

**Committee: GA2 ECOFIN (Economic and Financial Court)**

**Committee Date: 18 December 2009**

**Agenda Item: Preventing and Penalizing the financing of Terrorism on Universal and Domestic Scales, Through the Cases of Al-Qaeda, Turkey and Spain**

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### **Introduction**

Terrorism has been an important issue of the world in the last few decades. The term has started to gain popularity within the media in the late 20<sup>th</sup> century, and the attacks have spread all over the world in the 21<sup>st</sup> century.

The financing of terrorist groups has always been an issue within nations. Through the history, several governments have been accused of supporting non-state terrorist organizations. Any kind of financial support given to terrorist organizations or individuals is under the consideration of financial crimes. Through their support, governments manage to direct terrorist organizations to actions that will help the government gain power against other nations, and exert that power over its own public. These supports may be in the form of weaponry and funds. Al-Qaeda has unleashed fear through the attacks it has done worldwide, and different countries in the Middle East and North Africa. Other than the universal threat of Al-Qaeda, Turkey and Spain have been struggling with domestic terrorist attacks, and various individuals are accused of giving support to these organizations. Furthermore, Israel has been accused of giving support to non-state terrorist organizations in Lebanon and Palestine.

**The date of the committee is 18 December 2009.**

The delegates are expected to find solutions to prevent the financing

of terrorist groups. The priority should be universal threats of terrorist groups, with the primary example of Al-Qaeda, and preventing countries, private organizations and businessman to support terrorist organizations. The delegates should find universal solutions to prevent the financing of terrorist organizations. Similarly, the delegates should find ways to promote the governments who are struggling with in-state conflicts that are considered to be terror, to expand investigations on financial institutions, prevent drug trafficking. Doing so, the delegates should benefit from the examples of Turkey and Spain, and find domestic solutions to prevent the financing of terrorism. Notices should be given to the countries that are proved to be supporting terrorist organizations, and the committee should develop strategies to prevent financing of terrorism.

## **NOTICE**

A new timeline starts when the committee begins in 18 December 2009. The events that normally happened after this date cannot be referred to within the committee sessions, as they have not yet occurred within the committee's timeline. It is not a necessity for the committee's timeline to unfold the same way it does in our current timeline, while it can also unfold similar to the current timeline.

## **Definition of Key Terms**

### **State Sponsored-Terrorism**

State sponsored-terrorism considers the support given by a state to a non-state terrorist organization. Through this assistance to the terrorist organization, the state may attack countries or groups of people. State sponsored-terrorism can both refer to direct attacks by the state, or support of the terrorist organization through supplying them with the necessary funds and weaponry.

## **Background Information**

### **Origins of Terrorism**

Terrorism considers a variety of threats; such as suicide attacks, organized assaults in conflict zones, and attacks using chemical, biological, and explosive material. The term is believed to have originated during the Reign of Terror in France, during the time of French Revolution, where the radicals took control of the revolutionary government, and executed anyone whom they believed to have been supporting revolution. It is believed that the term terrorism is named after these actions of the radicals. However, there is still conflict in defining an action as a terrorist action. The attackers can interpret their actions as a struggle to gain freedom, while the aggrieved ones could claim that the actions are terrorist actions. The first examples of terrorism in the modern era could be given as the attacks in the struggle of Irish people for independence; the nationalist revolts against the Ottoman Empire, or the conflicts within Palestine.

## **Major Conflicts Between Countries and Terrorist Organizations**

### **Case Study: Universal Threat of Terrorist Organizations**

#### **NOTICE**

The case of Al-Qaeda is included as a case study for the delegates to understand the universal threat of terrorism, and to find solutions on how to deal with the threat. The delegates are expected to find solutions to the financing of organizations that are recognized as terrorist groups worldwide, but do not necessarily have to limit these

solutions to Al-Qaeda. The example of Al-Qaeda is given in order to direct the delegates to finding solutions to possible universal threats, and to prevent the financing of such organizations. The delegates may use Al-Qaeda, but they should rather focus on finding general solutions to the financing of terrorist organizations.

### **United States of America and Al-Qaeda**

On 11<sup>th</sup> of September 2001, a series of coordinated attacks were executed in United States of America. Four attacks considering two main targets, the World Trade Center in New York City, and the Pentagon building in Washington D.C, were carried out, resulting in the deaths of approximately 3000 people. The series of attacks caused nearly 200 billion dollars of damage.

On December 13, the U.S. government has released a tape, which displayed that the leader of the terrorist group, Osama bin Laden, had a link with the attacks that were executed on 11<sup>th</sup> of September 2001. Possible motivations for the attacks were suggested as the Israeli attacks on Lebanon in 1982 during the Lebanon War and the support of the United States to the Israeli forces, and the presence of the U.S. military forces in both Saudi Arabia.

