

Forum: Economic and Social Council (ECOSOC)

Issue: Mitigating the socioeconomic consequences of financing paramilitary groups

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TOPIC INTRODUCTION

Paramilitary groups' funding is not a purely military or security issue but an important socioeconomic challenge. Even though these groups exist beyond the state structures, they may have weapons, territories, political power, and financial resources. In many areas of conflict, paramilitary organizations are funded through illegal flows of money, money laundering, weapons dealing, organized crime, trafficking of natural resources, international funding, and personal funding. Such kind of financing ensures that these organizations have an ability to recruit people, acquire weapons, control communities, and conduct violence during a long time period.¹

Such kind of financing may have a negative impact on the local communities. When paramilitary groups are funded sufficiently, they may destabilize the local economy through extortion, stealing humanitarian aid, and controlling transport. This leads to the closure of companies, job losses, and impoverishment of the civilian population. Territories affected by conflict and violence suffer from the delayed development because of destroyed infrastructure, decreased investments, and additional funding required for security measures instead of public services like education and healthcare.²

The Financing of paramilitary groups hampers the functioning of government institutions and the trust citizens place into them. Paramilitary organizations may use bribery, intimidation, and political influence to impact the actions of the police, courts, border control, and other government agencies. Consequently, corruption emerges and complicates the process of enforcing laws. As pointed out by the United Nations Office on Drugs and Crime, organized

¹ United Nations Security Council. Resolution 2462. *United Nations*, 2019, [https://docs.un.org/en/S/RES/2462\(2019\)](https://docs.un.org/en/S/RES/2462(2019)).

² World Bank. "Fragility, Conflict and Violence." *World Bank*, <https://www.worldbank.org/ext/en/topic/fragility-conflict-and-violence>.

crime hinders the progress in the political, social, and economic areas of life, especially in cases when organized crime groups cooperate with corrupt officials.³

Moreover, due to the international nature of the problem of paramilitary financing, weapons, mercenaries, and illegal goods can freely flow from one country to another through the informal communication channels and the inefficient financial system. Any country alone cannot solve the issue. To tackle the problem, countries should take efficient measures against money laundering, improve the cooperation at the borders, regulate the arms transfers, control informal money transfer networks, and prevent the smuggling of conflict resources.

DEFINITION OF KEY-TERMS

Paramilitary Groups

“Armed Groups that operate outside or alongside regular state armed forces.”⁴

Illicit Financial Flows

“Cross-border movements of money that are illegal in their source, transfer or use.”⁵

Terrorist Financing

“The provision of funds intended to support terrorism and terrorist acts.”⁶

³ United Nations Office on Drugs and Crime. “Transnational Organized Crime: The Globalized Illegal Economy.” UNODC, <https://www.unodc.org/toc/en/crimes/organized-crime.html>.

⁴ International Committee of the Red Cross. “Armed Groups.” *How Does Law Protect in War?*, ICRC, https://casebook.icrc.org/a_to_z/glossary/armed-groups.

⁵ International Monetary Fund. “The IMF and the Fight Against Illicit Financial Flows.” IMF, 2023, <https://www.imf.org/en/about/factsheets/sheets/2023/fight-against-illicit-financial-flows>.

⁶ United Nations Security Council. *Resolution 1373 (2001)*. United Nations, 2001, <https://digitallibrary.un.org/record/449020>.

Money Laundering

“The processing of income obtained with illegal means in order to disguise their criminal origin.”⁷

Sanctions Evasion

“The use of methods, for instance shell companies and hidden ownership to bypass Sanctions.”⁸

Arms Trafficking

“The unauthorized import, export or transfer of firearms, parts of firearms or ammunition.”⁹

Organized Crime

“Criminal activity carried out by an organized group of people for benefit.”¹⁰

State Sponsorship

⁷ United Nations Office on Drugs and Crime. “Money Laundering.” *UNODC*, <https://www.unodc.org/romena/en/money-laundering.html>.

⁸ Financial Action Task Force. *Complex Proliferation Financing and Sanctions Evasion Schemes*. FATF, 2025, <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Complex-PF-Sanctions-Evasions-Schemes.pdf.core.download.inline.pdf>.

⁹ United Nations. *Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition*. United Nations, 2001, https://treaties.un.org/doc/source/recenttexts/18-12_c_e.pdf.

¹⁰ United Nations Office on Drugs and Crime. “Definition in Convention.” *Education for Justice: Organized Crime Module 1*, UNODC, <https://www.unodc.org/e4j/zh/organized-crime/module-1/key-issues/definition-in-convention.html>.

“Direct or indirect government support to terrorist groups through weapons, funding or logistical support.”¹¹

BACKGROUND INFORMATION

Sources of Financing for Paramilitary Groups

It is essential for paramilitary forces to have a variety of flexible finance sources to enable them to survive, gain more power and influence with the locals. Unlike regular military forces which are normally funded from the national budget, para-military forces are normally funded through secret and sometimes illegal financing avenues. Financing sources for these forces may include organized crime, foreign funding, individual funding, taxes, smuggling, kidnapping and exploitation of resources.¹²

Yet another major source of finances is from illegal trade. In most conflict zones, paramilitary groups make use of drug trade, arms trade, human trafficking, fuel trade, animal trade and illegal trade of natural resources such as gold, diamonds, oil, charcoal, and minerals.¹³ The United Nations Security Council is aware of the possibility of deriving finances from transnational organized crimes and illegal trade of natural resources by armed and terrorist groups.

