal displacement of over 3 million Iraqis today. It is estimated that as many as 11 million Iraqis – almost a third of the population – may need humanitarian assistance this year to deal with the effects of continuous conflict and economic stagnation.

Moreover, a quarter of a million Syrians have sought refuge in Iraq from the war raging in their country. Most have settled in the Kurdistan Region of Iraq (KRI), increasing the population of this autonomous region by nearly 30 % over the past few years. The – mostly Kurdish – Syrian refugees were well received by the government of the Kurdish Region, which gave Syrians the right to work in the region and to enrol in public schools and universities. Nevertheless, the large influx of refugees has placed strains on the local economy and host communities, and on public services. Prices and unemployment have increased while wages have tumbled. Economic growth in the KRI has slowed, while the poverty rate has more than doubled.

The international community has stepped in to assist Iraq in its fight against ISIL/Da'esh and to help the country deal with the humanitarian crisis caused by the unprecedented displacement of Iraqis, and Syrian refugees. As a result of concerted military efforts, ISIL/Da'esh now occupies less than 10 % of Iraqi territory. At the same time, funds and substantial amounts of humanitarian aid have been poured into the country, to support the displaced and facilitate their return to areas over which the Iraqi State has re-established control. The EU is a leading partner in the effort to mitigate the impact of the Syrian crisis on its Iraqi neighbours.

See also our briefings on the impact of the Syrian crisis on Jordan and Lebanon.
Syria and the growth of ISIL/Da'esh

The conflict in Syria, which began with anti-government protests before escalating into full-scale civil war, has entered its seventh year. Early on in the conflict, the Syrian government lost control of large swathes of the country to a wide array of opposition forces. Despite having its origins in Iraq, the group known as the 'Islamic State in Iraq and the Levant' (also known variously as IS, ISIS or ISIL, and by its Arabic acronym 'Da'esh') joined the rebellion against President Bashar al-Assad and was able to gain control over large parts of Syria, including the central Syrian city of Raqqa, home to around 200,000 people. Its Syrian base gave the group easy access to weapons and income, and allowed it to build up an army of fighters, attracting tens of thousands of foreigners from all over the world.

From its Syrian stronghold, ISIL/Da'esh launched a campaign to take over parts of Iraq, taking advantage of the withdrawal of United States (US) troops from Iraq, as well as widespread Sunni anger at the sectarian policies of the country's Shi'a-led government. In June 2014, ISIL/Da'esh routed the Iraqi army in Mosul, Iraq's second largest city. Abu Bakr al-Baghdadi, the group's leader, appeared in Mosul's central mosque to declare a new 'caliphate' and himself the 'commander of the faithful' and demand loyalty from Muslims worldwide. In subsequent weeks, ISIL/Da'esh overran the north and west of the country, coming within a few miles of the Iraqi capital Baghdad, and linking up to strongholds in eastern Syria. By mid-2014, the Islamic State was able to control territory across large parts of Iraq and Syria, exerting military dominance over 126 'key places', and effectively eliminating the border between the two countries. It is estimated that, at a certain point, between 6 and 10 million people were living under ISIL/Da'esh's control.

ISIL/Da'esh – a reign of terror in Iraq

Large-scale displacement of Iraqis

In the areas under its control, ISIL/Da'esh has committed gross, systematic abuses of human rights and violations of international law, including indiscriminate killing and deliberate targeting of civilians, mass executions and extrajudicial killings, persecution of individuals and entire communities on the basis of their identity, kidnapping of civilians, forced displacement of Shi'a communities and minority groups, killing and maiming of children, rape and other forms of sexual violence, along with numerous other atrocities.

According to UNHCR figures, over three million people in Iraq have been internally displaced since January 2014, largely as a result of ISIL/Da'esh's advance, which has driven hundreds of thousands from their homes. Other estimates put the figure of internally displaced at 4.7 million, making this country of around 38 million people the country with the second largest displaced population in the Middle East (after Syria).

