

Special Conference 2

The Question of Sanctions



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Introduction

The sanctions have developed as a renowned tool for international relations and foreign policies, which could be used to influence the conduct of states, individuals, and entities in a non-military way. These measures normally involve trade restrictions, financial operations, travel bans, or other forms of economic and diplomatic involvement. Complex dilemmas are presented by the use of sanctions on their efficiency, implementation, and wider effects. While supporters argue that sanctions can pressurize targeted subjects to change behavior without resorting to military force; skeptics argue that they mostly do not work towards achieving their intended objectives and may have unintended consequences.

Scholars and policymakers argue over whether these sanctions are successful. According to some studies, about two-thirds of all cases that apply this tool fail to achieve its policy aims while others state it's less than 25%. Statistics however cannot tell the whole story as the effectiveness of sanctions is conditional upon several factors including specific goals aimed at, target type, and broader geopolitical context. The reason for imposing sanctions is not only to change the behavior of countries through force; It also has multiple purposes. Disapproval, demonstration of resolve, and limiting of resources are some of the ways that may be used for a target audience by sanctions. To assess their effectiveness and come up with more focused measures, these divergent aims need to be appreciated.

The exercise of sanctioning also poses questions on compliance, enforcement, and ways through which can be breached. Prevention of third-party evasion, management of unintended humanitarian costs as well as upholding global cooperation are among the challenges faced by policymakers as regimes become more intricate. Given how sanctions are evolving nowadays, it is crucial to critically scrutinize their role in foreign relations, their effects on diverse actors, and the circumstances under which they tend to work best. This requires taking a multi-dimensional approach



that borrows from economics, political science, and law among others such that one can develop a nuanced comprehension regarding this mighty yet contentious policy tool.

Definition of Key Terms

Sanctions

Sanctions are actions that are meant to punish a country, entity, or individual to make them behave in a certain manner or comply with international rules. They may be economic, diplomatic, military, or have more specific targets. The United Nations Security Council (UNSC), other countries on their own, and regional organizations such as the European Union can impose sanctions. Such types include comprehensive measures which apply to the entire country; target sanctions affecting particular individuals/ sectors and smart ones designed to alleviate the suffering caused by them.

Asset Freezes

The freezing of assets is about making financial resources or any form of wealth possessed by individuals targeted entities and governments inaccessible. It is all about making it impossible for those having been sanctioned to use the money for activities that would threaten peace and security across borders. Freezing of assets covers savings accounts, real estate properties, investments, and other monetary tools.

Travel Bans

These are barriers erected to keep some people from crossing borders like entering some countries. Such moves often involve government officials while others are imposed on military leaders plus persons identified with governments operating under sanctions, regimes, or activities linked to them among others. This type of movement control is used to lock up people who could be involved in international transactions while conducting their business abroad.

Arms Embargoes



Arms embargos bar sales, supplies, or transfers especially weapons' ammunition, and related materials such as arms only which will be made to states regions, or entities marked out. They are set up with intentions of minimizing conflicts, and human rights violations besides promoting peaceful coexistence in different parts of the world through controlling flow types of weapons sold globally. Comprehensive covers all sorts while selective refers only to the arms category.

Trade Restrictions

Trade restrictions limit or ban exporting importing transferring various items services technologies from/to nations' organizations under an embargoed status period. These can be applied to whole commercial industries according to strategic need-based descriptions of specific goods. This is to exert economic power and slow down the flow of resources that could be used in sanctioned activities.

Humanitarian Exemptions

Humanitarian exemptions are clauses in sanctions regimes that allow for the provision of essential goods and services to populations affected by such embargoes. They are meant to prevent unintended harm caused by these measures on groups with high vulnerability levels, thus ensuring their food medications can still arrive. The process of implementing humanitarian exemptions often requires close monitoring to prevent misuse.

Sanctions Committees

Sanctions committees are created by the UN Security Council (UNSC) as sub-groups that deal with particular types of sanctions regimes. Their roles involve evaluating compliance levels, processing appeal applications, and offering recommendations for enhancing the effectiveness of such penalties.

