

Haileybury MUN

Research report



General Assembly 1: Disarmament & International Sec.

The question of Terrorism Funding

By: Laura Mueller

In the past decade, the scope and nature of terrorist threats intensified considerably, with 18 814 casualties in 2018. While this is a reduction of 27%, the number of overall attacks decreased by only 23%, suggesting an overall increase in the extent of singular attacks. A lower-profile but still crucial aspect of global anti-terror efforts involves unraveling the networks that have funded attacks, however terrorists have proven adept at maintaining financial links intact.

Efforts to dismantle terrorist financial networks remain an essential part of the UN strategy to combat terrorist groups. More than \$140 million in terrorists' assets have been frozen across some 1,400 bank accounts worldwide, but experts say terrorist groups have become increasingly adept at eluding detection through use of cash, sophisticated laundering operations, or legitimate front companies. Monetary practices embedded in Muslim culture, such as donating to charities and informal money-transfer centers, have compounded the difficulty in tracking down terrorist financial links. Law enforcement efforts are further confounded by the fact that devastating attacks can be accomplished at relatively low cost.

While some Islamic fundamentalist groups may be declining in power, other groups and ideologies are increasingly gaining traction. One notable trend in recent years has been an increase in far-right terrorism in Western Europe and North America. These overwhelmingly politically charged conflicts are signs of a continually shifting terrorism landscape, which makes it hard for security forces to pursue dangerous groups and individuals. Of the 169 terrorist groups responsible for at least one death in 2017, 42 were either previously unknown or had not caused any deaths in the three previous years.¹

Donations were once the largest source of terrorist funding, coming mostly from charities and wealthy individuals. For years, individuals and charities based in Saudi Arabia were the most important source of funds for al-Qaeda, according to a 2002 CFR Task Force Report. A 2004 update to that report shows Saudi officials have taken steps to disrupt terrorist financing in their country, yet charities continue to play a role in the sponsorship of terrorist groups. In the Islamic world, there are tens of thousands of charities. While as few as a

¹ Dominic Dudley, *Terrorism in decline*, Forbes (Dec 2018)

hundred may sponsor terrorism, only few raise funds with the express intent of supporting terrorists.²

Many terrorist groups have supported themselves through illegal commerce such as illicit drug trade as well. The terrorists behind the 1993 World Trade Center bombing raised money by selling counterfeit t-shirts on New York City's Broadway, and the perpetrators of the 2004 Madrid train bombings sold counterfeited CDs and trafficked drugs to support their activities³. Back in 2002, federal agents broke up a methamphetamine ring in a dozen U.S. cities that, according to officials, funneled proceeds to Hezbollah. The Revolutionary Armed Forces of Colombia (FARC) has long used the cocaine trade to finance its operations. Afghanistan's flourishing poppy crops, which the United Nations says are responsible for as much as 86 percent of the world opium supply, are additionally reported to be a major source of terrorist funding.⁴

Many terrorist organizations attempt to operate legitimate businesses, which generate their own profits and can also be used as a front for money laundering. Ties to terrorism have been found amid the trade of livestock, fish, and leather. Businesses involved in agriculture and construction have also been found to support terrorism. In 2001, the New York Times reported that Osama bin Laden owned and operated a string of retail honey shops throughout the Middle East and Pakistan.⁵ In addition to generating revenue, the honey was used to conceal shipments of money and weapons.

The economic impact is estimated by the IEP to have been \$52bn last year. While large, that is 42% less than the year before. This sum is calculated from the direct and indirect cost of deaths and injuries (including medical costs and lost earnings), declines in national output⁶ and property destruction. However, by the IEP's own admission, this almost certainly underestimates the scale of damage caused as these figures do not account for the indirect impacts on business, investment and the costs associated with countering terrorism.⁷

Terrorist groups require financing for the recruitment and radicalisation of members, maintenance of logistics hubs, and executing operations. In the fight against terrorism, preventing radicals from accessing financial resources thus proves crucial to intercepting the threat of terrorism.

² Robert O. Collins, *Alms for Jihad* (2017)

