



TESTIMONY

by

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before

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Subcommittee on Africa, Global Health, and Global Human Rights**

hearing on

“Impact of Sanctions in Africa”

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Madam Chair, Ranking Member, and Members of the Subcommittee,

Thank you for the opportunity to testify before the May hearing, “Impact of Sanctions in Africa.” Oxfam is a global organization that works to end the injustice of poverty in the US and around the world by tackling its root causes. In our work, we focus on the most marginalized communities who often have lower access to resources and opportunities. Oxfam is explicitly committed to promoting gender justice, meaning working towards a world in which the rights of people of all genders are upheld. We welcome the committee’s interest in this important issue and look forward to helping to shed much-needed light on both the adverse impacts of poorly-designed and implemented sanctions policies as well as the potential benefits when they are properly executed. Throughout my testimony I will offer the perspectives of colleagues and partners who are directly affected by these challenges, and offer recommendations based upon lessons learned from our collective experiences.

I. Introduction

The term “sanctions” is typically used to describe a wide range of measures imposed by the US, other countries, and international institutions against myriad actors in response to their actions. But it is helpful to distinguish between a few different types of sanctions, from targeted individual measures, to designations of state and non-state armed groups, to sector specific sanctions, to broad measures targeting entire countries. While at times described as an accountability mechanism, sanctions should not be viewed as a static punitive measure, but rather as a dynamic means of applying pressure to change behavior and deterring future bad actions.

Employed appropriately and as part of a coherent diplomatic strategy, sanctions can be an effective tool to influence positive action to uphold human rights, and even save lives by helping to mitigate conflicts and humanitarian crises. They are not a silver bullet, however, nor a substitute for more comprehensive diplomatic engagement.

Given that we work to provide life-saving assistance and champion the rights of people impacted by conflicts and grave human rights abuses, Oxfam's mission requires us to work in numerous contexts where sanctions are in place. This experience, the experience of partner organizations, and the experience of individuals whose lives are directly impacted by sanctions form the basis of this testimony.

II. Challenges of Sanctions

There are a wide range of potential adverse consequences to sanctions, with impacts reaching far beyond their intended targets. Such challenges include, but are not limited to: 1) undue restrictions on the import of urgent vital items in humanitarian crises that negatively impacts the ability of aid agencies to save lives, 2) a chilling effect on non-sanctionable financial transactions – including life-saving remittances – due to de-risking by both large and small financial institutions, and 3) backlash on human rights defenders, anti-corruption advocates and the associated closure of civil space. I will address these specific challenges in more detail below.

More generally, sanctions are sometimes viewed as a way of being publicly seen as doing 'something' in response to harmful situations, especially in sub-Saharan Africa, without the US government having to do the heavy lifting of more robust diplomatic engagement. This can create a dynamic in which the United States designates several perceived bad actors for sanctions designations, while broader policy does little to challenge authoritarianism, systemic human rights violations, obstacles to peace, and other challenges to US foreign policy priorities. If the United States is serious about centering human rights and democracy in foreign policy, we need to invest in governance-centric approaches to ending protracted conflicts, and coordinate sanctions policy with accompanying investments in diplomatic engagement and humanitarian and development assistance.

In South Sudan for example, after months of violence, displacement, and death following the outbreak of the December 2013 civil war, the United States pursued individual sanctions on relatively low-level officials as a means of slowly ramping up pressure. This ignored the advice of international and South Sudanese analysts who overwhelmingly urged the US to take bolder and more comprehensive action, specifically addressing the flow of weapons and financing for conflict while supporting more robust and creative mediation efforts involving the region. It also raised [concerns](#) that the imposition of sanctions would lead the US to back down from other necessary diplomatic efforts. Although the US issued its first individual [designations](#) with respect to South Sudan in [May 2014](#), it was not until 2018 that the UN Security Council imposed an arms

embargo on the country despite a long and concerted [campaign](#) from South Sudanese and international civil society groups, including Oxfam. While Security Council dynamics also played a role in the delay, internal disagreements within the US government were [a major obstacle](#) to taking this step, and it is impossible to know how the trajectory of conflict might have been different if more decisive action had been taken as part of a broader, more coherent US diplomatic strategy.

