



Joint statement:

The hidden human cost of economic sanctions and restrictive measures

On World Humanitarian Day, which takes place this year in the midst of the COVID-19 pandemic and a few days after the tremendous explosions in Beirut, Caritas Europa and Caritas Middle East and Northern Africa (MONA) are joining forces to share their deep concerns on the dire side effects that economic sanctions and unilateral restrictive measures have on civilian and vulnerable populations living through the deep, multiple crises in the region: economic, political and humanitarian.

Caritas Europa and Caritas MONA acknowledge the relevance of restrictive measures, many of which are part of international counterterrorism efforts, for the European Union Common Foreign and Security Policy (CFSP). We notice that the overall set of sanctions is generally aimed at specific targets, drawn to minimize negative impacts on other individuals and entities.

The reality, however, is strikingly different and **we witness that these restrictive measures have substantial and far-reaching consequences and that, once again, the most vulnerable civilians are paying an unacceptably high price.**

“Even before the Beirut explosion, Lebanon was in the midst of a big economic, political and humanitarian crisis, hosting over one million Syrian refugees, and dealing with the coronavirus pandemic. The economic sanctions make life even more complicated for us humanitarian actors, adding an additional burden that could easily be avoided.” - Rita Rhayem, Director of Caritas Lebanon

Thanks to the leadership and engagement of the [VOICE network](#), the unintended impact of sanctions and counterterrorism measures on humanitarian access and International Humanitarian Law has been under discussion for several years within the European community of humanitarian actors. A recent [report](#) highlights the importance of bringing together national governments, EU representatives, sectoral experts and the civil society to better clarify the concrete interconnections in operations and the risks related to specific sanctions, such as travel bans, bank de-risking and assets bans, to name a few. Together, we need to work towards eliminating the collateral civilian damage of sanctions and restrictive measures.

An important challenge that numerous humanitarian operations are facing is the transferring of funds to the country of operation. In Lebanon, online donations collected outside the country and needed for the implementation of life-saving activities could not reach local organisations due to restrictions. This situation seems to have been partially unblocked after the Beirut’s blasts for what concerns the direct support in the country, but it is still unsolved for the bank transfers addressed to Syria.

“NGOs have to spend too much time on getting funds to Syria and other humanitarian hotspots and they do not have clear guidelines for doing that. In reality they should focus on providing relief and alleviating the suffering of people in need but the imposed limitations are adding unnecessary bureaucracy on top of it” - **Karam Abi Yazbeck, Secretary-General of Caritas MONA**

The so-called "de-risking" is a common practise of banks that restrict doing business with specific clients for which they perceive a higher risk of being involved in money laundering or terrorist financing. For this reason, banks often refuse to transfer money to local and international NGOs providing humanitarian relief in countries in the region. Humanitarian actors dedicate an increasing amount of time in providing administrative proof to banks about the use of their funds. This is a waste in time and it causes months of delay in the reception of funds dedicated to life saving activities on the ground. Those who suffer the direct consequences are the most vulnerable communities, such as internally displaced people in Syria who stop receiving food support because a financial institution blocks the funding source.

The challenge of channelling humanitarian funding to Syria

In Syria, humanitarian actors encounter massive problems receiving funding from abroad. European banks do not channel any funds to Syria, and even block bank funds channelled to other countries in the region destined for relief action in Syria. Financial institutions ask for massive amounts of confidential information (signed contracts, place and type of intervention, exact number of beneficiaries). Funds therefore have to be first transferred to a neighbouring country of Syria and then to Syria, generating additional costs. In Syria, NGOs cannot withdraw in euro, and withdrawals in Syrian pounds are done according to the official extortionate exchange rate of the Central Bank of Syria: 1,400 pounds per euro, while in the black market you receive 3,000 Syrian pounds per euro.

De-risking practices also make it almost impossible to send remittances to family members in Syria, although remittances are essential support systems in the region that would allow larger parts of the population to buy food and medicine to survive. Without access to remittances, more and more people depend on external humanitarian support.

Sanctions imposed and implemented by the European Union and its Member States are wide and diverse, as shown by the [official data](#), despite being less mediated than sanctions imposed by the United States and the UN Security Council. Humanitarian organisations must navigate these limitations at European and national level to fulfil their mandate to save lives and bring relief to the poorest and most vulnerable people, including in very remote and dangerous areas.

The negative impact of sanctions and unilateral restrictive measures has been assessed by Caritas between June and July 2020. When responding to quickly deepening crises, it is fundamental to detect all possible obstacles undermining timely and principled humanitarian operations, with the full awareness that no policy action should hinder any of these aspects. In light of what was observed in countries and analysed in available reports, Caritas urges the European Commission, European Council and the EU External Action Service to:

1. Take all possible actions to support its partners and address the “fear” of financial and bank institutions to carry out transactions required for the delivery of humanitarian aid. Financial channels and trade mechanisms should proactively be identified and created to rapidly process humanitarian trade transactions;
2. Pay greater attention to highlight and address the negative consequences of bank de-risking and foster dialogue between banks, humanitarian actors, donors and policymakers.
3. Apply the possibility to ask for and implement humanitarian exemptions to the restrictive measures. Reliable local and international NGOs should benefit from a simplified and fast procedure to allow for a timely implementation of their relief programmes;
4. Pay a special attention to the protection of essential health infrastructures and make sure that by no means and for no one sanctions are negatively impacting access to medicines or to health facilities;
5. Consider the economic situation of sanctioned countries and the consequences of economic sanctions in neighbouring countries getting indirectly affected because of their trade dynamics;
6. Systematically include humanitarian actors in the renewal mechanism of existing sanctions to provide testimonies about their humanitarian impact.

“Comprehensive financial and trade sanctions imposed on specific countries often affect the innocent and the people in vulnerable situations. They increase poverty, and lead to exploitation and misery of people that did nothing to deserve this indirect effect of sanctions. This is not in line with the values on which the European Union was built.” – Maria Nyman, Secretary-General of Caritas Europa

In times when the coronavirus pandemic is putting additional strains on suffering populations, the European Union needs to reconsider the way it imposes sanctions in order not to create another, avoidable burden on civil society.