



Humanitarian Consequences of Sanctions

*Medical equipment, medicine,
trade, and transportation sectors*

Report No 4
March 2019

Humanitarian Consequences of Sanctions

Medical equipment, medicine, trade,
and transportation sectors

© Organization for Defending Victims of Violence (ODVV)
Mirsarabi 1, Felestin Shomali, Tehran, Iran
www.odvv.org

Co-writers: Farzaneh Mostofifar, PhD student, Azad University
Maryam Erzi, Human Rights Researcher
Editor: Ruhollah Nasrollahi, PhD student, University of Oxford

Organization for Defending Victims of Violence (ODVV)
Printed in Tehran, Iran 2019

Table of Content

1. Introduction
2. Human Rights Concerns
3. UN statements on Sanctions
4. Sanctioning medical equipment and medicine: a review of the STP medical equipment company
5. Blocking imports of goods
6. Iran transportation in decline
7. Sources

Introduction

1

In May 2018, the U.S. President Donald Trump pulled the United States out of the Joint Comprehensive Plan of Action, commonly known as the Iran nuclear deal. This was the fulfilment of a promise he had made during the presidential campaign season and frustrated the other parties to the agreement, who saw Trump's move as detrimental to the fate of an accord that was the outcome of months of engaged diplomacy. Iran deal was endorsed by the UN Security Council through the resolution 2231, stipulating specific limitations on Iran's nuclear program in return for the removal of the nuclear-related sanctions that Iran was penalized with for several years. The U.S. President reinstated all the sanctions that were lifted as part of the JCPOA, claiming that withdrawal from the Iran deal would make America safer. The Trump administration officials made it clear that the ultimate goal is to bring Iran's oil exports to zero and decapitate the oil-rich nation's economy. In order to continue its adherence to the international law and its related mechanisms, Iran brought the case to the UN's international court of justice. Iran complained to the ICJ in July

2018 that the return to sanctions imposed by Donald Trump following the US withdrawal from the 2015 landmark nuclear agreement was in violation of the Treaty of Amity, a 1955 pre-revolutionary friendship treaty. Finally, on 3rd October 2018, the UN's international court of justice has reprimanded the US over its re-imposition of sanctions on Iran, ordering Washington to lift restrictive measures linked to humanitarian trade, food, medicine and civil aviation. However, US officials continued their disrespect for international organizations, and the US ambassador to the Netherlands, Pete Hoekstra, said in a statement that "this is a meritless case over which the court has no jurisdiction".¹ The unilateral de-certification of the JCPOA by the United States and the introduction of new economic sanctions in August and November 2018 marked a new low in the course of Iran-U.S. relations and undid all the achievements that were made during President Obama's tenure to bridge the gaps between Washington and Tehran through negotiations and détente.

Human Rights Concerns

2

The introduction of new sanctions on Iran gave rise to concerns that the Iranian people will have to brace for more difficult days and months as their country is once again targeted by stringent punitive measures and their livelihoods are going to be affected direly. The humanitarian consequences and impacts of the sanctions are perhaps the most neglected side of President Trump’s aggressive Iran policy.

Dr. Trita Parsi, president of the National Iranian American Council, describes such broad economic sanctions as a form of collective punishment and, therefore, it is a clear violation of the Iranian people’s human rights. He says “We have clearly seen how sanctions among other things have created medicine shortages in Iran. One cannot claim concern for the Iranian people while pursuing policies that deliberately target and impoverishes ordinary Iranians.”

The “unjust” and “harmful” Unilateral Coercive Measures (UCMs) aim at intentional “mass punishment” of targeted civilians, as referred to by Mr. Idriss Jazairy, the Special Rapporteur on the Negative Impact of the Unilateral Coercive Measures on Human Right. On the ground, UCMs violate the people’s right to life, right to health, right to food, right to education, right to development,

right to work, right to an adequate standard of living and the right to a safe and clean environment. They indiscriminately attack all civilians and impose disproportionate adverse effects on vulnerable groups including the people with disabilities, the financially disadvantaged, the patients, women and children with chronic disease and minorities.

