

Forum: Arab League

Issue: The question of funding extremist and militia groups in the Middle East

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Introduction

The question of funding extremist and militia groups in the Middle East is a pressing issue that has garnered international attention in recent years. The region has been plagued by the rise of radical ideologies and the emergence of armed groups, which have destabilized nations, fueled violence, and posed significant threats to global security. Understanding the sources and mechanisms of funding for these groups is crucial in developing effective strategies to counter their activities and ensure regional stability.

The power vacuum created by the fall of Saddam Hussein's regime in Iraq allowed extremist groups like Al-Qaeda in Iraq (AQI) to emerge, exploiting sectarian tensions and receiving financial support from both local and international sources. The subsequent rise of the Islamic State of Iraq and Syria (ISIS) further complicated the funding mechanisms, as the group established a self-sustaining economy through oil smuggling, extortion, and illicit trade. Ongoing proxy conflicts and deep-seated sectarianism in the region have also played a significant role in the growth of these groups, with various actors providing financial assistance to different factions, further perpetuating the cycle of violence.

Understanding the factors contributing to the funding of extremist and militia groups in the Middle East is crucial for comprehending the complexity of the issue and exploring potential solutions. To gain a deeper understanding, it is essential to examine the aftermath of the fall of Saddam Hussein's regime in Iraq. The power vacuum created

by his removal provided fertile ground for the emergence of extremist groups. Al-Qaeda in Iraq (AQI), led by Abu Musab al-Zarqawi, capitalized on the sectarian tensions between Sunni and Shia Muslims and launched a brutal insurgency against both the occupying forces and the Shia majority in Iraq. In addition to exploiting local grievances, AQI received substantial financial support from sympathetic individuals, charities, and even state actors in the region.

The funding landscape took a new turn with the rise of ISIS in 2014. The group, initially an offshoot of AQI, managed to seize large swathes of territory in Iraq and Syria, establishing a self-proclaimed caliphate. Unlike its predecessors, ISIS adopted a more sophisticated approach to funding, diversifying its revenue streams. The group generated significant income through oil smuggling, extortion, kidnapping for ransom, and the taxation of local populations. It also exploited the black market by engaging in illicit trade, particularly in antiquities and narcotics. This self-sustaining economy made it difficult to disrupt ISIS's funding, as it was less reliant on external financial assistance.

The ongoing proxy conflicts in the region, particularly in Syria and Yemen, have further complicated the funding dynamics. Various regional and international actors have been involved in supporting different factions, often driven by their own geopolitical interests. Iran, for instance, has been accused of providing financial assistance to Shia militias in Iraq and supporting the Assad regime in Syria. On the other hand, Saudi Arabia and other Gulf states have been accused of funding Sunni extremist groups to counter Iranian influence. This rivalry has fuelled sectarian tensions and perpetuated the cycle of violence, allowing extremist and militia groups to thrive.

To delve deeper into the topic of funding extremist and militia groups in the Middle East, it is crucial to examine the role of state actors, illicit networks, and external sources of funding. By understanding the complex interplay between these factors, policymakers and analysts can work towards developing comprehensive strategies to address the root causes of the issue. It is only through a holistic approach that the funding

mechanisms can be disrupted, thereby reducing the influence and power of these groups and fostering stability and security in the region.

Definition of Key Terms

Militia groups

Non-state armed groups that operate independently or as proxies for state actors, often engaging in armed conflict and exerting control over specific territories.

State sponsorship

The active or passive support provided by a nation-state to extremist or militia groups, either directly or through intermediaries.

State actors

Refers to governments or governmental entities that may provide financial support or resources to extremist or militia groups.

External sources of funding

Funding that comes from outside the region, such as foreign individuals, organizations, or governments.

Terrorism financing

The process of providing financial support to terrorist organizations or individuals involved in terrorist activities.

Money laundering

The process of making illegally obtained money appear legal by disguising its true source.

Illicit networks

Networks involved in illegal activities such as money laundering, smuggling, or illicit trade that may contribute to the funding of extremist groups.

Extremist groups

Non-state actors that employ violent means to achieve ideological, political, or religious objectives outside the framework of the established state system.

Key Issues

Terrorism financing

Terrorism financing represents a critical and ongoing threat to regional and international security, particularly in the volatile Middle East. Extremist and militia groups operating in this region heavily rely on a range of funding sources to sustain their operations and further their objectives. The disruption of these funding channels is paramount to curbing their influence and preventing acts of terror.

