

UN Procurement Contracts in Syria, A “few” Bad Apples?

A Study of The Top 100 Suppliers

The bulk of the multi-billion-dollar relief support aid in Syria is facilitated by the United Nations (UN), and this report has investigated their top 100 suppliers. The findings examine how companies involved in human rights abuses benefit from UN procurements inside Syria, and how a substantial share of the funding is going to them.

This report is the first systematic and quantitative effort to examine the dynamics of such suppliers. Using the database of the Observatory of Political and Economic Networks, the official Syrian gazette, and open-source intelligence, it does so by investigating the backgrounds of the top 100 private and public-private suppliers in 2019 and 2020. These suppliers constitute 94% of total procurement spending, enabling the report to render conclusions about the procurement process in general. To have a more holistic and nuanced understanding of the issue, the investigations are supplemented by interviews with UN staff, businesspeople, and experts on UN operations in Syria from diplomatic and civil society backgrounds.

The report highlights seven issues with existing procurement processes:

- (1) human rights abusers taking advantage of the system;
- (2) contracting sanctioned individuals and entities;
- (3) failing to identify fronts and intermediaries;
- (4) reliance on large contracts;
- (5) lack of transparency;
- (6) accommodating corruption; and
- (7) the failure to protect staff.

Nearly 47% of procurement spending in Syria, during the period studied in the report, is estimated to have been awarded to risky or highly risky suppliers.

Additionally, the investigations highlighted that the share of funds going to companies with owners sanctioned by the US, EU, or the UK was at least 23% (68 million USD). The identified sanctioned individuals are Hashem al-Akkad, Samir Hassan, Fadi Saqr, Samer Foz, Ahmad Saber Hamsho, Ali Hamsho, Amr Hamsho and Rania Al-Dabbas.

Case study:

Desert Falcon (Saker Al-Sahraa) LLC was awarded procurement contracts worth over one million USD. The company is co-owned by Fadi Saqr, who enjoys close ties to Syrian President Bashar al-Assad and is the leader of the National Defense Forces militia in Damascus. This is the entity that committed the Tadamon massacre in 2013.

The UN remains the major facilitator of humanitarian aid in the country, with a strong influence over how the nearly \$2.5 billion per year since 2014 from donor governments is spent. This report does recognize that the UN operates under very difficult conditions. Existing research into the mechanisms of the UN's operations in Syria has revealed a wide range of regime-imposed obstacles that aim to control and manipulate humanitarian operations.

The report takes this reality into consideration through its recommendations – exploring practical and context-sensitive steps to donor states and UN agencies to ensure the aid is directed at the Syrian people and not the regime. The UN agencies' humanitarian operations need to be governed by the principles of impartiality and neutrality, and Syria is no exception.

Recommendations

Recommendations to the UN	Recommendations to the donor states
<ul style="list-style-type: none"> ■ UN agencies must conduct heightened human rights due diligence when vetting suppliers to be contracted in the future, inside and outside Syria, engage with affected communities, and consult with civil society and experts. ■ When vetting suppliers, UN agencies should consult the UK, EU and US sanctions list to determine whether the supplier is sanctioned on human rights grounds. UN agencies should ensure that they expand their vetting search beyond the UN designated lists, which in the context of Syria have failed to account for a significant number of human rights abusers and expand their designated lists. ■ Chief Procurement Officers should include human rights considerations uniformly across procurement processes without distinctions between procurement at headquarters, regional and country level, and between standard and emergency procurement procedures. ■ The UN Country Team (UNCT) and UN Resident Coordinator should lead in facilitating information sharing on human rights risks among different agencies operating in Syria. UN agencies are strongly encouraged to cooperate in conducting human rights risk assessments for sectors they are likely to procure from and share information, among each other. ■ The UN Country Team and UN agencies should take full advantage of the Regional Dialogue Mechanism (RDM) to improve human rights due diligence and transparency regarding risk assessments related to Syria procurement processes. ■ The UN should make publicly available and easily accessible all the rules and procedures regulating procurement and human rights due diligence processes across its agencies ■ UN entities should take additional measures when dealing with a monopoly, including heightened monitoring measures to ensure human rights compliance. ■ Large contracts should be broken down to allow space for competition and minimise the risk of working with monopolies. ■ To protect relevant UN staff, conducting human rights due diligence and vetting suppliers to take place outside of Syria where possible. 	<ul style="list-style-type: none"> ■ Donor States should take all required measures to ensure that the UN is not funding individuals and businesses identified by the donor state as human rights abusers. ■ Donor States should ensure that UN agencies, when vetting suppliers, are consulting EU, UK and US sanctions lists to determine whether the supplier was sanctioned on human rights grounds. ■ Demand more transparency from the UN on how un-earmarked funds are spent. ■ Demand that UN agencies share their human rights due diligence reports – not exclusive to proposed allocations - on local suppliers with donors to improve the donors’ oversight. ■ Donor States should make available additional funds to cover the costs of conducting human rights risks assessments. ■ When possible, endorse sharing of information between agencies about vendors and the background research as well as the visits and evaluation conducted once a contract has been awarded to reduce costs and resources dedicated to due diligence. An umbrella approach such as MOPAN (Multilateral Organisations Performance Assessment Network) should be explored. ■ Donor States should add a new reporting requirement on Human Rights Due Diligence related to procurement operations, and demand more transparency from the UN to ensure compliance with human rights standards. ■ Donor States should support UN entities in monitoring human rights compliance especially in circumstances of a monopoly in a specific sector or major ongoing abuses. <p data-bbox="873 1741 1383 1798">For more Syria Legal Development Programme, please visit: sldp.ngo</p> <p data-bbox="873 1814 1502 1871">For more Observatory of Political and Economic Networks, please visit: opensyr.com</p> <p data-bbox="873 1886 1274 1916">For more information, please contact:</p> <p data-bbox="873 1932 1485 1989">For Syria Legal Development Programme, Eyad Hamid (English, Arabic): e.hamid@sldp.ngo, Twitter: @eyad-hamid</p> <p data-bbox="873 2004 1485 2084">For Observatory of Political and Economic Networks, Karam Shaar (English, Arabic): karam@obsalytics.org, Twitter: @Karam-Shaar</p>