### **Al-Qaeda and Other States**

Other than United States of America, Al-Qaeda and other minor Islamist terrorist groups and individuals that have followed the ideologies of Al-Qaeda have executed many attacks through the world. Al-Qaeda directly took responsibility of several attacks in Morocco and England, while several terrorist attacks in Spain, Indonesia, and India were taken on by Islamist terrorists, who have followed or admired the ideology of Al-Qaeda.

## **Financing of Al-Qaeda**

It is estimated that the terrorist organization would need nearly 500 million dollars to execute the series of attacks. Even though bin Laden came from a wealthy family, the financing of the terrorist group Al-Qaeda was not only led by bin Laden's personal wealth alone. The U.S. government accused several Islamic Gulf States, such as Saudi Arabia, Iraq, Qatar, and United Arab Emirates. Other than the states that are believed to give financial support Al-Qaeda, several businessmen, mostly from Saudi Arabia, gave support to the organization under the name "Golden Chain". The terrorist group also had other forms of profit through heroin trade and money laundering. The terrorist group did not only receive economic supports from governments and organizations. Taliban, a group of Islamists who took over the government of Afghanistan for a period of time, were accused of protecting Osama bin Laden. Another report claimed that Al-Qaeda received American-made weapons from Saudi Arabia and United Arab Emirates.

## **Case Study: Domestic Struggles with Terror**

### **NOTICE**

The case of Spain and Turkey are two examples of countries that are dealing with domestic issues, mainly about the extent of the rights of groups of people within their country. Turkey is having conflict with PKK, while Spain is having conflict with ETA. Both countries accept these organizations as terrorist organizations, and many countries around the world have agreed to such definition. For that reason, the conflict of Turkey and Spain with in-state organizations that they consider as terrorists is given as an example. The delegates are expected to find

solutions to the domestic struggles of terrorism. They do not have to limit their solutions to the cases of Turkey and Spain, but rather should find focus on preventing the financing of domestic terror in general. They can suggest solutions for the two cases, but do not necessarily have to do so.

## **NOTICE**

While UN may or may not consider a state organization as a terrorist group, the definition of terrorism for the two cases is written according to the general acceptance and the view of the two countries in this study guide.

## **Conflicts of Turkey and Spain With In-State Terrorist Groups**

As a part of their domestic politics, both Turkey and Spain have to deal with ethnic groups of minority. Turkey hosts Kurdish people within its cities, mostly in its Southeast regions, while Spain hosts Basques. Basques are reserved to a region, where they have built an autonomous community. The political party Batasuna represents the Basques. While Kurdish people have built an autonomous community within the lands of Iraq Federation, they do not have autonomy within Turkey, even though they are demanding such power from the government. The parties Democratic Society Party (from 2005 to 2008), and Peace and Democracy Party (founded in 2008) represent the Kurdish people within the Turkish parliament. The political parties, both in Spain and Turkey, are accused of having affiliations with terrorist organizations. Batasuna has been accused of having connections with ETA, while the parties representing Kurdish people within the Turkish parliament have been accused of their links with PKK.

The Kurdish Worker's Party (PKK) was founded in late 1970s,

against the oppression that was being applied on the Kurdish people by the Turkish government. While there had been attempts of Kurdish people attempting an uprising against the Turkish government since the Treaty of Lausanne in 1923, they were not as coordinated as the attacks of PKK. PKK did not make a major move until 1984, when they have declared an uprising against the Turkish government by attacking policeman and gendarme in Hakkâri. The terrorist group executed attacks against Turkish soldiers and the Turkish public, mostly in the southeast region where the majority of the Kurdish population in Turkey lived in. Over the years, PKK executed many attacks, both against the public and the soldiers. Against these attacks, the Turkish forces executed operations against the members of the organization. Furthermore, the government announced a state of emergency within several cities in 1987, and the state proceeded until 2002. Events such as the capture of the leader of the PKK, Abdullah Ocalan, in 1999, have weakened the organization. Turkey also took some steps in 2000s, easing its restrictions on the Kurdish people and the Kurdish culture. Even though PKK declared ceasefire several times, the atmosphere of peace did not last long. PKK and the Kurdish parties have forego the idea of independence, and settled for granting more autonomy to Kurdish people. The conditions have changed, but a permanent solution is yet to be found.



Regions of Turkey, marked in red and orange, that have been affected in some time between 1987 and 2002 by the state of emergency released in cities where the Kurdish uprising is attempted in.

