

## Forum: Disarmament and International Security Committee (GA1)

### Issue: Addressing the financing of paramilitary groups

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## INTRODUCTION

The rise and spread of paramilitary organizations constitute a serious threat to world peace and stability in the constantly changing environment of international security. These armed non-state actors take part in terrorism, organized crime, and insurgency, among other illegal actions, and are frequently motivated by ideological, political, or criminal goals. Understanding and effectively addressing these groups' funding strategies is a critical component in combating them.

Thorough knowledge and effective countermeasures are needed to handle the complicated and varied problem of paramilitary organization financing. The organization and armed capabilities of paramilitary organizations, which operate outside of traditional military or law enforcement systems, present serious threats to international security and stability. These organizations' reliance on their funding networks, which frequently use illegal methods and channels, is crucial to their capacity to maintain operations.

The international community must pay attention to and cooperate on the complicated and diverse question of how paramilitary groups are funded. These organizations' financial resources allow them to continue operating, grow their influence, and commit violent acts, undermining the efforts of governments and security agencies. Developing comprehensive measures to disrupt and destroy these illicit networks is becoming a growing priority for countries all around the world, as they become more aware of the negative effects of paramilitary financing.

## DEFINITION OF KEY-TERMS

### Paramilitary Groups<sup>1</sup>

An organized, armed force or organization that operates outside of a state's official military or police framework is referred to as a paramilitary group. It frequently pursues a political or ideological objective while engaging in operations requiring military equipment, training, and

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<sup>1</sup> "Paramilitary", *Cambridge Online Dictionary*, <https://dictionary.cambridge.org/dictionary/english/paramilitary>.

tactics. Paramilitary groups may exist in conflict zones, insurgency-affected areas, or places with poor governance, and they depend on their funding to keep their operations going.

## Financing<sup>2</sup>

The supply of finances or financial resources to support the operations, projects, or activities of a person, a company, or a group is referred to as financing. In the context of paramilitary organizations, finance refers to the collection and distribution of monies, sometimes by means of unlawful activity, in order to support their operations, obtain weapons, equip personnel, and maintain infrastructure.

## Illicit Financing<sup>3</sup>

Illegal or unauthorized methods are used to generate, transport, and spend money in the process of illicit finance. Illicit finance techniques for paramilitary organizations might include drug trafficking, extortion, abduction for ransom, smuggling, money laundering, corruption, and other illegal actions. Paramilitary organizations are able to continue their operations in large part due to illicit finance, which also threatens the integrity of the legal financial system.

## Money Laundering<sup>4</sup>

Money laundering is the process of hiding the source of unlawfully obtained funds in order to make them look legitimate. Money-laundering operations may be used by paramilitary organizations to legalize the earnings from illegal funding sources. This procedure generally consists of three steps: placement (introducing illegal money into the financial system), layering (obscuring the trail of transactions to make them harder to track), and integration (reintroducing the illicit monies into the financial system).

## Sanctions<sup>5</sup>

Countries or international organizations may impose limitations or prohibitions as retaliation for specific actions or conduct. To impede the paramilitary organizations' ability to raise money, targeted financial penalties can be put in place. Asset freezing, limiting financial transactions, banning trade, and imposing travel restrictions are some examples of sanctions that may be applied to individuals or groups who support or sponsor paramilitary crimes.

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<sup>2</sup> "Financing", *Cambridge University Online Dictionary*, <https://dictionary.cambridge.org/dictionary/english/financing>.

<sup>3</sup> "Illicit Financing", *Global Financial Integrity*, <https://gfintegrity.org/issue/illicit-financial-flows/>.

<sup>4</sup> Adamoli, Sabrina. "Money laundering", *Britannica Encyclopedia*, 27 June 2023, <https://www.britannica.com/topic/money-laundering>.

<sup>5</sup> "Sanctions", *Britannica Dictionary*, <https://www.britannica.com/dictionary/sanction>.

## Terrorist Financing<sup>6</sup>

Giving money or other types of help to individuals or groups involved in terrorism is known as terrorist funding. Despite the fact that both paramilitary groups and terrorist organizations share characteristics like the use of violence and political purposes, there may be differences between them in terms of their operational emphasis and objectives. The methods and techniques used in the battle against terrorist financing may be applied to the problem of how paramilitary organizations are financed.