Sanctions and humanitarian assistance

When applied broadly and without meaningful input from impacted communities – including humanitarian actors - on their scope and intended impact, sanctions can be responsible for delays and denials of humanitarian assistance. For example, Oxfam's work with communities in the Darfur region of Sudan requires bank transfers into the country and regular transactions with local authorities, such as local water authorities. In these instances, the broad sanctions applied to foreign governments in an attempt to leverage policy change include these apolitical local authorities, which are uninvolved in the policies with which the US government is concerned, and have as their principal mandate the efficient delivery of services. It is not only appropriate for organizations like Oxfam to engage with local authorities like these; it is best practice. When subnational and other apolitical units of foreign governments are impartial, they should lead the planning, coordination, and delivery of essential services; circumventing them breeds inefficiency, corruption, and a cycle of dependency on foreign assistance that does not serve the interests of the United States or, most importantly, people in need.

To engage in any transaction with proscribed entities where no license for humanitarian assistance exists, organizations like Oxfam must apply to the Treasury Department's Office of Foreign Assets Control (OFAC) for a specific license. Even when licenses are issued, they are rarely timely – in contexts where time is of the essence. Having engaged in this process over many years, we can say that delays stem in part from the inadequate resourcing of OFAC's licensing division and the time required to solicit, receive, and incorporate foreign policy guidance from the State Department. Time and again, we find that humanitarian assistance delayed is humanitarian assistance denied, often with deadly consequences for people in need. In particular, the lack of investment in OFAC's licensing division reflects the de-prioritization of sub-Saharan Africa within the US foreign policy apparatus writ large.

Even though sanctions can represent a major hindrance to our efforts as described above, as a large organization, we are relatively privileged in that we often have the resources to pursue the OFAC licenses we need to continue our life-saving work.

But some national -led organizations – the organizations that are often first on the ground in humanitarian responses and hold exceptional expertise on the human rights and development situation in their own contexts – face severe difficulties managing the licensing process in

instances where they need to meet US legal requirements. They often lack adequate resources to hire lawyers, compliance officers, and other key staff while organizations like Oxfam are able to do so. At the same time, smaller US-based organizations without those resources at their disposal – including organizations led by members of the African diaspora to support communities in their countries of heritage – often have trouble navigating the complex bureaucracy necessary to send funds to support programs. This drains time and financial resources; every minute spent on sanctions compliance is a minute not spent managing programs, every dollar spent on retaining lawyers is a dollar not getting into the hands of people who need it in country.

Although second-order impacts of sanctions are most prominent in relation to sector sanctions, even less broad sanctions have severe unintended consequences. Humanitarian assistance is sometimes inhibited in contexts where designations are applied to state and non-state armed groups, particularly in the form of counterterrorism sanctions. It is important to stress that Oxfam, like our peer organizations, is committed by our founding principles and by US and international law to ensure all of the funds entrusted to us are delivered to people in need and not diverted to armed groups or any actor subject to sanctions. In high-risk environments, we exercise enhanced due diligence, put rigorous controls in place, and undergo intensive auditing to ensure that we are fulfilling our ethical and legal obligations. We do not accept any level of leakage – but it is unfortunately impossible to warrant to our donors and regulators that no leakage ever takes place. As a result, strict liability measures like sanctions and the material support statutes, when applied to armed groups in control of territory where people are experiencing crisis, can impose an existential legal and reputational threat to any US-based humanitarian organizations and donors responding in the area.

In 2011, as people across South and Central Somalia faced the prospect of a deadly famine, humanitarian organizations sounded alarms about the obstacles they faced in responding to the confluence of drought and conflict that was tearing apart Somali communities. Early warning systems correctly predicted the successive drought failures and high risk of famine. Humanitarian organizations were prepared to respond at scale.

However, the terrorism designations and sanctions applied to al-Shabaab by President Obama in 2010 made the most affected regions effectively inaccessible to the US Agency for International Development (USAID), USAID partners, and other US-based and US-funded organizations. In October 2010, USAID halted funding to those areas. Because Oxfam’s response to the 2011 drought in Somalia was managed from our affiliate in the Netherlands, our response was only affected by sanctions to the minimal extent we accepted private US funding (in order to maintain our political independence, Oxfam America accepts no US funding and permits other Oxfam affiliates to accept US government funds only in rare circumstances, and did not do so in the 2011 Somalia response). Together with other humanitarian organizations, we urgently requested that

OFAC, together with the Department of Justice, issue a general license for humanitarian assistance that would enable bold and nimble humanitarian action. In July 2011, OFAC issued a specific license authorizing USAID, the State Department, and their implementing partners to engage in the transactions necessary to deliver life-saving aid. But it was too little, too late. That same month, the UN declared a famine in parts of South and Central Somalia. To this day, the regulatory environment that prevented USAID from funding life-saving aid in parts of Somalia remains in place for organizations like Oxfam, which are not funded by the US government there, and its private US donors. The application of sanctions and the delayed and narrow licensing response was one of a number of key factors in tipping the acute food security crisis in Somalia into an officially-declared famine, which ultimately claimed more than a quarter-million Somali lives.