The pace of displacement over the past three years is almost without precedent and has led to a humanitarian crisis that is one of the largest and most volatile in the world. In 2014, over 2.5 million people were displaced in Iraq; in 2015, an additional million were
forced to flee; in 2016, nearly 700 000 people were newly displaced. Every one of the nine major military campaigns against ISIL/Da'esh in 2016 has generated new displacement. In 2017, depending on the intensity and length of fighting in Mosul and other Iraqi cities, as many as 1.2 million additional civilians may be forced from their homes.

Figure 1 – ISIL/Da'esh areas of influence in Syria and Iraq February 2017

The impact on the Iraqi economy

The rise of ISIL/Da'esh has significantly worsened Iraq's economic outlook. Violence stemming from the crisis has damaged the economy by depressing investment, trade, and general business activity. The government has had to increase security spending to combat ISIL/Da'esh, worsening the budget deficit.¹

Iraq is overwhelmingly dependent on oil for government and export revenues, with crude oil accounting for almost 98% of total exports and more than 80% of government revenues. Militant attacks have so far not affected oil production and exports from southern Iraq, where the majority of the country’s oil income and foreign-exchange earnings is generated. However, the Iraqi economy was also hard hit by the plunge in global oil prices since 2014, which led to a fiscal and balance of payments crisis. The Iraqi government was forced to introduce significant austerity measures, including cuts in public-sector salaries and tax increases. The budget deficit was estimated at 13% of GDP in 2016 and is not expected to show a surplus until 2021.

Moreover, the Syrian war and the subsequent emergence and spread of ISIL/Da'esh have transformed the entire region. As the numbers of mortalities, refugees and internally displaced kept rising in Syria and Iraq, and as neighbourhoods were turned into war zones, economies slumped and regional economic ties broke down. By the end of 2014, per capita GDP in Iraq had declined by 16%. In addition to the direct effects on the Iraqi economy of the war in Syria and the conflict with ISIL/Da'esh, the indirect effects of the Syrian war include the opportunity cost of foregone regional trade integration initiatives. The war disrupted intra-Levant trade, which grew seven-fold between the early and late 2000s. It also put an end to plans for further deepen intra-regional trade ties following the signing of the 'Levant Quartet' agreement in 2010.

¹ Source: Global Coalition against Da'esh, 2017.
Nevertheless, Iraq’s economic potential is very positive in the longer term, and actually far greater than that of most Middle Eastern countries. The country's very significant oil reserves should provide its economy with the means to maintain a high growth rate and a surplus of wealth for many years with minimal effort.

**The root causes of the rise of ISIL/Da’esh – the sectarian divide of Iraq**

Many analysts believe that ISIL/Da’esh was able to overrun large parts of Iraq in 2014 – and govern them for several years – owing to deep-seated Sunni distrust of the Shi’a-dominated central Iraqi government. Iraq is divided along ethnic and religious lines.Ethnically, 75% to 80% of the population is Arab and 15% to 20% Kurdish, while Turkomen, Assyrians and others make up the remaining 5%. 99% of the population is Muslim. Shi’a Muslims make up 60% to 65%, Sunni Muslim 32% to 37%, and Christians 0.8%. Kurds, most of whom live in the Kurdistan Region of Iraq, are mostly Sunni Muslim, but have a strong cultural identity and traditions that are distinct from Sunni Arabs. Sunni Arabs dominate the northern and western parts of Iraq, while Shi’a Arabs dominate the south.

