



By: The Editorial Board

Europe changes course - Syria gets a chance, Israel a warning



The European Council adopted two decisions that marked a significant change in the European Union's policy towards the Middle East. The **lifting** of almost all remaining economic sanctions against Syria and the **initiation** of a formal review of the Association Agreement with Israel.

Both steps are the result of the increasingly clear need for the EU to review its own approach to the region in light of the deteriorating humanitarian situation, global shifts and the limited impact of current foreign policy instruments.

The European Union is trying to combine economic engagement with political responsibility while regaining its influence in one of the most unstable parts of the world.

By abolishing customs duties and facilitating financial transactions with Syria, Brussels is paving the way for the country's economic recovery after a decade of destruction.

The new regime lifts most restrictions on the import of energy, food, and construction materials while maintaining targeted measures against individuals and companies linked to the former regime.

The EU is thus formally distancing itself from the policy of comprehensive isolation and accepting the assumption that integration is more effective than sanctions.

At the same time, a reversibility mechanism has been introduced—if the transitional authorities in Damascus violate obligations related to human rights, media freedom, or cooperation with international organisations, the measures can be reactivated without any additional political procedures.

Rebuilding Syria

The new policy towards Syria builds on similar steps taken by Washington. Donald Trump's administration **announced** a selective easing of sanctions in mid-May, citing the need to prevent the collapse of institutions and the re-

radicalisation of local communities.

President Ahmed al-Sharaa **pledged** to end cooperation with Iranian paramilitary structures and introduce independent control over budget spending.

However, his close ties with the Muslim Brotherhood have raised scepticism among Western diplomats. It is still unclear whether a minimum level of functioning governance is possible in a country with a fragmented security system.

Estimates of the cost of rebuilding Syria vary, but donor institutions, including the World Bank, warn that it will exceed USD 40 billion.

The EU plans to use a model of state reconstruction funds with clearly defined disbursement phases linked to measurable results

The absence of a functional, centralised public procurement system and the redirection of most customs revenues outside budget flows persist.

It is precisely for this reason that the EU plans to use a model of state reconstruction funds with clearly defined disbursement phases linked to measurable results, such as the distribution of municipal services, the functioning of local administrations, and the demobilisation of armed groups.

UNOPS (United Nations Office for Project Services) has been appointed as the EU's technical partner for implementation, while transparency monitoring will be led by a joint audit commission from Brussels and Geneva.

Formal review of the Association Agreement

On the same day, the European Commission announced a formal review of the Association Agreement with Israel, referring to Article 2,

which stipulates that cooperation is based on respect for human rights and democratic principles.

The initiative comes after the weeks-long blockade of the Gaza Strip and the escalation of the humanitarian crisis, which has provoked strong political reactions within the EU.

Although no concrete economic measures have yet been adopted, the cabinet of High Representative Kaja Kallas confirmed that the review will focus on the compliance of Israeli measures with international law, including facilitating the passage of humanitarian aid and preventing further civilian suffering.

According to diplomatic sources in Brussels, the possibility of introducing additional monitoring mechanisms is being considered, but without the automatic suspension of trade privileges at this stage of the process.

According to the European Commission's draft, the announced review will cover three key areas.

The EU has a legal basis to exclude goods from Israeli settlements from the preferential trade regime

The first relates to the possible abolition or restriction of customs privileges for certain categories of Israeli products exported to the EU market – with a particular focus on goods originating from Israeli settlements established in the occupied Palestinian territories, particularly in the West Bank and East Jerusalem.

The EU does not recognise such settlements as part of the territory of the State of Israel, and it already has a legal basis (under European Court of Justice rulings) to exclude goods from these areas from the preferential trade regime.

The review would now systematically apply this practice for the first time and make it binding for all members.

The second direction relates to the introduction of a formal obligation for Israel to regularly inform the EU about the level of humanitarian access to the civilian population, in particular in the Gaza Strip.

The third segment involves the introduction of mechanisms for stricter control of the origin of goods to prevent products from the settlements from being declared as originating from the territory of Israel within internationally recognised borders.

Divided reactions

Reactions in the region are divided. Saudi Arabia and the United Arab Emirates have signalled their willingness to help fund Syria's reconstruction, particularly through infrastructure projects in areas with a large number of internally displaced people.

Israeli officials view the EU's announcement as politically **motivated** and warn that trade restrictions could damage strategic relations.

At the same time, Jordan and Egypt welcome the possibility of establishing a regional economic mechanism for reconstruction, which would reduce migratory pressure and facilitate the stabilisation of the Palestinian territories.

Within the EU itself, the differences between the member states are considerable. Lithuania, Poland and the Czech Republic believe that concessions made to Damascus send the wrong signals to countries that have violated international norms.

They insist that any further steps must be linked to the complete withdrawal of Iranian advisors and the disarmament of local militias.



Italy, Greece point out the immediate consequences of migration and the economic losses caused by prolonged conflict

Italy, Greece, and Spain, on the other hand, point out the immediate consequences of migration and the economic losses caused by prolonged conflict.

To ensure cohesion, the European Commission proposed a model of dynamic monitoring through quarterly reports, which the Council would adopt with a qualified majority.

The forecasts for the near future depend on concrete steps on the ground. If the transitional government in Syria achieves partial stabilisation by mid-2026, organises local elections, and enables the return of at least 200,000 refugees in cooperation with the UNHCR, then a second phase of financial assistance from Brussels could be activated.

Otherwise, the initiative will be frozen, and the diplomatic costs of failure will be considerable – both in terms of the Union's credibility and in terms of strengthening Russian and Chinese influence in the region.

In the case of Israel, trade with the EU reaches an annual level of over 40 billion euros. Any threat to destabilise this relationship will have a direct impact on Israel's export-oriented sector. If Israel accepts international monitoring at border crossings and allows the unhindered passage of humanitarian convoys, there is a chance that the review process will be suspended.

Otherwise, there will be increasing calls within

the EU for the introduction of additional tariffs on goods from the settlements in the occupied territories, which would represent a serious policy shift from current practice.

A serious test for the European Union

With these steps, the European Union is exposing itself to a serious test. If it proves that it can combine principles with institutional efficiency, the model of conditional economic engagement could become the new standard for its foreign policy in crisis regions.

However, if monitoring is lacking or the impact is limited to symbolic gestures without practical application, the Union will once again face accusations of indecision and inconsistency between political declarations and concrete action.

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The decisions that the EU takes towards Syria and Israel will not only have an impact on relations with these two countries.

They are a direct test of the Union's ability to pursue coherent and responsible foreign policy in an environment no longer characterised by Western dominance.

If European institutions want to maintain their influence in a rapidly changing world, they will have to prove that they are prepared to act decisively, consistently and in line with their own principles – not only declaratively, but also through concrete mechanisms of pressure and accountability.