## Due diligence<sup>7</sup>

Due diligence is the practice of doing exhaustive research and evaluations in order to compile pertinent data and confirm the validity, trustworthiness, and integrity of people, organizations, or financial transactions. Strong due diligence practices must be put in place in order to detect and stop the flow of money to paramilitary organizations. Due diligence procedures are often used by financial institutions, governments, and international organizations in the fight against terrorist and illegal financing.

## Counter-financing<sup>8</sup>

The term "counter-financing" describes a range of strategies, directives, and policies designed to halt the flow of cash to unlawful actors, such as paramilitary groups. It is required to pinpoint the financial sources, routes, and methods, as well as to set up legal and regulatory frameworks, data collection, international coordination, and capacity development, in order to successfully counter these attempts.

## Narco-Paramilitaries<sup>9</sup>

Armed organizations called narco-paramilitaries work with drug cartels to commit crimes such drug trafficking, extortion, and violence. They frequently appear in areas with a high concentration of illegal drug manufacturing and trade, and they may pose as vigilantes or self-defense groups while pursuing their own criminal objectives. These organizations pose a serious threat to local law enforcement and stability.

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<sup>6</sup>“What is financing of terrorism?”, *International Monetary Fund (IMF)*, <https://www.imf.org/external/np/leg/amlcft/eng/aml1.htm>.

<sup>7</sup> “Due Diligence”, *Cambridge University Online Dictionary*, <https://dictionary.cambridge.org/dictionary/english/due-diligence>.

<sup>8</sup> “What is Counter-Terrorist Financing (CTF)?”, *Dow Jones*, <https://www.dowjones.com/professional/risk/glossary/financial-crime/counter-terrorist-financing/>.

<sup>9</sup>Human Rights Watch. “Paramilitaries’ Heirs: The New Face of Violence in Colombia”, *Human Rights Watch*, February 2010, [https://www.hrw.org/reports/colombia0210\\_insert\\_low\\_0.pdf](https://www.hrw.org/reports/colombia0210_insert_low_0.pdf).

## **Weapons of Mass Destruction (WMDs)<sup>10</sup>**

WMDs are nuclear, biological and chemical weapons able to cause widespread devastation, destruction and loss of life.

## **BACKGROUND INFORMATION**

### **Aim and future objectives**

To fully understand the current situation, it is essential to define paramilitary groups, understand their composition, and learn about their funding. Paramilitary forces are made up of a wide range of organizations that are typically driven by political, ideological, or aesthetic goals.

These groups could show up in places that are experiencing conflict, insurgency, or have inadequate governance. More specifically, paramilitary groups can be used as political means of suppressing opposing opinions. Through torture, various kinds of abuse, and enforced disappearances, they intimidate the general public and at the same time, establish no connection between the government and their own actions. Through such intimidation, they also manage to assert a sufficient level of control over the population. Consequently, paramilitary groups establish a safe base in such locations and expand their operations. During times of peace, paramilitary organizations usually protect government officials or facilities.

Paramilitary organizations continue to represent serious challenges in the modern world. They operate in a variety of settings, including post-conflict zones, regions with lax state authority, and places rife with political upheaval. The financing of paramilitary organizations has advanced in sophistication as a result of technological improvements and the exploitation of international financial systems. Beyond just causing regional instability, these actions also fuel the growth of organized crime, corruption, and terrorism.

Whether legitimate or illicit, their funding is necessary to keep their business running and maintain their expertise. Through financing, such groups are able to afford more technologically advanced equipment and therefore, increase their efficiency in operations. Correspondingly, the effectiveness of their interventions preserves a group's dominance in their own community.

### **Historical Background**

The long-lasting issue of finances for paramilitary organizations has evolved over time. Numerous historical examples demonstrate the numerous methods paramilitary groups have financed their operations. For instance, during past wars, such as the Cold War, state-sponsored paramilitary organizations were typically supported through official channels, while non-state actors resorted to criminal methods, such as smuggling and extortion. Understanding the

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<sup>10</sup> "Weapons of Mass Destruction", *Britannica Encyclopedia*, 15 June 2023, <https://www.britannica.com/technology/weapon-of-mass-destruction>.

historical context is important in order to better grasp the evolving dynamics and strategies employed by paramilitary organizations and those who support them.

### **Cold War Era**

During the Cold War, methods such as state sponsorship were vital for the financing of paramilitary groups. Governments created and provided funding for a sizable number of paramilitary organizations as part of their covert operations against opposing states or ideologies. Paramilitary groups were used as proxies in international conflicts, particularly by the Soviet Union and the United States. They provided these organizations with a lot of financial support, equipment, instruction, knowledge, and other resources so they could carry out military and nefarious acts.