International assistance can also be considered as a valuable way of raising funds. Some paramilitary groups receive assistance in the form of financing, weapons, training, information, or logistics from foreign governments, foreign political groups, or even foreign diasporas. This assistance might be direct, i.e., providing weapons, or indirect, such as giving freedom to cross the international border to fight.¹⁴ International assistance helps to increase the strength of certain paramilitary organizations and continues the struggle.

¹¹ United Nations General Assembly. *Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States*. United Nations, 1970, https://treaties.un.org/doc/source/docs/A_RES_2625-Eng.pdf.

¹² United Nations Security Council. *Resolution 2462 (2019)*. United Nations, 2019, [https://docs.un.org/en/S/RES/2462\(2019\)](https://docs.un.org/en/S/RES/2462(2019)).

¹³ United Nations Security Council. *Resolution 2195 (2014)*. United Nations, 2014, <https://digitallibrary.un.org/record/785567>.

¹⁴ Financial Action Task Force. *Crowdfunding for Terrorism Financing*. FATF, 2023, <https://www.fatf-gafi.org/en/publications/Methodsand Trends/crowdfunding-for-terrorism-financing.html>.

Apart from this, paramilitary groups are able to finance their operations through the imposition of illegal taxes and charges on the communities that come under their control. Moreover, these groups indulge in theft of humanitarian aid and extortion of money from businesses and civilians residing in the territories controlled by them. This has socio-economic implications for the communities residing there due to loss of income and availability of public utilities through coercion.

Contributions and fundraising are no less important sources of financing. Financing is obtained through charities, religious associations, websites on the Internet, and financial transfers. Although a majority of the collected money are legal and humanitarian, the Financial Action Task Force notes that crowdfunding and online fundraising might be utilized by violent organizations to collect funds from their sympathizers in foreign countries. It becomes rather difficult to distinguish between humanitarian aid and financing of violence.¹⁵

Socioeconomic Effects on Civilian Populations

The financing of paramilitaries affects the lives of common people through increased poverty, unemployment, displacement, food insecurity, and lack of access to basic services. The reason behind that is illegal financing of armed groups through any means, such as illegal trading, foreign funding, extortion, and organized crimes helps the groups get the ability to control territories and threaten civilians. In such situation, businesses might be closed, farmers might leave their farms, thus making the people poorer and dependent economically.¹⁶

Unemployment also increases among the civilians living in the regions where paramilitary groups exist due to the same reasons. Violence decreases investments, destroys infrastructure, and makes people live in a dangerous environment. In addition, there is also a possibility that youth may join armed groups because of the lack of legal job positions.¹⁷

Another consequence is displacement. People leave the regions due to armed conflicts between paramilitaries for the control over territory, attacks on villages, and threats in order to get support. According to the UNHCR, the reasons for displacement among civilians across the world are mainly conflicts and violence.¹⁸

¹⁵ United Nations Office on Drugs and Crime. "Drug Trafficking and the Financing of Terrorism." *UNODC*, <https://www.unodc.org/unodc/en/frontpage/drug-trafficking-and-the-financing-of-terrorism.html>.

¹⁶ World Bank. "Fragility, Conflict and Violence." *World Bank*, <https://www.worldbank.org/ext/en/topic/fragility-conflict-and-violence>.

¹⁷ United Nations Development Programme. *Journey to Extremism in Africa: Pathways to Recruitment and Disengagement*. UNDP, 2023, <https://www.undp.org/publications/journey-extremism-africa-pathways-recruitment-and-disengagement>.

¹⁸ United Nations High Commissioner for Refugees. *Global Trends Report 2024*. UNHCR, 2025, <https://www.unhcr.org/global-trends-report-2024>.

Food insecurity is related to paramilitary funding as well. Armed groups can rob farmers of their produce, hinder humanitarian aid, interfere with transportation routes, and demand extortion from citizens on the food they transport. According to the World Food Programme, conflict remains one of the factors contributing to food insecurity.¹⁹

