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Syrian Legal Development Programme
البرنامج السوري للتطوير القانوني



Observatory of Political
and Economic Networks

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

A Study of The Top

100

Suppliers

The report is conducted by:**The Human Rights and Business Unit at The Syrian Legal Development Programme (SLDP)**

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Executive Summary

The catastrophic situation in Syria since the 2011 uprising has made the country one of the largest recipients of humanitarian aid in the world. The bulk of spending of this multi-billion aid is facilitated by the United Nations (UN), which continues to operate in a highly restrictive environment. This report examines how private companies involved in human rights abuses benefit from the UN's procurements from the country and the share of funding going to them.

Numerous articles have exposed some problematic suppliers to the UN, such as the Four Seasons Hotel in Damascus. However, this report is the first systematic and quantitative effort to examine the dynamics of such suppliers. Using 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 make 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;
- (7) and the failure to protect staff.

Nearly 47% of procurement funding in Syria, during the period studied in the report, is estimated to have been awarded to risky or highly risky suppliers, such as Desert Falcon (Saker Al-Sahraa) LLC, which 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 Defence Forces militia in Damascus. This is the entity that committed the Tadamon massacre in 2013.

Additionally, the investigation 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). While the UN is not bound by non-UN sanctions, such lists can help to determine whether the suppliers were sanctioned on human rights grounds under respective sanctions regimes. 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.

- ▶ The report recommends 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.
-

Recommendations

Based on the report’s findings, the following recommendations can assist UN agencies in refining their procurement processes. Where possible, each recommendation is directed to the relevant actor.¹

Recommendations to the UN

- 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.

1. For a more comprehensive set of recommendations, please see the [Guide on Human Rights Compliant Procurement processes in Syria](#).

- To protect relevant UN staff, conducting human rights due diligence and vetting suppliers, to take place outside of Syria where possible.

Recommendations to the Donor States

- 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.
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Introduction

The conflict in Syria has created an enormous need for humanitarian assistance, rendering Syria the largest recipient of UN-facilitated humanitarian aid in the world in 2020.² Over a decade of military campaigns, destruction of infrastructure and forced displacement have left the country in an unprecedented state of desperation. In addition, the recent economic crisis accompanying the Covid 19 response and Russia’s invasion of Ukraine in February 2022 have negatively affected an already fragile situation in Syria. Such crises led to further deterioration of the Syrian economy that is caused by issues such as a protracted military conflict, intentional destruction of infrastructure and human capital, misguided government policies and the economic crisis in neighbouring Lebanon. Among the many humanitarian and international organisations that responded to the needs of Syrians were the different United Nations agencies. 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.³

The bulk of UN-facilitated humanitarian spending has been in regime-held areas of the country, where nearly two-thirds of the population currently live.⁴ Based in Damascus, the UN operates under very difficult conditions. In addition to the aforementioned internal and external factors that influenced the economic crises storming the country currently, existing research into the mechanisms of the UN’s operations in Syria has revealed a wide range of regime-imposed obstacles that aim to manipulate humanitarian operations. Such obstacles include denying visas for foreign staff with unfavourable views toward the Syrian regime;⁵ requiring UN agencies to partner only with licensed local NGOs to apply and operate its projects in Syria;⁶ forcing UN agencies to use formal money transfer channels as free market exchangers who offer a fairer exchange rate are banned;⁷ withholding access and licences to UN operations and projects;⁸ to name a few.

The “neutrality trap” where the UN has found itself in Syria further complicates the picture. The UN agencies’ humanitarian operations are governed by the principles of impartiality and neutrality,

2. UN-OCHA, [Global funding overview data](#), accessed on Sep 2022

3. UN-OCHA, fts.unocha.org/countries/218/summary/2020, accessed on Sep 2022.

4. Ibid.

5. Hall, Natasha. *Rescuing Aid in Syria*, CSIS, 2022, www.csis.org/analysis/rescuing-aid-syria.

6. Wieland, Carsten. (2021). *Syria and the Neutrality Trap: Dilemmas of Delivering Humanitarian Aid through Violent Regimes*. (London: I.B. Tauris) P. 58.

7. Shaar, Karam and Natasha Hall. *How the Assad Regime Systematically Diverts Tens of Millions in Aid*, CSIS, 2021, www.csis.org/analysis/how-assad-regime-systematically-diverts-tens-millions-aid.

8. *Rigging the System: Government Policies Co-Opt Aid and Reconstruction Funding in Syria*, HRW, 2019, www.hrw.org/report/2019

and Syria is no exception. However, when humanitarian assistance is abused and distorted, to protect the neutrality of humanitarian operations, it may become a dangerous weapon in the hands of the government against its people.⁹ The problem is further complicated in Syria with the fact that the Syrian government, itself part of the conflict, controls the agencies’ access to much of the country. This “neutrality trap” has put the UN agencies in Syria in a difficult position.

Another issue is the approach to humanitarian aid in general. Humanitarian agencies approach the crisis in Syria with the priority of distributing as much aid and services to as many people who need it as possible. Included in this conviction is that humanitarians are not there to intervene in existing human rights or political realities, which eventually necessitates accommodating existing conditions in conflict zones. In Syria, as is the case in other parts of the world, this means accepting the limitations previously discussed, with very limited pushback. It also means that there is a percentage of aid being lost to local corruption and intimidation. This line of thinking then accepts the waste of funds if it “does no harm” and facilitates the delivery of aid to beneficiaries. However, in the Syrian context, this reasoning has proven particularly harmful since research has shown that a large share of aid ends up in the service of Syrian regime cronies, the security apparatus and affiliated militias who are committing or financing human rights abuses elsewhere in the country with these funds.¹⁰

Moreover, UN Agencies do not sufficiently incorporate human rights safeguards in their procurement practices, particularly in their assessment of UN suppliers and partners in Syria.¹¹ This exposes them to significant reputational and actual risk of financing abusive actors. Syrian Legal Development Programme (SLDP) and Human Rights Watch (HRW) released, in January 2022, [a report and guide](#) which sets out recommendations to assist the United Nations country team and UN agencies in Syria in strengthening their procurement practices from a human rights perspective. It also includes an [assessment tool](#) to help UN agencies identify Syrian suppliers at risk of involvement in conflict-related human rights abuses. The present report is a risk analysis of the procurement contracts, during the period of 2019 and 2020, revealing the degree of involvement of UN agencies with problematic suppliers. It is meant to add a quantitative element to the previously identified qualitative problems highlighted in previous reports.

9. Wieland. *Syria and the Neutrality Trap*.

10. For example, *Rigging the System: Government Policies Co-Opt Aid and Reconstruction Funding in Syria*, HRW, 2019, www.hrw.org/report/2019/06/28

11. *HRW and SLDP Guide on Human Rights Compliant Procurement Processes in Syria*, HRW and SLDP, 2022, sldp.ngo/wp-content/uploads/2022/01/HRW-SLDP-Guide-to-Procurement-and-Risk-Assessment-Tool.pdf

Methodology

This report attempts to answer questions raised by UN donor states regarding the following: how do private companies involved in human rights abuses benefit from UN procurements in Syria and what is the share of risky UN procurement contracts in Syria? Is it a matter of a ‘few bad apples’ or is it a symptom of a more systemic problem? To answer these questions, we followed a two-pronged approach.

First, we have investigated the top 100 UN private and joint public-private suppliers by aggregated value in the years 2019 and 2020. Because of the lag in the release of UN data, the list of 2021 suppliers was not yet available at the time the investigations were conducted. The investigations are, therefore, limited to 2019 and 2020.

We relied on secondary data published by the UN in its [procurement database](#), collected and reported by the UN Statistical Division.¹² This database provides a list of Syrian suppliers who provide procurement services to the UN. In 2019 and 2020, a total of 406.5 million USD was procured from the country.¹³ For each procurement contract, the database provides information relating to the name of supplier, amount of contract, category of spending, name of contracting UN agency and the year of contracting. Procurement data has been made available in spreadsheet format only since 2015.