With the help of funds from sponsoring countries and governments, paramilitary groups could conduct so-called clandestine operations, such as espionage, sabotage, assassinations, and subversion. The aim of such actions was to either intimidate the public or silence opponents of the government. In other words, the methods paramilitary groups specialized in were used as a political tool, an expansion of the governmental forces.

These groups frequently functioned in regions where using force directly was not wanted or politically feasible. The money they had at their disposal allowed them to do their business successfully, hire and train soldiers, purchase weapons, and establish safe havens. For instance, US Central Intelligence Agency (CIA) funded multiple paramilitary groups during the Cold War. However, the funding of these organizations was not restricted and many operations did not, eventually, accomplish their goals. Even if there were significant successful operations, such as the ones in Guatemala and Iran, the appointed paramilitary groups of the US during the Cold War did not fulfill all of their objectives. Nonetheless, the Soviet Union (USSR) also organized paramilitary groups, with responsibilities ranging from internal security to interventions in wars outside of the country's borders.

Thus, it is clear that paramilitary groups were heavily dependent on state governments during the Cold War. As previously mentioned, they served as an "expansion" of governmental forces and took up various responsibilities. In both global superpowers, however, paramilitary groups did not complete their objectives or faced difficulties such as corruption and lack of discipline.

### **Post-Colonial Conflicts**

Paramilitary groups gained notoriety during wars for dominance or independence in a number of post-colonial regions. Various outside parties, including foreign governments and actors based on economic interest, supported factions that backed their objectives, which was how these conflicts were sponsored. These gangs frequently

engaged in illicit activities like resource control, extortion, and smuggling in order to raise money.

Those conflicts were characterized by power struggles, racial tensions, territorial disputes, and ideological disagreements among newly independent governments. For a number of reasons, addressing the funding of paramilitary groups in post-colonial conflicts was challenging and difficult. More specifically, considering that state sponsorship was one of the most prevalent funding methods of the time, addressing the financing led to internal matters of the government being at risk of exposure as well.

Furthermore, the corruption evident in the structures of paramilitary groups severely hindered the financial operation and systems of the organizations. Lastly, the involvement of paramilitary activity in unlawful operations was hard to detect through methods such as money laundering. Naturally, it was impossible to combat and sever the financing of paramilitary groups with no direct evidence regarding the sources of their funds.

### **Narco-Paramilitaries**

Paramilitary groups have played a significant role in protecting drug cartels or establishing their dominance in regions where drug trafficking is a concern. Narco-paramilitaries are armed groups that collaborate with drug cartels to commit a range of crimes, including kidnapping, extortion, and illegal mining. They initially made the argument that they were self-defense groups protecting rural populations from guerrilla atrocities. However, a number of these groups eventually became deeply entangled in the drug trade and pursued their own illegal objectives. For instance, paramilitary groups in Colombia are known to be involved in the drug trade and to use the proceeds to finance their operations and upgrade their weapons.

### **Paramilitary groups in conflict zones and insurgencies**

Paramilitary organization funding is very common in places plagued by insurgency and conflict zones. Money is frequently obtained in these circumstances by a number of criminal activities, including the smuggling of goods, the exploitation of natural resources, the trafficking in persons, and kidnapping with the intent to demand ransom. These activities provide paramilitary groups with the funds they need to continue operating and further their mission. What causes them? Addressing the funding of paramilitary groups in insurgencies and conflict zones is a challenging and complex task. These organizations usually conduct business in regions with deficient political stability, weak governance, and ongoing armed conflicts.

### **Globalization and Transnational Criminal Networks**

Globalization and transnational networks have altered the world by promoting interconnectedness, promoting collaboration, and enabling the exchange of ideas and resources

across borders. They have created new opportunities for growth and development while also creating challenging issues that call for capable global governance.

Regardless of the positive effects, globalization has led to an increase in the use of transnational criminal networks by paramilitary groups to finance their operations. These networks enable money laundering, arms trafficking, and other illegal financial activities, while also enabling paramilitary organizations to operate internationally and acquire funding from a number of sources. Members of such organizations take advantage of the open borders and free markets as a means of expanding their funds, while simultaneously making it difficult to pinpoint their financial sources. At the same time, the open borders and easier travel to other countries make it easier for paramilitary organizations to intimidate the general public, ensure their domination and establish a strong basis in different regions, which are mostly under states with weak democratic institutions.