**Figure 2 – The sectarian and ethnic division of Iraq**

Following the fall of Saddam Hussein in 2003, Iraq’s Sunni Arab minority went from rulers to ruled overnight. The restructuring of the system of governance in Iraq post-2003 created a Shi’a dominated central government and led to Sunni disengagement from the state and political process. Moreover, the post-2003 democratisation process fostered the emergence of identity politics, dividing the population along sectarian lines. This created fertile ground for a group championing the Sunni cause and meant that many Sunni Arabs initially welcomed the emergence of ISIL/Da’esh in Iraq. In order to deprive ISIL/Da’esh – or any successor movement – of an ideological base among Sunni Arabs, greater efforts still have to be made to move away from sectarianism towards a more inclusive form of governance.
The 'Global Coalition to counter ISIS'
In August 2014, the United States (US) began a series of military airstrikes in Iraq against ISIL/Da'eshash forces. On the margins of the NATO summit in September 2014, the US pushed for the formation of a coalition of the 'willing and the capable' to deal with ISIL/Da'eshash. The US-led coalition has grown to comprise more 68 nations, including 27 EU Member States, and partner organisations, among them the EU. The coalition's members contribute in different ways to the fight against ISIL/Da'eshash, including with military strikes in Syria and Iraq against the terrorist group's positions. The coalition has conducted almost 11 000 air strikes against IS targets in Iraq since August 2014.

Syrian refugees in neighbouring countries
In addition to facilitating the rise of an extremist Salafi-jihadi group that has set up a rival state within Iraq, the Syrian crisis has spawned huge refugee flows in the region. Over 12 million Syrians have fled their homes since the outbreak of the conflict in March 2011, and large numbers have sought refuge in neighbouring countries. In March 2017, the United Nations Refugees Agency (UNHCR) registered a total of 4.958 million Syrian refugees who had fled to neighbouring countries, including Turkey (2.91 million), Lebanon (1 million), Jordan (657 000), Iraq (233 224) and Egypt (117 591) (see Figure 1). The sudden influx of large numbers of displaced people puts host countries and communities under great strain. With savings exhausted, refugees have grown increasingly vulnerable, and many live below the poverty line, struggling to afford essentials such as food, rent and healthcare. The poverty rate among Syria refugees in Iraq is 37 %.

International support for Syrian refugees
A new approach – from humanitarian aid to 'building resilience'
In February 2016, at an international donor conference in London, the international community agreed on 'a comprehensive new approach' to respond to the protracted Syrian refugee crisis. The Supporting Syria and the Region Conference brought together over 60 countries, international organisations, business, civil society, Syrians, and other people affected by the conflict. Central to the new approach agreed during the conference is a shift of emphasis from traditional humanitarian aid to 'resilience building'. This implies creating the long-term conditions that will allow Syrians to build a future for themselves and their children in the region, including acquiring the skills and tools to rebuild their own country once they are able to return. At the same time, this approach aims to reduce the pressure on host communities and create new opportunities for them. Governments of neighbouring countries hosting Syrian refugees agreed to open their labour markets to refugees, and increase efforts to create new jobs for their own populations, by improving regulation and the investment climate in their countries. In return, other participants agreed to create greater access to external markets, to provide
access to concessional financing and to increase external support for public and private sector job creation. Donors pledged to support employment creation programmes and to encourage municipalities and communities in their countries to strengthen collaboration with municipalities and communities in refugee host countries. Leading private sector partners agreed to assist with new investment to create jobs.

The London conference set the target of creating 1.1 million jobs for refugees from Syria and host country citizens in the region by 2018. In total, the international community pledged over US$12 billion for Syria and the region, for 2016 and for future years, in the form of grants. In addition, multilateral development banks and donors announced around US$41 billion in loans, with many on highly concessional terms. According to a year-on report published in February 2017, conference donors committed over US$10.8 billion in 2016. Of this amount, US$7.955 billion is in the form of grants, exceeding the total pledges made at the time of the conference for 2016 by more than 30% (US$2 billion). Some donors have also made forward commitments for grants for the 2017-2020 period, totalling over US$2.8 billion. In terms of loans, donors have so far committed US$12.624 billion for 2016-2020 (see Figure 4).