The conflict between ETA and Spain has been ongoing for almost half a decade. “Europe’s Longest War” started in 1959, when a group of separatists, under the name Basque Homeland and Liberty (ETA) started to launch attacks against Spanish administration. The Basque people lost their freedom on 1937, when the Spanish leader Franco occupied the Basque country. The attacks of the organization were first seen as protests against Franco, and for that reason, some groups in Basque and Spanish societies supported the protests of ETA. However, the conflict between the two sides did not continue peacefully. The controversies grew larger in 1970s, and both sides acted more aggressively. The government executed some members of the ETA, and the members of the terrorist group assassinated the Prime Minister Luis Carrero Blanco. Several attacks against the public were done by the organization, killing nearly 800 people within Spain. The organization also continued its attacks against important political figures within Spain. ETA attempted to kill the leader of the opposition party in 1995, which they believe to follow Franco and contradict their ideology. They also killed Basque councilor in 1997, and killed the councilor of the main opposition, Popular Party. The terrorist organization declared ceasefire in 1998, and discussions have started between ETA and Spain at the time. However, the ceasefire was broken in 2000, and ETA maintained its violent stand. Back in 1975, after Franco’s death, there had been peaceful talks between the Spanish government and the Basque people, which led to the Basques having a self-autonomy within a region in Northern Spain. However, evident from the attacks of ETA, the political demands of the organization have not been fully satisfied, as the group still seeks for the independence of the Basque country. After all the violence caused in Spain, the political party Batasuna was banned in 2003, and most of its members were arrested in 2007, for having relations with the terrorist organization, ETA.





Spain's country map, where the red region shows the Basque country (autonomous community)

### **Financing of PKK and ETA**

PKK's financing comes from various ways. PKK extorts some money from businessman and politicians. The terrorist organization's political wing and its members were suspected of supporting the terrorists and financing the organization, some which had faced trial for such reason. There are indications that the organization holds some events under the name charity and profits through it, and also gains money through donations. It is also suspected that PKK benefits from money laundering. The terrorist group also benefits from drug trafficking and smuggling. The government of Turkey believes that several countries have helped and supported the terrorist organization for some period of time, such as Greece, Syria, Iran, Armenia, and Russia.

Similar to PKK, ETA also takes support from its political wing within Spain, Batasuna. The terrorist organization mainly benefits from arms trafficking, robbery, and extortion. Several countries outside of Spain, such as Cuba, have helped the members of the ETA to hide within the borders of Cuba, and escape from the Spanish forces.

## **Major Countries and Organizations Involved in Terrorism Financing**

### **Iran**

Iran is accused for being one of the most primary sponsors of terrorism. Through Islamic Revolutionary Guard Corps, Iran provided weapons, training and funding to HAMAS, Palestinian terrorist groups, Lebanese Hizballah, Iraq-based militants, and Taliban fighters in Afghanistan.

### **Israel/Palestine**

Israel is accused of giving support to terrorist organizations in Lebanon and Palestine. Palestinian forces' actions against the Israeli public are also considered as terrorist actions by the Israeli authorities. The conflict between Israel and Palestine dates back to mid-20<sup>th</sup> century, when the Arab-Israeli War took place. From 1975 to present, Palestinian militants have made several attacks to the Israeli public, killing hundreds of people. Israel government is also accused of supporting individuals and groups to harm the Palestinian public. Some also accuse Israel for state terrorism, stating that the Israeli authorities are supporting terrorist organizations in order to unleash fear within its territory, and to have more power over its public. For these reasons, both countries are believed to have supported some terrorist organizations or militants in order to gain more power in the conflict they are facing with each other.

### **Sudan**

Sudan is accused of being a state-sponsor of terrorism, since members of Al-Qaeda, Palestine Islamic Jihad, and HAMAS have stayed within the borders of Sudan.

### **Cuba**

Cuba has stopped giving direct financial supports to terrorist organizations within Latin America, however, they have provide safe

haven for several terrorist organizations such as ETA, the Revolutionary Armed Forces of Colombia, and the National Liberation Army of Colombia.

## **Syria**

Syria has provided political and material support to Hizballah, and allowed them to use Syria as a territory for transit point. Several terrorist groups, such as HAMAS and Palestine Islamic Jihad, have based their external leadership within Syrian borders. Syria is also accused of giving support to Palestinian terrorist groups. For these reasons, they are considered as state-sponsors of terrorism by American authorities.

## **Saudi Arabia**

Saudi Arabia is accused of supporting Al-Qaeda with American-made weapons.

## **Qatar**

Qatar is accused of supporting Al-Qaeda financially. Furthermore, they are also accused of helping the members of the terrorist organization, who were suspected to have planned the 9/11 attacks, to hide and escape within the country.