The interconnectedness of today's transnational criminal network has also facilitated the exploitation of advanced technology by paramilitary and terrorist groups. Ergo, disarmament efforts, as well as stricter border controls, are vital in order to not only prevent paramilitary activity but their operations and financing systems as well.

### **Methods and Sources of Funding for Paramilitary Groups**

Paramilitary groups raise money for their operations through a variety of strategies and channels. Drug trafficking, illegal arms trade, merchandise smuggling, human trafficking, kidnapping for ransom, and resource exploitation are common examples of illicit financial methods. These groups also engage in money laundering practices, making it difficult to pinpoint the source of their funds to legitimate the proceeds of their unlawful activities. Paramilitary groups can use legal financial institutions like charities, front companies, and shell corporations to disguise their illicit activities.

### **The Reasons Behind Paramilitary Group Financing**

Finances for paramilitary groups come from a variety of sources, which become impossible to recognize through the abovementioned strategies of paramilitary troops. On the basis of political, racial, or ideological grievances, these groups are regularly supported and recruited by people who seek to advance their objectives through violence. Economic motivations also play a significant role, as paramilitary groups earn from illegal activities like extortion, human trafficking, the smuggling of firearms, as well as the trafficking of drugs and other contraband. Ineffective political systems, corruption, and the presence of organized crime all contribute to the continuous funding of paramilitary groups. In other words, weak democratic institutions enable the further domination of paramilitary groups through violent means. Also, the lack of military discipline or equipment by such countries makes it easier for paramilitary

forces to establish bases in their territories and to prevent the discovery of their financing systems.

### **The importance of technology and financial systems in combatting the financing of paramilitary groups**

To track and analyze financial transactions relating to paramilitary groups, advanced technologies such as data analytics, artificial intelligence, and machine learning can be used. These tools can spot patterns, pick up on suspect activity, and assist in identifying the money-making networks that fund these organizations. For example, Financial Intelligence Units (FIUs) intervene in suspicious transactions and thus, hinder the funding of paramilitary groups.

Digital forensics can also play a catalytic role in combatting the financing of paramilitary groups. Tools and techniques used in digital forensics are essential for identifying and punishing those responsible for funding paramilitary organizations. They assist in gathering and analyzing electronic evidence from hardware, networks, and online databases, revealing important details about these organizations' financial operations. Along with international cooperation on a judicial level, digital forensics will contribute to the legal prosecution of such individuals, as well as the discovery of their own plans.

Lastly, monitoring blockchain transactions is crucial as cryptocurrencies are increasingly used for illegal purposes, including funding paramilitary organizations. Considering that blockchain transactions provide a certain level of anonymity in transactions, their monitoring and investigation by financial intelligence units or by the Financial Action Task Force (FATF) is of utmost importance. The reason behind this is the fact that investigating blockchain transactions will make the pinpointing of financial sources much easier. That way, governments, and international initiatives will be able to report and restrict the sources of funding more effectively and in a shorter amount of time.

To stop the funding of paramilitary organizations, it is essential to strengthen financial regulations and anti-money laundering (AML) regimes. To stop illicit monies from entering the legitimate financial system, governments must establish effective AML measures, such as know-your-customer (KYC) rules, reporting duties, and transaction monitoring. Through such regimes, the identification of individuals participating in unlawful transactions will be conducted more easily. Of course, international cooperation is vital in confronting the financing networks of paramilitary activity. Cross-border financial flows that fund these organizations can be stopped by sharing financial intelligence, coordinating operations, and harmonizing rules and legal frameworks.

## **MAJOR COUNTRIES AND ORGANIZATIONS INVOLVED**



### **United States of America (USA)**

The United States has led the charge in the fight against the funding of paramilitary organizations. In order to identify and dismantle illegal finance networks, it has adopted stringent laws like the USA Patriot Act and created specialized organizations like the Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN). Additionally, the United States immensely backs international projects and offers technical support to nations battling the funding of paramilitary groups. The funding of paramilitary organizations is not particularly covered by any treaties that the US has ratified. However, the United States actively engages in and backs numerous international accords and projects designed to fight the funding of terrorism, illegal financial flows, and transnational organized crime, which indirectly help to address the funding of paramilitary groups. Additionally, the US has domestic laws and rules that aim to target and obstruct the funding of such organizations.