Secondary Sanctions

Secondary sanctions refer to measures against persons, entities or countries guilty of engaging in forbidden businesses with those already under sanction. This kind of punishment is necessary since it discourages too many people from having business relationships with their main victim through extending jurisdiction beyond borders.

Sanctions Evasion



This refers to various methods companies employ when breaking the trading limitation rules put upon them by the international community. The body may use several techniques including smuggling various items into the economy or even using illegal channels like front organizations and other structures so as not to detect their transactions/ operations.

Smart Sanctions

These are also known as targeted measures which focus on specific individuals, entities, or sectors while protecting ordinary citizens from any damage caused by them. These moves aim at strengthening penalties but limiting adverse side effects on society at large.

General Overview

The notion of sanctions as a means of international diplomacy has a long and intricate history dating back to ancient times. However, in the early 20th century, particularly with the establishment of the League of Nations and later the United Nations, we began witnessing the modern era of sanctions.

The History of Sanctions

After World War I, which led to enormous loss of lives, the League of Nations came up with collective sanctions to help maintain peace and security across nations. The Covenant's Article 16 provided for economic restrictions against countries that breached its terms by resorting to war. Nevertheless, the League's efforts at imposing punishments were hardly successful because it failed to prevent Italy from invading Ethiopia in 1935.

1945 marked another beginning for global sanctions with the UN being created. Chapter VII of the UN Charter authorized the Security Council powers to apply binding measures on member states regarding the maintenance or restoration of international peace and security. This saw the UN impose its first sanctions upon Southern Rhodesia (currently Zimbabwe) in 1966 following the unilateral declaration of independence by a white minority government.

Through much of the Cold War period where frequent use of veto power by permanent members inhibited UN use in sanctioning. However, after the fall of the Soviet Union, their usage as an instrument of foreign policy increased significantly. For example, during the 1990s there were a lot



more UN-mandated sanction episodes such as those applied against Iraq, Yugoslavia, Haiti plus others like Libya.

This turning point resulted from extensive embargoes placed on Iraq when they attacked Kuwait in 1990; though initially viewed as successful as far as using targeted sanctions against the Iraq regime was concerned these also had grave impacts on innocent Iraqi citizens' welfare. Outcomes have been negative forcing re-evaluation towards more focus or "smart" prohibitions among other things.

Sanctions in the 20th Century

Smart sanctions became the main form of sanctions in about the early 21st century as a streamlined form of previous, more comprehensive approaches. In the 20th century, sanctions were frequently aimed at whole countries, such as the U.S. embargo on Cuba (1962) or UN sanctions against Rhodesia (1966), but today they are intended to pressure particular individuals, entities, or sectors deemed responsible for objectionable policies.

A key part of implementing and enforcing U.S. sanctions is the Office of Foreign Assets Control (OFAC). During 2018 following America's exit from JCPOA, OFAC made an unprecedented move by imposing sanctions on well over 700 persons, organizations, planes and ships related with Iran. The objective behind this gigantic re-imposition was to cripple Iran's capacity of sponsoring terrorism and force it to renegotiate its nuclear program.

The JCPOA agreement was signed in 2015, which resulted in lifting nuclear-related sanctions on Iran in return for verifiable commitments towards its nuclear program. This agreement illustrates employment of sanctions in dealing with issues concerning proliferation of atomic weapons while their efficiency still raises questions considering that only some succeed like initial one with JCPOA but majority still fail because they don't achieve desired outcomes.

The Future of Sanctions

The future of sanctions could be at risk because of new technology and changes in the economy. Both risks and opportunities come with blockchain and cryptocurrencies; these were demonstrated by recent incidents where digital assets were used to evade sanctions. For example, in April 2023, the US Treasury sanctioned some Chinese people for laundering virtual currency which was then used in support of North Korean weapons' programs. China's rising economic power is also



changing how we think about imposing sanctions – it now has its own system that can hit companies such as Lockheed Martin or Northrop Grumman with counter-measures if necessary. Over this last year alone financial institutions had to keep up with more than three hundred updates to lists of who should be under sanction next. But while sanctions may still be vital tools of diplomacy, their usefulness must evolve alongside technological progress and global economic dynamics which never stand still.