The co-founder of the Code Pink Organization, Mrs. Medea Benjamin, says “We know the sanctions will hurt millions of ordinary Iranians because we already saw that when strict sanctions were imposed from 2010-2015, and we have seen how just the threat of these new sanctions has wreaked havoc on Iran’s economy, with the value of the rial plummeting and prices skyrocketing. Major western companies have already pulled out of multi-billion dollar deals, which severely curtails Iran’s economic options. And while the U.S. government insists that humanitarian aid is exempt, with the banks not wanting to handle financial transactions with Iran, critical medicines are already in short supply.”

Scholars believe that such sanction mechanisms directly target the ordinary people and the most vulnerable groups in Iran. Dr. Nancy Gallagher, research professor at the University of Maryland’s School of Public Policy, USA explains that the humanitarian consequences of the reimposition of U.S. sanctions against Iran are particularly unfortunate and are already being widely condemned.

Dr. Edward Wastnidge, Lecturer in Politics and International Studies at the Open University, explains that the humanitarian consequences of such actions are the saddest outcome of the decision to reimpose punitive sanctions on Iran. This can be seen in the difficulties that ordinary Iranians face in accessing certain medicines for example. Also, the wider sanctions targeting Iran's oil exports also have a potentially destabilising effect on the economy, adversely affecting citizens through increased inflation, and complications in securing international finance. He emphasises that the U.S. leadership claims that it wants to support ordinary Iranians, but their actions only undermine this supposed good intent, and they end up playing politics with people's lives in an effort to appease their own support base and regional allies.

UN statements on US sanctions

3

US unilateral withdrawal from the nuclear deal was a clear disrespect of the international law. Mrs. Benjamin states that President Trump’s withdrawal of the JCPOA makes a mockery of international cooperation and Trump’s reimposition of sanctions punishes countries that want to abide by a deal that was approved not only by the negotiating parties but was passed unanimously by the UN Security Council. It is the height of imperial hubris. President Trump talked about wanting to withdraw from the deal during his campaign, so once he was president he wanted to fulfil that promise to his base and to his large campaign contributors. He has also been anxious to undo the major legacies of President Obama, from his healthcare bill to the Paris climate accord to the Iran nuclear deal.

Mr. Jazairy has repeatedly stated that the United States’ sanctions are “unjust and harmful ... destroying the economy and currency of Iran, driving millions of people into poverty.”² In another occasion, he said, “There is a need for differences between States to be resolved through peaceful means as advocated by the UN Charter, while avoiding exposing innocent civilians to collective punishment. Causing hunger and disease through economic instruments should not be accepted in the 21st century.”³

“There can be no justification for not including blanket protections for the importation of food, medicine, and other necessities of life without first requiring lengthy and complex approval processes.” The special rapporteur added, “Under economic sanctions, people also die but from lack of food and medicine, rather than from explosive devices. This form of warfare that relies on starvation and disease deserves the same concern from the international community as any other conflict.”⁴

The adverse effects of the US sanctions are proven in the United Nation’s studies and documents. The report of the Advisory Committee on the negative impact of unilateral coercive measures on the enjoyment of human rights presents extensive information on the violation of human rights of the Iranian people, especially the people with disabilities, as a result of so-called “smart sanctions” on banking, gas and insurance sectors. The negative impacts include limitation of access to food, medicine and medical equipment, expansion of black market in different sectors, increase of unemployment, limitation of girl’s access to higher education, collapse in industry sectors and skyrocketing inflation.⁵

In addition to the report of the advisory committee, there are about 40 reports on the impact of UCMs on human rights prepared by the United Nations.⁶ Among which we would like to draw your

attention to the report by the Special Rapporteur on human rights and unilateral sanctions, Mr. Idriss Jazairy on the negative impacts of UCMs on the enjoyment of human right. ⁷

The report leads to the conclusion that UCMs are unlawful under international law, ⁸ the States have extraterritorial obligations to protect and not to violate human rights in other States⁹ and the UCM victims harms should be addressed through compensation mechanisms.¹⁰

According to 1999 UNICEF report,¹¹ in Iraq, 500,000 children died of lack of access to food, medicine and medical equipment, as the adverse consequence of Unilateral Coercive Measures. We urge on the UN bodies not wait Iranian civilians, including women, people with disabilities, the elderly and the patients to die in scores before a rescue mechanism is designed.