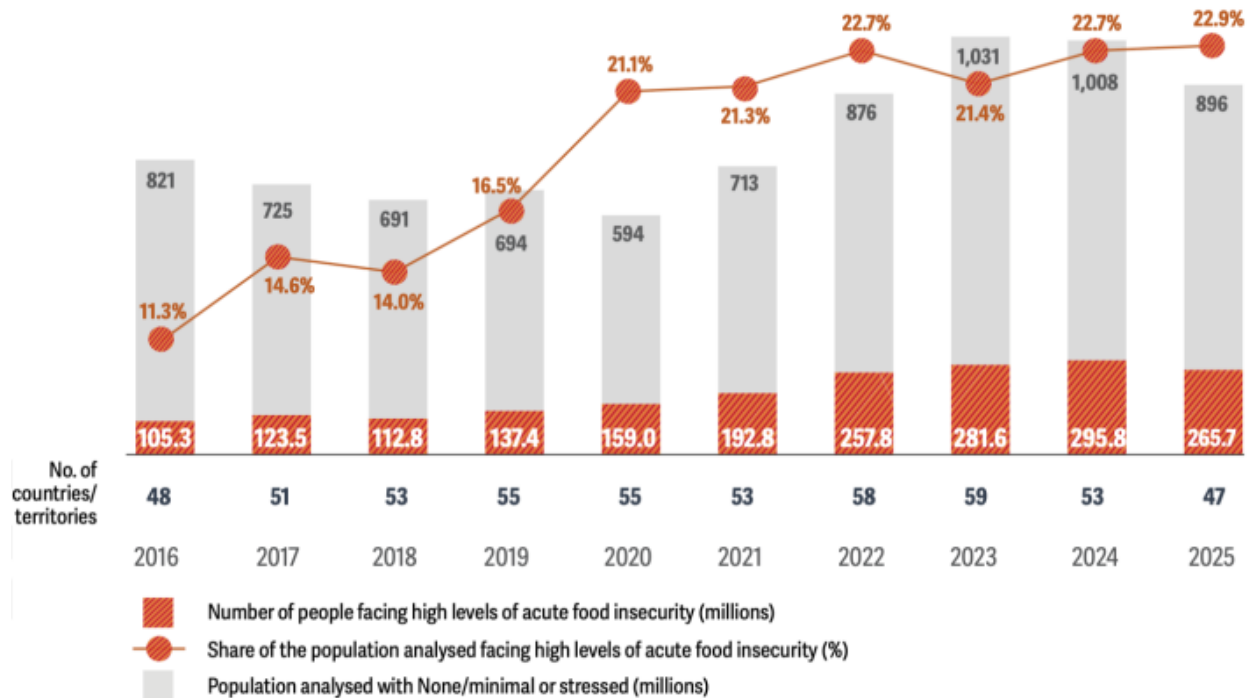


Figure 1: Graph Depicting the number and share of people facing high levels of acute food insecurity.²⁰

Lastly, there is limited access to education and healthcare. Schools and hospitals can be burned, seized, poorly financed, or become unsafe places for civilians. This way, children will miss out on a proper education while injured and sick people will not have an opportunity to seek necessary medical attention. Thus, paramilitary funding is a problem that threatens civilian lives on multiple levels.²¹

¹⁹ World Food Programme. "Conflict and Hunger." WFP, <https://www.wfp.org/conflict-and-hunger>.

²⁰ European Commission Joint Research Centre. "Food Crises: No Respite as 1.4 m People Suffer the Most Severe Level of Food Insecurity in 2025." *European Commission*, 24 Apr. 2026, https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/food-crises-no-respite-14-m-people-suffer-most-severe-level-food-insecurity-2025-2026-04-24_en.

²¹ UNICEF. "Children under Attack." *UNICEF*, <https://www.unicef.org/children-under-attack>.

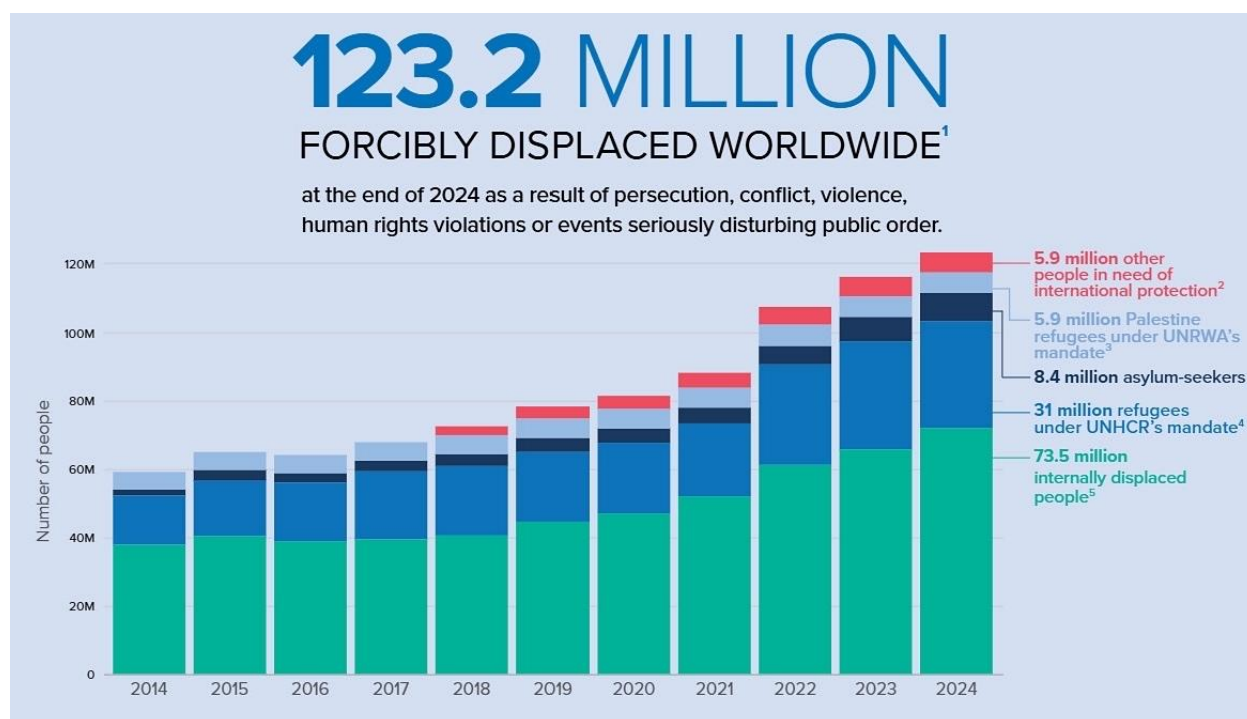


Figure 2: Image depicting the rise of global forced displacement.²²

Impact on Government, Development and Public Institutions

Paramilitary organization financing can severely damage the legitimacy of the state, as the armed individuals receive an opportunity to challenge the state institutions. In case paramilitaries are funded, armed with weapons, involved in criminal activities, they receive an opportunity to take control over the territory, to offer security services, to collect illegal taxes, and to challenge the monopoly of the state to the use of force. This hinders the ability of the state to govern its territory, to provide basic services to the people.²³

