



European Humanitarian Forum

Tackling hurdles to humanitarian action: bank de-risking

21 March 2022 10h30-12h15

Moderator: Ms Hélène TIGROUDJA

Panellists

1. **Ms Samera OUZZINE** (France, Ministry of Europe and Foreign Affairs, Crisis and Support Centre, Head of Finance and Conformity Unit)
2. **Mr Aurélien DAUNAY** (ACTED, Vice CEO Finance, innovation & Investment)
3. **Ms Eva SVOBODA** (International Committee of the Red Cross, Deputy Director of International Law and Policy)
4. **Mr Martin VOGT** (European Banking Federation, Chair Sanction Group ; Deutsche Bank, Managing Director, Head of Sanctions & Embargos)
5. **Ms Amandine SCHERRER** (European Banking Authority, AML/CFT Unit, Policy Expert)

Speakers from the floor

1. **Ms Emma O'LEARY** (Norwegian Refugee Council, Head of Humanitarian Policy)
2. **Mr Aurélien BUFFLER** (United Nations Office for the Coordination Humanitarian Affairs, Chief of the Policy Advice and Planning Section)
3. **Mr Olivier MORLET** (HSBC continental Europe, Head of Financial Crime & Investigations)

Sanctions and their possible unintended impact on the provision of humanitarian aid remain high on the humanitarian agenda. Over the recent years, there has been an increasing attention to effectively preserving the delivery of humanitarian aid in sanctioned environments, with the inclusion of humanitarian exceptions in sanctions regimes and through guidance to humanitarian operators to better navigate in such environments.

France presented the series of actions it implemented at national level to tackle bank de-risking: 1) enhancing mutual understanding between NGOs, banking sector and State; 2) supporting NGOs facing specific bank de-risking cases (focal point within the French Treasury; comfort letters); 3) issuing guidelines and providing training to the concerned sectors; 4) testing (dedicated humanitarian) payment channels. France also acknowledged that more needed to be done at the European level.

Humanitarian operators (ACTED and ICRC) then reported that bank de-risking remained one of the key issues impeding the effective delivery of humanitarian aid to sanctioned environments. Panellists agreed that tackling this issue was of utmost importance to all stakeholders involved. They gave concrete examples of bank de-risking and their impact on humanitarian activities. They called for a clearer legal framework, including the systematic inclusion of humanitarian exemptions (building upon the recent examples of Somalia and

Afghanistan sanctions regimes and the US OFAC General Licenses mechanism). Representatives of the banking system recalled that banks aimed at mitigating risks not only related to sanctions but also to terrorism, money laundering, bribery, corruption, fraud, etc. This is time and resource consuming for the banks. According to a recent European Banking Authority Report and Opinion on de-risking, banks were reluctant to transfer funds for NGOs in high-risk jurisdictions, mainly because, on balance, the costs of compliance with sanctions were perceived as too high. In this context, they identified the need of a simplified and stronger legal framework, including the use of humanitarian exemptions, incentives for economic operators and awareness raising activities for private sector.

The **discussions** echoed the presentations urging to work jointly on solutions, including the inclusion of humanitarian exemptions and fostering further the exchanges between NGOs, States and the bank sector. The **Commission** concluded that it would keep promoting and facilitating the dialogue amongst stakeholders over the coming months. **France** stressed its ongoing reflection on broader solutions, and its commitment to support such a dialogue at EU level.

Recommendations from the panel:

- Adopt strong and clear legal frameworks, notably with more systematic inclusion of humanitarian exceptions ;
- Foster political engagement on the issue;
- Promote multi-stakeholders' dialogue, notably on better risk-sharing between banks, NGOs, and donors/States;
- Enhance guidance, capacity building and awareness-raising targeting banks and other relevant stakeholders;
- Set up proportionate due diligence measures;
- Limit liability for economic operators when channelling funds for humanitarian operators;
- Develop incentives for economic operators (reputational acknowledgement).