Humanitarian organizations took stock of our collective failure to prevent the Somalia famine in 2011. We know what corrective measures are needed. And they happen to align with Congressional intent on the matter. When Congress passed the International Emergency Economic Powers Act (IEEPA) in 1977 – the legislation that authorizes the national emergencies under which sanctions are issued – it expressly exempted from sanctions "donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering." However, it also granted the President the power to waive this exception – which every President has utilized in every Executive Order issued under this authority. Rather than a default rule allowing humanitarian assistance that can be set aside in extraordinary circumstances, we must now apply to OFAC to set aside a default prohibition where sanctions are placed on groups and governments that control territory and essential public services. President Biden and future presidents should respect Congress's intent in 1977 – and the principle of humanity that guides our work – and refrain from waiving the humanitarian assistance exception in future Executive Orders declaring and renewing national emergencies.

Should President Biden be unwilling to take this step, there are a number of other solutions available to restore a default permission for humanitarian assistance. OFAC could issue a general license applicable to all humanitarian aid. Or Congress could pass legislation like the Humanitarian Assistance Facilitation Act, introduced in 2013 by Ranking Member Smith, which authorizes a narrow set of transactions by trusted humanitarian actors. This legislation would set aside sanctions and material support statute-related penalties for transactions that are necessary and incidental to *bona fide* humanitarian activities; and when the organization making the payment has the intention of furthering only humanitarian aims and makes best efforts to minimize benefits to the listed group. This commonsense approach permits the delivery of life-saving humanitarian aid while encouraging responsible due diligence on the part of humanitarian organizations and donors, and leaving due latitude for OFAC and other law enforcement officials

to prevent abuse and action in bad faith. We encourage Congress to adopt this or similar legislation at the earliest possible moment.

I should mention one other example outside of Africa as a cautionary tale, and that is the example of Ansar Allah, more commonly known as the Houthis, in Yemen in the last days of the Trump administration. Following long deliberations, Secretary of State Mike Pompeo applied the Specially Designated Global Terrorist (SDGT) designation and the Foreign Terrorist Organization (FTO) designation, triggering a range of broad sanctions and the material support statutes – threatening to further undermine Yemen’s already collapsed economy. Oxfam vocally opposed the designations and urged their revocation – not due to the conduct of the group, but because of the practical consequences of the designations for people living in the world’s largest humanitarian crisis.

Thankfully, owing to a combination of licenses and the Biden administration’s swift revocation of the designations, Yemenis suffered minimal damage from this misguided set of policy decisions. But there are at least three important lessons we must learn from this episode that are applicable in Africa and across the world.

First, broad licensing capabilities for humanitarian organizations are effective and are underutilized. We first raised concerns about the designations partly on the understanding that OFAC lacks the authority to issue broad humanitarian licenses under the SDGT framework, particularly when SDGTs are also listed as FTOs. Without such a license, humanitarian activities conducted by US organizations and funded by US donors would grind to a halt. To our surprise, in coordination with the Department of Justice, OFAC issued General License 11 authorizing a broad range of humanitarian activities. This gave humanitarian organizations the confidence to continue delivering assistance. Given the broad scope OFAC and DOJ retained to enforce against bad faith actors, and absent a similar authorization by Executive Order or statute, there is no reason such a license should not be issued with global effect for all sanctions programs.

Second, similarly broad licenses may not be sufficient to encourage commercial activities. Through the adoption of General License 12 (GL12), OFAC sought to authorize critical agricultural and medical exports to Yemen. In the days following the designations, we heard from merchants trading critical commodities – most notably, fuel – were finding it difficult to initiate new shipments because of the designations. But these difficulties extended to sectors explicitly covered by GL12. Food and pharmaceutical suppliers began to re-evaluate their business in Yemen despite the legal protections offered by GL12. We need to appreciate that the harm caused by aggressive sanctions may not, in some cases, be fully mitigated even with an aggressive approach to licensing.