Key statistics about UN’s procurement data from Syria over 2019 and 2020 in USD:

| | |
|--|-------------|
| Total procurements | 406,430,015 |
| Total procurements where the identity of the supplier is unknown | 75,164,452 |
| Share of supplies coming from unknown suppliers | 18.49% |
| Total procurements where the supplier is known | 331,265,563 |

12. Procurement data comes with a significant time lag. By April 2022, the latest procurement data available relates to 2020. The data of 2021 was released in July 2022.

13. The data investigated in this study relating to years 2019 and 2020 was downloaded in April 2022. However, later iterations of the data downloaded in August 2022 but also relating to the years 2019 and 2020 show small changes. That is, the data was updated by the UN following its publication.

| | |
|--|---------------------|
| Total procurements from private or public-private suppliers | 312,395,738 |
| Total procurements from non-private institutions | 5.70% |
| Total value of procurements investigated in this report | 294,048,353 |
| Share of procurements from private or public-private suppliers investigated in this report | 94.1% ¹⁴ |

Investigations of the top 100 suppliers aimed to identify the beneficial ownership of each company, locate the first-degree business network of its owners, and identify owners or networks, links to human rights abuses in Syria and relied mostly on open-source information in English and Arabic, which would equally be available for UN agencies conducting due diligence. The main database for investigations was that of the [Observatory of Political and Economic Networks](#) (OPEN) from Obsalytics. OPEN connects the dots and maps the stakeholders in regime-held Syria to see the full picture by following the money and who-knows-who networks to promote transparency and accountability with data. OPEN uses proprietary and custom-built tools to perform open-source investigations and accumulate Syrian political and economic networks in a knowledge base. The technology stack uses graph databases (a special type of database suitable to capture complex relationships) as well as network exploration software. The proprietary database has successfully connected nearly 8,000 individuals and entities in regime-held Syria with 40,000 relationships of various types, such as business, family, and administrative ties.

Two online business directories, The [Syria Report](#) and [Manhom](#) (formerly Aliqtisadi), which rely on the official gazette records were also used to identify some suppliers and where to find their establishment records in the gazette. Other sources include news websites and social media. Using the collected information, the report classified each supplier into four levels of risk, relying on a revised version of the risk tool created for the [Guide on Human Rights Compliant Procurement Process in Syria](#), published in January 2022 by the SLDP and HRW. Risk, in this context, is defined as the likelihood of involvement in conflict-related human rights abuses.

Second, we interviewed former UN staff who worked in the procurement or HR departments of UN agencies in Syria. Interviews also include Syrian businesspeople and experts in the UN operations in Syria. The aim of the interviews is to gain a better understanding of the procurement

14. The research is limited to the top 100 suppliers by the aggregated value of contracts, which constitutes most of the procurement funds won by private suppliers and considered a representative sample.

process in general. They also helped in outlining the challenges and shortcomings which could lead to offering businesspeople who may be linked to human rights abuses UN procurement contracts in the country. The interviews which are anonymised for the purpose of this report, include 5 former UN staff, 3 businesspeople and 2 experts on UN’s operations in Syria of diplomatic and civil society backgrounds.

The present report aims to support UN agencies in data collection and analysis of the human rights risks in the Syrian context in relation to procurement contracts. More specifically, it aims to facilitate the identification of Syrian suppliers at risk of involvement in conflict-related human rights abuses. It is worth emphasising that the identification of suppliers potentially involved in human rights abuses is a first step for informing UN agencies of the actual and potential adverse human rights impacts their procurement activities may directly or indirectly cause, contribute to, or be linked to. Detailed recommendations on how the UN can refine its procurement practices can be found in the [guide published](#) by SLDP and HRW in January 2022. The guide offers solutions to every phase of the procurement process.

- ▶ This report has benefited from the feedback collated by the UN Country Team. SLDP and OPEN express that they are keen and available to provide any further technical advice or support to the UN - or Donors - on issues related to human rights due diligence in procurement processes.

Research Limitations:

However, there are some limitations to the investigations stemming from the UN’s procurement database itself. The first issue is that nearly 20 percent of the total amount spent on procurements went to suppliers either suppressed for “security reasons” or “privacy reasons”. Since the identity of these suppliers is unknown, we could not investigate the backgrounds of their owners. Additionally, this report did not investigate instances where the supplier to the UN was another UN agency, a public sector organisation, or any other non-private institution. Such entities constituted 14% of total procurements.

Another issue is that the country lists issued by the UN procurement database organise their suppliers based on where a company is registered and not where the contract was implemented. This means that suppliers, who were contracted to supply UN agencies with certain services or goods inside Syria could be listed for instance, under the United Arab Emirates, Lebanon or any country where the companies are registered. This research only applies to suppliers listed under Syria in the UN’s procurement database.

UN Agencies’ Human Rights Responsibility

Under international law, UN agencies are under the obligation to respect, promote and encourage the respect of international humanitarian, human rights, and refugee law in their operations to be consistent with the organisation’s purpose and principles as set out in the UN Charter. It is worth mentioning that UN policies and guidelines intended to implement human rights responsibilities in their operations include:

- The [UN Human Rights Due Diligence Policy on UN support to non-UN Security Forces](#) acknowledges the importance of human rights due diligence in circumstances where there is a real risk that a recipient of UN support is involved in grave violations of international human rights law;
- The [UN Guidance Note on Human Rights for Resident Coordinators, and UN Country Teams](#) expressly mentions the need to conduct “*appropriate due diligence to avoid actual or perceived complicity or association with human rights violations and to promote compliance with human rights standards*” and calls on the UN to “*take due account of the UNGPs (the UN Guiding Principles on Business and Human Rights)*” when “*engaging directly with private enterprises*”;
- The [UN Procurement Practitioners’ Handbook](#) affirms that “*the UN is committed to conducting business with only those suppliers sharing its values of respect for fundamental human rights, social justice, human dignity and respect for the equal rights of men and women*”;
- The [UN Supplier Code of Conduct](#), which sets forth the UN’s expectations for all suppliers, requires suppliers to “*support and respect the protection of internationally proclaimed human rights and ensure [not to be] complicit in human rights abuses*”;
- The [UN Principles and Parameters for Assistance to Syria](#)¹⁵ These were approved by the Secretary-General and set the framework for UN humanitarian action in Syria stipulating that “the UN shall consider carefully human rights and protection implications, especially with regard to where and how assistance is provided. UN assistance must not assist parties who have allegedly committed war crimes or crimes against humanity”. They also indicate that “rigorous standards of due diligence should apply, drawing from the principles of the Human Rights Due Diligence Policy. The UN shall apply the UN Guiding Principles for Business and Human Rights in all areas of its work in Syria [...]”.

15. The UN Principles and Parameters for Assistance in Syria is an internal UN document that was leaked in 2017. It is officially referenced, for the first time, as one of the fundamental principles for the UN’s operations in Syria in the latest UN Strategic Framework for Syrian Arab Republic 2022-2024.

In addition, there have been some recent developments within the UN architecture in Syria, including the creation of a Regional Dialogue Mechanism (RDM), a dialogue and shared assessments between the UN and key Member States on such key issues of operational concern, including procurement.

This forum may have the potential to improve human rights due diligence and transparency regarding risk assessments related to Syria procurement processes. However, for the RDM to be truly effective, it is essential that UN agencies and donors actively and transparently make use of the RDM to flag human rights risks, and they should consult non-governmental human rights organisations as needed.

Seven Issues with Existing Procurement Processes

The interviews and investigations revealed several flaws in the UN’s procurement processes in Syria. These issues directly result from the failure of the UN agencies’ vetting process from a human rights perspective. The interviews identified the vetting procedure employed by UN agencies in Syria as simply to cross-check the names of the owners of a company, as mentioned on the company’s registration documents, with each UN agency’s blacklist. Despite requirements under international law and the UN’s internal guidelines to ensure UN procurement is consistent with human rights, as detailed in the guide mentioned above, in the case of the UN agencies’ procurement processes in Syria do not appear to include robust human rights due diligence assessments. The lack of inter-agencies communication exacerbates the problem.

