



FORUM: 6th Committee to the General Assembly (Legal)

QUESTION OF: Taking measures to combat the illegal trading of commodities (e.g. fossil fuel) with terrorist organisations

STUDENT OFFICER: Carla Roskothen; Supported by Felix Jacob

POSITION: Deputy Chair

INTRODUCTION

Terrorism has been one of the major concerns of the international community in the 21st century. While the United Nations and many countries are doing their best to combat acts of terrorism and fight back terrorist organisations, more effective measures have to be taken to eliminate terrorism funding sources, as without sufficient funds and a logistical support network, it can become increasingly difficult for these organisations to continue attacking national and international communities. Terrorist organisations such as the Islamic State (IS) or Al-Qaueda are known to gain large portions of their funding from illegally trading with commodities like oil, diamonds, gold and other minerals.

DEFINITION OF KEY TERMS

Terrorism/Terrorist organisation

Though there is not one agreed upon definition of terrorism, it can generally be defined as the use of unlawful and intentionally indiscriminate violence, especially against civilians, to spread fear and intimidation in order to achieve a political or religious aim.

Commodity

A commodity is a good which is traded or sold with no regard to who the producer is. Commodities are typically raw materials, agricultural or mining products.

Corruption

Corruption is a form of fraud, in which a person of authority undertakes a criminal activity for a third party, to gain an illicit benefit.

BACKGROUND INFORMATION

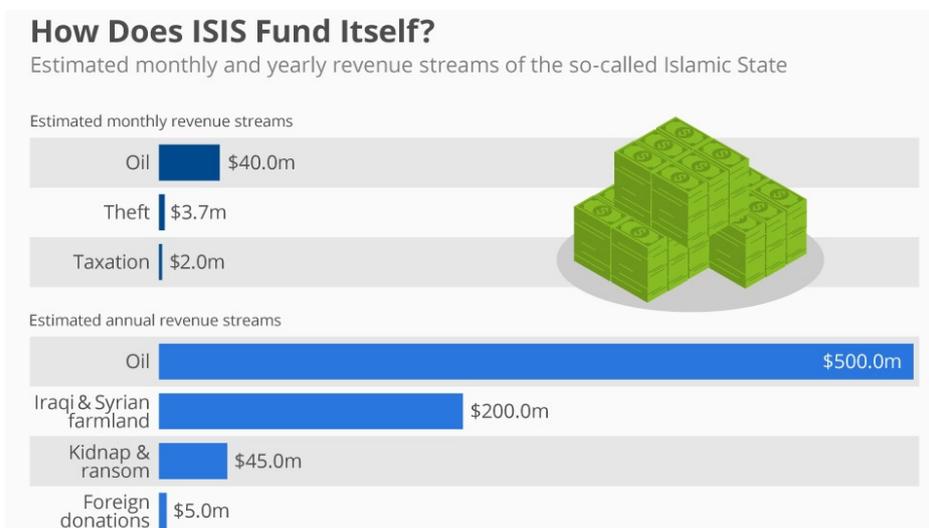
Production

The most common commodities which are being produced and traded by Terrorist Organisations are crude oil, precious metals, gemstones and agricultural products like poppy. Most mining related goods, are being produced in the region of power of terrorist organisations. These operate the mine themselves or have a taxation system on the privately-operated mines.

| Terrorist organisations and armed groups* | Region of operation | Revenue stream/resources exploited |
|---|------------------------------|---|
| FARC/ELN** | Colombia | Levies on mines and mining equipment in regions, particularly precious metals  |
| Taliban | Afghanistan | Mine capture in home region, 'service charges' in non-home regions on talc, gemstones, marble, gold and coal     |
| Hezbollah | West and Central Africa | Voluntary or forced donations, established mineral trading networks. Resources include gold, gemstones, uranium and coal     |
| ISIL/Al Qaeda | Eastern Syria, Western Iraq | Taxation of activities in controlled territories, sales from crude and refined oil and precious metals     |
| United Wa State Army | Myanmar | Control of regional tin mines, revenues from exports to China  |
| Al Shabaab | Somalia | Capture of acacia charcoal industry, exports of charcoal to Middle East    |
| FDLR/Mai-Mai/Raia Mutomboki | Democratic Republic of Congo | Voluntary or forced donations, established mineral trading networks      |

A substantial amount of the goods originates in the middle east, where many of the wealthiest terrorist organizations have their origin and the strongest influence. At times the IS had nearly 60% of all oil production sites in Syria and over 350 oil wells in Iraq in their grasp and were estimated to be generating 3 million US\$ per day.

Another region that should not be disregarded in this issue, is Central Africa. While there is not as much organized terrorism like in the middle east, it is a very potent region in the scope of this issue.