Financing paramilitaries leads to corruption in the public sector institutions. Paramilitaries can bribe policemen, border police officers, judges, politicians, and customs officials in order to make money illegally. According to the UNODC, the organized criminal groups use corruption in

²² United Nations High Commissioner for Refugees. *Global Trends: Forced Displacement in 2024*. UNHCR, 2025, <https://www.unhcr.org/sites/default/files/2025-06/global-trends-report-2024.pdf>.

²³ Financial Action Task Force, Comprehensive Update on Terrorist Financing Risks, *FATF*, July 2025, www.fatf-gafi.org/content/dam/fatf-gafi/publications/Comprehensive-Update-on-Terrorist-Financing-Risks-2025.pdf.coredownload.inline.pdf.

order to get access to the political, economic, and social sectors and to seize the resources of the public sector (health care, education, and development).²⁴

Development is additionally hindered by the misallocation of funds which either belongs to the government or are international aid funds and which were supposed to be directed to the development of the economy of the country but have instead been misappropriated to security issues. The countries faced with paramilitary financing are bound to direct more funds to military operations, emergency response measures, and reconstruction but will lack enough funds for education, health, infrastructure development, and job creation.

The World Bank has indicated that fragility, conflict, and violence lead to the degradation of institutions and inhibit the process of poverty reduction and sustainable development in the respective states.²⁵

Finally, it negatively impacts public trust. When there is no lawfulness among armed groups and officials are seen to be corrupt, citizens will not trust the state. This will result in the reluctance of citizens to report crimes, pay taxes, participate in voting and cooperate with the officials. Corruption according to Transparency International is an issue which inhibits democratic processes and economic development.²⁶

²⁴ United Nations Office on Drugs and Crime, "Organized Crime and Human Trafficking," Thematic Areas in Anti-Corruption, *UNODC*, www.unodc.org/corruption/en/learn/thematic-areas/organized-crime-and-human-trafficking.html.

²⁵ World Bank, "Fragility, Conflict and Violence," *World Bank Group*, www.worldbank.org/ext/en/topic/fragility-conflict-and-violence.

²⁶ Transparency International, "Corruption Perceptions Index 2025," *Transparency.org*, 10 Feb. 2026, www.transparency.org/en/cpi/2025.

