

# *Combating the Financing of Terrorist Activities*

## **Committee Guide**

*Fourth Committee of the General Assembly*



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## 1. Personal Introduction

Dear Delegates,

My name is Vera Kratz, this will be my 6<sup>th</sup> MUN conference, and my second time chairing. It will also be my second time at OLMUN. I come from Budapest, Hungary and my school also organizes a conference called BIMUN, some of you may have heard of it, this year is our 5<sup>th</sup> annual session. A few interesting things about me: I am 16 years old, but don't underestimate me based on my age. I am half American, so I speak the language at a quite satisfying level, I learn German in school, so be careful what you say around me, I do kung fu and like to draw.

Please prepare thoroughly, since with professional diplomatic work during the sessions it is more satisfying to take a break and see some punishments. And don't forget: If life seems jolly rotten there's something you've forgotten. And that's to laugh and smile and dance and sing.

Good luck with your preparations, I can hardly wait to meet you all.

Best wishes,

Vera Kratz

Distinguished delegates,

I have the pleasure to welcome you to the 15<sup>th</sup> session of the Oldenburg Model United Nations. My name is Gerhard Krupp and I am proud to say that I will be your chair in the GA 4<sup>th</sup>.

I am 18 years old and currently attending the 12<sup>th</sup> grade of the Gymnasium Marianum in Meppen, where I am as well going to take my exams this very year. My first experience with MUN conferences was at OLMUN in 2013 when I participated as a delegate in the SpC back then. A year later, in 2014, I was

a delegate in the GA 3<sup>rd</sup>, where I established my wish of chairing at next year's conference, and here we go.

My fellow chairs, Vera and Leonard, and I are looking forward to our committee sessions with you and we will do our best to make this year's conference a memorable event for all of you. Good luck with your preparations and see you in June!

Yours sincerely,

Gerhard Krupp

Honourable delegates,

It is my pleasure to welcome you to the Oldenburg Model United Nations 2015! I am Leonard Beiderwieden and I am proud to be one of your chairs in this year's General assembly Fourth Committee.

I am 18 years old, born in Oldenburg, where I also attend the 12<sup>th</sup> grade at the Altes Gymnasium Oldenburg.

My first experience with MUN conferences was at OLMUN 2011 as an administrative staff member. One year later, in 2012, I participated as a delegate. Unfortunately I could not take part at OLMUN 2013, because I spent a year abroad in the United States of America. My year as an exchange student did not only help me to speak English fluently, but also changed or straightened my opinion on various topics. Last year I took the chance to chair the General Assembly's Third committee which motivated me to try the next number this year.

Vera and Gerhard, my fellow chairs, and I will do our best to make your OLMUN experience memorable and inspiring. I am looking forward to a successful debate and I am eager to meet you in June.

Hope to see you soon,

Leonard Beiderwieden

## **2. How to use this guide**

This guide provides a basis for this years' topic that will be discussed and debated in the General Assembly's Fourth Committee. However, this should only be the foundation for your research on the topic and is not to be used as the only source for preparation for the committee session. You are expected to conduct your own in-depth research in order to be able to represent your delegation country's opinion on the topic and to take part at the discussions in the committee.



### 3. The committee

The General Assembly's Fourth Committee is one of the six main committees within the United Nations General Assembly, in which all UN member nations have equal representation. The 4<sup>th</sup> Committee deals with a big variety of topics, including self-determination,



decolonization, human rights, mine action, public information, peacekeeping, outer space and atomic radiation. But the GA 4<sup>th</sup> does not only discuss a broad diversity of topics, it also helps the Security Council whenever help of the whole international community is required in a certain issue.

### 4. This year's topic

This year's topic of the OLMUN GA 4<sup>th</sup> is "Combatting the financing of global terrorism". Terrorism has become a huge problem that unfortunately has the strength to affect every single country in the world. Recent events have shown that these movements, which are not scared of committing an attack in the middle of Paris, are able to stir up public attention in its entirety. Also highly problematic is public fear caused by terrorist groups. Parts of the population which are affected by terrorism have the tendency to radicalize. The results are prejudices against religious beliefs, intercultural conflicts and international contentions.

Since peacekeeping is one of the main topics for the GA 4<sup>th</sup>, it will be our obligation to prevent terrorist activities by combatting their financing and delimiting the payments of ransom money.