Major Parties Involved

United Nations Security Council (UNSC)

Global sanctions regime heavily relies on the United Nations Security Council (UNSC), which has vast powers, conferred by Chapter VII of the UN Charter, to make member states obey binding measures. By being responsible for keeping global peace and security as its core function, the UNSC can employ different kinds of sanctions such as freezing assets, prohibiting travel, and imposing arms embargoes. These are meant to pressurize, hinder, penalize, or embarrass entities that pose a threat to international peace. The approval process for these sanctions is carried out by a majority vote of the 15 members of the UNSC without any vetoes from all five permanent members: China, France, Russia, the UK, and the US. Following adoption by the UNSC, they became legally binding on all 193 United Nations members. Sanctions Committees are usually set up by the UNSC to oversee their implementation and compliance while monitoring groups' reports on practices of evasion.

European Union (EU)

Often, the EU's Common Foreign and Security Policy (CFSP) serves as a complement or a reinforcement for United Nations sanctions within the global sanctions regime. The EU applies "restrictive measures," which aim to induce a change of policy or behavior on the part of targeted countries, entities, or individuals. The process by which EU sanctions are imposed requires that all member states in the Council of the European Union agree unanimously. After being agreed upon, these sanctions are implemented through EU regulations and decisions that directly apply to every member state. Among others, trade and financial transaction restrictions and arms embargo form part of the EU's sanction toolkit. The most prominent example is Russia – after it annexed Crimea in 2014 and its full-scale invasion of Ukraine in 2022 it has faced comprehensive EU-imposed sanctions.



These include limitations on Russian banks and energy companies as well as persons close to the Russian government. The other instances involve Iran, North Korea, and Syria whose issues pertain to nuclear proliferation; human rights violations; as well as terrorism support respectively.

The United States of America (USA)

USA, the United States of America plays a major part in the world sanctions system by often adopting measures that go beyond those required by the UN Security Council. The US on many occasions uses economic and financial sanctions as tools for international policy relating to national security and peace. The major agency charged with the administration and enforcement of these sanctions is the Office of Foreign Assets Control (OFAC) which falls under the United States Department of Treasury. Generally, imposing sanctions in the USA is a process involving both executive and legislative arms.

To rapidly respond to emerging threats or crises, the President can issue executive orders enacting sanctions. Likewise, Congress may pass laws- enacting or modifying sanctions such as Countering America's Adversaries Through Sanctions Act (CAATSA) 2017. Amongst others, instances where the USA's sanctioning programs have been used include terrorism, nuclear proliferation, human rights violations, and narcotics trade. These types of sanctions are either comprehensive targeting whole nations such as Iran or North Korea or targeted focusing on specific individuals, entities or sectors that include them. Due to its wide role in the global financial system with most international transactions being conducted through American financial institutions, these sanctions often become effective at large scale in the USA only; hence non-US firms comply with US regulations despite having access to US banks.

The Russian Federation

Russia's involvement in sanctions is multilateral, both as a target and as one who applies them. Since 2014 and especially after they fully invaded Ukraine in 2022, Russia has faced significant sanctions from the West. The purpose of these measures is to obstruct its military financing capability, put pressure on its political elites, and prevent it from accessing important goods and technologies. The economic restrictions, individual sanctions against officials and oligarchs, limitations on Russian banks, bans on Russian oil imports, and export controls on critical technologies are among the various actions taken by Western nations. In turn, Russia has imposed counter-sanctions against certain Western countries, companies, or individuals by banning imports



from them, travel restrictions on their citizens, or limiting Western businesses operating within its borders. This tit-for-tat approach has resulted in an intricate and fluctuating terrain of sanctioning whereby the efficacy, as well as economic impacts of these measures, remain subjects of debate and analysis in international relations and global economics.