Third, sanctions authorities (and material support statutes) are extremely vulnerable to abuse and ill-considered executive action that can create untold suffering. Congress should consider

reclaiming some of the broad authority granted to the President in IEEPA, for example, as the Congressional Oversight of Sanctions Act introduced by Representative Omar does.

Sanctions and Financial Services

As we saw in this last example in Yemen, sanctions designations sometimes reflect significantly on private companies' assessment of anti-money laundering and countering the financing of terrorism (AML/CFT) risks in the affected jurisdictions. Businesses often limit or discontinue their activities in countries they view as high risk – even where those activities are not forbidden by law. The trend of scaling back certain business lines and relationships to avoid rather than manage risks is particularly harmful in the financial sector, where it is known as bank de-risking.

Oxfam has written extensively on the phenomenon of bank de-risking¹ and seen first-hand the harmful consequences of overly broad interpretations of risk, in spite of good-faith efforts by the US government and other actors to narrow or target sanctions and their collateral impacts.

In a 2015 study Oxfam conducted with the Global Center on Cooperative Security, we heard from banking executives that the shifting of regulatory burdens from government to the private sector after the 9/11 attacks, and the more aggressive enforcement environment – including sanctions enforcement – following the 2008 financial crisis, are primarily responsible for banks' declining risk appetites. However, we also found reason to believe that profitability was a substantial driver in decision-making: almost all of the high-profile cases of sanctions enforcement involved sanctioned persons living in oil-exporting countries. Since the publication of our report, small companies, nonprofit organizations, and respondent banks continue to be squeezed out of the banking system with little or no ability to conduct business; meanwhile, the hundreds of banks exposed in the Panama Papers leapt at the chance to provide services to offshore shell companies, effectively looking the other way as huge amounts of wealth was laundered to avoid penalties, including sanctions enforcement. Sanctions designations may not drive bank de-risking, but they appear to play an outsized role in banks' assessment of country risk.

As a result, we observe a correlation between countries subject to sanctions and reduced access to financial services – even when sanctions do not prohibit engagement with those countries' banking sectors. We began researching this topic, in fact, when we learned of the acute risk faced by Somali communities stemming from the near-total exclusion of Somali money transfer operators (MTOs) from the global financial system. These MTOs have been collectively responsible for transmitting approximately \$1.3 billion annually to Somalia – roughly a third of

¹ It is important to stress that sanctions enforcement is just one of the many potential costs and consequences that may contribute to banks' decisions to exit relationships, alongside reputational risks, compliance costs, corporate and individual criminal accountability, capitalization requirements, and opportunity costs of pursuing lower-risk and higher-reward business lines and customers.

the country's Gross Domestic Product – on behalf of members of the Somali diaspora around the world. Through the research Oxfam conducted in 2013 and 2015 and our communication with Somali-American MTOs since then, we found that short-term disruptions to the US-Somalia remittance corridor had tangible impacts on Somali communities – and that a more severe disruption was narrowly avoided on a few additional occasions. Sanctions do not prohibit banks from transferring money on behalf of these MTOs, but it is clear that the high-level of country risk banks associate with Somalia – due to its weak financial governance and the presence of sanctioned non-state entities there – has significantly contributed to their reluctance. Unfortunately, from Oxfam's experience, this is not an isolated example. Humanitarian organizations, businesses, and individuals all experience heightened difficulties sending money into countries where sanctions operate in Africa and around the world. Due presumably to their lower brand exposure and profitability, we observe that small organizations and businesses are more severely affected. Additionally, based on our experience, it would be worthwhile to investigate whether organizations and businesses run by members of African, Middle Eastern, and Asian diasporas are disproportionately affected.

At the global level, there is little doubt that de-risking is contributing to financial exclusion and hurting poor communities. In 2015, the World Bank Group found most banks and banking authorities were experiencing a decline in access to correspondent banking which has had wide-ranging effects on everything from trade finance to wire transfers. It also found that a significant percentage of MTO principals (28%) and agents (45%) could no longer access banking services. In 2019, the Charity and Security Network conducted a landmark survey of nonprofit organizations' access to financial services; it found that 2/3 of all US-based nonprofits operating internationally had difficulties accessing financial services.