In addition to prohibition of financial flows and inter-bank transactions through SWIFT, the on-the –ground experience of Iranian NGOs proves that following the imposition of sanctions on Iran, the United States has launched comprehensive un-public, unofficial systematic attempts to block any financial trade between Iran and ANY other country to prevent the import of humanitarian items including food, medicine and medical equipment into Iran. Deprivation of the people with disabilities of access to food and medicine is not the unintentional consequence of the economic sanctions against Iran, on the contrary, our field

surveys have proven that the US is deliberately and consistently blocking Iran's access to food, medicine and medical equipment since the mentioned date.¹² This is while depriving civilians of food, medicine and medical equipment, especially the people with disabilities, is considered as crime against humanity under Article 7 of the Rome Statute.¹³

Despite widespread criticisms of the human rights activists and UN bodies, the US officials continue to ignore the humanitarian consequences of the US sanctions for Iranians. Iranian people experience the brutal aspects of such policy of the US administration in their everyday life, when they go to a shopping centre, enter a hospital, or get on an airplane. In the following sections, the humanitarian consequences of the US sanctions on three dimensions of the Iranian life will be discussed.

Sanctioning medical equipment and medicine: a review of the STP Medical Equipment Company

4

“Under economic sanctions, people also die but from lack of food and medicine, rather than from explosive devices. This form of warfare that relies on starvation and disease deserves the same concern from the international community as any other conflict.” This is the statements of the UN Special Rapporteur on UCM, Mr Jazaeri.¹⁴

Since 2011, “STP Medical Equipment Company” has been actively importing specialized equipment related to cancer and renal patients as follows:

- Long-term full resorbable mesh for immediate reconstruction in breast cancer patients
- Chemotherapy port for injection
- Long-term and short-term hemodialysis catheters

These products were supplied by American, Swedish, French, Italian and Egyptian companies. Although the US officials repeatedly claimed that new sanctions do not cover humanitarian products, including food, drugs and medical equipment, unfortunately, after recent strict sanctions were imposed, in practice, importing such products has been rendered impossible due to the following reasons: In practice, even when the pro forma invoice related to purchase of medical goods is offered to foreign banks, they do not accept to

deposit pro forma's sum to the stakeholder's account. With regard to pro-forma invoice of resorbable mesh for patients with breast cancer, this has happened since about five months ago. Despite many common meetings between the Swedish producer and its agent bank, the SEB Bank of Sweden, emphasizing that such items are not covered by the US sanctions, the bank has unfortunately returned the money deposited to the account on two occasions. In its latest note, it has specified that the bank would block the account if the money was deposited again. The bank had recognized Iran as the origin of the money, saying that due to pressures from lobbying groups it could not accept any money from Iran.

At the present time, blockade of money transfer to the agent bank has turned into the most difficult impediment for companies dealing in medical equipment and drugs. It must be noted that it is possible in some cases to get the money to producer of medical equipment and medicines through a number of agents and secondary stakeholders without giving away the Iranian origin of the money. However, those companies that produce high-tech goods and major brands active in American and European markets, which are also producers of essential goods, do not offer their products in this way and through intermediaries to avoid any threat to their trade and have practically halted sales to Iran. Therefore, Iran's hospitals and clinics as well as patients are currently grappling with a critical situation for provision of such items.

