



BRIEFING PAPER

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Coronavirus: sanctions and humanitarian crises

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Summary

The coronavirus pandemic has drawn the world's attention to international sanctions. Humanitarian groups have claimed that sanctions are [stopping some countries from obtaining medical supplies](#) they need to fight the pandemic. The UN, too, has called for sanctions to be eased, claiming that medical work in Cuba, Iran, North Korea, Sudan, Syria and Venezuela is being hindered.

The potential for sanctions to cause more harm to the populace than the ruling elite has been recognised at least since sanctions contributed to the humanitarian crisis in Saddam's Iraq during the 1990s.

Both trade sanctions and sanctions targeted at individuals now usually provide for humanitarian exemptions, such as the [exemptions provided for in sanctions against North Korea](#).

Iran has been in focus during the coronavirus crisis. In 2015 the UN endorsed a [nuclear agreement](#) with Iran offering sanctions relief in return for limits to the Iranian nuclear programme. The Trump Administration abandoned that deal in 2018 and re-imposed sanctions that stopped most trade in goods as well as and excluding Iranian institutions from the US financial system.

Critics, [including the Iranian Government](#), said that this was preventing Iran from responding to its coronavirus epidemic, the worst in the region. The US countered that there were exemptions in the trade sanctions for medical supplies. The targeted sanctioning of Iranian banks, including the central bank, meant that payment channels for the import of medical supplies were blocked.

The US has now made [exemptions to the financial sanctions](#), allowing transactions involving humanitarian supplies with the central bank, despite the fact that it is still sanctioned.

Meanwhile, the EU has set up INSTEX, a means of transaction that is intended to allow European firms to continue to trade with Iran, despite the US sanctions. The first transaction via INSTEX was for the [export of humanitarian goods to Iran](#) to help fight the pandemic, announced on 31 March 2020.

Switzerland has also set up a special [payment system for humanitarian trade with Iran](#).

1. Calls for sanctions relief during the pandemic

Human rights groups have several times reported the [effect of the present sanctions](#) regime against Iran on access to essential medicines, as well as equipment such as respirators and protective personal equipment for healthcare workers.¹ An Iranian doctor who now lives in the US told reporters about the situation in Iran:

There are a lot of shortages now. . . . [Hospitals] do not have enough diagnostic kits or good quality scanners, and there is also a shortage of masks. Medical staff who want a specific type of medicine or equipment are having difficulty transferring money outside of Iran due to the sanctions.²

Michelle Bachelet, UN High Commissioner for Human Rights, warned that sanctions are also hindering medical work **Cuba**, the **Democratic People's Republic of Korea (DPRK)**, **Venezuela** and **Zimbabwe**, and called for these sanctions regimes to be eased in relation to the coronavirus pandemic:

Humanitarian exemptions to sanctions measures should be given broad and practical effect, with prompt, flexible authorization for essential medical equipment and supplies.³

On 31 March, [UN Special Rapporteur on the right to food](#) Hilal Elver said that continued imposition of sanctions in some countries severely undermined the fundamental right to sufficient and adequate food. She mentioned **Syria**, **Venezuela**, **Iran**, **Cuba** and **Zimbabwe** as countries where sanctions regimes risk causing malnutrition.

Box 1: Case study Sudan

The UN High Commissioner for Human Rights, Michelle Bachelet, has specifically called for [international sanctions on Sudan to be lifted](#) to help Sudan fight the coronavirus pandemic and “prevent a humanitarian disaster”. But the demand to lift sanctions is not just for humanitarian reasons. Sudan is in the process of transitioning to civilian rule after the three-decade rule of Omar al-Bashir was brought to an end in April 2019. In autumn last year, the UN Secretary General called on the international community to [support Sudan's transition by lifting economic sanctions](#). Both Guterres and Bachelet are calling on the US to [remove Sudan from its state sponsors of terrorism list](#); doing so would enable Sudan to access US financial assistance. Sudan is also subject to EU and UN sanctions. In March 2020, the UK Government said in response to a question on sanctions that it is “[working with the Government of Sudan and international partners to help address Sudan's severe economic challenges as an important part of supporting the transition to democracy agreed in 2019](#)”.

¹ [Ease sanctions against countries fighting COVID-19: UN human rights chief](#), UN press release, 24 March 2020

² [‘As coronavirus cases explode in Iran, US sanctions hinder its access to drugs and medical equipment’](#), *Washington Post*, 29 March 2020

³ [‘Bachelet calls for easing of sanctions to enable medical systems to fight COVID-19 and limit global contagion’](#), UN press notice, 24 March 2020

2. The trouble with sanctions

Iraq and the oil-for-food programme

The potential for sanctions to have damaging side-effects is not new. Sanctions against Iraq, imposed in 1990 after the Saddam Hussein's invasion of Kuwait, involved a ban on oil sales, which left Iraq with little foreign currency to import medicines and even food.

A UN mission reported shortly afterwards: "the Iraqi people may soon face a further imminent catastrophe, which could include epidemic and famine, if massive life-supporting needs are not rapidly met."⁴ In 1995, the oil for food programme was set up in UN Security Council [Resolution 986](#), allowing Iraq to receive some money for the population's needs.

The situation in Iraq showed that poorly designed sanctions can hurt ordinary people more than governments. Most UN sanctions regimes now have provisions for exemptions, where non-governmental organisations and others can apply for an exemption on humanitarian grounds to bring medicines or other humanitarian goods into a country.