### 5. Combatting the financing of global terrorism

When the word terrorism is included in a title, it automatically presents us with difficulties. We cannot draw an exact line between terrorism and other violent acts. Terrorism is commonly defined as violent acts (or threat of violent acts) intended to create fear (lat.: terror), perpetrated for a religious, political, or ideological goal, and which deliberately target or disregard the safety of non-combatants (e.g., neutral military personnel or civilians). Another common definition is political, ideological, or religious violence by non-state actors. Some definitions now include acts of unlawful violence and war. Usage of the term has also been criticized for its almost exclusive equating with Islamism or

Jihadism while ignoring non-Islamic organizations or individuals. In the international community, terrorism has no legally binding, criminal law definition. It is very hard to define, and even if a definition is found, it will never be accurate enough. A study of political terrorism examining over 100 definitions of "terrorism" found 22 separate definitional elements (e.g. violence, force, fear, threat, and victim-target differentiation). In some cases, the same group may be described as "freedom fighters" by its supporters and considered to be terrorists by its opponents.

If we put aside the difficulties in narrowing down on what exactly constitutes as terrorism, we can move on to what we mean by financing it. What is money laundering? Money laundering is the process in which the proceeds of crime are transformed into ostensibly legitimate money or other assets. However, in a number of legal and regulatory systems the term money laundering has become conflated with other forms of financial crime and is sometimes used more generally to include misuse of the financial system (involving things such as securities, digital currencies, credit cards, and traditional currency), including terrorism financing, tax evasion, and the evading of international sanctions. Most anti-money laundering laws openly conflate money laundering (which is concerned with source of funds) with terrorism financing (which is concerned with destination of funds) when regulating the financial system. Money obtained from certain crimes, such as extortion, insider trading, drug trafficking, illegal gambling, and tax evasion is "dirty". It needs to be cleaned to appear to have been derived from non-criminal activities so that banks and other financial institutions will deal with it without suspicion. Money can be laundered by many methods, which vary in complexity and sophistication.

So now we have two terms which are hard to define in a topic difficult to solve. There are many entities that deal with this issue, but only a few of them deal with it globally; they are primarily specific to a region. Most of these entities have lists of where they suspect the money to be coming from, but these accusations are hard to prove. Let us take a look at what steps have been taken so far.

Quote from the Report to the Counterterrorism Committee pursuant to paragraph 6 of Security Council resolution 1373 of 28 September 2001 Implementation of UNSCR 1373: "Its provisions require, among other things, that all member states prevent the financing of terrorism and deny safe haven to terrorists. States will need to review and strengthen their border security operations, banking practices; customs and immigration procedures, law enforcement and intelligence cooperation, and arms transfer controls. All states are called upon to increase cooperation and share pertinent information with respect to these efforts. Resolution 1373 also mandated that each state report on the steps it had taken, and established a committee of the Security Council to monitor implementation. The committee will highlight best practices, identify gaps, and help coordinate advice and assistance to states that need it."

It is common to ask for the freezing of assets, the monitoring of money laundering activities, anti-money laundering laws, and international cooperation. Here in the GA 4<sup>th</sup>, we have to focus on international cooperation, because lacking that, there might never be an end to the financing of terrorism, and with that, terrorism will live on and grow stronger.



There is a downside to all of this. Quote from a report by the Social Science Research Network: "Awareness of this greatly expanded potential exposure to liability, and even criminal sanctions, has already engendered unforeseen side effects. Some well-intentioned donors reportedly are now reticent to make charitable contributions to domestic charitable organization. Law-abiding Muslim charities have documented a decline in contributions received, and charitable organizations are struggling to maintain their pre-September 11 levels of commitment to global philanthropy. As the financial war on terrorism evolves and the arsenal of weapons is strengthened, the government's successes not only may financially starve terrorists, but also may have the unfortunate and unintentional consequence of significantly reducing resources committed to legitimate global philanthropy. Such a result, ironically, would contribute to fundamentalists' and radical terrorists' goal of disrupting globalism, which, if otherwise uninterrupted, could help to achieve social and economic security and prosperity abroad that would lessen much of the appeal of terrorist groups."

[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1103239](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1103239).

## 6. Who funds terrorist groups?

- **Charities:** Donations are one of the largest sources of terrorist funding. Wealthy individuals as well as charities raise funds with the express intent of supporting terrorists, while others seek to promote beliefs like the Islam, but then use the funds to promote their own radical cause. ISIS was for example financed by the "Private Gulf Donations" which were sponsored by citizens in the Persian Gulf countries.
- **Illegal Activities:** The most striking illegal commerce is the drug trade. Extortion, kidnapping, robberies, counterfeiting and smuggling are other illegal money sources.
- **Front Companies:** Terrorist organizations also operate legitimate businesses to generate their own profits. Most of those businesses amid the trade of livestock, fish and leather, but also agriculture and construction work.