One of the primary avenues for terrorism financing is through illicit activities. Extremist groups engage in various criminal enterprises, including drug trafficking, smuggling, and extortion, which provide them with a continuous stream of revenue. These unlawful operations not only serve as a means of financial sustenance but also create an environment conducive to violence and instability.

In addition to illicit activities, these groups receive support from individuals and organizations sympathetic to their cause. Donations from sympathizers can be substantial and are often used for recruitment, propaganda, and logistics. Furthermore, some states in the Middle East covertly or overtly sponsor extremist and militia groups, offering them financial, logistical, and even military assistance for their strategic interests. This state

sponsorship adds another layer of complexity to counter-terrorism efforts, as it involves navigating the political dynamics of the region. Combating terrorism financing is an integral part of addressing the root causes of extremism and enhancing regional and global security.

Money laundering

Money laundering is a financial process used by extremist and militia groups to legitimize their ill-gotten gains. It involves disguising the origin and ownership of illegally obtained funds to make them appear legal and clean. This complex process can involve various methods, such as setting up shell companies, using offshore bank accounts, and disguising the source of funds through a web of transactions. Extremist and militia groups utilize this process to obfuscate the origin of their funds, rendering them seemingly legitimate. Effectively addressing money laundering is crucial for preventing the legitimization of ill-gotten gains and cutting off an essential financial lifeline for these groups.

Cyber financing

The rise of cyber financing adds a new layer of complexity to the challenge of tracking and preventing funding for extremist and militia groups. Online platforms, cryptocurrencies, and digital payment systems offer anonymity and agility that traditional financial systems do not. Regulating and monitoring these digital channels is imperative to curtail their ability to move funds discreetly.

Dual-use technologies

Extremist and militia groups exploit dual-use technologies to enhance their capabilities and effectiveness. These technologies have applications in both civilian and military domains, making them versatile tools for these groups. Dual-use technologies have both civilian applications, such as IT and biotechnology, and military applications,

including surveillance, cyber warfare, and aerospace. Extremist and militia groups can exploit these versatile technologies to enhance their capabilities, making regulation and oversight essential. Effectively managing the proliferation and potential misuse of dual-use technologies is vital to limit their destructive potential.

Regional dynamics

Understanding the complex geopolitical environment in the Middle East is essential for addressing the funding of extremist and militia groups. Inter-state rivalries, proxy conflicts, and the presence of these groups add layers of complexity to the challenge. Delegates must recognize that regional dynamics can both contribute to and hinder efforts to disrupt funding sources.

Ethical concerns

The ethical dimension of funding extremist and militia groups cannot be overlooked. Supporting these groups inadvertently perpetuates violence, human rights abuses, and terrorism. A clear understanding of the ethical implications of financial support is essential for formulating policies that prioritize peace, security, and human rights.

International cooperation and governance

The transnational nature of terrorism financing necessitates strong international cooperation and governance. Collaborative efforts among nations, international organizations, and financial institutions are crucial for the development and enforcement of robust frameworks and mechanisms to counter the funding of extremist and militia groups effectively. Such cooperation includes information sharing, the adoption of common standards, and coordinated law enforcement actions to disrupt financial networks and prevent the flow of funds to these groups.

Major Parties Involved and Their Views

Saudi Arabia

A prominent Arab League member, Saudi Arabia is deeply concerned about the funding of extremist and militia groups in the Middle East. The country has consistently expressed its commitment to countering terrorism and extremist ideologies. Saudi Arabia is involved in this issue as it faces threats from extremist groups operating both domestically and in neighboring countries. The government believes that regional cooperation and intelligence sharing are vital to combating terrorism funding. It is committed to financial regulations that aim to prevent funds from flowing to extremist and militia groups.

Several actions have been taken to fight terrorism in the Middle East and make the world safer. In 2015, a group of mostly Muslim countries formed the Islamic Military Counter Terrorism Coalition (IMCTC) to work together against terrorism. They are trying to coordinate their efforts to tackle this problem.