### **United Kingdom (UK)**

To combat illegal finance, particularly that of paramilitary organizations, the United Kingdom has created a comprehensive legal and regulatory framework. It has passed laws like the Proceeds of Crime Act and the Terrorism Act, which give investigators and prosecutors the means to pursue individuals responsible for funding paramilitary actions. Through its participation in the Financial Action Task Force (FATF), among other international efforts, the UK also takes a proactive role. Through a number of initiatives, the UK significantly contributes to the fight against the funding of paramilitary groups. The country has put in place strong legal and regulatory mechanisms to prevent money laundering and terrorism financing, indirectly aimed at the funding of paramilitary groups as well. The UK actively contributes to global efforts to eliminate paramilitary finance by working with international allies, exchanging intelligence, and taking part in multilateral initiatives to disrupt the financial networks sustaining these organizations.

### **European Union (EU)**

To combat the funding of paramilitary organizations, the European Union (EU) has implemented a number of policies. These include rules on freezing and seizing the profits of crime as well as EU Directives on countering money laundering and terrorist funding. Additionally, the EU offers financing aid to nations affected by funding from paramilitary organizations, notably under its instrument contributing to stability and peace. Through a number of initiatives, the European Union (EU) assists in addressing the funding of paramilitary organizations. For example, the EU provides funding for research and projects on extreme and radical ideologies. It provides two guidelines regarding the prevention of terrorism in its Counterterrorism Agenda, thus having a proactive role in resolving the issue at hand. In order to increase governance, improve financial transparency, and abolish money laundering, it provides financial and technical support. In an

effort to reduce the funding available to paramilitary organizations, the EU additionally enforces targeted sanctions, freezes assets, and supports attempts to disrupt illicit financial flows.

### **Financial Action Task Force (FATF)**

The FATF is an intergovernmental body, founded in July 1989, that establishes global norms and encourages practical steps to stop the funding of terrorism, money laundering, and the spread of weapons of mass destruction. In 2001, the task force expanded its mandate, in order to focus on resolving the pressing issue of terrorism financing. The FATF has created a set of guidelines known as the FATF Recommendations, which offer a framework for nations to address the financing of paramilitary groups and put policies in place to stop and uncover illegal financial flows. To combat the funding of terrorism, money laundering, and other threats to the integrity of the financial system, the FATF establishes international norms and standards. These standards provide a framework for countries to implement effective counterterrorism finance policies. Risk assessment and information sharing are encouraged by the FATF in order to identify flaws and emerging trends in terrorism financing. It encourages governments to share financial intelligence, enabling speedy identification and investigation of dubious activities and groups that support terrorism.

### **United Nations Office on Drugs and Crime (UNODC)**

Generally, the United Nations is a key player in the fight against the funding of paramilitary organizations. For instance, the UN Security Council has passed resolutions banning the funding of terrorism, which includes funding for paramilitary organizations. Nonetheless, The United Nations Office on Drugs and Crime takes a more active and specialized role in the prevention of financing paramilitary groups. It offers Member Nations technical support in preventing illegal money flows, notably, those connected to paramilitary organizations. Furthermore, the UN agency organized a conference on combatting terrorist funding in 2005. Through this action, more attention was drawn to the sources of the funds and vulnerability as a factor leading to terrorism. Lastly, the organization has been and is collecting information in order to establish a counter-narcotic policy that will prevent terrorist funding as well.

### **Financial Intelligence Units (FIUs)**

The Financial Crimes Enforcement Network (FinCEN) in the US, the Financial Intelligence Unit-India (FIU-IND), and the Financial Intelligence Centre (FIC) in South Africa are a few examples of FIUs. Financial Intelligence Units are national organizations tasked with collecting, analyzing, and sharing information on money laundering, terrorism funding, and other illegal financial activity. These teams are essential in identifying and looking into the funding of paramilitary organizations. They also specialize in dealing with suspicious transactions and are based on existing legal frameworks and counterterrorism measures to function properly. To add to that, FIUs can be established by the judicial power of a government, meaning that it can intervene by

seizing and freezing assets, interrogations, detentions, and investigations. Other than that, FIUs can exist along with national law enforcement authorities, actively severing the financing of paramilitary groups.

