# KfW Development Bank

# **»** Current topics



# **Reconstruction Fund - Syria**

Assistance in the civil war



KfW has set up a reconstruction fund, the Syria Recovery Trust Fund, to assist the suffering population of Syria. It is designed to help to improve people's access to energy, water, health

services, solid waste removal, agriculture, and other. Through the SRTF, international donors pool their funds to finance priority projects in these sectors.

## Context

A bloody civil war has been raging in Syria for almost five years. Normal life is a thing of the past for the population. According to the United Nations High Commissioner for Refugees, about 4.6 million Syrians are currently in exile. The majority has taken refuge in neighbouring countries: 1.2 million Syrian refugees are living in Lebanon, which itself has a population of only 4.4 million. Around 1.9 million have fled to Turkey, more than 630,000 to Jordan and approximately 250,000 to Iraq. Many are living in degrading conditions, wounded and traumatised, accommodated in makeshift camps. The situation was made worse by the intervention of the terror organisation IS and military operations of the international anti-IS coalition. According to the UN nearly 400,000 Syrians are besieged - all parties use thirst and hunger as weapons of war in this conflict.

The National Coalition of the Syrian Revolution and Opposition Forces - an umbrella grouping of moderate opponents - is recognised by the Friends of Syria Group as the legitimate representative of the Syrian people. The Friends of Syria Group comprises more than 100 countries and international organizations with the core group consisting of Germany, the USA, France, Great Britain, Italy, the United Arab Emirates, the EU, Qatar, Jordan, Saudi Arabia, Egypt and Turkey. Together with its international partners, the German government, which is a member of the Friends of Syria Group, hopes to strengthen the institutional development and cohesion of the National Coalition in an endeavour to promote a democratic alternative to the Assad regime.

The moderate opposition controls areas chiefly in the north and east of the country and represents the administration in many municipalities. The funds from the SRTF go to the water and energy supply, medical assistance, food security, waste removal and the reconstruction of schools in these municipalities.

Project name	Syria Recovery Trust Fund (SRTF)
Commissioned by	Diverse states
Country/region	Syria
Lead executing agency	National Coalition of Syrian Revolutionary and Opposition Forces (SOC)





Delivery of 15 ambulances for Aleppo. Source: SRTF - Media and Communication Section

## **Project approach**

Germany, represented by the Federal Foreign Office, chairs the Working Group on Economic Recovery and Development of the Group of Friends of the Syrian People, alongside the United Arab Emirates (UAE). In this capacity the Foreign Ministries of both countries have tasked KfW as initiator with organising the recovery fund's development and structure. KfW has taken on the role of trustee for the management of donor states' financial contributions. The operational planning and implementation of measures will be undertaken by the administrative management unit of the fund, which is based in Gaziantep (Turkey).

The financing mechanism has been elaborated on the model of UN and World Bank trust funds. The Framework Agreement to establish the SRTF was signed in September 2013. The parties to the agreement include the three original donors: the Federal Republic of Germany, the United Arab Emirates, and the United States of America, together with the National Coalition of Syrian Revolutionary and Opposition Forces (SOC) as the legitimate representative of the Syrian People, and the German Development Bank KfW as Trustee. In the meantime Denmark, Finland, Sweden, Italy, France, the United Kingdom, Japan, the Netherlands and Kuwait also made contributions to the fund, its volume currently amounts to EUR 120 million. Turkey is part of the SRTF governance structure in its important function as host country to the Fund's operational management.

The Syria Recovery Trust Fund is a joint funding

mechanism of the member states of the Friends of Syria Group for the civil support of the National Coalition. Municipalities as well as local and international NGOs working in the areas controlled by the opposition submit project proposals to finance projects in priority sectors. Whenever possible, the SRTF works with local service providers to simultaneously restore the respective essential service and strengthen the capability of the service provider to ensure sustainability of the restored services. Initial projects focus on the restoration of basic services in provision of electricity, water and sanitation, health, education, food security, and solid waste removal.

### Impact

By December 2015, 26 project proposals with a total value of EUR 55 million were agreed to. Examples of these are the maintenance of power grids and the water supply, medical equipment and material for hospitals, rehabilitation of schools and solid waste management.

Some projects have been completed: 15 fully equipped ambulances (EUR 600,000) for the city of Aleppo have been delivered. In 2015 four mobile wheat mills have been procured – three of them are already in operation. Further projects with a total volume of EUR 5 million are at the preparatory stage. There are 46 project concept notes under development, 29 of which are submitted by public service providers, 9 by governorate / local councils and 8 by non-government organizations – the pipeline amounts to EUR 81 million.

#### $\mathbf{W}$

#### Contact

KfW Group KfW Development Bank Water and Waste Management - Middle East Palmengartenstrasse 5-9 60325 Frankfurt Germany Telephone +49(0)69-7431-9629

#### www.srtfund.org