

ARK has extensive experience in establishing sustainable mechanisms to provide direct and indirect budget support to Syrian beneficiaries, principally gained through its role as lead implementer of the multi-donor Integrated Community Security Programme (ICSP), which has delivered over \$1.7 million in cash support – salary stipends, operational funds, and travel stipends – to Free Syria Police and other local beneficiaries in Aleppo, Idlib and Latakia.

In delivering this activity, ARK has acquired considerable knowledge of the legal, banking, administrative, and other compliance requirements of the Government of Turkey, as well as of the formal and informal cash handling mechanisms that operate within Syria. As such, ARK is extremely well placed to propose and establish a mechanism that meets HMG's requirements for legal compliance, sustainability and risk management, reflecting the necessarily opaque nature of the cash-based work of the Syrian opposition.

In the case of the ICSP, ARK developed a robust mechanism for handling direct cash support to Syrian beneficiaries that was based on the principles of **transparency** (to ensure stipends are reaching the intended recipients), **accountability** (to ensure those distributing the stipends internally are doing so within the agreed framework), and **disclosure** (ensuring stakeholders are fully aware of salary scales and payment methodology). This mechanism, developed with the help of regional public finance experts retained by ARK, and endorsed by HMG and other donor governments, required the creation of new institutions and positions within the Free Syria Police and provincial councils, including the appointment of an Inspector-General, a General Auditor, a Head of Administration, and local inspectors. This was complemented by robust standard operating procedures (SOPs) and security protocols to manage the physical risks associated with the handling of large amounts of cash. ARK's Monitoring and Evaluation team also developed an independent verification network including social media monitoring, key informant interviews, random sampling and field visits.

As militant groups that are Designated Terrorist Organisations (DTOs) under US and UK law have gained ground in northern Syria, ARK has shown considerable flexibility in implementing new donor government guidance to restrict cash payments to recipients 'behind enemy lines', by facilitating the relocation of these beneficiaries to moderate-controlled areas where they can regain their eligibility for support. ARK has also developed and proposed creative proposals to the ICSP Secretariat that would assign a role to the Syrian Interim Government (IG) in distributing stipend funds in partnership with ARK, using quasi-diplomatic immunities granted to the IG by the Government of Turkey. This option, which awaits donor government endorsement, would be an instrument for bolstering the IG's relevance and credibility with Syrian beneficiary communities, while retaining implementer accountability and discreet donor government oversight.

ARK also has considerable experience in managing sub-granting mechanisms, including through the Syrian civil society basket fund programmed through the ARK-managed, Danish-funded Syrian civil society centre *Baytna* in Gaziantep, southern Turkey. ARK established a mechanism for administering basket fund support to nascent civil society groups in northern Syria which included representatives of the Assistance Coordination Unit of the Syrian Opposition Coalition, the Government of Denmark, and an ARK representative. The basket fund successfully disbursed \$134,000 to four civil society organisations and also capacitated several recipients to develop independent streams of donor government support.