<https://www.statista.com/chart/4106/how-does-isis-fund-itself/>

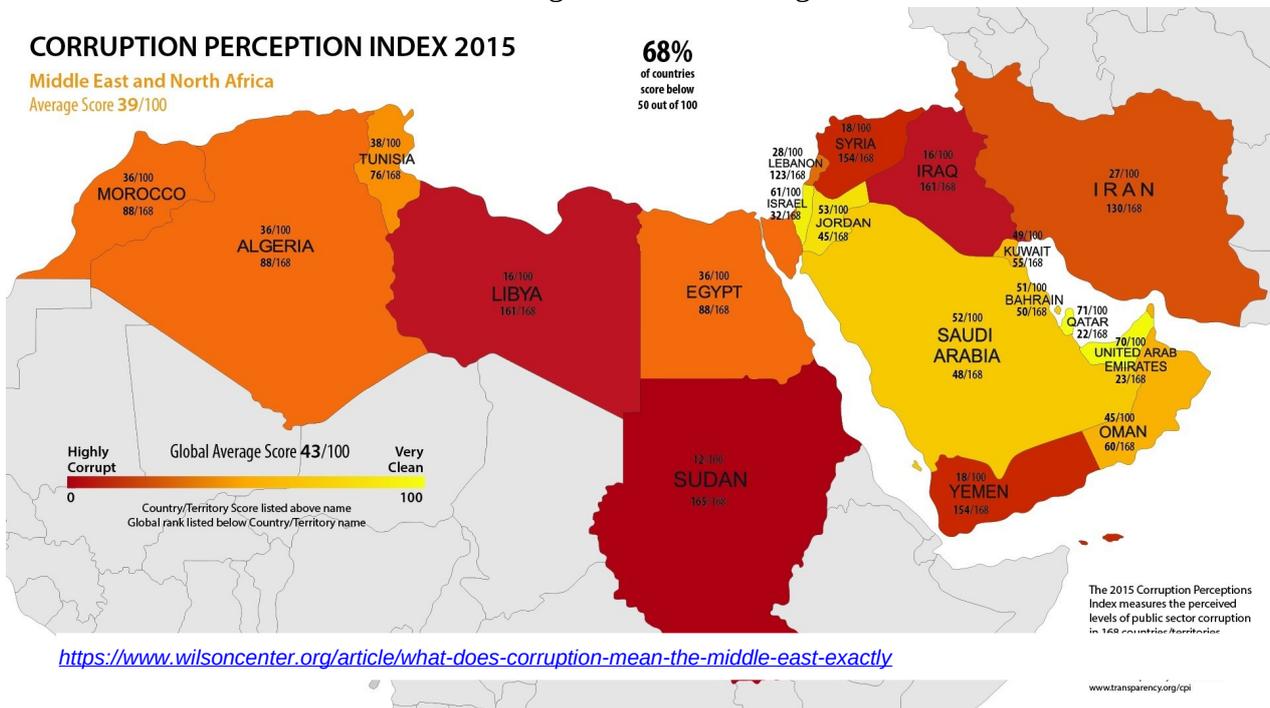
Distribution

The distribution of these commodities onto the world market is achieved by smuggling the goods to another more “trusted” country and selling them there on the black market. This smuggling on a large scale is mainly achieved through corrupt boarder control and other parts of the executive force in the country of import, e.g. the IS has been channelling their oil to black markets in Turkey.

Corruption

One of the major concerns regarding this issue, is the connection with corruption. Corruption enables a majority of the resource trafficking in the first place. Further establishing laws to introduce anti-corruption measures in the private sector would greatly hinder the ability of terrorist groups freely moving their commodities.

The CPI (Corruption Perception Index) gives countries a score, based on how corrupt the countries are (The higher the better). There should be special regards on finding a solution in the Middle East and Africa, as the average score in these regions is 39.



MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

The countries directly involved are those that have become operating territory for terrorist groups, including various countries in the Middle East like Syria or Iraq and countries across North-Central Africa, like Nigeria, Chad and Mali. Furthermore, countries whose governments are known to trade with terrorist organisations, or whose political instability enables illegal commodity trading, like Saudi Arabia, are involved. However, this is a problem that concerns the whole international community, as many countries like the USA, France or Great Britain have become target of terrorist attacks and a large portion of the world’s oil import comes from the Middle East.

Organisations involved are the United Nations, the FATF, which is an independent international organisation combatting the financing of terrorist organisations since the attacks on the World Trade Center in 2001.

ATTEMPTS TO SOLVE THE ISSUE

In the ongoing “war against terrorism” there have also been attempts to tackle the issue at hand, but in an aggressive manner. E.g. in 2015, 45 oil wells in the hand of the IS were destroyed by multinational air strikes. However, this take on the issue is highly unsustainable and will slow down the development, weaken the economic force and in the case of the terrorist organization being defeated, will leave the country crippled in its ability to develop properly.

There have also been attempts to fight secondary factors, like e.g. corruption. One of these attempts is the OECD (Organization for Economic Co – Operation and Development) Anti – Bribery Act. This act has been signed by all member states of the OECD, but as e.g. the middle east countries are not part of the OECD it has little effect on the terrorist organizations there, but could be used as an inspiration for a possible solution of the issue.

QUESTIONS DELEGATES SHOULD CONSIDER

Does their Country trade with Terrorist Organisations?

Could their Country enable Terrorist Organisations to trade through weak government or a known corruption problem?

Have there been attempts to combat this issue in their country before?

Does their Country have commodities of interest for Terrorist organisations?

Is their country part of the OECD?

USEFUL LINKS/SOURCES:

https://en.wikipedia.org/wiki/List_of_designated_terrorist_groups

<https://treaties.un.org/doc/db/Terrorism/english-18-11.pdf>

<https://www.oecd.org/investment/Terrorism-corruption-criminal-exploitation-natural-resources-2017.pdf>

<https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>

http://www.europarl.europa.eu/doceo/document/TA-8-2018-0059_EN.html

<https://www.washingtoninstitute.org/policy-analysis/view/hezbollah-finances-funding-the-party-of-god>

<https://www.hsdl.org/?abstract&did=796005>

<https://en.wikipedia.org/wiki/Terrorism>

<https://www.fatf-gafi.org/publications/fatfgeneral/documents/terroristfinancing.html>

List of OECD members

<https://www.oecd.org/about/members-and-partners/>

<https://www.transparency.org/news/feature/regional-analysis-MENA>

Corruption Perception Index

https://en.wikipedia.org/wiki/Corruption_Perceptions_Index