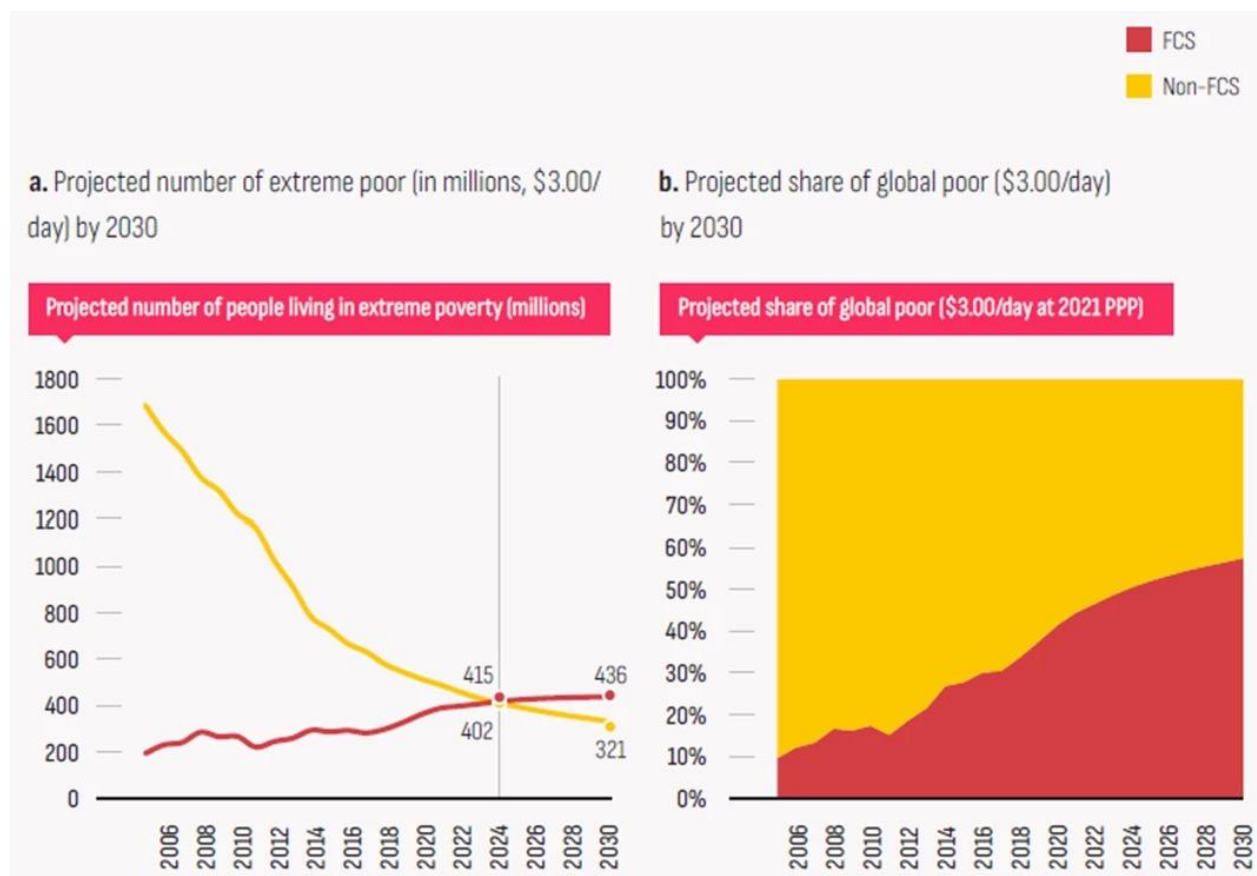


Figure 3: Image depicting how extreme poverty is becoming increasingly concentrated in conflict-affected areas.²⁷

MAJOR COUNTRIES AND ORGANIZATIONS INVOLVED

United States of America (USA)

The United States of America (USA) has been important through sanctions, counter-terrorist financing, and investigations into financial flows supporting armed factions and their backers. Using the Department of the Treasury, the USA has imposed sanctions against networks that support Iran-backed militias, sanctions avoidance, weapons trafficking, and corruption. The reason behind this country's importance lies in the fact that the USA's financial

²⁷ World Bank. "When Poverty Meets Fragility: Why the Next Decade of Global Poverty Reduction Is at Stake." *World Bank Blogs*, 24 June 2025, <https://blogs.worldbank.org/en/dev4peace/when-poverty-meets-fragility--why-the-next-decade-of-global-pove>.

system makes their sanctions effective worldwide, although an overuse of such measures may also bring negative consequences.²⁸

Libya

Libya is extremely important due to the existence of rival militias, weak governance structures, and the use of oil resources. Since the overthrow of Muammar Gaddafi in 2011, militias have been competing for land, politics, and economics. The export of petroleum illegally was tackled by the UN Security Council, illustrating the connection between the use of natural resources to cause financial instability.²⁹

Afghanistan

Afghanistan has traditionally had links between the financing of armed groups through drug trafficking, specifically, the opium industry. Illicit drugs have long been generating income for rebel and criminal groups, but simultaneously harming legitimate farming practices and destroying rural economies. Even though the opium production in Afghanistan has greatly shifted after the prohibition by the Taliban regime, Afghanistan remains significant due to the ability of illegal industries to finance armed violence and keep civilians in poverty.³⁰

Sudan

Sudan serves as a critical example of how paramilitary financing can escalate civil wars and lead to humanitarian catastrophe. The Rapid Support Forces (RSF) and other combat groups have been associated with conflicts over gold, trade roads, and foreign support. In fact, the civil war in Sudan led to massive civilian displacement, lack of food security, and economic collapse. Hence, the significance of Sudan for the chosen topic is very serious due to the ability of resource financing to escalate political war to socioeconomic one.³¹

²⁸ United States Department of the Treasury. "Treasury Takes Aim at Iran-Backed Militia Groups, Sanctions Evasion, and Corruption in Iraq." *U.S. Department of the Treasury*, 2025, <https://home.treasury.gov/news/press-releases/sb0277>.

²⁹ Security Council Report. "Libya, April 2026 Monthly Forecast." *Security Council Report*, 2026, <https://www.securitycouncilreport.org/monthly-forecast/2026-04/libya-66.php>.

³⁰ United Nations Office on Drugs and Crime. *Afghanistan Opium Survey 2023*. UNODC, 2023, https://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan_opium_survey_2023.pdf.

³¹ Chatham House. "How Sudan's Gold Sector Connects to the Regional Conflict Ecosystem." *Gold and the War in Sudan*, 2025, <https://www.chathamhouse.org/2025/03/gold-and-war-sudan/04-how-sudans-gold-sector-connects-regional-conflict-ecosystem>.

Islamic Republic of Iran

The Islamic Republic of Iran has been accused by various states and international organizations of arming non-state actors and militias in the Middle East region. The impact that this organization has had on the discussion is the fact that the state can sponsor non-state paramilitaries to enhance their strength outside of its borders. This phenomenon has been particularly evident in regional wars where proxy forces have affected security, governance, and civilian affairs.³²

World Bank

The World Bank takes part in the topic through its research on poverty reduction, fragile states, development and reconstruction aid. It studies the effects of conflicts on the degradation of institutions, infrastructure and increase of extreme poverty levels. The impact made is predominantly preventative and developmental since the institution helps states to reconstruct economies, develop governance and assist vulnerable citizens. The importance of the World Bank for the topic is based on the fact that paramilitary financing creates fragility conditions.³³

International Monetary Fund (IMF)

The International Monetary Fund (IMF) works with fragile and conflict-affected countries through supporting macroeconomic stability, public financial management, and institution building. Conflicts and paramilitaries may cause reduced government revenues, higher inflation rates, lower investments, and weaker public services. Economic influence of the IMF is mainly positive since it assists governments to manage budgets and financial systems in a stable manner. Nevertheless, policy measures of the IMF should be implemented very carefully in order not to aggravate poverty in conflict-affected areas.³⁴

African Union (AU)

The African Union (AU) has taken action in terms of armed conflict and paramilitarism through peace and security policies such as “Silencing the Guns.” Most conflicts in Africa are linked to illegal arms trafficking, corruption, unemployment, and other criminal financial activities. Influence of the African Union is significant in the aspect of fostering regional cooperation and

³² United States Department of the Treasury. “Treasury Takes Aim at Iran-Backed Militia Groups, Sanctions Evasion, and Corruption in Iraq.” *U.S. Department of the Treasury*, 2025, <https://home.treasury.gov/news/press-releases/sb0277>.