1 Human Rights Abusers Taking Advantage of the System

The investigations have revealed that individuals who committed human rights abuses have benefited from UN agencies’ procurement contracts. For instance, Desert Falcon LLC, or Saker Al-Sahraa LLC, is a company that was awarded contracts with UNICEF and UNRWA in 2019 and 2020 for a total amount of 1,036,036 USD.¹⁶ The company is owned by Bilal Mohammad Al-Naal and Fadi Malek Ahmad.¹⁷ Fadi Ahmad is more commonly known as Fadi Saqr. Saqr assumed the leadership of the notorious National Defence Forces, a pro-government militia, known otherwise as Shabiha, in Damascus since 2012.¹⁸ Saqr, who enjoys close ties to Syrian President Bashar al-Assad, is the ultimate leader of the Shabiha militia in Damascus, which committed the Tadamon massacre in 2013.¹⁹

Another example is the company First Class, owned by Nazhat Mamluk,²⁰ the son of the director of the National Security Bureau and Syria’s most prominent security personality, Ali Mamluk. First Class received 371,000 USD from the United Nations Development Programme (UNDP) in 2020.

16. Since 2017, however, the company has received 2,434,975 USD from UNICEF and UNRWA.

17. Syrian Gazette, Issue 9, Part 2, 2016, P. 219.

18. Baath Party, baathparty.sy/Posts, accessed on Sep 2022.

19. Ungur, Ugur and Annsar Shahhoud. *How a Massacre of Nearly 300 in Syria Was Revealed*, New Lines Magazine, 2022, newlinesmag.com/reportage/how-a-massacre-of-nearly-300-in-syria-was-revealed/.

20. Syrian Gazette, Issue 17, Part 2, 2018, P. 592.

2 Contracting individuals and entities sanctioned for human rights abuses

A total of 68 million USD has been paid to companies at least partly owned by individuals sanctioned for human rights abuses by the US, EU, or UK, constituting a 23% of total procurement from private suppliers. For example, the previously mentioned Desert Falcon LLC, owned by Fadi Saqr, who was sanctioned by the US in August 2020.²¹

Another prominent example is Al-Amir Company for Food Products, part of Al-Amir Group, which is owned by Samir Hassan and his family.²² Hassan is sanctioned by the EU and the UK for his role in supporting the Syrian regime and benefiting from it.²³ Al-Amir won contracts with the World Food Programme (WFP) in 2019 and 2020 for the total amount of 8,444,671 USD.

Below is a table of other examples among the investigated names. Some other sanctioned persons have been contracted by the UN without being among the top 100 suppliers in the country over the course of 2019 and 2020 and thus, do not appear in the table below. These include Nader Kalai and Khaled Al-Zubaidi, the owners and developers of Ebla Hotel,²⁴ which received 102,325 USD in 2019 from the UNDP. Both individuals have been targeted by the US’ most stringent set of sanctions on Syria,²⁵ under the Caesar Act.²⁶

21. US Department of State, 2017-2021.state.gov/syria-sanctions-designations-2/index, accessed on Sep 2022.

22. Syrian Gazette, Issue 20, Part 2, 2009, P. 469.

23. EUR-Lex, eur-lex.europa.eu/legal-content/EN, Annex I, Nr. 48, accessed on Sep 2022.

24. US Department of Treasury, home.treasury.gov/news/press-releases, accessed on Sep 2022.

25. Nader Kalai passed away in 2021.

26. The Caesar Syria Civilian Protection Act of 2019 is a US legislation that came into force in June 2020.

| Company | Sanctioned Individual | Sanctioned by (date) | Contracted by | Value of contracts (USD) |
|---|---|---------------------------------|--|--------------------------|
| Al-Amir Company for Food Products | Samir Hassan | EU (2014), UK (2011) | WFP | 8,444,671 |
| Cham Wings Airlines | The company is sanctioned. Some of its owners are also sanctioned ²⁷ | (US (2016 EU (2021-2022) | WFP | 514,430 |
| Desert Falcon | Fadi Saqr | (US (2020 | UNICEF, UNRWA | 1,036,036 |
| Four Seasons Hotel | Samer Foz | US (2019), UK (2019), (EU (2019 | UNICEF, UNHCR, WHO, UNFPA | 7,479,221 |
| Jupiter For Investments S.A Yafour Hotel and Resort | Ahmad Saber, Ali, and Amr Hamsho (sons of Mohamad Hamsho); and Rania Aldabbas | (US (2020 | UNICEF | 570,000 |
| Proguard For Safety and Security | Elias Nadim Hijazi owner of Ultimate Trading LLC ²⁸ | (US (2020 | UNHCR, WFP | 2,814,053 |
| Syrian Olive Oil Company | Nizar al-Asaad | (EU (2011 | WFP | 25,729,583 |
| Syrian Saudi Company For Touristic Investments | Samer Foz | US (2019), UK(2019), (EU (2019 | WFP, UNPD, UNOPS, UNDP, UNFPA, FAO, UNON | 18,154,155 |
| Syriatel | The company is sanctioned. Its owners are also sanctioned ²⁹ | US (2008), EU (2011), (UK (2011 | WFP, UNHCR | 350,452 |

27. The company was sanctioned by the EU for its involvement in the refugee crisis on the Belorussian borders in 2021. It was later delisted in 2022 following the end of the crisis. However, the EU and the UK soon followed by sanctioning Issam Shammout, the owner and chairman of the company. The company has been sanctioned by the US since 2016, but Shammout is not.

28. Proguard is reportedly owned by Hashem Akkad and his brother and Kumai Hilal and his siblings, [according to news from 2011](#). Akkad is sanctioned by the EU and the UK for his support of the regime. The official gazette, however, shows that Elias Nadim Hijazi is an owner next to the Hilal siblings (Syrian Gazette, Issue 1, Part 2, 2015, P. 2). Elias is one of the owners of Ultimate Trading LLC (gazette, Issue 18, Part 2, 2020, P. 657), which is sanctioned by the US.

29. Syriatel has been sanctioned since before the uprising in 2011. It was closely linked to Rami Makhlouf, the cousin of Bashar al-Assad, who has been under sanctions since 2011 at least. However, after the fallout between Rami and his cousin, Syriatel changed hands to Yassar Ibrahim and his sister Nesrin, both being fronts to the presidential palace. They are both sanctioned by the US (2020), while Yassar is sanctioned by the UK (2021) and EU (2022).

3 Failing to identify fronts and intermediaries

The research identified some UN suppliers as either fronts or intermediaries for individuals who committed or facilitated human rights abuses. Such individuals take advantage of the minimal vetting process and register their companies in the names of their family members, employees, or business associates. The main standing example is that of Shorouk for Security Services which is reportedly affiliated with Maher al-Assad, the Syrian president’s younger brother and the head of the notorious Fourth Brigade of the Syrian Army.³⁰ The company won contracts with the World Health Organisation (WHO), WFP and UNDP over 2019 and 2020 for the total amount of 2,365,120 USD.

Another example is the Syrian Olive Oil Company which received the highest amount of funding from the WFP totalling 25,729,583 over 2019 and 2020. It is owned by Habib and Eyad Beitinjaneh (40%), Nizar Al-Asaad (40%), Ghassan Adib Mhanna (10%) and Hassan Sharif (10%).³¹ Asaad, Mhanna and Sharif are business associates of the late Mohammad Makhoul, the maternal uncle of Bashar al-Assad. Ghassan Mhanna is Mohammad Makhoul’s brother-in-law. Ghassan’s sister, and Mohammad’s wife, Ghada Mhanna was sanctioned by the EU to limit the risk of Mohammad Makhoul’s asset flight following his death in 2020.³² Hassan Sharif is identified by Global Witness as a front for Hafiz Makhoul, son of Mohammad Makhoul and brother of Rami Makhoul, who is also sanctioned by the US, EU and the UK.³³ Hassan is the brother of Ammar Sharif who is also sanctioned by the EU and the UK and identified by the sanctioning authorities as a front for the Makhoul family.