Figure 4 – Pledges and commitments, US$ million


Regional Refugee and Resilience Plan

To help neighbouring countries coordinate their response to the Syrian refugee crisis, the United Nations (UN) spearheaded efforts to formulate a regional refugee and resilience plan (3RP) in 2015. The 3RP draws together the national crisis response plans to the Syrian refugee crisis in the five most affected neighbouring countries: Lebanon, Jordan, Iraq, Turkey and Egypt, to create a 'coordinated regional response framework'. The 3RP for 2017-2018 is described by its authors as 'a programme strategy, creating a broad partnership platform for planning, advocacy, fundraising, information management and monitoring that brings together Syrian refugees, impacted communities in host countries and their governments, donors, and more than 150 national and international development and humanitarian actors in the respective countries'. The 2017-2018 3RP reflects the policy shift that occurred in the international response to the protracted crisis during 2016. The current 3RP has a strong emphasis on implementation through national systems and local actors and for donors to commit to multi-year predictable funding. One of the key aims of the 3RP for 2017-2018 is to create up to 1.1 million jobs in the region by 2018. The current 3RP estimates that US$4.69 billion will be needed over the two-year programming period to respond to the needs of over 9 million people: nearly 5 million refugees and over 4.4 million persons in host communities.
**Syrian refugees in Iraq**

Iraq is host to 233,224 Syrian refugees registered by the UNHCR. The majority of the Syrian refugees who fled to Iraq are Kurds, and many of them are from the north-eastern Syrian province of Qamishli. Most refugees (96%) have settled in the Kurdistan Region of Iraq (KRI); the remaining 4% live in the centre and the south of the country. Around 39% of the Syrian refugee population live in nine camps in the KRI. The remaining 61% of Syrian refugees reside in urban, semi-urban and rural areas, in rental accommodation and variety kinds of – often sub-standard – housing. In addition, the three governorates of the KRI are also host to around 1.5 million internally displaced Iraqis, alongside the Syrian refugee population.

The Government of Iraq and the Kurdistan Regional Government (KRG) are working closely with the humanitarian community – led by the UNHCR, and comprising 10 UN sister agencies and some 34 partner organisations – to provide a coordinated response to the protection of, and access to services for, Syrian refugees in Iraq. For the Iraqi government, efforts are led by the Ministry of Migration and Displacement, in cooperation with the Ministry of Planning. For the KRG, efforts are led by the Ministry of the Interior. Efforts are coordinated by a Joint Crisis Centre.

From the early days of the Syrian refugee crisis, the KRG has granted Syrian refugees the right to work in the region and to enrol in public schools and universities. This policy has remained in place, despite the growing pressure on the region from the large influx of internally displaced Iraqis since 2014. This approach is in line with the KRG’s overall development vision (Vision 2020), which seeks to provide access to health, welfare, economic security and opportunity to all people living in the KRI.

Nevertheless, the presence of a large number of internally displaced people (IDPs) and the overall deterioration in the economic situation, have made it difficult for Syrian refugees to be self-reliant, and to find accommodation and/or employment, in particular. Moreover, the drop in oil revenues and the collapse of the revenue-sharing agreement between the KRG and the central government have constrained the ability of the KRG to provide Syrian refugees, displaced Iraqis and host communities with basic services. The situation is likely to be exacerbated by the influx of IDPs from Mosul, which will put further pressure on service provision and protection and asylum space.

**The economy of the Kurdistan Region of Iraq**

As a result of the influx of Syrian refugees, which began in 2012, and of IDPs since 2014, the KRI is facing an economic and humanitarian crisis. The region’s population has increased by 28% over the past six years, placing strains on the local economy and host communities, and overburdening public services. Prices and unemployment have
increased, and refugees and IDPs entering the labour market are depressing wages. The war with ISIL/Da’esh has had a significant effect on trade in goods and services. Transportation routes have been disrupted, foreign direct investment flows have declined and the operations of foreign enterprises have been adversely affected. The disruption of public investment projects has had a negative impact on the economy. By 2015, economic growth in the region had contracted by 5% and the poverty rate more than doubled, rising from 3.5% to 8.1%.