To stop terrorist groups from getting money, countries have made strict rules against money laundering and funding terrorism. These rules help control the flow of money to these groups. Additionally, countries have given help to people in areas with conflicts, like Yemen and Syria. However, some people have raised concerns about private Saudi donors giving money to groups like Al-Qaeda. There's also criticism of Saudi Arabia for promoting an ultra-conservative form of Islam called Wahhabism, which some think has encouraged extremism. These actions show that fighting terrorism is a complex task that involves more than just military and legal efforts; it also involves addressing the causes of extremism.

Iran

Iran's perspective on this issue is complex. While it has played a role in supporting certain militant groups in the region, it also emphasizes the fight against extremist

groups, particularly Sunni extremists. Iran views its involvement in this matter as part of its regional strategy and its desire to protect Shiite communities. The government argues that it supports groups it sees as countering extremism, while critics accuse it of contributing to regional instability by providing support to proxies.

Iran's actions in the Middle East have raised concerns. They support Shiite militias in Iraq and Syria to combat groups like ISIS. Iran also funds and assists Hezbollah in Lebanon and participates in the fight against ISIS in Iraq. Accusations of supporting militant groups in Lebanon, Iraq, and Yemen have led to regional tensions, with allegations of financing and arming non-state actors in violent conflicts. Iran's involvement in these activities has had a notable impact on the Middle East.

United States Of America

The United States, as a major international actor, is concerned about extremist and militia groups in the Middle East due to their potential impact on global security. The U.S. advocates for diplomatic and military solutions to address the issue. It provides support to regional allies to counter extremism and scrutinizes the role of state actors in funding and supporting these groups. The U.S. views its involvement as part of its broader global counter-terrorism efforts.

The United States has taken various actions in its efforts to combat terrorism in the Middle East. These actions include conducting military operations against extremist groups like Al-Qaeda and ISIS. The U.S. has also provided financial and military support to regional allies who are engaged in the fight against terrorism. Additionally, the U.S. government has advocated for diplomatic solutions to conflicts in the Middle East, aiming to address the root causes of instability and extremism.

However, there have been allegations of indirect support for certain militant groups, such as providing arms to Syrian rebel groups with differing ideologies. These allegations have raised concerns about the possibility of weapons falling into the wrong hands and potentially fueling conflicts further. Furthermore, accusations of civilian

casualties resulting from U.S. military operations in the region have led to criticism and calls for accountability, highlighting the complexities and challenges involved in addressing terrorism in the Middle East.

Turkey

Turkey's perspective on this issue is influenced by its geographic location and complex regional dynamics. The country sees itself as a bridge between the East and the West. Turkey is involved in this issue as it deals with both domestic and cross-border threats from extremist groups. Its viewpoint emphasizes the need for intelligence sharing and cooperation among regional countries. Turkey acknowledges that it has a role to play in securing its borders and countering the financial networks that sustain extremist and militia groups.

Turkey has implemented a series of measures to counter terrorism, including conducting military operations against the Kurdistan Workers' Party (PKK) and its affiliates in Turkey and neighboring countries. They have also focused on securing their borders to prevent the flow of foreign fighters and resources to extremist groups in Syria. Moreover, Turkey has taken an active role in addressing the issue of foreign fighters transiting through its territory.

However, there have been allegations of indirect support for certain factions in the Syrian conflict, including claims of weapons transfers and providing safe passage for fighters. This has led to criticism of Turkey's involvement in the Syrian conflict, with some arguing that it has complicated the situation and contributed to the strength of extremist elements in the region.

Development of Issue/Timeline

Date	Event	Outcome
1945-1991	Cold War Era	During the Cold War, the Middle East became a battleground for ideological competition between the United States and the Soviet Union. Both superpowers sought to exert influence in the region by supporting proxy groups, often without fully considering the long-term consequences. This support included funding various armed factions, often based on short-term strategic interests rather than the region's stability.
1979-1989	Afghan-Soviet War	The Afghan-Soviet War witnessed a significant influx of funds to support the Afghan mujahideen, who were fighting against the Soviet Union. Various actors, including the United States, Saudi Arabia, and Pakistan, provided financial and military aid to these groups. However, after the war, some of these fighters turned into transnational extremist organizations, such as Al-Qaeda, which posed significant security challenges worldwide. This support laid the foundation for the rise of transnational jihadist networks and the emergence of figures like Osama bin Laden.
1980	Iran-Iraq War	During the conflict, various regional powers, including Saudi Arabia and Kuwait, supported Iraq financially and militarily, while Iran sought assistance from countries like Syria and Libya. This war highlighted the use of