The interviews and investigations have also revealed the connection of Rami Kabalan to Ihab Makhoul, the brother of above-mentioned business tycoon Rami Makhoul. Ihab worked alongside his brother until the latter’s fallout with the presidential palace in 2019. Ihab emerged afterwards as a middle ground solution to manage and care for what remains of the Makhoul family’s interests in place of his brother. Two separate interviews with former employees at Rami Kabalan Trading Establishment identified him as someone who is associated with Ihab Makhoul. The company is part of Rami Kabalan Group, established in 2013.³⁴ It has won contracts with numerous UN agencies in 2019 and 2020 for the total amount of 21,521,453 USD.

30. Baresh, Manhal. *Private Security Companies in Syria: New Agents at the Regime’s Service*, European University Institute, 2020, cadmus.eui.eu/handle/.

31. Syrian Gazette, Issue 7, Part 2, 2020, P. 294.

32. Enab Baladi, [EU imposes restrictive measures on five Syrian women of Mohammed Makhoul’s family](#)

33. *Assad Henchmen’s Russian Refuge*, Global Witness, 2019, [Assad Henchmen’s Russian Refuge](#)

34. RK Group, www.rk-group.net/#About, accessed on Sep 2022.

4 Reliance on large contracts

Our interviews have also revealed that the design of tenders played a role in determining who can apply for them. When the product is readily available in the market and the contract is small, such as food products, then there is a potential for genuine competition, especially as the price offered by the supplier is the main factor in determining the winner. However, the larger the contract, the less competition there is as only large firms, which are more likely to be connected or part of the Syrian regime, have the capacity to apply. Decades of kleptocratic rule have created strong links between the wealthiest businesses and the ruling elite, giving rise to crony capitalism under the rule of Bashar al-Assad. This was further compounded with the changes in the business scene since the conflict in 2011, which led to the creation of a new class of war profiteers who later turned into businessmen. Therefore, when the procurement department advertises for a large contract, the pool of potential participants is very limited. Factors that add to the benefit of larger suppliers are the cheaper prices they could offer due to the economies of scale and the security access they can provide. However, this increases the chance of their connection to the Syrian regime and the potential involvement in human rights abuses.

The investigated private procurement suppliers reflect such dynamics. The Betinjaneh brothers, Eyad and Antoun, have won multiple contracts with multiple UN agencies, either through the Betinjaneh Brothers Company or the Syrian Olive Oil Company. The brothers are very well connected to the Syrian regime, although they are not linked to facilitating human rights abuses aside from their partnership with Nizar Asaad, Ghassan Mhanna and Hassan Sharif in the Syrian Olive Oil Company. Antoun is an active member of the Syrian Russian Business Council and of the foreign trade committee of the Damascus Chamber for Industry.³⁵

Another more problematic example is Bilal al-Naal, who won contracts through his Al-Naal LLC company, as well as Desert Falcon LLC in which he is a partner with the previously mentioned notorious militia leader Fadi Saqr. Naal himself was a member of the Damascus Governorate Council and a board member of Cham Holding, the joint public-private venture in charge of the luxury real estate investment project Marota city,³⁶ a redevelopment project that has caused further human rights violations to impacted Syrians.³⁷ In 2020, he moved on to become a member

35. Manhom, manhom.com/شخصيات/أنطون-حبيب-بيتنجانة, accessed on Sep 2022.

36. Manhom, manhom.com/شخصيات/بلال-النجال, accessed on Sep 2022.

37. The primary laws responsible for such violations are Decree 66, which was enacted in 2012 under the guise of rebuilding informal settlements throughout Damascus, and Law 10, which expands Decree 66 to all of Syria. One infamous construction project mandated by Decree 66 is the Marota City project in the Damascus neighbourhood of Basateen al-Razi. For more: Noor Hamadeh and Krystel Bassil, Demolishing Human Rights in the Name of Reconstruction: Lessons Learned From Beirut’s Solidere for Syria, The Tahrir Institute for Middle East Policy, 2020 timep.org/commentary/analysis/demolishing-human-rights-in-the-name-of-reconstruction

of the Syrian parliament.³⁸ In addition to Fadi Saqr, who also manages the Damascus branch for the government’s General Consumer Organisation,³⁹ Naal is also close to the sanctioned former Damascus Governor, Bisher al-Sabban. The trio are accused of running corruption rings while serving jointly in Damascus⁴⁰ and of providing financial support to a militia operating in Damascus and its surrounding areas.⁴¹

5 Lack of Transparency

Issues of transparency also complicate the picture of the UN procurement in Syria. When it comes to published procurement records, there are two main problems that emerge. Firstly, the suppression of information. The two years studied in this report include over 75 million USD worth of procurements where the name of the supplier is withheld for security or privacy reasons, constituting nearly 20% of total procurements. The criteria followed by the UN to justify withholding such information is not publically available. This renders Syria the country with the highest share of suppressions among the top five countries receiving UN-facilitated aid in 2020.^{42, 43}



38. Baladi News, [بشار الأسد“ يلقي عضوية ثلاثة أشخاص من مجلس محافظة دمشق](#), accessed on Sep 2022.

39. Baath Party, [baathparty.sy/Posts](#), accessed on Sep 2022.

40. Zaman Al-Wasl, [www.zamanalwsl.net/news/article](#), accessed on Sep 2022.

41. Shaar, Karam and Samy Akil. *Inside Syria’s Clapping Chamber: Dynamics of the 2020 Parliamentary Elections*, Karam Shaar, 2021, [www.karamshaar.com/2020-syria-parliament](#).

42. The list of highest recipient countries of UN facilitated aid was sourced from UNOCHA’s Financial Tracking Service, [fts.unocha.org/global-funding/countries/2020](#), accessed on Sep 2022.

43. The data used for calculating the share of procurement funding to suppliers whose identity is withheld is available here. [www.ungm.org/Shared/KnowledgeCenter/Pages](#), accessed on Sep 2022.

The names of these suppliers or the criteria for which the names ought to be withheld are unknown. However, the minimal and flawed vetting process followed by the UN agencies raises genuine questions about the withheld names that could not be investigated in this report as discussed in the methodology section.

Another issue with the UN’s published procurement data - which was alluded to in the methodology section - is the fact that procurement contracts are listed where the commercial registration of the company is held - and where payment for goods and services was made - and not where the contracts were implemented, or where the goods were delivered.. For example, Rami Kabalan Trading Establishment has been contracted by UN agencies not just in Syria, as elaborated in this report, but in Lebanon, Spain, and Russia as well. Whether the contracting with the company is done for goods or services that end up being implemented in Syria is unknown.

Paying domestic suppliers abroad is not necessarily a bad practice as it allows the UN to avoid converting US dollars to Syrian pounds at the arbitrary rate set by the Central Bank.⁴⁴ However, it further complicates the due diligence process domestically, highlighting the importance of adopting universal human rights-compliant procurements processes. Additionally, such practices might enable local suppliers to use the UN as a vehicle for money laundering.