Meanwhile, American companies that produce articles needed by cancer patients and strategic products for cardiac and brain surgeries, need OFAC's confirmation to export their products to Iran. Unfortunately, due to the recent sanctions, no American producer, even those who are active in other countries, has been able to get that confirmation yet. As a result, export of American products to Iran has practically come to a halt.

It is notable that before the nuclear deal, known as the Joint Comprehensive Plan of Action (JCPOA), was reached, China and Bank of Kunlun used to cooperate with Iranian companies. However, as a result of recent forceful sanctions and due to heavy fines considered by the United States, it is not possible to transfer money to Chinese medical equipment companies whose products are of high quality. For example, Iranian hospitals are now facing severe shortage of plasmapheresis sets to obtain plasma from patients with toxemia of pregnancy, TTP patients and patients with Guillain-Barré syndrome. Shortage of such equipment is life-threatening for such patients.

As another example, Pars Isotope Company, the only supplier of nuclear medicine in Iran, is enlisted in the list of US sanctioned companies, therefore one million people using nuclear medicine are directly targeted.¹⁵ At the present time, most hospitals and clinics face many problems for provision of drugs and medical equipment. In many cases, intravenous antibiotics, which are needed following surgeries, are lacking due to impossibility of imports, and physicians

have to use alternative drugs, which are not as effective as primary ones. Unfortunately, due to impossibility of wiring money for purchasing raw materials, production lines in Iranian pharmaceutical companies and some companies producing articles of medical equipment are facing major problems.

At the moment, the only choice is to smuggle medical equipment and drugs through payment of 100-200 percent their real price. Even this is risky because medical equipment should be transported under specific temperature conditions and their transport through unofficial channels will certainly violate necessary standards. There is no doubt that smuggling will also increase the quantity of expired or low-quality articles and will finally cause the primary rights of patients to be breached.

Ghazal, a student, was thinking of purchasing Warfarin - an anticoagulant mostly imported from Finland - when a pharmacist in Tehran told her, “You better buy it today, or tomorrow you might not find it anymore.” In only a few months, the price of the drug has tripled due to the currency devaluation triggered by the US exit from the nuclear deal. While US President Donald Trump on Nov. 2 amused his Twitter followers with a “Game of Thrones”-themed announcement of the re-imposition of a second wave of penalties targeting Iran’s economy, Ghazal and millions of other Iranians are suffering the real-life consequences of his antagonistic politics.

Blocking imports of goods

5

Immediately after the United States declared its sanctions against Iran, large companies that dealt with Iran's import corporations, refrained from any trade or financial transactions with their Iranian counterparts. The high risk of cooperation with Iranian companies was mentioned as the reason behind this decision. Major global companies make their business plans in accordance with their market share in various countries. Officials of major global businesses announced that since their share in the US market was much bigger than the Iranian market, they would avoid trade with Iran in order to maintain their business in the American market. While after JCPOA the Iranian companies spent so much time to re-establish their connections with a number of small companies and convinced them to enter into mutual cooperation, this new shock destroyed the fragile business relations. However, shifting cooperation from big and creditable companies to small ones had certain consequences, which included:

- Increasing the investment risk and the delay of capital return;
- Increase in landed cost;
- Increase of the final price of the imported goods; and
- Reduce of the quality of imported goods.

All these factors, in addition to reduced purchasing power of the people, have pushed the company to the brink of bankruptcy.

Such process even deteriorated the situation for the green technologies. Some of the companies that stopped working with Iran in the field of green technology under US sanctions are:

- Danish Company (Vestas) on Wind Turbines
- Malaysian Company (SolarBee) on Solar Powered Water Treatment Plants
- German Company (VARTA) on Solar Battery.

This behaviour of the US government is a clear violation of the sustainable development goals. The Goal 7 of the sustainable Development Goals considers the states responsible to ensure access to affordable, reliable, sustainable and modern energy for all of the people of the world.