		proxy funding to further geopolitical interests and sectarian rivalries.
1990-1991	Rwandan Genocide	The Gulf War highlighted the vulnerability of certain Middle Eastern countries to external aggression. In response to Iraq's invasion of Kuwait, a coalition led by the United States intervened militarily. Saudi Arabia and other Gulf states, along with other international actors, provided significant financial contributions to this military campaign. To protect themselves, some nations in the region sought to build alliances and support groups that shared their ideological or sectarian interests. This led to the flow of funds to militias and extremist organizations, contributing to regional instability.
1990s	Al-Qaeda's Rise	Osama bin Laden's Al-Qaeda network gained prominence during this period, with financial support coming from private donors in the Gulf, particularly Saudi Arabia. Charitable organizations, known as "zakat committees," also played a role in funneling funds to extremist groups.
2003-2011	UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons	The US-led invasion of Iraq in 2003 and the subsequent collapse of Saddam Hussein's regime created a power vacuum, which allowed extremist groups like Al-Qaeda in Iraq (AQI) to emerge. These groups exploited sectarian tensions and received financial support from local and international sources. The rise of the Islamic

	in All Its Aspects (UNPoA)	State of Iraq and Syria (ISIS) further highlighted the complex web of funding mechanisms. These groups, such as the Mahdi Army and the Islamic State of Iraq, were funded through a combination of illicit activities, including extortion, kidnapping, smuggling, and external support from Iran and other actors.
2011-present	Syrian Civil War	The conflict in Syria has witnessed a complex web of funding sources. Initially, Gulf states, including Saudi Arabia and Qatar, supported rebel groups against the Assad regime, while Iran and Russia backed the government. Over time, the conflict became more fragmented, with extremist groups like ISIS and Jabhat al-Nusra (now Hayat Tahrir al-Sham) exploiting funding opportunities through oil smuggling, kidnapping for ransom, and external support.
Ongoing	Proxy Conflicts and Sectarianism	Ongoing proxy conflicts in the Middle East, such as the Syrian Civil War and the Yemen Conflict, have provided fertile ground for the growth of extremist and militia groups. Different actors, including regional powers and transnational networks, have provided financial assistance to various factions, further exacerbating the violence and prolonging the conflicts.

Previous Attempts to Solve the Issue

Enhanced financial regulation

Enhanced financial regulation refers to the efforts made to track and control the flow of funds to extremist and militia groups. This approach seeks to detect and prevent the illicit transfer of money that sustains these organizations.

Enhanced financial regulation measures have been introduced in several countries and at the international level. These measures include stricter banking regulations, increased transparency in financial transactions, and the establishment of watchlists for individuals and entities involved in funding extremist and militia groups.

This solution has had mixed results. While it has successfully disrupted some funding channels, determined actors find ways to evade these regulations. The impact has been more pronounced in countering less sophisticated funding mechanisms, but more resilient groups have adapted by using cryptocurrencies and other innovative methods.

Targeted sanctions

Targeted sanctions are punitive measures employed to address the financing of extremist and militia groups, with the primary goal of restricting their access to the global financial system, thereby disrupting their operations. These measures encompass a variety of actions, including asset freezing, travel bans, arms embargoes, and trade restrictions. Asset freezing enables governments and international bodies to immobilize the financial assets of individuals and entities involved in funding extremism, while travel bans impose restrictions on the movement of those suspected of supporting extremist groups. Additionally, arms embargoes limit the export of arms and related materials to entities linked to extremist financing, and trade restrictions restrict financial transactions and trade with entities supporting extremist causes.

One of the key impacts of targeted sanctions has been the disruption of funding for extremist and militia groups. These measures have been successful in disrupting some of

the financial channels used by these groups, hindering their ability to operate effectively. However, challenges persist, particularly in the form of evasion. Some entities have managed to evade sanctions through the use of shell companies, informal financial networks, or cooperation from sympathetic governments.

Furthermore, it's important to acknowledge the flip side consequences of targeted sanctions. In certain cases, these measures have had unintended negative consequences, leading to economic hardships and difficulties for innocent civilians in the regions affected by the sanctions. These repercussions underscore the need for a careful and nuanced approach to the application of sanctions, as their impact can extend beyond the intended targets and potentially harm vulnerable populations. Consequently, striking a balance between disrupting extremist funding and mitigating collateral damage remains a challenge in the implementation of targeted sanctions.