In some cases, companies rely on the lack of access to Free Zones records to conceal their ownership structures.⁴⁵ The average company’s registration is published in the official gazette, which remains difficult to attain, although it is becoming increasingly available through third parties. This facilitates access to the company register and exposes the registered owners to public scrutiny, as done in this report. However, a more recent trend is registering companies in the Free Zones in Syria, mainly in Damascus. Registration paperwork for such companies is not made publicly available and requires an in-person visit to the register office, often at the investigators’ own risk. An interviewee revealed that some of those companies are mere fronts that guarantee protection for the ultimate owners. An interviewed businessperson gave an important tip that gives a guide to understanding the situation in Syria: *“To know who is behind any contract, check who can import that material. In Syria, currently almost nothing is locally produced, and everything is imported. Those who can import and are allowed to do so are linked to the regime, and to one of the main three: Bashar al-Assad, Maher al-Assad or Asma Al-Assad.”*

Moreover, the lack of any publicly available records or online references of some businesses can be very problematic. Given the nature of Syrian business, it is very likely that some suppliers who

44. For more information on losses incurred by the UN and donor states through the exchange rate differential see: [How the Assad Regime Systematically Diverts Tens of Millions in Aid.](#)

45. Free trade areas with specific regulations.

are completely legitimate do not have much of an online presence. However, front businesses who may have been established to cheat the system also have no public records nor online presence. Our investigations could not identify 27 of the top 100 named suppliers. Suppliers’ entries like “Ala’a Mo’ein Ismaeil”, “Basel Abdulrazzak Al Thaher”, “Mohammed Qasim Trading Establishment” or “Mouhsen Ibraheem” are difficult to identify solely based on the procurement data entries. However, existing research helped to identify one of these names. Mohamad Abd Altaeh was recently identified as the partner of Mohammad Said who is the commander of the pro-regime, mainly Palestinian Al-Quds Brigade. The report claims that Altaeh and Said have set up a company that acts as a contractor for many UN-funded projects, such as the WHO-funded repair of the Zahi Azraq Hospital in Aleppo.⁴⁶

6 Accommodating corruption

According to the UN Procurement Practitioner’s Handbook, “[i]t is fundamental that the UN Organisations promote ethical conduct in the supply chain”, including corruption.⁴⁷ An interviewee described UN agencies as “resembling any government institution” where nepotism and networks of corruption prevail. When the procurement staff were appointed in their positions because of a favour or pressure from the Syrian government, this led to some corrupt practices including taking bribes from businesses to rate them favourably or leaking information to suppliers to help them win the tenders for which they are competing. The interviews further referred to occasions when relatives of a staff member won such tenders.

Employment at the UN agencies in Syria is another challenge that has not been free of the Syrian government’s manipulation. When it comes to international staff, the issue of “visa-friendly people” was frequently mentioned by the interviewees. The Syrian government can determine who is allowed to enter Syria. Critical international staff have their visa applications delayed, rejected, or simply revoked. This trend existed before 2011, but it has worsened ever since, which eventually created self-imposed censorship by international staff on what they say.

The Syrian government managed to condition the UN’s international staff in the country by forcing the uncooperative individuals out, intimidating those who were approved into accepting its conditions, or favouring international staff who subscribe to the government’s views on the uprising.

46. Awad, Ziad. *Non-governmental Organisations in Aleppo: Under Regime Control and at its Service*, European University Institute, 2022, cadmus.eui.eu/handle/

47. UN Procurement Practitioner’s Handbook, 2020, 3, available at: www.ungm.org/Shared/KnowledgeCenter

The employment of Syrians at UN agencies, including procurement departments, is also subject to the government’s manipulation and corruption. Employing a certain individual that was requested by a Syrian official was sometimes exchanged for access or facilitation of projects. This was, according to one interview, the case of Shukriyeh Mikdad, the wife of the current Syrian Foreign Minister Faysal Mikdad, who was employed in exchange for access that her husband offered to the WHO in 2016, despite the objections of some of the Syrian staff at that organisation.

This problem worsened as the conditions in the country deteriorated. Being employed at the UN became one of the few well-paying jobs in the country, especially for being paid in USD in an economy that suffers from severe devaluation of local currency. The former UN Syrian staff interviewed for this report described their previous departments as being “filled with Shabiha”⁴⁸ or with relatives of main regime figures like the late Walid al-Moallim, the Foreign Minister until 2020, or his successor Faysal al-Mikdad, or even Jamil Hassan, a major general in the security apparatus. In a procurement department, this had a double negative effect: it facilitated the corruption of the procurement process and intimidated any voices willing to expose it.

7 Failure to protect staff

The interviews have also revealed the inability of the UN agencies in Syria in some cases to protect their own staff from the harassment or threat of the Syrian government and its allied armed forces. Intimidation of the UN’s local staff is a real threat. The interviewees recounted cases of direct threats against staff for their refusal to grant a project or accept the offer of certain influential businesspersons. The resolve of the UN agency’s management, who were often internationals, played a detrimental role in protecting their staff. Such reactions varied from success in pushing back against the threat to accepting the conditions of the influential supplier, or in the worst-case scenario when the local staff was pushed by their international superiors into getting in line with the threats.

48. Shabiha is a term that refers to the members of militias sponsored by the Syrian regime.

Quantifying the risk of the UN procurement contracts

This report applies a risk tool created for the [Guide on Human Rights Compliant Procurement Process in Syria](#), which was published in January 2022 by the SLDP and HRW. The application of the tool’s risk indicators to the results of the investigations draws a quantitative image of the UN’s degree of involvement with problematic suppliers in Syria.

The tool defines the level of risk as the likelihood of involvement in conflict-related human rights abuses by suppliers. It assists in determining the level of vetting needed to ensure that the UN agency procuring goods or services is not inadvertently creating an environment to empower human rights abusers. The levels of risk are graded, and colour coded as follows:

- **Very high:** The level of risk and the evidentiary threshold is sufficient for the UN agency to decide not to conduct any business with the supplier or to disengage from the supplier in the event the abuse is ongoing.
- **High/Medium:** The results are considered as red flags but require further assessments. The UN agency should scrutinise the company’s ownership and structure further to ensure that they are not linked to human rights abuses

The tool is designed to assist UN agencies and stakeholders only in the very first step of Human Rights Due Diligence and exclusively in the identification of conflict-related human rights abuses related to Syrian suppliers. It is important to note that this evaluation should be comprehensive and the approach to this exercise should not be treated in a “tick-the-box” manner.⁴⁹

However, the interviews conducted for the purpose of this research required some modifications to the tool to accommodate the new findings. The top two levels of risk, very high and high, remain unchanged. The medium level of risk will include the following indicators “No publicly available information on the company”; “no information available on company owners”; and “Company registered in a Free Zone”. The lack of information on a supplier company or its ownership remains a risk. Companies registered in Free Zones often fall under this category. A low level of risk is also created, and it includes suppliers who could not be linked to any of the existing indicators, as the investigations could have fallen short.

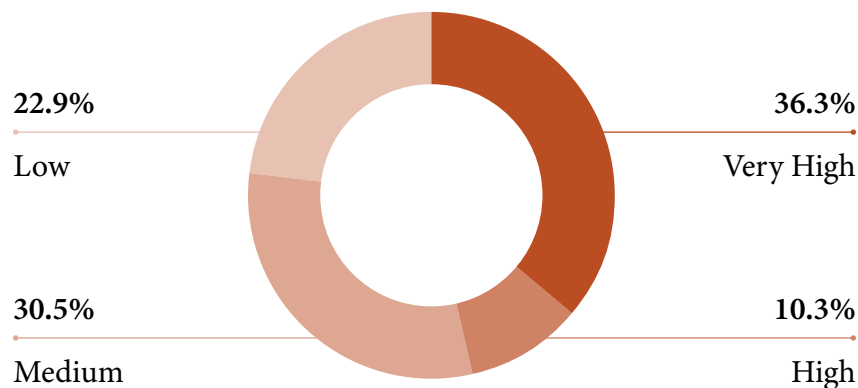
49. HRW and SLDP *Guide on Human Rights Compliant Procurement Processes in Syria*, HRW and SLDP, 2022, [sldp.ngo/wp-content/uploads/2022/01/HRW-SLDP-Guide-to-Procurement-and-Risk-Assessment-Tool.pdf](https://www.sldp.ngo/wp-content/uploads/2022/01/HRW-SLDP-Guide-to-Procurement-and-Risk-Assessment-Tool.pdf), P. 31.