³³ World Bank. “Fragility, Conflict, and Violence.” *World Bank*, <https://ida.worldbank.org/en/topics/theme/conflict-and-fragility>.

³⁴ International Monetary Fund. “Fragile and Conflict-Affected States.” *IMF*, <https://www.imf.org/en/topics/fragile-and-conflict-affected-states>.

conflict prevention measures. Nevertheless, it largely depends on the ability and willingness of Member States to implement decisions.³⁵

International Criminal Police Organization (INTERPOL)

The International Criminal Police Organization (INTERPOL) helps the states cooperate in their efforts to deal with organized crime, arms trafficking, terrorist activities, and money laundering. Considering the fact that para-military organizations use all these strategies, the International Criminal Police Organization can be used in order to discover the route of trafficking and people who were engaged in it. Nonetheless, the impact of this organization is only practical and is limited to law-enforcement, yet it still depends on the right exchange of information between states.³⁶

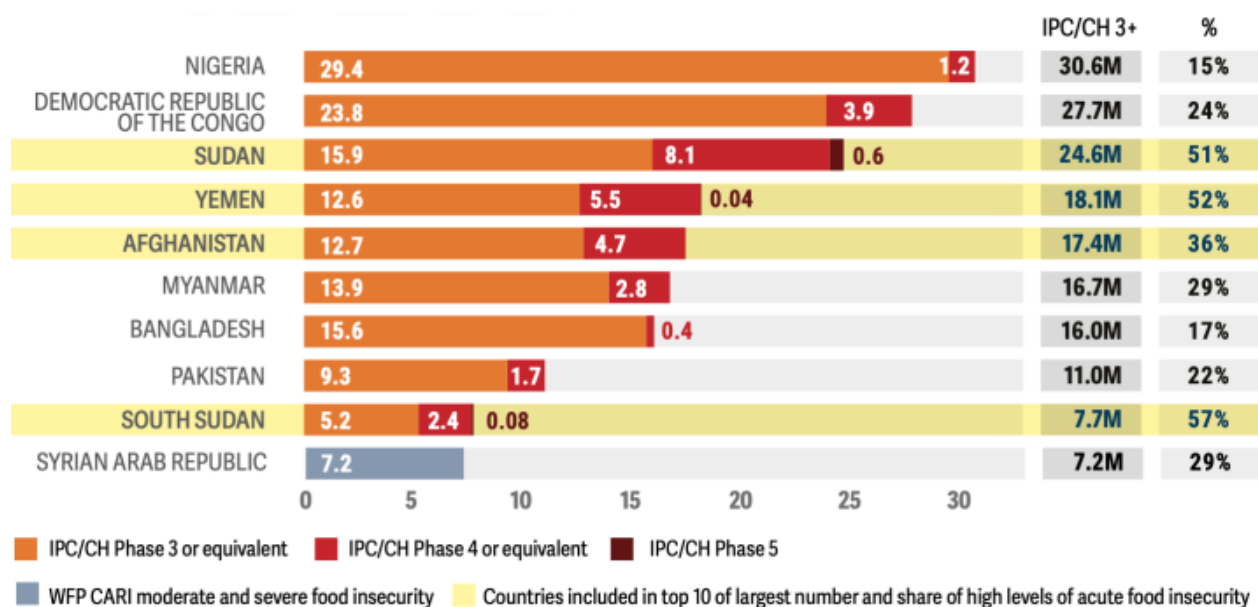


Figure 4: Graph depicting the countries with the largest numbers of people facing high levels of acute food insecurity.³⁷

³⁵ United Nations Africa Renewal. "Silencing the Guns in Africa by 2020." *United Nations*, 2019, <https://africarenewal.un.org/en/magazine/silencing-guns-africa-2020>.

³⁶ International Criminal Police Organization. "Firearms Trafficking." *INTERPOL*, <https://www.interpol.int/en/Crimes/Firearms-trafficking>.

³⁷ European Commission Joint Research Centre. "Food Crises: No Respite as 1.4 m People Suffer the Most Severe Level of Food Insecurity in 2025." *European Commission*, 24 Apr. 2026, https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/food-crises-no-respite-14-m-people-suffer-most-severe-level-food-insecurity-2025-2026-04-24_en.

TIMELINE OF EVENTS

DATE	DESCRIPTION OF EVENT
10 December 1948	The General Assembly adopted the Universal Declaration of Human Rights. Affirming the right to life, safety, education, health and setting fair living standards. ³⁸
12 August 1949	The Geneva Conventions were adopted, strengthening the legal protections of civilians, prisoners of war and wounded individuals during armed conflicts. ³⁹
16 July 1989	The Financial Action Task Force was established by the group of seven (G7) with the goal of combating money laundering and later on, terrorist financing. ⁴⁰
9 December 1999	The United Nations criminalized the financing of terrorist acts with the "Terrorist Financing Convention". ⁴¹
28 September 2001	Resolution 1373 was adopted, which required states to prevent and suppress terrorist financing after the September 11 attacks. ⁴²
1 January 2003	The Kimberly Process Scheme Certification began, regulating the international trade of

³⁸ United Nations. "Universal Declaration of Human Rights." *United Nations*, 1948, <https://www.un.org/en/about-us/universal-declaration-of-human-rights>.