Enhanced counterterrorism efforts

Enhanced counterterrorism efforts encompass a multifaceted approach to address the threat posed by extremist and militia groups. This strategy involves providing training, intelligence sharing, logistical support, and countering extremist ideologies in regions affected by these groups. The primary objective is to build the capacity of affected countries, enhance their border control measures, and combat the radical ideologies that underpin extremism.

Training programs play a pivotal role in strengthening the capabilities of security forces and law enforcement agencies in affected countries. By equipping them with the necessary skills and knowledge, these programs aim to empower these nations to effectively combat extremism and maintain security within their borders. Additionally, Intelligence Sharing fosters collaborative efforts and information exchange among nations, promoting a more coordinated approach to counterterrorism.

Logistics support further bolsters the affected regions' ability to combat extremist groups by providing essential equipment and technology. This logistical aid enhances

their operational capabilities, making it more challenging for extremist elements to operate freely. Simultaneously, efforts are made to counter extremist ideologies through initiatives like educational programs, community engagement, and monitoring online extremist content.

The impact of these counterterrorism measures has been evident in improved security outcomes in certain regions, disrupting extremist activities and reducing threats. Moreover, strengthening regional cooperation and coordination has fostered collective action, enhancing the effectiveness of counterterrorism efforts. However, it is essential to recognize that countering extremist ideologies remains a complex and ongoing challenge, necessitating sustained efforts and resources to address the root causes of radicalization. Despite progress, these challenges persist, and continuous efforts are required to ensure long-term success in countering extremism.

UN Resolutions

The United Nations Security Council has enacted a series of resolutions to address the critical issue of terrorism financing. UN Security Council Resolution 1373, arising in the aftermath of the 9/11 attacks, is a pivotal international legal framework. It obliges member states to criminalize the financing of terrorism and freeze the assets of terrorist groups, underlining the vital role of disrupting the financial support networks of terrorists in the global counterterrorism effort.

Complementing this, UN Security Council Resolution 2462 emphasizes the prevention of terrorism financing by promoting information sharing, capacity building, and cooperation among member states. By encouraging greater collaboration and intelligence exchange, this resolution aims to create a more cohesive global response to the evolving challenges associated with terrorism financing. In a region-specific context, UN Security Council Resolution 2199 zooms in on the financing of terrorist groups in Iraq and Syria. This resolution imposes sanctions and calls for international cooperation to disrupt their funding networks, reflecting the Security Council's commitment to

curbing the financial underpinnings of terrorism in these areas, thereby contributing to regional stability and security. Together, these resolutions signify the international community's dedication to tackling the intricate problem of terrorism financing through legal obligations, enhanced cooperation, and targeted actions.

Possible Solutions

Intelligence Sharing

Intelligence sharing is a crucial component of international efforts to combat the funding of extremist and militia groups in the Middle East. It involves the exchange of critical information among countries and their respective intelligence agencies with the primary objective of identifying, tracking, and countering the sources of funding for these groups

There are several key aspects for its implementation, such as bilateral agreements. Countries often establish bilateral agreements to facilitate intelligence sharing. Under these agreements, nations agree to share intelligence, including information related to financial transactions, movements of assets, and the activities of individuals and entities suspected of being involved in funding extremist and militia groups.

There will also have to be regional organizations. Many regional organizations, such as the European Union (EU), the Gulf Cooperation Council (GCC), and the African Union, promote intelligence sharing among their member states. These organizations serve as platforms for member countries to share information and enhance regional security by addressing common threats, including the funding of extremist groups.

Lastly, for it to be completely effective, it requires international coalitions. In the context of global counterterrorism efforts, international coalitions like the Global Coalition to Defeat ISIS have been established. These coalitions include multiple nations and aim to pool resources and intelligence expertise to combat the financial activities of

extremist and militia groups. Information sharing within these coalitions is essential for the coordination of efforts across borders.

Intelligence sharing allows countries to combine their resources, knowledge, and expertise to identify and apprehend key individuals involved in financing extremist and militia groups. It helps in understanding the complex financial networks that support these groups and enables preemptive actions to disrupt their funding sources.

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