Risk Level Indicator

| | |
|----------------|---|
| Very High Risk | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses. |
| | The company or a person with significant control or ownership over the company provided logistical or other types of support to the Syrian armed forces/ Syrian government since 2011. |
| | The company or a person with significant control or ownership over the company financed and/or controlled the military operations of a paramilitary group. |
| | The company or a person with significant control or ownership over the company made voluntary donations to finance the military operations of the Syrian armed forces since 2011. |
| | The company operates in the private security industry. |
| | The company or a person with significant ownership or control over the company has investments/ is involved in urban redevelopment projects in areas affected by forced displacement and housing land and property rights violations. |
| | The company or a person with significant control or ownership over the company is/was involved in pillage. |
| | The company or a person with significant control or ownership over the company is/was involved in the destruction of civilian property or the removal of rubble. |
| High Risk | The company was awarded multiple contracts by Syrian state entities (including local authorities) since 2011, or is allowed to have a monopoly over certain sectors. |
| | A person with significant control or ownership over the company is a member of the Syrian parliament or a representative in an administrative body of one of the main Syrian cities. |
| | The company or a person with significant control or ownership over the company made voluntary donations to entities in the Syrian government that have committed or facilitated the commission of human rights abuses since 2011. |

| | |
|-------------|---|
| High Risk | The company or a person with significant control or ownership over the company was involved in, or facilitated the deliberate withholding of trade of food and other basic goods to besieged areas, including by setting prices too high. |
| Medium Risk | The company was established after 2011 with a high initial capital and /or is generating high profit margins. |
| | The company is a wholesaler. ⁵⁰ |
| | No publicly available information on the company. |
| | No information is available on company ownership. |
| Low Risk | Company registered in Free Zone. |
| | Could not be linked to any of the existing indicators |

When the risk indicators were applied to the results of the investigations of the 100 suppliers, 21 of the suppliers fall within the “very high” risk category. “High” risk category includes 6 suppliers; “medium” risk 44 suppliers; and 29 suppliers in the “low” risk categories. In terms of values, 46.6% of procurement funding went to very high and high risk suppliers as shown below.



50. For a company to be able to import large numbers of products, it requires significant support and facilitation from the Syrian government. Import and large scale contracts are often part of the rewards that the Syrian government provides to companies or company owners that have proven loyalty or provided support to the Syrian government.

Table of findings

The table below includes the results of the investigations for the top two categories: “very high risk” and “high risk”. The findings regarding the remaining two categories “medium risk” and “low risk” will be presented in a “networks map”, which is available on this link opensyr.com/en/pages/p-15.

The highest risk indicators, capped at two, were applied to suppliers. This does not mean that other indicators may also apply. Moreover, few entries seem to be duplicates as is the case with “Mr. Rami Kabalan” and “Rami Kabalan Trading Establishment”. The ultimate beneficiary remains the same, but they are different entries in the UN procurement database.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|---|------------|---|---|-----------------------|
| Syrian Olive Oil Company شركة زيت الزيتون السوري المساهمة المخفلة الخاصة | Very High | <p>The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses</p> <p>The company or a person with significant control or ownership over the company provided logistical or other types of support to the Syrian armed forces/ Syrian government since 2011</p> | <p>The company is owned by, Nizar Al-Asaad (40%), Ghassan Adib Mhanna (10%), Hassan Sharif (10%) and Habib and Eyad Betinjaneh (40%)⁵¹ Asaad is sanctioned by the EU (2011) for his support of the regime.</p> <p>Mhanna is Rami Makhoulf’s maternal uncle. His sister Ghada Mhanna was sanctioned by the EU (2022). Sharif is the brother of Ammar Sharif sanctioned by the EU (2016) and the UK (2016). He is identified as a front for Makhoulf⁵²</p> <p>Rami Makhoulf is Bashar al-Assad’s maternal cousin. He supports the regime through his business interests and charities.⁵³ For Betinjaneh brothers, check Betinjaneh Brothers Company.</p> | \$25,729,583 (WFP) |

51. Syria Report, syria-report.com/new_companies/syrian-olive-oil-company, accessed Sep 2022.

52. *Assad Henchmen’s Russian Refuge*, Global Witness, 2019, www.globalwitness.org/en/campaigns/corruption-and-money-laundering/assad-henchmens-russian-refuge/

53. Makki, Danny. *Rami Makhoulf Saga Poses a Dangerous Challenge for Assad*, MEI, 2020, www.mei.edu/publications/rami-makhoulf-saga-poses-dangerous-challenge-assad

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|--|------------|--|---|--|
| Syrian Saudi Company for Touristic Investments الشركة السورية السعودية للاستثمارات السياحية | Very High | <p>The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses</p> <p>The company or a person with significant ownership or control over the company has investments/ is involved in urban redevelopment projects in areas affected by forced displacement and housing land and property rights violations</p> | <p>The company owns the Four Seasons Damascus Hotel. The majority shareholder is Aman Holding (55%), which is owned by Samer Foz (33.3%), his brother Amer (33.3%), and their father Zouheir (33.4%)⁵⁴</p> <p>Damascus Governorate owns (17.5%); Ministry of Tourism (17.5%) and the Kuwaiti Syrian Holding Company (10%)⁵⁵</p> <p>Samer Foz is sanctioned by the US, UK, and EU (2019). Amer is sanctioned by the US (2019), the UK and EU (2020). Aman Holding is also sanctioned by the US (2019).</p> <p>Samer Foz, the head of family businesses, supports the regime financially and is accused of funding its militias.⁵⁶ Aman Holding is a major investor in Marota City.⁵⁷</p> | \$18,154,155 (WFP, UNPD, UNOPS, UNDP, UNFPA, FAO, UNON) |
| Mr. Rami Kabalan رامي قبلان | Very High | <p>The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses</p> | <p>Rami Kabalan is accused of being a front for Ihab Makhoulf, brother of Rami Makhoulf.⁵⁸</p> <p>Kabalan emerged to the Syrian scene after 2011. He won large contracts with the UN. He has companies in the UAE, Spain, and Russia, according to the UN's procurement data.</p> | \$16,089,491 (WFP, UNFPA, UNON) |

54. Syria Report, syria-report.com/directory/aman-holding-private-jsc, accessed Sep 2022.

55. Syria Report, syria-report.com/directory/syrian-saudi-touristic-investments-company, accessed Sep 2022.

56. Financial Times, www.ft.com/content, accessed Sep 2022.

57. Al-Lababidi, Mahmoud. *Damascus Businessmen: The Phantoms of Marota City*, European University Institute, 2019, cadmus.eui.eu/handle

58. Two separate interviews with former staff at Rami Kabalan companies conducted for this research.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|--|------------|---|---|--|
| Al Amir Co for Food Products شركة مجموعة الأمير | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | Owned by Samir Hassan and his family. ⁵⁹ sanctioned by the EU (2014) and the UK (2011). | \$8,444,671 (WFP) |
| Four Seasons Hotel فندق فورسيزنز دمشق | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses The company or a person with significant ownership or control over the company has investments/ is involved in urban redevelopment projects in areas affected by forced displacement and housing land and property rights violations | Please refer to Syrian Saudi Company for Touristic Investments | \$7,479,221 (UNICEF, UNHCR, WHO, UNFPA) |
| Ali Wahib Mrai & His Partner Company مجموعة الوهيب الاقتصادية | Very High | The company or a person with significant control or ownership over the company provided logistical or other types of support to the Syrian armed forces/ Syrian government since 2011 | Ali, and his late father Wahib Merhi are accused of being an integral part of the regime. Their businesses are accused of providing warehouses as detention centres and providing support to the Syrian government. ⁶⁰ Ali and his father are also accused of turning their iron factory to a barrel bombs production facility in support of the regime’s war effort. ⁶¹ | \$7,252,918 (WFP) |