**International solidarity with Iraq**

*Support for Syrian refugees and host communities*

The international community has provided Iraq with financial support to assist with its efforts to host and integrate the refugee population from Syria. At the Supporting Syria and the Region Conference in London in February 2016, the international community pledged around US$353 million in grants and US$103 million in loans to Iraq (even though not all pledges were country-specific). According to figures released in February 2017, Iraq received grants in 2016 totalling US$590 million, 67% more than the total originally pledged. The country has also received grant contributions of US$162 million so far for the 2017-2020 period. Moreover, loan contributions in 2016 amounted to US$1.4 billion, fully matching the pledge.

*Conference on supporting the future of Syria and the region*

On 5 April 2017, the EU, together with Germany, Kuwait, Norway, Qatar, the United Kingdom (UK) and the UN, will co-chair a Brussels conference on supporting the future of Syria and the region. The conference has two main objectives. For one, it will take stock of where the international community stands collectively in fulfilling commitments made at the London conference in February 2016. However, more importantly, it is seen by the organisers as a political conference, to prepare the political transition, the reconciliation process and the reconstruction of Syria.

*Financial support in general*

In July 2016, the International Monetary Fund (IMF) approved a US$5.34 billion three-year stand-by arrangement (SBA) for Iraq. The IMF cited a combination of weak oil prices and the conflict with ISIL/Da’esh as the reason for its financial support, particularly since the war has left 27% of the population in need of humanitarian assistance. The IMF set out four core areas for the Iraqi authorities to address, namely: reining in fiscal spending; curbing corruption; improving fiscal management; and strengthening the financial sector. The World Bank’s present engagement in Iraq amounts to nearly US$3.4 billion, including multi-sectoral support for the reconstruction and rehabilitation of areas recently recovered by government forces and a transport corridor investment. This comprises a US$1.485 billion package to support reforms to improve public service delivery and
transparency, stimulate private sector growth and support job creation, approved in December 2016.

**The European Union – relations with Iraq**

Iraq is an important partner for the EU because of its geopolitical position in the Middle East and its proximity to the EU. Relations between the EU and Iraq are based on two bilateral agreements covering cooperation and assistance: the Memorandum of Understanding on Energy Cooperation, signed in 2010, and the Partnership and Cooperation Agreement, signed in 2012. While the first is a framework for cooperation in the field of energy, the second deals with a wider range of issues including counter-terrorism and trade.

**The Partnership and Cooperation Agreement (PCA)**

The PCA established a comprehensive legal framework for enhancing ties and cooperation in a wide range of areas, ranging from political matters and counter-terrorism (political dialogue on bilateral, regional and global issues) to the promotion of human rights and trade in key areas such as energy and services. Concerning trade, the PCA is a non-preferential agreement that incorporates the basic rules of the World Trade Organisation (WTO) and grants substantial market access to the EU and some preferential treatment in public procurement, services and investments. It also sets out a framework for continuing cooperation in other areas, such as health, education and the environment. The objective of the PCA is also to support Iraq's own reform and development efforts and facilitate its integration into the wider international economy. The agreement constitutes the main vehicle for the EU’s support for Iraq and further enhancement of EU-Iraq relations.

**Trade relations between Iraq and the EU**

The EU is Iraq's second-biggest trade partner (following China). Total bilateral trade between the EU and Iraq totalled over €16.1 billion in 2015. EU imports from Iraq were worth €11.1 billion in 2015. Oil imports represent up to 99.7% of all EU imports from Iraq. The EU exported €5 billion worth of goods to Iraq in 2015. EU exports to Iraq are dominated by machinery and transport equipment, chemicals, food and live animals. The EU sees closer trade ties with Iraq as an important part of the reconstruction and development of Iraq.

**The EU Regional Trust Fund in response to the Syrian crisis (Madad)**

An increasing share of the EU’s non-humanitarian aid for Syria's neighbours has been channelled through the EU Regional Trust Fund in response to the Syrian crisis, the 'Madad Fund', set up in December 2014. The Fund primarily addresses the longer-term economic, educational and social needs of Syrian refugees in neighbouring countries. It also helps overstretched host communities and their administrations. In Iraq, money from the fund is also used to support internally displaced people (IDPs) fleeing from the interlinked Syria/Iraq/ISIL/Da'esh crisis. The Madad Fund has reached a total volume of close to €1 billion. Around €767 million has already been allocated to projects in the areas of education, health, water and municipal services, food security and livelihoods. Some 10% of this amount, equivalent to €78 million, has been allocated to Iraq.