### International Financial Institutions

International financial institutions that handle paramilitary group financing include the World Bank and the International Monetary Fund (IMF). They offer financial aid, technical support, and capacity-building initiatives to help paramilitary-affected nations rebuild their financial systems, enhance governance, and stop illicit cash flows. Additionally, international financial institutions also offer support in the form of funds to nations affected by conflicts or at risk of receiving funding from paramilitary groups. They allocate those funds to support security sector reforms, foster economic growth, and implement programs that address the root causes of conflicts and instability. It is also worth mentioning that such institutions offer technical support and capacity-building to Member Nations. At the same time, they assist them in developing an adequate financial system, enhancing and improving governance finances, as well as implementing policies to prevent illicit financial flows.

In order to combat the funding of paramilitary groups, international financial institutions offer policy recommendations and guidance to Member States. More specifically, they provide suggestions for the improvement of regulatory frameworks as a means of increasing transparency. They also promote good governance practices to sever the financing of such groups. Lastly, one of the main objectives of these organizations is to enhance coordination and collaboration at an international level. Usually, such institutes facilitate collaboration among Member Nations, regional organizations, and other stakeholders. In order to achieve this, they encourage intelligence and information sharing regarding effective practices and guidelines which can strengthen the prevention of paramilitary and terrorism financing.

### TIMELINE OF EVENTS

DATE	DESCRIPTION OF EVENT
16 July 1989	The Financial Action Task Force (FATF) is established as an intergovernmental organization to develop and promote policies to combat money laundering and terrorist financing
9 December 1999	The UN adopts the International Convention on the Suppression and Financing of Terrorism. This convention aims to prevent

	and combat the financing of terrorism, including paramilitary groups
28 September 2001	The UN Security Council adopts Resolution 1373, which calls upon member states to criminalize the financing of terrorism and enhance international cooperation in this regard
2001	The Financial Action Task Force (FATF) expands its mandate and focuses on tackling the financing of terrorist organizations
29 September 2003	The UN Convention against Transnational Organized Crime, also known as the Palermo Convention, is adopted. It includes provisions to prevent and suppress the financing of organized criminal groups, which can include paramilitary organizations
14 September 2005	The UN Security Council adopts Resolution 1624, which focuses on countering the incitement of terrorism, including measures to address the financing aspect
9 November 2005	The United Nations Office on Drugs and Crime (UNODC) organizes a conference on combatting terrorist funding, highlighting the importance of locating the financial sources of terrorist and paramilitary groups
2015	The FATF updates its standards to address the financing of terrorism, providing guidance to member states on implementing effective measures against terrorist financing
12 December 2016	The UN Security Council adopts Resolution 2322, which urges member states to intensify efforts to combat the financing of terrorism

	and prevent the flow of funds to extremist groups, including paramilitary organizations
2018	The FATF updates its recommendations to strengthen the global framework against money laundering and terrorist financing,

## RELEVANT UN RESOLUTIONS, TREATIES AND EVENTS

### United Nations Security Council Resolution 1373 (2001)<sup>11</sup>

Resolution 1373 (2001) of the UN Security Council highlights the necessity of all Member States severing or at least preventing the financing of paramilitary and terrorist organizations. Also, it encourages international cooperation and intelligence sharing, in order for Member States to be aware of the movements of terrorist organizations. To add to that, a Committee of the Security Council is to be created, according to the resolution. Its mandate will focus on monitoring if the resolution is effectively implemented. The success of such a resolution is, naturally, dependent on how the Member States have implemented its rulings and if they still abide by them. Still, the criteria for the designation and identification of members of terrorist groups are taken into consideration at an international level. Therefore, it is undeniable that the document served as a basis for the prevention of funding for terrorist and paramilitary groups as well as their identification.

### United Nations Security Council Resolution 1624 (2005)<sup>12</sup>

This resolution focuses on preventing the inciting of terrorism and highlights how crucial it is to combat terrorism financing as part of all-encompassing counterterrorism efforts. It condemns terrorist acts and encourages the strengthening of cooperation between Member States. Furthermore, the document focuses on the enhancement of regional and international dialogue, as well as reporting to the Counter-Terrorism Committee. Even though acknowledging the negative impact of terrorism and encouraging the severing of its financing is an important first step, this alone cannot provide a solution to the funding of paramilitary groups, considering that such operations are still happening today. Therefore, the effectiveness of this resolution is questionable: in order for it to be deemed successful, it is vital that other, stricter and more

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<sup>11</sup> UN Security Council. "Resolution 1373", *United Nations Digital Library*, 28 September 2001, <https://digitallibrary.un.org/record/449020?ln=en>.