59. Syrian Gazette, Issue 20, Part 2009 ,2, P. 469.

60. Eqtsad, www.eqtsad.net/news/article, accessed Sep 2022.

61. Syria TV, www.syria.tv/مصاصرات-المال-والسلطة-في-سوريا-نموذج-رحمون-مري, accessed Sep 2022.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|---|------------|--|---|------------------------------------|
| Alakkad Commercial Company شركة عقود للتوزيع والتجارة والصناعة | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | The company is owned by the sons of Anwar al-Akkad, Hashem, Abdulkarim, and Mohammad Samer. ⁶² Hashem is sanctioned by the EU and UK (2014) for his support of the regime. | \$5,533,064 (WFP, UNRWA) |
| Rami Kabalan Trading Establishment شركة رامي قبلان للتجارة | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | Please refer to Mr. Rami Kabalan. | \$5,431,962 (UNICEF, UNDP, FAO) |
| Proguard For Safety and Security المحترفون لخدمات وأنظمة الحماية والمراقبة-بروجارد | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses The company operates in the private security industry | The company is reportedly owned by Hashem Akkad and his brother (50%) and Kumai Hilal and his siblings (50%). Akkad is sanctioned by the EU and UK for his support of the regime. ⁶³ The gazette, however, shows that Elias Nadim Hijazi is the owner next to the Hilal siblings. ⁶⁴ Elias is one of the owners of Ultimate Trading LLC, ⁶⁵ which is sanctioned by the US (2020). | \$2,814,053 (UNHCR, WFP) |

62. Syrian Gazette, Issue 10, Part 2020 ,2, P. 94.

63. Syria Report, <https://syria-report.com/new>, accessed Sep 2022.

64. Syrian Gazette, Issue 1, Part 2, 2015, P. 2.

65. Syrian Gazette, Issue 18, Part 2020 ,2, P. 657.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|---|------------|--|---|-------------------------------------|
| Shorouk For Protection & Guarding & Security شركة شروق للحماية والصراسات | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses The company operates in the private security industry | The company is accused of being associated with Maher al-Assad. ⁶⁶ He is the Syrian president’s younger brother and the head of the notorious Fourth Brigade of the Syrian Army. | \$2,365,120 (UNDP, WHO, WFP) |
| Al-Naal LLC شركة النعال التجارية | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses A person with significant control or ownership over the company is a member of the Syrian parliament or a representative in an administrative body of one of the main Syrian cities | Bilal al-Naal is a close associate of Fadi Saqr, Head of Shabiha in Damascus, and Bisher al-Sabban, former Damascus Governor. ⁶⁷ Saqr is sanctioned by the US (2020), and Sabban is sanctioned by the UK and the EU (2016). Naal has been a parliament member since 2020. ⁶⁸ Before 2020, Naal was a member of Damascus Governorate Council. | \$1,216,030 (UNICEF, UNRWA) |

66. Baresh, Manhal. *Private Security Companies in Syria: New Agents at the Regime’s Service*, European University Institute, 2020, cadmus.eui.eu/handle/.

67. Zaman al-Wasl, www.zamanalwsl.net/news/article, accessed Sep 2022.

68. Manhom, manhom.com/شخصيات/بلال-النعال/, accessed Sep 2022.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|---|--------------|--|--|------------------------------------|
| Saker Alsahraa LLC صقر الصحراء | Very High | <p>The company or a person with significant control or ownership over the company financed and/or controlled the military operations of a paramilitary group</p> <p>The company or a person with significant control or ownership over the company is/was involved in pillage</p> | <p>Established in 2015 and owned by Bilal al-Naal (50%) and Fadi Ahmad (aka Fadi Saqr) (50%).⁶⁹</p> <p>Fadi Saqr is Head of Shabiha militias in Damascus.⁷⁰ Saqr is also sanctioned by the US (2020).</p> | \$1,036,036 (UNICEF, UNRWA) |
| Asas Contracting LTD. أساس للتعهدات | Very High | <p>The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses</p> <p>The company or a person with significant ownership or control over the company has investments/ is involved in urban redevelopment projects in areas affected by forced displacement and housing land and property rights violations</p> | <p>This company is involved in oil and gas. It is based in the free zone in Damascus.⁷¹ The company’s website refers to it having offices in Cyprus.⁷² The company is owned by Mohammad Raslan, Mahmoud Abadalla and Mazen Al-Tabba.⁷³ Mazen Al-Tabba is a partner in Cham Holding with Rami Makhoulouf.⁷⁴</p> <p>Rami Makhoulouf is Bashar al-Assad’s maternal cousin. He supports the regime through his business interests and charities.⁷⁵ He is sanctioned by the US, UK, EU. Cham Holding is involved in Marota city. It is also sanctioned by the US, UK, EU (2011).</p> | \$1,031,986 (UNDP, FAO) |

69. Syrian Gazette, Issue 9, Part 2, 2016, P. 219.

70. Baath Party, baathparty.sy/Posts, accessed Sep 2022.

71. Syria Report, syria-report.com/directory/asas-contracting-llc/, accessed Sep 2022.

72. Asas Contracting, www.asascontracting.net/en/Page110/History, accessed Sep 2022.

73. Syrian Gazette, Issue 20, Part 2, 2009, P. 478.

74. Manhom, manhom.com/شخصيات/مازن-الطبايع/, accessed Sep 2022.

75. Makki, Danny. *Rami Makhoulouf Saga Poses a Dangerous Challenge for Assad*, MEI, 2020, www.mei.edu/publications/rami-makhoulouf-saga-poses-dangerous-challenge-assad

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|--|------------|--|--|-------------------------------|
| Tarek Sayegh Est for Trading and Contracting | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | Tarek Sayegh is partnered with Eyad Makhoulouf in Lama Industrial Company. ⁷⁶ Eyad is Rami’s brother and sanctioned by the UK, EU (2011) and US (2017). | \$945,058 (UNICEF, UNDP) |
| Mohamad Abd Altaeh محمد عبد التايه | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses The company or a person with significant control or ownership over the company financed and/or controlled the military operations of a paramilitary group | Mohamad Abd Altaeh is identified as the partner of Mohammad Said, who is the commander of the pro-regime Palestinian Al-Quds Brigade. Tayeh and Said are claimed to have set up a company that acts as a contractor for many UN-funded projects. ⁷⁷ | \$634,908 (WHO, FAO, UNDP) |

76. Manhom, manhom.com/-شركات/شركة-لانا-الصناعية-للمفروشات/, accessed Sep 2022.

77. Awad, Ziad. *Non-governmental Organisations in Aleppo: Under Regime Control and at its Service*, European University Institute, 2022, cadmus.eui.eu/handle/

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|--|------------|---|---|----------------------|
| Jupiter For Investments S.A Yafour Hotel and Resort شركة جوبيتر للاستثمارات | Very High | <p>The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses</p> <p>The company or a person with significant control or ownership over the company is/was involved in the destruction of civilian property or the removal of rubble</p> | <p>The company is owned by Mohammad Hamsho’s family. The US has sanctioned Mohammad (2011) Ahmad Saber (2020) Ali (2020) Amr (2020) in addition to their mother Rania Al-Dabbas (2020).⁷⁸ Mohammad Hamsho is also sanctioned by the UK and the EU (2015). Hamsho International Group is also sanctioned by the US (2011), UK and EU (2015).</p> <p>Mohammad Hamsho is considered by multiple sources a front for Maher al-Assad. He is sanctioned by the EU, UK, US. He’s accused of providing support to the regime in different capacities and of benefiting from the destruction of neighbourhoods in Syria by trading rubbles from destroyed houses for the benefit of the 4th brigade.⁷⁹</p> | \$570,00 (UNICEF) |
| Ajnihatul Cham Aviation Co. (Cham Wings) أجنحة الشام للطيران | Very High | <p>The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses</p> <p>The company or a person with significant control or ownership over the company provided logistical or other types of support to the Syrian armed forces/ Syrian government since 2011</p> | <p>The company was sanctioned by the EU for its involvement in the refugee crisis on the Belorussian borders (2021-2022). The EU and the UK soon followed by sanctioning Issam Shammout, the owner and chairman of the company⁸⁰. The company has been sanctioned by the US since 2016.</p> | \$514,430 (WFP) |