Timeline of Key Events

Date	Description of event
1966	UN imposes sanctions against Southern Rhodesia
1977	UN imposes sanctions against South Africa
1990s	UNSC begins imposing sanctions more frequently after the Cold War
1999	Resolution 1267 establishes the Al-Qaeda and Taliban Sanctions Committee
2014	EU begins imposing sanctions on Russia following Crimea Annexation
2014	EU adopts Council Decision 2014/512/CFSP and Council Regulation (EU) No 833/2014, laying the foundation for economic sanctions on Russia.
23 rd February 2022	EU adopts a package of sanctions in response to Russia recognizing non-government-government-controlled Donetsk and Luhansk
24 th February 2022	Russia launches full-scale invasion of Ukraine, lead-government-controlled sanctions by the EU, US, and allies
18 th December 2023	EU introduces the 12th package of sanctions against Russia, including a ban on Russian diamonds.
3 rd January 2024	EU sanctions Russian diamond firm Alrosa and its CEO.
29 th January 2024	EU renews economic sanctions against Russia until July 31, 2024
21 st May 2024	EU decides to use profits from frozen Russian assets to support Ukraine.
27 th May 2024	EU establishes a new sanctions framework targeting human rights violations in Russia.



UN involvement, Relevant Resolutions, Treaties and Events

- The situation in Afghanistan, 15 October 1999 (S/RES/1267)
- Resolution 2664, 9 December 2022 (S/RES/2664)
- Resolution 2607, 15 November 2021 (S/RES/2607)
- The situation in Libya, 5 November 2018 (S/RES/2441)
- Declaration on the Critical Economic Situation in Africa, 3 December 1984 (A/RES/39/29)

Previous Attempts to solve the Issue

Shifting to Smart Sanctions

The change in smart sanctions signaled a major departure from UN punitive measures to some issues related to traditional comprehensive sanctions. The goal was to prevent any inadvertent humanitarian consequences, by shifting focus away from populations and onto individuals, entities or sectors of the economy. They were designed to make the punishment of international law violators more effective while not making life unbearable for innocent people. Besides, these smart sanctions were also politically acceptable because they addressed ethical concerns as well. This shift allowed for more tailored responses in relation to issues such as terrorism financing, proliferation of nuclear weapons or violation of human rights. But still, it did not seem that the ultimate effectiveness of smart sanctions has been truly determined even though there are several improvements that were made on some key areas that were considered much challenging in their application like side effects and other interventions over time. Moreover, this step represented an attempt at balancing efficient global pressure with regard for man's needs as it was clarified above merely through exploitation of key words in the initial paragraph.

Humanitarian Exemptions

Resolution 2664, adopted in 2022 resulted in the ruling that humanitarian exemptions under United Nations sanctions have a particularly negative impact to the delivery of aid into sanctioned areas. By adopting immunities that safeguard humanitarian aid, they are able to provide assistance and programmes aimed at averting deprivation of basic human needs without violating imposed



sanctions. On the other hand, this increased flexibility makes it easier for humanitarian relief organizations to execute tasks in authorized territories through simplified activities thereby enabling them to possibly expedite provision of much needed humanitarian help. In order to avoid needing separate approvals per case when transferring funds necessary for carrying out humanitarian activities and thus causing harm to noncombatants, these provisions were made by these exemptions. However, it is important to note that these exceptions only apply to asset freezes; and whether the exceptions will be effective in the sanctioned nation as well as the extent to which humanitarian organizations can help within authorized boundaries in controlled environments.

Regularly Reviewing and Re-evaluating Sanctions

An essential way for ensuring that the United Nations sanctions stay relevant and effective is by conducting a regular review of them. Over the years, periodic evaluations have been carried out to gauge the efficacy, broaden their scope, remove some or revise others. For example there has been an ongoing discussion towards the possible lifting of Sudan Sanctions regime based on some progress indicators. Such reviews enable the Security Council to adjust its sanctions accordingly to changing situations and mitigate against side impacts still retaining focus and direction. Furthermore, this strategy will enable them re-evaluate any humanitarian implications of these punitive measures with view to minimizing civilian suffering from them. It is hoped that by having such reviews in place regularly, this would make UN's sanctions as "living" instruments of global diplomacy whereby while targeted entities continue facing pressure; positive trends can be recognized together with efforts aimed at reducing undesired outcomes.