Iran transportation in decline

6

Iranian civil airliners have always been a major target of the United States' unilateral sanctions against Iran. Mahan Air, which is a service and passenger airline, transports ordinary citizens inside and outside the country and is now facing all-out sanctions, which have inflicted irreparable economic losses on it. They have resulted in:

- Financial losses for the company
- Layoff of Mahan Air staff
- Reducing the airline's development potential, and
- Increasing risk.

The United States' sanctions against Mahan Air include a ban on selling planes and equipment and a ban on airport services. Based on the ban on airport services, Mahan Air fleet will not be able to receive services such as technical repairs or spare parts from international airports. However, services like landing and takeoff, mobile stairway for passengers to embark and disembark, and airport bus transport are not covered by sanctions and the airline's planes can land and take off from airports in Europe and other countries of the world.

However, denying repair and overhaul services to a plane, which needs them, will pose a threat to lives of all passengers on board that plane. Reduced flight security, which poses a direct threat to lives of passengers and crews, can lead to irreparable air disasters. Violation

of the right to life, which is among the most basic of human rights, is the first and most direct consequence of such sanctions.

Global Maritime Companies such as Maersk Line and Mediterranean Shipping Company also limited their cooperation with Iran following the USA withdrawal from JCPOA. Moreover, Dozens of maritime insurance companies and about 200 Iranian vessels are on the US sanctions list. The vessels are critical to Iran economy.

The International Maritime Organization's Council in London, following an inquiry into Iran's proposed document against US sanctions, called on the United States and other member states "to refrain from taking any action that endangers the safety and security of international shipping and shipping freedom."¹⁶

Sanctions of Iran's Oil Export

The sanctions on Iran's oil export are considered as violation of the common Article 1 of ICESCR and ICCPR, as well as the ICJ ruling. The International Court of Justice notes that Iran's oil production is a vital part of the country's economy and constitutes an important component of its foreign trade.

ICESCR and ICCPR, Article1: All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of its own means of subsistence.¹⁷

Sources:

- 1- <https://www.theguardian.com/world/2018/oct/03/international-court-of-justice-orders-us-to-lift-new-iran-sanctions>
- 2- Idriss Jazairy, Iran sanctions are unjust and harmful, says UN expert warning against generalised economic war, 22 August 2018, <<https://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=23469&LangID=E>>
- 3- Idriss Jazairy, Civilians caught in sanctions crossfire need Geneva Convention protection, 8 November 2018, <<https://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=23847&LangID=E>>
- 4- Ibid.
- 5- A/HRC/28/74, paragraph 33.
- 6- <https://www.ohchr.org/en/issues/ucm/pages/reports.aspx>
- 7- A/HRC/36/44 & A/HRC/39/54
- 8- Paragraphs 12, 22, 24, 25, and 26.
- 9- Paragraphs 33, 34, 35, 36, 39, and 40.
- 10- Paragraphs, 3, 4, 18, and 48.
- 11- <https://www.unicef.org/newsline/99pr29.htm>; UNICEF 1999a. Iraq Child and Maternal Mortality Survey 1999. New York: UNICEF.
- UNICEF. 1999b. Iraq Child and Maternal Mortality Survey, 1999: Preliminary Report. <http://www.childinfo.org/cmr/Irq/irqrptsc3.pdf>, and <http://www.childinfo.org/cmr/Irq/irqscont.pdf>.
- 12- 4 November 2018
- 13- Ibid, paragraph 1 (K) & paragraph 2(b)
- 14- UN Special Rapporteur on UCM, Mr Idriss Jazairy, Nov, 8th, 2018.
Read more: <http://www.al-monitor.com/pulse/originals/2018/11/iran-sanctions- medicine-jcpoa-trump-nuclear-deal-patients.html#ixzz5ZBL1Qoig>
- 15- Ibid.
- 16 The Iranian Ambassador to the UK Hamid Baedinejad, Twitter, 22nd Nov. 2018
- 17- ICJ, Iran-US case concerning oil platforms, judgment of 12 December 1996, para 51; ICJ, Iran v. us, case concerning oil platforms, judgment of 6 .November 2003, para 83