2.1 Sanctions and humanitarian exemptions

Trade sanctions

Trade sanctions can prevent countries from importing or exporting goods in certain sectors. Arms embargoes fall into this category, as did the sanctions imposed on Iraq. Humanitarian exemptions or licenses are now usually provided for in trade sanctions.

Take the North Korea sanctions regime. UN member states, international organizations and NGOs that provide humanitarian assistance in North Korea for the benefit of the civilian population can apply for exemptions to the UN's [1718 Sanctions Committee \(DPRK\)](#) — a committee set up to advise on these and other problems with the sanctions regime.

If approved, the committee issues a letter saying what medicines or other humanitarian goods can be transferred to North Korea and for how long. The [requests and exemptions](#) are published on the committee's web pages.

Targeted sanctions

Some sanctions are targeted against individuals (or entities such as companies) rather than countries. In recent years these have become more widespread because they are seen as an effective alternative to trade sanctions, without the collateral damage.

In such cases, individuals' bank accounts may be frozen, and they may be subject to travel bans.

⁴ [Office of the UN Oil-for-food programme](#)

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Here too, humanitarian exemptions are possible, aiming to ensure that sanctioned individuals have access to medicines, food and other essentials.

In 2002, the UN passed Security Council [Resolution 1452](#), which simplified the procedure for sanctions exemptions in the al-Qaeda/Taliban regime, leaving decisions about exemptions in the hands of member states implementing the sanctions. Nevertheless, humanitarian organisations often still argue that the [process for applying for exemptions is cumbersome](#).

3. US sanctions against Iran

It is the US sanctions against Iran that have attracted the most attention during the coronavirus crisis.

In 2018 the US re-imposed a series of sanctions against Iran, after withdrawing from the [2015 nuclear agreement](#). That agreement had lifted sanctions on Iran in exchange for restrictions on the Iranian nuclear programme. Most importantly, the re-imposed US sanctions blocked Iranian oil sales and shut Iran out of the US financial system.

International Court of Justice

In October 2018 the International Court of Justice ([ICJ](#)) ordered the United States to reduce the effect of the economic sanctions it had re-imposed on Iran. The Court agreed with Iran's assertion that restrictions on importing:

...foodstuffs and medicines, including life-saving medicines, treatment for chronic disease or preventive care, and medical equipment, may have a serious detrimental impact on the health and lives of individuals on the territory of Iran.⁵

Iran's ICC case was based on the argument that the US had broken the terms of the 1955 *Treaty of Amity, Economic Relations and Consular Rights* between Iran and the US. The US response to the judgment was to [withdraw from the 1955 treaty](#); Secretary of State Mike Pompeo said the US would ignore the ruling.

US maintains exemptions already in place

The US trade sanctions legislation did include exemptions for importing humanitarian goods. The [US Treasury](#) states:

The United States maintains broad exceptions and authorizations for the sale of agricultural commodities, food, medicine, and medical devices to Iran by U.S. and non-U.S. persons.

On 23 March Iran's President Rouhani [appealed for US sanctions to be lifted](#): "American leaders are lying ... If they want to help Iran, all they need to do is to lift sanctions Then we can deal with the coronavirus outbreak."

On 1 April the US State Department said: "We have repeatedly said that US sanctions do not impede the Iranian regime's response to the Covid-19 crisis." [US Treasury guidance](#) says that humanitarian transactions are permitted as long as they don't involve "persons designated in connection with Iran's proliferation of weapons of mass destruction (WMD), or Iran's support for international terrorism".

Financial sanctions

Despite the humanitarian exemptions in the trade sanctions, there remained a problem: the reach of the US financial sanctions.

Iran's Central Bank is designated/sanctioned for allegedly being involved in supporting terrorism. Few Iranian banks can gain access to the

⁵ ['Top UN judicial body orders US to ease Iran sanctions'](#), UN press release, 3 October 2018

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international financial system. So, although there were exemptions for humanitarian goods in the trade sanctions, sanctions targeting the Iranian financial system were so broad that they prevented many imports of humanitarian goods because official payment channels were blocked.

Recent action

Reports suggest that European diplomats [tried to persuade the Trump administration](#) in November 2018 to improve Iran's access to food and medicine exemptions, initially without success.

On 27 February 2020 the US Treasury [granted its first exemption](#) licence to allow transactions involving humanitarian goods with the (sanctioned) Iranian Central Bank.

A spokesperson [said](#) the State Department had "no issues with humanitarian trade so long as it is conducted with strong due diligence measures".

INSTEX

The EU has been [trying to save](#) the 2015 Iran nuclear deal. One of the measures has been to provide an alternative mechanism for payments, to bypass the US financial system and thereby US financial sanctions. This would allow Europeans to continue to trade with Iran.

In 2019 the EU set up INSTEX, the [Instrument in Support of Trade Exchanges](#).

On 31 March 2020, the governments of France, Germany, and the UK confirmed the [first INSTEX transaction](#): the export of medical goods from Europe to Iran.

Swiss Humanitarian Trade Arrangement

In February 2020 a [Swiss payment mechanism for supply of humanitarian goods to Iran](#) came into effect. It required extra due diligence and reporting, in order to be consistent with 2019 [US Government guidance](#) on humanitarian supplies for Iran.

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