³⁹ International Committee of the Red Cross. "Treaties and Customary Law." *ICRC*, <https://www.icrc.org/en/document/treaties-and-customary-law>.

⁴⁰ Financial Action Task Force. "History of the FATF." FATF, <https://www.fatf-gafi.org/en/the-fatf/history-of-the-fatf.html>.

⁴¹ United Nations. "International Convention for the Suppression of the Financing of Terrorism." *United Nations*, 1999, <https://www.un.org/law/cod/finterr.htm>.

⁴² United Nations Security Council. Resolution 1373. 2001, <https://digitallibrary.un.org/record/449020?v=pdf>.

	rough diamonds in order to stop them from being used to finance armed groups. ⁴³
19 December 2014	The Security Council Resolution 2195 addressed links between terrorist acts, organized crime and illicit resource trade. ⁴⁴
24 December 2014	The Arms Trade Treaty entered into force, regulating international conventional arms transfers. ⁴⁵
17 December 2015	United Nations Security Council Resolution 2253 was adopted strengthening the sanctions against the Islamic State in Iraq and the Levant, Al-Qaida, and all individuals and groups financing them. ⁴⁶
28 March 2019	The Security Council resolution 2462 focused specifically on the prevention and criminalization of terrorist financing. ⁴⁷
10 June 2024	United Nations Security Council Resolution 2734 renewed the Islamic State in Iraq and the Levant and Al-Qaida sanctions framework, continuing asset freezes, travel bans, and arms embargoes ⁴⁸

RELEVANT UN RESOLUTIONS, TREATIES AND EVENTS

Geneva Conventions

⁴³ Kimberley Process. "What Is the Kimberley Process?" *Kimberley Process*, <https://www.kimberleyprocess.com/about/what-is-kp>.

⁴⁴ United Nations Security Council. Resolution 2195. 2014, <https://digitallibrary.un.org/record/785567?v=pdf>.

⁴⁵ United Nations Treaty Collection. "Arms Trade Treaty." <https://treaties.un.org>.

⁴⁶ United Nations Security Council. *Resolution 2253*. United Nations, 2015, <https://digitallibrary.un.org/record/814700>.

⁴⁷ United Nations Security Council. Resolution 2462. 2019, [https://docs.un.org/en/S/RES/2462\(2019\)](https://docs.un.org/en/S/RES/2462(2019)).

⁴⁸ United Nations Security Council. *Resolution 2734*. United Nations, 2024, <https://digitallibrary.un.org/record/4051294>.

Date entered into force: 21 October 1950
Official number: UNTS Vol. 75, Nos. 970–973

The Geneva Conventions constitute the basis of international humanitarian law and protect civilians, prisoners of war, wounded soldiers, and medical professionals during conflicts. This provision is linked to this topic as paramilitary forces work in areas of conflict where civilians experience violence, displacement, and lack of humanitarian protection.⁴⁹

International Convention for the Suppression of the Financing of Terrorism

Date entered into force: 10 April 2002
Official number: A/RES/54/109; UNTS No. 38349

This convention obliges states to prohibit and prevent any kind of financing of terrorism, even if such funds are obtained indirectly. The provision is relevant as paramilitary forces utilize financial networks, which include donations, charities, informal transactions, and cross-border financing of their activities.⁵⁰

UN Security Council Resolution 1373

Date entered into force: 28 September 2001
Official number: S/RES/1373 (2001)

Resolution 1373 obliges all states to prevent and suppress the financing of terrorism, to freeze terrorist assets, and to stop money flows to terrorists. The provision is relevant as it established the global legal framework addressing the financial networks, which could be used by the paramilitary forces as well.⁵¹

UN Security Council Resolution 2253

⁴⁹ International Committee of the Red Cross. "Geneva Convention (IV) on Civilians, 1949." *IHL Databases*, <https://ihl-databases.icrc.org/en/ihl-treaties/gciv-1949>.

⁵⁰ United Nations Treaty Collection. "International Convention for the Suppression of the Financing of Terrorism." *UNTC*, https://treaties.un.org/pages/ViewDetails.aspx?chapter=18&clang=en&mtdsg_no=XVIII-11&src=TREATY.

⁵¹ United Nations Security Council. *Resolution 1373 (2001)*. United Nations, 2001, [https://docs.un.org/en/S/RES/1373\(2001\)](https://docs.un.org/en/S/RES/1373(2001)).