<sup>12</sup> UN Security Council. "Resolution 1624", *United Nations Digital Library*, 14 September 2005, <https://digitallibrary.un.org/record/556538>.

effective, measures, are implemented as well. Also, Member States are obliged to abide by the rulings of the resolution, considering that this aspect also affects the success of a resolution.

### **United Nations Security Council Resolution 2322 (2016)<sup>13</sup>**

Resolution 2322 of the Security Council calls on Member States to step up their efforts to combat terrorist funding and stop the flow of money to extremist organizations, particularly paramilitary groups. The main aim of the document is to enhance and strengthen cooperation on a judicial level, in order to prevent and legally prosecute terrorists and generally, members of paramilitary forces. At the same time, the Security Council calls for the establishment of broad legal frameworks that will allow international cooperation and easier exchange of information. If the access of countries to such bodies such as Interpol and the Financial Action Task Force (FATF) is extended, then it is clear that the arrest and prosecution of such individuals will become much easier. However, local and national authorities should firstly focus on establishing cooperation with other countries as well as the careful monitoring of those people. The resolution can be deemed successful since its measures were mentioned in later documents including Resolution 2396 of 2017. Lastly, through regular reports on the effectiveness of its rulings, the effectiveness of the resolution is closely monitored.

### **United Nations International Convention on the Suppression and Financing of Terrorism (1999)<sup>14</sup>**

The United Nations enacted the International Convention on the Suppression and Financing of Terrorism in 1999 with the intention of preventing and combating the financing of terrorism, especially paramilitary organizations. Its main objective is to promote international cooperation and to adopt sufficient measures to combat terrorist funding. Also, perpetrators of terrorism will be punished and prosecuted accordingly. Even if the resolution provides significant steps in tackling the financing of paramilitary and terrorist groups, several concerns have arisen because of it. Many believe that the convention serves as a means of highlighting the current situation, rather than resolving it. It does not provide a clear definition of terrorism, making it difficult to distinguish its applicability. Therefore, the convention's effectiveness is dependent on a Member State's interpretation, since the convention does not go into depth about the problems caused by terrorism funding. Due to the unclear definition of terrorism and transparency, its implementation becomes more complicated. Therefore, aspects of the convention can undeniably be considered ineffective.

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<sup>13</sup> UN Security Council. "Resolution 2322 (on international judicial cooperation in countering terrorism)", *United Nations Digital Library*, 12 December 2016, <https://digitallibrary.un.org/record/852020/>.

<sup>14</sup> United Nations. "International Convention for the Suppression of the Financing of Terrorism", *United Nations*, 1999, <https://www.unodc.org/documents/treaties/Special/1999%20International%20Convention%20for%20the%20Suppression%20of%20the%20Financing%20of%20Terrorism.pdf>.

## **PREVIOUS ATTEMPTS TO SOLVE THE ISSUE**

### **Financial Action Task Force (FATF) Recommendations and Strategy on Combatting Terrorist Funding**

The Financial Action Task Force (FATF) is an intergovernmental body that creates and supports regulations to stop the funding of terrorism and money laundering. It has released a number of studies, guidelines, and suggestions to help member governments address the funding of paramilitary organizations. Through its recommendations, the task force provides clear guidelines in order to prevent the financing of proliferation and terrorism, as well as money laundering. Further, it highlights important steps in order to strengthen local authorities and improve international cooperation, as well as transparency regarding the identification and prosecution of persons. It is important to consider that FATF Recommendations are constantly revised to improve the measures needed to combat the financing of terrorism and paramilitary groups. Due to the commitment of the FATF regarding the creation of policies opposing counter-terrorism and the constant revision of its guidelines, the recommendations can be deemed successful. Not only do they serve as a fundament for nations to develop their own frameworks on the issue, they also manage to adapt to the current status of terrorism and paramilitary financing.

### **International Monetary Fund (IMF) and World Bank Initiatives**

The World Bank and IMF have collaborated on projects to stop illegal money flows, especially those connected to paramilitary organizations. These programs seek to increase member-state collaboration, expand financial transparency, and enhance regulatory frameworks. Through its financial monitoring, technical help, and policy suggestions, the International Monetary Fund (IMF) significantly contributes to the effort to address the financing of paramilitary groups. The IMF's main goal is to support global economic stability and growth, but it also works to fight against illicit money flows and advance good governance.