## 7. Payment of ransom money

When discussing the topic of combatting the financing of terrorist activities, one also has to deal with the payments of ransom sooner or later. In resolution 2133 (2014), the Security Council called upon all Member States to prevent terrorists from benefiting directly or indirectly from ransom payments or political concessions, and further, to secure the safe release of hostages. All States shall prevent and suppress the financing of terrorist acts, and refrain from providing support to any entities or persons involved, including by suppressing recruitment of members of terrorist groups and eliminating the supply of weapons to them. Furthermore, all States should prohibit their nationals, or any persons or entities within their territories, from making funds, financial assets or economic resources available for the benefit of those involved in terrorist acts. Yet, every state has the interest (not to forget the human rights issue) in rescuing hostages of its country out of captivity with every possible solution – often enough, ransom appears to be the easiest one. Therefore, we want you to think about whether ransom money should be paid at all, when it should be paid, and whether it even makes sense to develop guidelines about those cases. Please do include this in your resolution so that you can also debate this in the committee sessions.



*"How often have you asked yourselves 'who would pay the ransom if I were kidnapped by terrorists?'"*

## 9. What you should bring to the conference

Now it is your turn to expand your research on this topic and to write a policy statement and a resolution. Your policy statement should be a short and precise statement of your delegation or organization in order to clarify its opinion on the topic. This serves also as a basis for your resolution. Your resolution should state the ideas you gained through your research on how to



tackle the problems stated above. If this is your first time at a MUN, you can get an impression on how a resolution should be written here:

<http://www.olmun.org/uploads/Resolutionen/SC%20-%20Resolution%20I.pdf>

<http://www.olmun.org/uploads/Resolutionen/WIPO%20-%20Resolution%20I.pdf>

<http://www.olmun.org/uploads/Resolutionen/UNEP%20-%20Resolution%20I.pdf>

<http://www.olmun.org/uploads/Resolutionen/GA%203rd%20-%20Resolution%20I.pdf>

It is very important for you to write these both papers as they are the necessary grounding for taking part at the committee sessions. If you still have questions don't be afraid to ask. Everybody will have to hand in a policy statement by the **16<sup>th</sup> of June**. Our e-mail address is [ga4@olmun.org](mailto:ga4@olmun.org).

## 10. Research and References

Let us tell you something about the research. The first thing that crosses your minds will probably be: Wikipedia. Well, Wikipedia is a very good starting point for your research and gives you an overview but nothing more than that. The really useful thing about Wikipedia is the part at the bottom of every page: the references. In the references you can find the original source of the information and often a link to another website where more detailed information can be found. In the following we copied you some of the links we used to create this committee guide in order to help you with the preparation. And if you think those links are not helpful, we are pretty sure you know how to use Google (or Bing for Microsoft admirers) on your own. But seriously if you have any trouble with the preparations please do not hesitate to contact us and we will try our best to help you.

These are some useful sources:

[http://www.un.org/en/terrorism/ctitf/pdfs/ctitf\\_financing\\_eng\\_final.pdf](http://www.un.org/en/terrorism/ctitf/pdfs/ctitf_financing_eng_final.pdf)

[http://en.wikipedia.org/wiki/Money\\_laundering#Laws\\_and\\_enforcement\\_by\\_region](http://en.wikipedia.org/wiki/Money_laundering#Laws_and_enforcement_by_region)

<http://www.fas.org/irp/threat/unsc.html> (here try Ctrl+F and search for the word financing)

[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1103239](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1103239)

<https://www.imf.org/external/np/leg/amlcft/eng/aml4.htm>

[http://www.justice.gov.tr/e-journal/pdf/Combating\\_the\\_Financing\\_of\\_Terrorism.pdf](http://www.justice.gov.tr/e-journal/pdf/Combating_the_Financing_of_Terrorism.pdf)

<http://www.un.org/law/cod/finterr.htm>



<http://www.un.org/en/terrorism/ctitf/workinggroups.shtml>

<http://www.washingtoninstitute.org/policy-analysis/view/funding-isis-infographic>

<http://www.cfr.org/terrorist-financing/tracking-down-terrorist-financing/p10356>

Also good to know:

<http://www.songtexte.com/songtext/monty-python/always-look-on-the-bright-side-of-life-53d98769.html>

Picture links:

<http://www.nytimes.com/2014/06/29/opinion/sunday/in-iraq-and-syria-isis-militants-are-flush-with-funds.html>

[http://www.condenaststore.com/-sp/How-often-have-you-asked-yourself-who-would-pay-the-ransom-if-I-were-k-New-Yorker-Cartoon-Prints\\_i8546803\\_.htm](http://www.condenaststore.com/-sp/How-often-have-you-asked-yourself-who-would-pay-the-ransom-if-I-were-k-New-Yorker-Cartoon-Prints_i8546803_.htm)

<http://un-library.com/post/11138442684/general-assembly-fourth-committee>