Date entered into force: 17 December 2015

Official number: S/RES/2253 (2015)

Resolution 2253 updated the sanctions regime targeted at Islamic State in Iraq and the Levant (ISIL/Da'esh), Al-Qaida, and their affiliates. The provision is relevant as sanctions could limit the transfer of money and arms by armed violent networks.⁵²

UN Security Council Resolution 2462

Date entered into force: 28 March 2019

Official number: S/RES/2462 (2019)

Resolution 2462 concerns itself directly with the prevention and suppression of the financing of terrorist acts. This resolution is relevant because it asks countries to bolster their financial surveillance, criminalize acts of financing terrorism, and prevent armed groups from taking advantage of any weakness in the financial system.⁵³

Arms Trade Treaty

Date entered into force: 24 December 2014

Official number: UNTS No. 52373; adopted through A/RES/67/234B

The Arms Trade Treaty controls the international arms trade and aims at curbing arms transfers which might be responsible for human rights violations and armed conflicts. This treaty is relevant because paramilitary forces rely heavily on such arms transfer channels.⁵⁴

UN Global Counter-Terrorism Strategy

Date entered into force: 8 September 2006

Official number: A/RES/60/288

⁵² United Nations Security Council. *Resolution 2253 (2015)*. United Nations, 2015, [https://docs.un.org/en/S/RES/2253\(2015\)](https://docs.un.org/en/S/RES/2253(2015)).

⁵³ United Nations Security Council. *Resolution 2462 (2019)*. United Nations, 2019, [https://docs.un.org/en/S/RES/2462\(2019\)](https://docs.un.org/en/S/RES/2462(2019)).

⁵⁴ United Nations Treaty Collection. "Arms Trade Treaty." *UNTC*, https://treaties.un.org/pages/ViewDetails.aspx?chapter=26&mtdsg_no=XXVI-8&src=TREATY.

The UN Global Counter-Terrorism Strategy outlines the strategy for preventing terrorism, empowering state agencies, protecting human rights, and tackling the conditions under which terrorism can flourish. This document is relevant to this problem because weak institutions, poverty, and armed financing can create an environment conducive to armed organizations.⁵⁵

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

International Criminalization of Terrorist Financing

The International Convention for the Suppression of the Financing of Terrorism and the United Nations Security Council Resolution 1373 gave rise to a more substantial legal framework for combating terrorism financing. They necessitated states to criminalize terrorism financing, asset freezing and international cooperation. It was useful for the identification of financial networks related to armed and paramilitary organizations, but the enforcement of such policies is not easy in weakly governed countries.⁵⁶

Financial Action Task Force

The Financial Action Task Force (FATF) created standards on the prevention of money laundering and terrorism financing. The standards of FATF are helpful to the states in matters of reporting suspicious transactions, beneficial ownership, creation of financial intelligence units and international cooperation. It is beneficial for the world in the financial sector, but paramilitary organizations can use informal cash economy, transfer networks and weak state enforcement.⁵⁷

Arms Trade Treaty

The Arms Trade Treaty was established to regulate international trading of conventional weapons and ensure that arms do not fall into the wrong hands. It is applicable because paramilitary organizations depend on the use of illicit arms trading, diversion, and poor controls

⁵⁵ United Nations General Assembly. *The United Nations Global Counter-Terrorism Strategy*. United Nations, 2006, <https://docs.un.org/en/A/RES/60/288>.

⁵⁶ United Nations. *International Convention for the Suppression of the Financing of Terrorism*. United Nations, 1999, <https://www.un.org/law/cod/finterr.htm>.

⁵⁷ Financial Action Task Force. "The FATF Recommendations." *FATF*, <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html>.

to continue with their acts of violence. The arms trade treaty has enhanced international regulation of arms but its effectiveness is compromised by lack of reporting of transfers, poor enforcement of controls, and joining of the treaty.⁵⁸

Kimberley Process Certification Scheme

The Kimberley Process Certification Scheme was developed to ensure that conflict diamonds were not used to fund rebel movements and armed organizations. The scheme introduced the certification of rough diamond exports and made conflict resource financing an international issue. Its effect is reduced since it is geared towards rough diamonds only although paramilitary organizations can earn from other resources such as gold, oil, charcoal, timber, minerals, taxation, among others.⁵⁹

POSSIBLE SOLUTIONS

Strengthening anti-money laundering Schemes

It is imperative that member states enhance their anti-money laundering systems by strengthening financial monitoring, suspicion reporting by banks and punishing individuals and corporations who provide services like transferring funds to paramilitaries. The governments may also educate financial institutions on how to spot transactions related to paramilitaries, shell companies, and illicit business transactions. Through such measures, it will be hard for paramilitaries to hide money in legal financial systems.

Control informal money transfer systems

Governments need to be able to control informal money transfer systems without criminalizing them. The government may register, report and work with local community leaders to ensure that suspicious transactions are reported without disrupting normal family members who transfer money.

⁵⁸ United Nations Office for Disarmament Affairs. "Arms Trade Treaty." *UNODA*, <https://disarmament.unoda.org/convarms/arms-trade-treaty-2/>.

⁵⁹ Kimberley Process. *Kimberley Process Certification Scheme Core Document*. Kimberley Process, https://www.kimberleyprocess.com/en/system/files/documents/20131122_kpcs_core_document_eng_ended_clean.pdf.

Monitor arm transfers

There should be improvements in arm transfer control by improving export license controls, end user controls and by denying the sale of arms to places where there is a risk of arm transfer to paramilitaries. Arm transfers should be disclosed and any businesses and state officials dealing in arms transfer should be punished.

Enhance border control coordination

Neighboring nations need to coordinate among themselves in regards to border safety, which consists of sharing intelligence, patrolling and better customs regulation. This measure needs to be taken since paramilitary groups usually move their weapons, manpower, money and other materials across borders. Border control measures need to include humanitarian consideration as well.

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