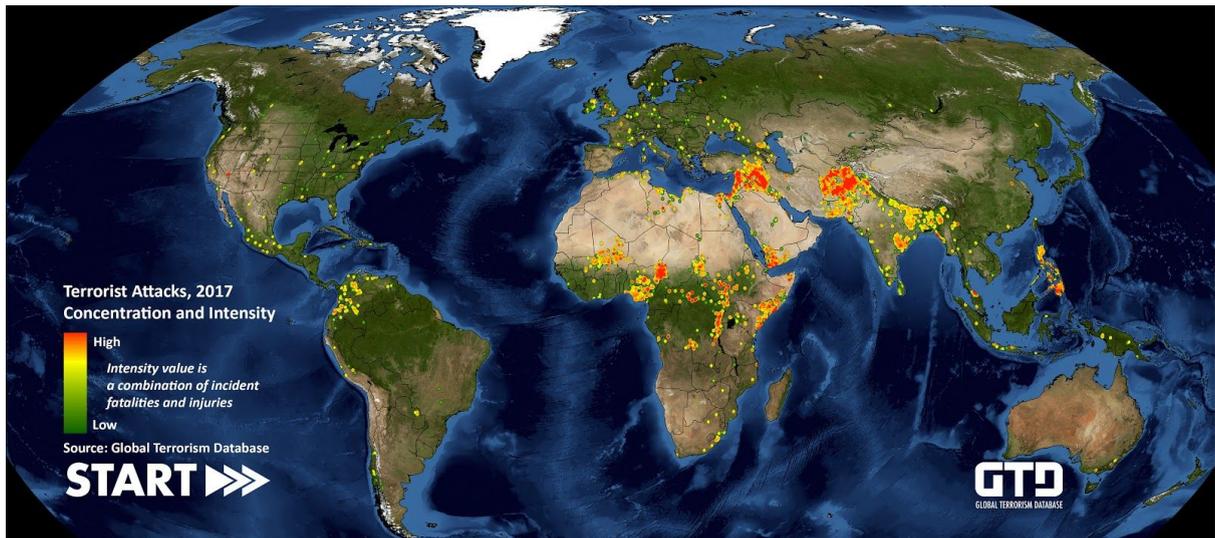
³ Moisés Naím, *Illicit* (2007)

⁴ Moisés Naím, *Illicit* (2007)

⁵ Judith Miller and Jeff Gerth, *A nation challenged*, NYT(Oct 2001)

⁶ Dominic Dudley, *Terrorism in decline*, Forbes (Dec 2018)

⁷Marguerite Ohan: *Let's talk about War and Peace*, Impakter (Jun 2017)
<https://impakter.com/lets-talk-war-peace-steve-killelea/>



⁸Incidents of terrorism 1917 - *diagram .1*

Definitions for key words

Funds mean assets of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, evidencing title to or interest in such assets⁹

Terrorism relates to acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes with considerations of a political, philosophical, ideological, racial, ethnic, religious or any other nature that may be invoked to justify them¹⁰

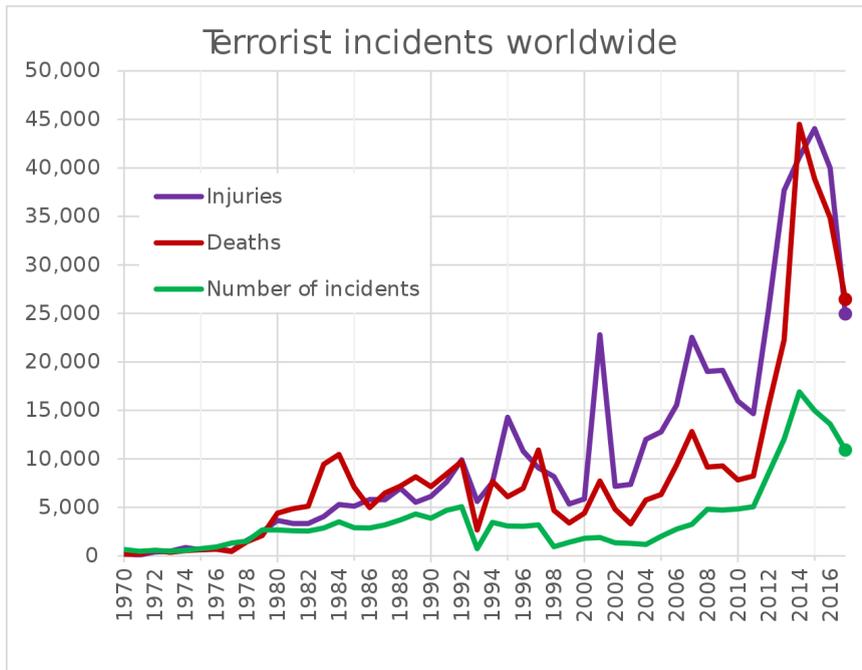
(Within the United Nations system, in the absence of a universally agreed definition of the term, various terminology describing the notion of "terrorism" can be found within its outputs. They are generally intended to act as guidance benchmarks to assist States in carrying out actions requested or required by the UN. The above definition has been adopted by consensus by the General Assembly and will be the definition the debates will operate under.)¹¹

⁸Global Terrorism DB: https://www.start.umd.edu/gtd/images/START_GTD_Heat_Map_2017.jpg

⁹International Convention for the Suppression of Financing of Terrorism, UN 1999, Article 1

¹⁰ General Assembly resolution 49/60 Paragraph 3

¹¹ <https://www.unodc.org/e4j/en/terrorism/module-4/key-issues/defining-terrorism.html>



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A total of 182,438 incidents of terrorism plotted- *diagram .2*

Relevant treaties and projects

1999 International Convention for the Suppression of the Financing of Terrorism¹³

UN treaty promoting cooperation of judicative and executive to criminalize, investigate and prevent the financing of terrorism. Engaging 188 parties as of January 2019¹⁴ it is one of the most universal historical anti-terrorism treaties.