**Countering ISIL/Da'esh – the contribution of the EU and its Member States**

The EU is also participating directly in efforts to defeat ISIL/Da'esh. The EU's policy for countering ISIL/Da'esh is set out in the 'EU Regional Strategy for Syria and Iraq as well as the ISIL/Da'esh threat', which was adopted in 2015 and revised in May 2016. The EU is committed to countering the threat from ISIL/Da'esh and has adopted a wide and
comprehensive set of measures to do so. The three main elements of the EU Regional Strategy are defeating ISIL/Da'esh as a military force and as a terrorist organisation, preventing regional spillover, and providing humanitarian aid. Through diverse actions in the region, the EU aims to address the political, social and economic root causes of the conflicts in Syria and Iraq, mitigate the humanitarian consequences of the crises, and reduce the terrorist threat from ISIL/Da'esh.

The EU's main objective in Iraq is to address the political root causes that contributed to the rise of ISIL/Da'esh, by supporting the Iraqi government in moving away from sectarianism towards a more inclusive form of governance. Beyond political reform, the EU also supports peace building, national reconciliation and transitional justice. Moreover, the EU seeks to contribute to stability in Iraq, by supporting basic services and economic development, and fighting corruption.

The EU is a non-military partner in the US-led Global Coalition to Counter the Islamic State. The EU's contribution to the coalition takes the form of humanitarian and development aid (see separate box). In addition, all the EU Member States (except Malta) have joined the Global Coalition as partners. Member State contributions have taken various forms. Five Member States have taken part in air strikes against ISIS targets in Iraq (Belgium, Denmark, France, the Netherlands and the United Kingdom). Several have supplied logistical support and equipment to the coalition and/or training for the Iraqi army (Germany, Hungary, Italy). Many Member States, including those that do not contribute directly to the military effort, have provided humanitarian aid.

### Humanitarian assistance

The EU provides substantial amounts of humanitarian aid for IDPs and Syrian refugees; this is used to provide food and water, health care, sanitation and hygiene as well as protection, shelter and education. Since 2015, the EU has contributed €309 million in humanitarian aid to Iraq, including €159 million in 2016 and €42.5 million in 2017. The EU has also delivered 266 tonnes of aid offered by countries through the EU Civil Protection Mechanism in response to the Mosul emergency.

### Supporting the return of internally displaced people (IDPs)

EU is supporting the stabilisation of Iraq mainly under the umbrella of the UNDP Funding Facility for Immediate Stabilisation, created in 2015. The overall objective of this facility is to prepare for the sustainable return of internally displaced people to their areas of origin. In 2016, the EU and its Member States contributed around 50% of the funds for the Funding Facility, amounting to approximately €130 million. The EU's share totalled €14 million.

### Development aid

Since 2014, the EU has also made available nearly €100 million in development aid. This has included support for education, human rights, the rule of law, reconciliation, the provision of basic services and the development of Iraqi civil society organisations. It is hoped that another €100 million will be made available this year.

### The position of the European Parliament

The European Parliament has repeatedly and unreservedly condemned the gross human rights violations and atrocities that ISIL/Da'esh has committed in the territories that have been under its control, in particular those targeting religious minorities. In October 2016, Parliament called on the Iraqi government to make the right of return of peoples displaced by such atrocities a policy priority. In December 2016, Parliament called for ISIL/Da'esh to be referred to the International Criminal Court (ICC) and urged the Iraqi and Kurdish authorities to preserve evidence of the war crimes and crimes against humanity the group has committed, to ensure that the group will be held accountable.
Parliament has expressed particular support for the Yazidi women and children afflicted by ISIL/Da'esh's campaign of sexual violence. In 2016, Parliament awarded the Sakharov Prize for Freedom of Thought to two survivors of sexual enslavement by ISIL/Da'esh, Nadia Murad and Lamiya Aji Bashar. Parliament has also repeatedly expressed its support for Iraq's independence, territorial integrity and sovereignty and called for the liberation of Mosul and other parts of the country from ISIL/Da'esh.