Reversing the de-risking trend and mitigating its most harmful effects should be foreign policy and banking policy priorities for the United States. While policy solutions may not lie in the realm of sanctions, their efficacy will heavily influence public perceptions of the ability of the United States to rein in the unintended consequences of sanctions. Many of the recommendations of our 2015 report are technical in nature and have not yet been adopted: for example, the Department of the Treasury should systematically analyze and publish correspondent banking trends, as well as bank account closures for nonprofit organizations and remittance companies. And it should elevate financial inclusion in mutual evaluation strategies of the Financial Action Task Force and the World Bank to assess the impact of AML/CFT compliance on unbanked and underbanked communities, as well as the ability of civil society organizations to receive funding for vital work. We would additionally – and urgently – recommend a substantial revision of the Federal Financial Institutions Examination Council (FFIEC)'s Bank Examination Manual. As currently drafted, the Manual encourages undue attention to the accounts of nonprofit organizations and does not appropriately account for the appeal of closing accounts as a response to an examiner's focus on customers viewed as high risk. Given the importance of

encouraging appropriate risk management and preventing examiners from unwittingly encouraging account closures, this is an essential step.

Other recommendations are more far-reaching but equally important. In response to concerns about remittances to Somalia, Oxfam has called for “white channels” to be operationalized to facilitate money wiring and trade to jurisdictions experiencing severe financial exclusion. Under this arrangement, regulators would specify a set of concrete steps that would constitute sufficient due diligence for financial institutions. For years, policymakers and banking regulators told us this was a far-fetched and ill-conceived solution – until the Department of the Treasury announced the Swiss Humanitarian Trade Arrangement (SHTA). Under the SHTA, participating financial institutions commit to conducting enhanced due diligence to ensure that humanitarian goods reach the people of Iran and are not misused by the Iranian government. We hope the Treasury Department and Congress each monitor the SHTA closely and consider replicating it in the event it is safe and effective. Another of our recommendations was for the Federal Reserve Bank of New York to open accounts for entities whose exclusion from the formal financial system runs counter to US interests. The New York Fed’s decision to open a settlement account for the Central Bank of Somalia appears to be a step in the correct direction.

Sanctions and Civic Space

“As a Sudanese person who lived through the almost 3 decades of country sanctions, I have seen firsthand their collective impact and how they affect and obstruct acts of resistance. In Sudan, sanctions enabled the previous regime to sustain their authority and maintain power for a long time. Broad sanctions transform the countries they are targeting into isolated territories and leave the inhabitants of the countries, especially the youth, cut off from access to knowledge and global networks, thereby greatly compromising their ability to resist authoritarian regimes. Women’s rights in particular suffer as a result of this isolation, which makes it harder to challenge extremist ideologies rooted in misogyny from taking root. Moreover, because they are isolated from international systems, human rights defenders in sanctioned countries have fewer avenues to pursue accountability for the corruption and human rights abuses that give rise to sanctions in the first place. On the other hand, sanctioning individuals who are responsible for human rights abuses and corruption is a vital measure – particularly where there are weak states and domestic justice mechanisms – and can prevent or mitigate societal violence and conflicts.”

- Hala Al Karib, Regional Director for the Strategic Initiative for Women in the Horn of Africa

Sanctions can have unintended consequences on civil society. As Sudanese activist Hala Al Karib's words above reflect, the isolation that comes with comprehensive sanctions can make it harder for activists to challenge authoritarian rule in their countries. The same can be true of some sector-specific sanctions. For example, Sudanese activists had long [complained](#) that sanctions on the technology sector excluded them from access to secure digital communications tools used by activists around the world and made them more vulnerable to hacking, spying, and other interference since they could not obtain the latest anti-virus software.

Across multiple countries in Africa, political leaders have blamed local human rights defenders and both national and international humanitarian organizations for sanctions. This often derives from the perception that such groups are 'informing on' sanctioned officials and businesses on behalf of the international community. Whether or not this is true, it can quickly lead to restrictions on civic space. For example, it is not unheard of for sanctioned governments to pressure domestic and international NGOs - particularly those working on development and poverty alleviation - to speak out against sanctions under threat of legal reprisal - or worse.

As will be discussed in further detail below, this harmful impact can be mitigated through robust consultation with civil society and clear, consistent, and transparent communication about the purpose and scope of sanctions.

III. Positive Impacts of Sanctions

When part of a coherent policy and properly implemented per the principles outlined here, targeted sanctions focused on the enablers and beneficiaries of conflict and human rights abuses can move the policy needle in constructive ways, severing the link between corruption and conflict and leveraging positive behavior change.