CTITF Working Group on Tackling Financing of Terrorism

The group launched a project on identifying risks to the NGO sector from terrorist financing typologies and explored ways to safeguard the sector. The Financial Action Task Force (FATF) adopted the project and asked countries to review the adequacy of laws and regulations that relate to entities that can be abused for the financing of terrorism and ensure that NPOs are not misused by terrorists. The project was completed in 2013.

¹² Global Terrorism Database, accessed 16. Jan 2019 20:44

¹³International Convention for the Suppression of Financing of Terrorism, UN 1999, Articles 2, 4, 5, 8 18

¹⁴ UN Treaty Status, accessed 16. Jan 2019 20:46

https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XVIII-11&chapter=18&clang=en

UN Office of Counter-Terrorism

The UN office for Counterterrorism offers a succinct list of treaties related to the prevention of terrorism. For further information see the website linked in the footnotes.¹⁵

EU official documents

2005 DG Justice, Freedom & Security:

Draft recommendations to member states regarding a code of conduct for non-profit organisations to promote transparency and accountability best practices.¹⁶

DG Justice, Freedom & Security:

Open consultation on the document “Draft Recommendations to Member States regarding a Code of Conduct for Non-profit Organisations to Promote Transparency and Accountability Best Practices”¹⁷

EU Counter-Terrorism Strategy

In 2005, the Council adopted the EU counter-terrorism strategy to fight terrorism globally and make Europe safer, focussing on four pillars: prevent, protect, pursue and respond. Further information can be found via the link in the footnotes.¹⁸

¹⁵ <http://www.un.org/en/counterterrorism/legal-instruments.shtml>

¹⁶ http://ec.europa.eu/justice_home/news/consulting_public/code_conduct_npo/draft_recommendations_en.pdf

¹⁷ http://ec.europa.eu/justice_home/news/consulting_public/news_consulting_public_en.html

¹⁸ <https://www.consilium.europa.eu/en/policies/fight-against-terrorism/eu-strategy/>

Bibliography and helpful reading

The HMUN team strongly encourages you to do your own reading in addition to studying the research report as it will enhance your understanding of the debated subject and will certainly add to the experience. Below are listed some recommendations.

For a conclusive overview of terrorism and compelling research, the *National Consortium for the Study of Terrorism and Responses to Terrorism* better known as START¹⁹, is a great collection of publications that may be a kickoff point for your own research. Additionally, START offers a variety of concise 'Fact Sheets' that you may want to print out and add to your research folder. A key report to consider is the *2017 Global Terrorism Report*²⁰.

The *Global Terrorism Database*²¹ is currently the most comprehensive unclassified database on terrorist attacks in the world and has established itself as the research standard for anything related to terrorism. The GTD is made available by START and is particularly convenient for the analysis of individual attacks.

The *European Union Terrorism Situation and Trend Report*²² 2018 (TE-SAT) published by EUROPOL provides information on the legislation and subsequent convictions in the EU as well as EUROPOL activities to prevent Terrorism. If you are the representative of a European country, you can check here what amendments to your national legislation have been made recently.

If you are planning to write a resolution on this topic, *The Effectiveness of Counter Terrorism Strategies*²³ may provide helpful insights and ideas for preventative measures as well as evaluating previous UN strategies.

¹⁹ The START consortium may be found via <https://www.start.umd.edu/>

²⁰ *2017 Global Terrorism Background Report*
https://www.start.umd.edu/pubs/START_GTD_Overview2017_July2018.pdf

²¹ The *Global Terrorism Database* may be found via <https://www.start.umd.edu/gtd/>

²² *European Union Terrorism Situation and Trend Report. The pdf version may be found here:*
<https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-2018-tesat-2018>

²³ C. Lum, L. Kennedy, A. Sherley: *The Effectiveness of Counter Terrorism Strategies* (October 2009), Campbell Collaboration; a pdf version of the article may be found here:
<https://campbellcollaboration.org/library/effectiveness-of-counter-terrorism-strategies.html>

Major parties affected

Countries particularly associated with terrorist attacks include Iraq, Pakistan, Afghanistan and India, each recorded over 6,000 deaths in 2017, accounting for 74% of global attacks.²⁴

- Iraq 15864
- Pakistan 9708
- Afghanistan 7641
- India 6023
- Philippines 2872
- Thailand 2848
- Somalia 2313
- Nigeria 2170
- Yemen 1821
- Russia 1753
- Colombia 1783
- Algeria 1311
- Libya 1084
- Israel 1024
- Other countries 13 964

²⁴ Dominic Dudley, *Terrorism in decline*, Forbes (Dec 2018)