Overall, the measures run by the World Bank and the IMF show how to tackle the financing of paramilitary organizations in a thorough and diversified manner. In order to strengthen financial systems, enhance governance procedures, and address the underlying causes of illicit money flows, these initiatives combine financial aid, technical help, policy proposals, and cooperative partnerships. To respond to new difficulties and guarantee that these activities continue to be effective, continuous review, flexibility, and adaptation are however required. In order to promote a cogent and uniform worldwide response to transnational organized crime, tight coordination with other international institutions, such as the United Nations, is essential.

## **Sanctions Regimes**

Various sanctions regimes have been adopted by the UN Security Council to target particular paramilitary organizations or geographic areas involved in such actions. These governments employ asset freezes, travel restrictions, and other restrictions in an effort to break up the financial networks that sustain paramilitary groups. The United States Office of Foreign Assets Control (OFAC) designation program is one significant sanction scheme aimed at tackling the financing of paramilitary groups. The U.S. Department of Treasury's OFAC agency is in charge of executing economic and trade sanctions against specified people, organizations, and nations. To stop the funding of paramilitary organizations and undermine their financial networks, sanctions regimes like those enacted by the UN Security Council and the US Office of Foreign Assets Control (OFAC) can be a useful instrument. These measures are intended to put financial pressure on certain people, groups, or regions in order to prevent them from engaging in unlawful activity and to lessen their financial support.

## **POSSIBLE SOLUTIONS**

### **Strengthening International Cooperation and Intelligence Collecting**

GA1 must encourage Member States to establish closer ties and information-sharing mechanisms to track and combat illegal financial flows. By collaborating with international organizations and financial institutions, we can create a unified effort to identify and prevent suspicious transactions effectively. Furthermore, intelligence agencies should work hand-in-hand to gather and analyze critical data related to money laundering and terrorist financing, thereby enhancing our capacity to curb illicit financial activities.

Another measure that could enhance the already existing intelligence-collecting mechanisms is the widespread adoption of robust KYC policies by businesses and financial institutions worldwide. These policies would require financial entities to thoroughly verify the identities of their customers and conduct risk assessments to detect potential illicit activities. By doing so, we can pinpoint and report suspicious transactions and individuals, making it harder for criminals to exploit the global financial system.

### **Creating impartial anti-corruption organizations and adopting adequate whistleblower protection measures**

In order to combat political patronage and corruption regarding paramilitary groups, it is vital to create third-party organizations and encourage their intervention. These impartial organizations could investigate and report, with sufficient financial funds, corruption in the financing system of paramilitary groups. However, in order for such corruption to be exposed in



the first place, the already existing whistleblower protection measures should be strengthened. For example, legal protection, confidentiality, and anonymity should be enjoyed by whistleblowers, in order to encourage more people to speak out about the atrocities committed by paramilitary groups as well as their way of functioning. That way, whistleblowers do not find themselves at high risk of losing their life. Be that as it may, strong democratic institutions, as well as efficient security and disarmament measures, are vital for such an approach to be deemed successful.

### **Strengthening current international structures and initiatives**

It is a fact that international cooperation is vital for preventing the financing of paramilitary groups. Member Nations could and should be encouraged to take part in bilateral and international accords aiming at severing and restricting the funding of paramilitary organizations. Through intelligence exchange regarding investigation methods, initiatives such as the Financial Action Task Force (FATF) can be immensely enhanced, as far as their structure is concerned. In cooperation with local law enforcement authorities, these initiatives can guarantee that anti-money laundering regulations are effectively implemented worldwide and simultaneously intervene in suspicious transactions. It is vital to prioritize the bolstering of law enforcement efforts to combat unlawful trades involving drugs, weapons, human trafficking, and illegal wildlife trade. These trades provide paramilitary organizations with significant financial resources, which fuel their activities and destabilize regions. By investing in specialized training and resources for law enforcement agencies, we can dismantle these revenue streams and disrupt their operations.

Lastly, it is also important to consider that international cooperation will serve as a means of regional and international security since the detention and prosecution of individuals involved in paramilitary and terrorist groups will be conducted easier. Therefore, it is essential to strengthen the structure of initiatives in the combatting of paramilitary groups' funding through enhanced security measures, collaboration, and information exchange as a means of identifying and arresting involved individuals.

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