Promoting good governance and tackling corruption are critical to achieving sustainable development and poverty reduction. Diversion of funds from development projects through corruption impairs the ability to achieve the goals of reducing poverty, attracting investment, and encouraging good governance.

The extent to which the targets of sanctions have invested in efforts to prevent or have individual or business sanctions removed - in some [cases](#) spending millions on lobbying, media, and public relations campaigns - likely speaks to their efficacy in different contexts and their potential role as a tool for supporting better governance and human rights protections.

In particular, the Global Magnitsky regime has developed into a powerful tool in support of a broader human rights and anti-corruption agenda. A key factor enabling the success of the Global Magnitsky sanctions regime in the United States is the degree to which civil society perspectives and expertise are centered in the designations process. In preparing Global Magnitsky sanctions designations, OFAC regularly consults with civil society organizations. US-based civil society

organizations often play a role in facilitating conversations with US government interlocutors and human rights defenders and anti-corruption advocates around the world on the targets, scope, and impact of sanctions. As a result, Global Magnitsky sanctions designations often mirror and reinforce advocacy of civil society actors on the front lines. This is well-illustrated by the 2017 sanctions designations of Dan Gertler and his financial network for his role in facilitating large-scale corruption in the Democratic Republic of the Congo (DRC)'s extractive industry sector. These designations follow years of advocacy from domestic anti-corruption advocates in the DRC calling for greater transparency and accountability in the national mining sector. Advocates closest to harm have painstakingly documented the human rights impact of corruption in the DRC's extractives sector, including opportunity cost in terms of development, erosion of trust between people and government, as well as direct threats to the lives of advocates themselves. In [February](#) of this year, 30 Congolese and international human rights, anti-corruption, humanitarian, and other civil society organizations, including Oxfam America, opposed the last-minute issuance of a license to Gertler by the Trump administration, which would have effectively undercut the efficacy of sanctions. In [March](#), the Treasury Department revoked this license and reaffirmed in a statement that Gertler had engaged in public corruption and that continued sanctions designations support shared goals in promoting rule of law and countering corruption. The designations of Gertler and his network lift up and honor the work and goals of domestic civil society advocates. However, continued financial pressures in support of extractives transparency and fiscal justice in the DRC need to be combined with strong investment in institutional capacity and direct support for the advocates on the front lines.

More can be done to further expand the usefulness of the Global Magnitsky sanctions regime, including institutionalizing consultations between OFAC and non-US based civil society, investing in the capacity of global civil society organizations documenting human rights violations and corruption, as well as in protection mechanisms for advocates on the front lines, and increasing OFAC staff capacity for human rights and anti-corruption targeted sanctions.

IV. General Principles, Lessons, and Recommendations

-Sanctions are not policy, but should reinforce it

While sanctions are an important *tool* of policymaking and diplomacy, they are not a policy in and of themselves. To be effective, sanctions and other financial pressures must be implemented as one component of a broader diplomatic strategy and be coherent with and reinforce such efforts.

Furthermore, sanctions cannot simply be imposed without a clear plan for what will come next, including de-escalation when the offending behavior motivating the sanctions has ended, or on the contrary, ramped up when such behavior has become more severe. In particular, lacking a clear off-ramp built into a sanctions regime is a tacit acknowledgment of a lack of faith that

sanctions will influence behavior. Rather, it suggests that they are being used as a punitive measure or a signal to domestic political constituencies or foreign counterparts.

On the continent as elsewhere, sanctions have been most effective as a way to effect behavior change when clearly linked to processes that have buy-in of domestic groups working to end conflict and build peace. Cote d'Ivoire is a good model here: the US lifted country-wide [sanctions](#) in 2016 after the government reached key electoral and domestic reform benchmarks. On the other hand, what happened in the Democratic Republic of the Congo following a contested presidential election in 2018 is a good model of what not to do, when the US imposed sanctions on the president of the electoral commission *after* congratulating the government for a “peaceful and democratic transfer of power” despite clear evidence of election fraud at the highest levels of government. For many pro-democracy and anti-corruption activists, this signaled that, when pressed, the United States would continue to prioritize perceived stability over supporting democratic processes.