78. Syrian Gazette, Issue 14, Part 2, 2008, P. 384.

79. Financial Times, www.ft.com/content, accessed Sep 2022.

80. Syria Report, syria-report.com/directory/cham-wings-airlines/, accessed Sep 2022.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|---|------------|---|--|---------------------------|
| Mousanada for Svc & Invest & Tourism LLC شركة مساندة للخدمات والاستثمار والسياحة | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | The company was established in 2011 and owned by Mohammad Karkour (99%). ⁸¹ Karkour is a partner with Samer Foz in Najm for investment (2010). ⁸² | \$494,436 (UNDP) |
| First Class شركة الدرجة الأولى | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | The company is owned by Adib al-Ashqar, Dima al-Akkad, Nidal al-Bitar, Nawwaf Zidan and Nazhat Ali Mamluk. ⁸³ Nazhat is the son of Ali Mamluk, who is sanctioned by the US, UK, EU (2011). | \$371,000 (UNDP) |
| Syriatel Mobile Telecom سيريتل | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | Syriatel has been sanctioned since before the uprising in 2011. It was closely linked to Rami Makhlof. However, after the fallout between Rami and his cousin, Syriatel changed hands to Yassar Ibrahim and his sister Nesrin, both being fronts to the presidential palace. They are both sanctioned by the US (2020), while Yassar is sanctioned by the UK (2021) and EU (2022). | \$350,452 (WFP, UNHCR) |

81. Manhom, manhom.com/بشركات/شركة-مساندة-للخدمات-والاستثمار-والسياحة/, accessed Sep 2022.

82. Manhom, manhom.com/بشركات/شركة-نجم-الاستثمار/, accessed Sep 2022.

83. Syrian Gazette, Issue 17, Part 2018 ,2, P. 592.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|--|------------|---|---|------------------------------------|
| Seen Co شركة سين | Very High | The company or a person with significant control or ownership over the company is a front for an individual or an entity involved in conflict-related human rights abuses | The company is owned by Khaldoun Adnan Makhoulf and Ramzi Hassan Azhari. ⁸⁴ Makhoulf is a close relative to Rami Makhoulf and the son of Adnan Makhoulf, the former head of the republican guard. ⁸⁵ Seen was later dissolved according to the gazette on 26 December 2016. ⁸⁶ It is possible that it was resurrected later. | \$309,758 (UNICEF) |
| Al Haram Pyramid for Transfer Money Co. شركة الهرم للحوالات المالية | High | The company was awarded multiple contracts by Syrian state entities (including local authorities) since 2011, or is allowed to have a monopoly over certain sectors | The company is the largest money exchange office in Syria. It controls the private flow of hard currency to the country, with the approval of the regime. ⁸⁷ It is Owned by members of the Assi Family. ⁸⁸ | \$11,084,863 (UNDP, UNFPA, FAO) |
| Land Transport International | High | The company was awarded multiple contracts by Syrian state entities (including local authorities) since 2011, or is allowed to have a monopoly over certain sectors | The company is owned by CMA-CGM logistics, which is owned by the French Saade family. ⁸⁹ CMA-CGM entered into a contract with the Syrian government to run parts of Latakia port. ⁹⁰ | \$8,281,805 (WFP) |

84. Syria Report, syria-report.com/new_companies/the-seen-company-dissolved/, accessed Sep 2022.

85. Enab Baladi, www.enabbaladi.net/archives, accessed Sep 2022.

86. Syrian Gazette, Issue 6, Part II, 2017, P. 141.

87. Al-Souria, www.alsouria.net/الهرم-وحرب-الحوالات-في-سوريا/, accessed Sep 2022.

88. Syrian Gazette, Issue 41, Part 2020 ,2, P. 1477.

89. The main offices of the company are in [Beirut](#). The Lebanese register lists the late Jacque Saade as founder and CEO. (Registration Number 1001941).

90. Al-Araby Al-Jadeed, www.alaraby.co.uk/economy/الموانئ-السورية-تبيض-ذهباً-لنظام-الأسد-تهريب-وسلام-ومخدرات/, accessed Sep 2022.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|---|------------|---|---|-------------------------|
| Betinjaneh Brothers Company مؤسسة حبيب بيتنجانة | High | A person with significant control or ownership over the company is a member of the Syrian parliament or a representative in an administrative body of one of the main Syrian cities | Owned by the children of Habib Betinjaneh: Antoun, Eyad and Rita. Antoun is vice president of the foreign trade committee of the Damascus Chamber of Industry and an active member of the Syria Russian Business Council. ⁹¹ Antoun is reported to have accompanied Assad during his visits to Iran and UAE. He is reported to have visited Iran more than once with a technical group from the Syrian Olive Oil Company. He is influential in strengthening Syrian Iranian businesses and played a role in opening credit lines between the two countries in 2013. ⁹² Eyad and Antoun are partners with Nizar al-Asaad, sanctioned by the EU (2011), in the Syrian Olive Oil Company | \$4,546,629 (WFP) |
| Majed & Mohamed Al-Zayed Co شركة ماجد ومحمد الزايد | High | A person with significant control or ownership over the company is a member of the Syrian parliament or a representative in an administrative body of one of the main Syrian cities | Mohammad Majed al-Zayed is a leading member in Damascus Chamber of Industry. ⁹³ | \$3,140,195 (UNICEF) |

91. Manhom, manhom.com/شخصيات/أنطون-حبيب-بيتنجانة/, accessed Sep 2022.

92. Interview with an employee of the Syrian Olive Oil Company conducted for this report.

93. Manhom, manhom.com/شخصيات/محمد-الزايد/, accessed Sep 2022.

| Supplier name | Risk Level | Indicators | Justification | Amount (procured by) |
|--|------------|---|---|--|
| Safir Hotel Homs فندق السفير-حمص | High | The company was awarded multiple contracts by Syrian state entities (including local authorities) since 2011 or is allowed to have a monopoly over certain sectors | The hotel is managed by the Syrian Arab Company for Hotels and Tourism. The company is a joint venture between the Syrian Ministry of Tourism, which is sanctioned by the US, and Arab investors including Arab Investment Company, Kuwait General Investment Authority, and Libyan Foreign Investment Company. ⁹⁴ | \$2,018,204 (UNHCR, UNDP, WFP, UNFPA, UNICEF) |
| Al Fouad Money Transfer Co شركة الفؤاد للحوالات المالية | High | The company was awarded multiple contracts by Syrian state entities (including local authorities) since 2011, or is allowed to have a monopoly over certain sectors | The company is owned by Fadi and Fuad Abazid. ⁹⁵ It is also a financial partner with the Syria International Islamic Bank, sanctioned by the US (2012), for acting on behalf of the Commercial Bank of Syria. ⁹⁶ The latter is a government-owned bank that is also sanctioned by the US (2011) | \$1,252,515 (UNDP, UNICEF) |

94. Syria Report, syria-report.com/directory/syrian-arab-company-for-hotels-and-tourism/, accessed Sep 2022.

95. Syrian Gazette, Issue 48, Part 2, 2021, P. 1943.

96. US Department of Treasury, *Treasury Sanctions Syria International Islamic Bank*, 2012, home.treasury.gov/news/press-releases

Conclusion

This report attempts to provide a comprehensive view of the issues facing the UN agencies’ procurement processes in Syria. The report relied on primary data taken from interviews or from the Syrian commercial register as published in the official gazette and on secondary data compiled by Obsalytics on Syria’s political economy. Building on a previous report published by SLDP and HRW, the report also provides the first quantitative analysis of the UN agencies’ procurement contracts in Syria. Supported by the collective expertise of the two partnered organisations, SLDP and Obsalytics, the report further provides a comprehensive and practical list of recommendations to the UN agencies and to their donors to reform the procurement process and make it human rights compliant.



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

A Study of The Top 100 Suppliers