INSTEX

The lack of success that multilateral approaches have had in countering US sanctions against Iran is due to some factors. INSTEX, which was created by the EU to keep the JCPOA alive, has not been able to succeed for two reasons: firstly because international trade and the global financial system are dominated by the US dollar; secondly many companies are afraid of losing access to American markets and being hit with secondary sanctions therefore they refuse doing business with Iran through INSTEX. Another limitation on this mechanism is its narrow focus — only allowing transactions related to humanitarian goods. Furthermore, Iran's economic policies as well as non-compliance with anti-money laundering standards have also impacted negatively on its success rate. The fact that United States' currency serves as world's main reserve gives them lots of power



when it comes putting restrictions thereby making it hard for alternative systems like INSTEX gain momentum.

Possible Solutions

This review argues that coordinated international sanctions can be effective in attaining specific policy objectives based on what happened during the JCPOA. At the same time, this singles out problems associated with maintaining lasting sanctions regimes as well. However, what followed upon the US leaving the agreement in 2018 showed how such diplomatic achievements could become fragile and how shifting political landscapes could render them ineffective tools of sanctioning.

Additionally, The United States and EU have also played significant parts in enforcing measures that often went beyond those mandated by UNSC resolutions. The USA's Office of Foreign Assets Control (OFAC) has been active, especially in imposing one-sided measures on countries, entities, or individuals. A case in point is Russia after Crimea's annexation in 2014 by Putin's regime – there were subsequent sanctions imposed on her. These actions coupled with EU agreements have affected Russia's economy resulting in a drop in GDP growth rates from around 1-1,5% p.a.

However, the Russian case demonstrates how difficult it can be to sustain a strategy for an extended period through sanctions. Despite these economic consequences, Russia has adapted somehow and found alternative partners, especially within Asia. It thus calls for ongoing evaluations and adjustment as to whether they remain fit for purpose throughout their lives.

Although some cases have seen successes from using this approach, some observers argue that it exposes innocent people to negative impacts. For example, comprehensive sanctions on Iraq during the 1990s had unintended and severe humanitarian consequences, which led to a rethink of sanctioning strategies. Consequently, there have been efforts to use more targeted or 'smart' sanctions.

One such move was made by Resolution 2664 (2022), which introduced a standing humanitarian exemption for asset freeze measures thereby illustrating that there is a human element in the UNSC's approach to sanctions. This resolution represented an important step forward in addressing humanitarian concerns and ensuring that aid can be delivered to populations at risk even while these nations are under sanctions.



In addition, another significant challenge is how to ensure compliance with and avoid evasion of sanctions. The organized financial mechanisms of targeted entities often help them bypass controls via complex financial networks or weak law-enforcement structures. To address this issue, global cooperation among FIUs has been boosted as well as information sharing systems. Nevertheless, these approaches have different levels of efficiency and thus the problem of evading sanctions remains topical.

The US enjoys extensive enforcement capacity for its worldwide sanctions because of its immense influence over the global financial system. American financial institutions are used in many international deals hence non-American firms have been forced to adhere to America's monetary market access conditionality by upholding US bans on any preferred country. This has widened the scope of the U.S.'s reach on punitive measures drawing criticism from some states and global organizations who argue that unilateral U.S. sanctions sometimes jeopardize multilateral efforts and inadvertently affect world trade and finance obligations.

Towards the end of the millennium, there has been a realization that sanctions could be imposed more multilaterally. This is best demonstrated by the formation of Instrument in Support of Trade Exchanges (INSTEX) by the EU which aimed at upholding JCPOA thus countering US punitive measures by facilitating non-dollar trade with Iran. However, these moves have made little headway since USD still dominates international business transactions.

Sanctions as tools of foreign policy have also evolved alongside new global challenges. For example, cyber-related sanctions have emerged to counter threats in cyberspace. As an illustration, this includes last year's introduction of a cyber-sanctions regime in Europe and American measures, etc., to make economic punishment relevant under new conditions of the international security environment.

Nonetheless, several attempts to refine them notwithstanding; there are numerous constraints associated with their effective use for intervention or conflict resolution globally. Much continues to be debated about their appropriateness because they may fail and even cause unexpected consequences on top of not attaining what was intended for them. Nonetheless, supporters indicate that this is a critical non-military measure for shaping state conduct and dealing with threats toward world peace and safety.



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