Position Paper

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TOPIC: Assessing the effectiveness of sanctions

“ Perfection is not attainable , but if we chase perfection we can catch excellence “ .

– Vince Lombradi

Estonia, officially the Republic of Estonia, is a country by the Baltic Sea in Europe.  [The sanctions of the Government of the Republic of Estonia are imposed by a regulation of the Government of the Republic on the proposal of the Ministry of Foreign Affairs](https://vm.ee/en/activity/international-sanctions/sanctions-government-republic-estonia) .[The country adheres to UN sanctions and also implements EU sanctions](https://www.castellum.ai/global-sanctions-index/europe/estonia-sanctions-guide). [Estonia faces both practical challenges in implementing sanctions and instances where sanctions are bypassed by its own entities](https://news.err.ee/1609199824/estonia-issues-around-200-exemptions-to-sanctions-on-russia) .It is the   [complexity of sanctions compliance is a significant challenge](https://kpmg.com/nl/en/home/insights/2023/09/complexity-is-the-biggest-challenge-in-sanctions-compliance.html). The regulation of the sanctions are  [constantly evolving and subject to interpretation](https://kpmg.com/nl/en/home/insights/2023/09/complexity-is-the-biggest-challenge-in-sanctions-compliance.html) [making it difficult to assess their effectiveness](https://www.asisonline.org/security-management-magazine/articles/2020/01/the-effectiveness-of-economic-sanctions-as-a-security-tool/).

[In Estonia’s case, they have implemented measures to combat money laundering and terrorist financing](https://www.fatf-gafi.org/en/publications/Mutualevaluations/MER-Estonia-2022.html)  [However, the assessment of these measures’ effectiveness is complex and involves evaluating the extent to which the country has implemented the technical requirements of the FATF Recommendations](https://www.fatf-gafi.org/en/publications/Mutualevaluations/MER-Estonia-2022.html)(The FATF is an intergovernmental policymaking body that sets international standards (better known as FATF Recommendations) to prevent money laundering and terrorist financing. FATF Recommendations are not binding in the way a law or contract would be.). [This includes assessing risk and applying a risk-based approach, national cooperation targeted financial sanctions related to terrorism & terrorist financing](https://www.fatf-gafi.org/en/publications/Mutualevaluations/MER-Estonia-2022.html). [Moreover, the effectiveness of sanctions can also depend on the type of sanctions and their objectives](https://www.mdpi.com/2227-7099/11/5/136) . [For instance, higher levels of political volatility, democracy, and equality in target countries increase the probability of compliance, while higher levels of democracy and globalization increase the probability of sender capitulation](https://www.mdpi.com/2227-7099/11/5/136)( . **Sender capitulation** refers to the situation where the entity or country imposing sanctions (the “sender”) decides to give in or change its stance.) [Estonia actively participates in international sanctions, and its compliance and effectiveness levels are evaluated through various assessments](https://www.fatf-gafi.org/en/publications/Mutualevaluations/MER-Estonia-2022.html) . Estonia has faced multiple problems with **cross-border rail transport,** resulting in a **drastic drop**. [This decline has hindered Estonian industrial production from reaching foreign markets](https://geostrategy.rs/en/geopolitics/1452-estonian-social-crisis-worsening). [Despite advocating tough sanctions against Russia, some **Estonian entities and persons**(including those connected to the Prime Minister’s family) have been found to **break existing sanctions**](https://www.veridica.ro/en/editorials/sanctions-targeting-russia-are-bypassed-by-eu-entities-the-estonian-case). Also the  [Estonian Prime Minister has called for **strong sanctions** and **strategic patience** in dealing with Moscow](https://www.politico.com/news/2022/02/01/estonia-prime-minister-sanctions-moscow-00004082).

But not all problems are unsolvable . Some ways in which we can decode the problems are :

1. Creating public awareness and increasing transparency which allows the citizens and entrepneurs of Estonia access to information of sanctions and their policies .
2. Educating the civilians on why sanctions are required in country will help in the publics support and less conflict.
3. Introducing fines to citizens if the sanctions are not followed
4. To Collaborate with neighboring countries to prevent sanctions evasion.

<https://vm.ee/en/activity/international-sanctions/sanctions-government-republic-estonia>

<https://fatf-gafi.org/en/publications/Mutualevaluations/MER-Estonia-2022.html>

<https://kpmg.com/nl/en/home/insights/2023/09/complexity-is-the-biggest-challenge-in-sanctions-compliance.html>

<https://www.politico.com/news/2022/02/01/estonia-prime-minister-sanctions-moscow-00004082>

<https://geostrategy.rs/en/geopolitics/1452-estonian-social-crisis-worsening>

<https://www.veridica.ro/en/editorials/sanctions-targeting-russia-are-bypassed-by-eu-entities-the-estonian-case>

<https://www.siseministeerium.ee/en/activities/international-cooperation/international-sanctions>