-Sanctions should target those most responsible

This recommendation is important on both a global and national scale. At the global level, it is clear that US sanctions practice is applied inconsistently, with close allies and their citizens escaping sanctions for the same or more egregious behavior than that of entities designated for sanctions. Additionally, sanctions have too often been imposed at too low a level to have impact, often to avoid the political and diplomatic ramifications of sanctioning more senior officials who actually are responsible for and have the power to cease harmful actions. Moreover, in Africa in particular, sanctions are often imposed on Africans but not on international actors present on the continent who bear responsibility for the same conduct and whose actions could be influenced – perhaps even more powerfully – by them.

Accordingly, ensuring sanctions policy follows a more coherent, fair framework will be more effective and counter the rhetoric from governments that see sanctions as convenient political cover for bad internal governance. The United States should invest significantly more resources in targeting the financial facilitators enabling corruption and conflict. This necessitates turning the lens inward and examining the ways in which U.S. financial institutions and key industries – including real estate – facilitate human rights violations, wittingly or unwittingly.

-The purpose and intent of sanctions should be communicated clearly

Poverty, inequality, and food insecurity are common in countries where both broad and more targeted sanctions are typically applied. A lack of clear, transparent, and consistent communication from the US and other governments applying sanctions regarding their target and purpose enables political leaders to shift the blame from their own corruption and governance failures to the sanctions regime. This scapegoating of the international community – as well as human rights defenders, humanitarian organizations, and other groups perceived to

be associated with foreign actors – can not only serve to distract from the failures of political leaders, but can also actually help them to maintain power. According to Hala Al Karib, Regional Director for the Strategic Initiative for Women in the Horn of Africa, when the process for imposing sanctions lacks transparency and the rationale and logic behind them is not clear, this ambiguity causes “many to view the sanctions as a violation of sovereignty as opposed to a step meant to address corruption.”

South Sudan provides another example of this lesson. Following [UN Security Council Resolution 2206](#) of March 2015, which provided for a travel ban on individuals and asset freezes on individuals and entities “responsible for or complicit in, or having engaged in, directly or indirectly, actions or policies that threaten the peace, security or stability of South Sudan”, South Sudan’s then-Foreign Minister Barnaba Marial Benjamin responded by [saying](#) “What South Sudan needs now is help, not punishment”. This comment was in spite of the reality that US humanitarian assistance alone amounted to [more than half a billion dollars](#) for the people of South Sudan during fiscal year 2015. Similarly, President Salva Kiir responded by publicly declaring, without evidence, that “these threats and intimidations of sanctions will hurt the ordinary people and this will escalate the conflict.” While, as mentioned above, the lack of a sufficiently coherent policy was a major obstacle to putting an end to fighting, more could have been done to communicate the purpose of the sanctions and forestall both popular misunderstandings and deliberate misinformation about their intent among the South Sudanese population as well as regional actors.

-Sanctions should be coordinated with the international community

Poor enforcement and a lack of international coordination of sanctions, particularly those which target the extractive industry sector, can actually have the impact of increasing corruption and reinforcing the power of bad actors who exploit sanctions loopholes and enforcement gaps to increase their own profit.

Accordingly, we welcome steps in the [United Kingdom](#) and [European Union](#) to establish and expand Global Magnitsky authorities, which will enable greater coordination on targeted human rights-related sanctions. This coordination should be expanded to other countries as well to ensure bad actors cannot exploit divisions within the international community to evade accountability.

-Sanctions – and the exemption process - should be properly funded

The imposition of sanctions is not a one-off moment but an important stage in a process that begins with investigation and proceeds to monitoring and eventual draw-downs when requisite improvements have been documented.

-The voices of those most impacted needs to be centered in decision making

When considering the humanitarian impact of sanctions – either targeted or sector-wide – the voices of those most impacted need to be factored into decision-making to ensure financial pressures are appropriately targeted, that steps are in place to mitigate any potential negative impact, and that the end goal of applying these pressures is clearly articulated. This means taking deliberate steps to consult with civil society in countries impacted by sanctions and ultimately taking a cue on risk tolerance from those closest to harm.

-Sanctions are not the only available means of financial pressure

The US government should invest in overall anti-money laundering infrastructure, including expanded resources for Financial Crimes Enforcement Network (FinCen) within the Department of the Treasury. This can include for example, an increased focus on industries vulnerable to money laundering abuse, including real estate.

V. Conclusion

Thank you for your consideration of these perspectives and recommendations, allowing me to share those from my colleagues across the continent, and for the important work the Subcommittee is doing to support human rights in Africa and around the world.

I look forward to answering any questions you may have and want to reiterate that Oxfam America staff are available to discuss these and other ideas and provide background materials in support of these requests.