**Outlook and future developments**

**The diminishing threat of ISIL/Da'esh**

ISIL/Da'esh has come under sustained attack in Iraq and Syria and has lost 62% and 30% of the territory the group controlled in August 2014, in Iraq and Syria, respectively. As the threat of ISIL/Da'esh recedes, the direct impact of the Syrian crisis on Iraq will diminish correspondingly. At one point, ISIL/Da'esh controlled a third of Iraq, including the country's second-biggest city, Mosul. However, since 2015, Iraqi security forces have made significant gains against ISIL/Da'esh, recapturing territory in several provinces. 2 million people were liberated from ISIL/Da'esh control in 2016. The Iraqi army is expected to retake Mosul by mid-2017, with the support of Shia militias, Kurdish peshmerga units, Iranian forces and the US-led coalition. Following the defeat of ISIL/Da'esh forces, 1.2 million people have already returned to liberated areas.

At the same time, the fall-out from the Syrian crisis will continue to be felt for many years to come. At least 3 million Iraqis are still displaced and 1.4 million Iraqis live in newly retaken areas, including 800 000 people in Mosul city and 600 000 in surrounding areas. They are expected to require assistance. Moreover, up to 300 000 people are expected to remain in areas outside government control for several months and 230 000 Syrian refugees are expected to remain in Iraq and to require continuing assistance. Regarding the presence of Syrian refugees, the Iraqi authorities estimate that local and international operational capacity to respond to the needs of Syrian refugees will be sufficient, provided necessary funding is made available by the international community.

As the threat of ISIL/Da'esh fades, some clashes along ethno-sectarian lines are probable among the various groups that were involved in liberating the city of Mosul. Totally defeating ISIL/Da'esh and stabilising areas that have been liberated will depend on greater cooperation among Shia, Sunni and Kurdish political elites. This will require reform to address Sunni fears of marginalisation and increase local autonomy, as well as a deal on sharing oil revenue with the Kurds. Despite the loss of territory, it is likely that ISIL/Da'esh will continue to mount frequent insurgent attacks across Iraq. It is also likely that ISIL/Da'esh will exploit localised sectarian conflicts, particularly in Sunni-majority towns and cities.

**The continued presence of Syrian refugees**

Despite the ongoing conflict in Syria, which continues to displace people inside the country, aid agencies do not expect large-scale new arrivals in neighbouring countries in 2017, largely on account of more restricted admission policies. The 3RP 'refugee planning figure' for the end of 2017 is 4.7 million Syrian refugees for neighbouring countries, which is slightly lower than today's figure of 4.81 million refugees. It is assumed that the total number of Syrian refugees in Iraq will not exceed 235 000 at the end of 2017. Therefore, while Iraq may not currently have to prepare for significant numbers of new arrivals, Syrians will not be returning home any time soon. A political solution to the conflict in Syria is currently looking more feasible than at any time in the past six years, following the resumption of UN-led peace talks in Geneva, supported by a ceasefire mechanism. However, even if an arrangement were reached involving the Assad regime and some
opposition groups, other opposition groups, excluded from the political process, are likely to continue fighting. Many longer-term challenges remain. Moreover, if Assad remains in power, the jury is out on how many Syrians would choose to return to live under a regime that has brutally murdered tens of thousands of its own citizens. According to the Syrian Network for Human Rights, 93% of the 203 079 civilians killed between March 2011 and November 2016 were killed by the regime, the equivalent of 188 729 people. Moreover, the Syrian economy has been destroyed and the conflict has wrecked development opportunities for decades to come. According to some estimates, even if the conflict ended now and gross domestic product (GDP) grew at an average rate of 5% each year, it would take the Syrian economy an estimated 30 years to recover its pre-war level.

**Endnote**


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