## **Timeline of Events**

<b>1959</b>	ETA was formed, in order to protest the strict relegations against the Basque people and culture that the Spanish General Francisco Franco put within Spain, and to fight for constructing an independent Basque state in northern Spain and southwestern France.
<b>25 July 1979</b>	The Basques were given the power to build an

	autonomous community within a region in northern Spain.
<b>1984</b>	Formed in the late 1970s, the Kurdistan Worker's Party (PKK) declared an armed struggle against the Turkish government, starting its terrorist attacks against the Turkish people and the Turkish soldiers.
<b>7 August 1998</b>	Two United States Embassy buildings, one in Dares Salaam, Tanzania, the other in Nairobi, Kenya, were bombed simultaneously by affiliates of Al-Qaeda. The attacks caused to the deaths of 224 people in total.
<b>9 December 1999</b>	The International Convention for the Suppression of the Financing of Terrorism was designed by the Secretary General of the United Nations.
<b>11 September 2001</b>	Two buildings of World Trade Center in New York City, and the Pentagon building in Washington D.C., were attacked simultaneously, causing the deaths of nearly 3000 people. Al-Qaeda was seen as linked to the attacks.
<b>16 September 2001</b>	United States of America launched a new military campaign after the 9/11 attacks, named "War on Terror", that has mainly targeted countries that had a relation with Al-Qaeda. The government used the name "Operation Enduring Freedom" to express their global war on terrorism.
<b>7 October 2001</b>	As a part of their declaration of global war on terrorism, the United States government invaded Afghanistan in order to overthrow Taliban from

	the government, because they have been supporting the members of Al-Qaeda. The war between Afghan forces and U.S. military is still present.
<b>12 October 2002</b>	A terrorist attack happened in Indonesia, where the island Bali was bombed by a group of terrorists affiliated with the group Al-Qaeda. 202 people were killed, and more than 200 were injured in the attacks.
<b>16 May 2003</b>	A series of bombings happened in Casablanca, Morocco. 45 people have been killed during the attacks, and the attackers were found linked to the terrorist group Al-Qaeda.
<b>11 March 2004</b>	A terrorist attack happened in Madrid, where 10 bombs were exploded in four trains heading into the city center. Some Al-Qaeda cells in Spain were found responsible of the attacks. The attacks killed 119 people, marking the most devastating attacks in Europe, executed by an Islamist terrorist group.
<b>7 July 2005</b>	A series of terrorist attacks happened in London, targeting the transportation system of the city. 4 bombs were detonated, causing the deaths of 52 people. The deputy leader of Al-Qaeda accepted the responsibility of the attacks.
<b>11 July 2006</b>	A set of bombings was done in one of the busiest public transportations in the world, the train stations in Mumbai, India. Nearly 200 people were killed in the attacks. Islamist terrorist networks

	were accused of the attack.
<b>26 November 2008</b>	Another series of terrorist attacks were done in Mumbai. The attacks continued for 3 days, killing 166 people. The attackers were found to have links to Islamist terrorist groups.

## Relevant UN Treaties and Events

### International Convention for the Suppression of the Financing of Terrorism

The Internal Convention for the Suppression of the Financing of Terrorism is a United Nations treaty prepared to criminalize any kind of act that aims to finance and support acts of terrorism. The convention has been signed in 1999. It further aims to prevent, investigate and punish any kind of action that aims to finance terrorist organizations. While the convention has several articles that are useful in defining the crime of financing terrorism and punishing these acts, according to the third article, the convention does not consider the crimes when they are carried out within a single state. This article prevents punishments of in-state terrorist organizations, so, it does not clarify the steps that should be taken in the cases of Turkey and Spain. The delegates could benefit from the treaty, however, should consider adding additional articles that would consider the domestic cases of Turkey and Spain.

## Previous Attempts to Solve the Issue

### Establishment of CTITF

The Counter-Terrorism Implementation Task Force (CTITF) was formed by the United Nations Secretary General in 2005. The aim was to

improve the counter terrorism efforts, by attaining consistency within the strategies that will be followed against terrorist actions.

### **Anti-Money Laundering and Countering Financing of Terrorism Act 2009**

Although it is a domestic act, the Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT Act) could show an example for the delegates to understand what kind of restrictions could be put to private corporations and to track the money laundering process. AML/CFT Act, published in 16 October 2009, places obligations on the institutions and casinos in New Zealand, in order to detect and discourage any money laundering and financing of terrorism. While not their only resource, many terrorist organizations make huge profits through money laundering and drug trafficking. The prevention of the drug trafficking and the money laundering, as well as tracing the money traffic within several points of suspect, would make important progress in the campaign against the financing of terrorism.

### **United States Patriot Act**

As a part of its policies after the 9/11 attacks, U.S. government signed the Patriot Act in order to strengthen and coordinate its measures in its struggle against terrorism. Other than the improvements on security and new legislations about the victims of the attacks, the act also includes regulations regarding the financing of terrorist organizations. U.S. government aims to strengthen banking rules in order to prevent money laundering through the act. The government also improves the communication between the law enforcement and financial institutions, and also puts further restrictions to the production of currency without the legal confirmation of the government. The titles within the act, related to the financing of terrorism, could set an example for the delegates while trying to form a resolution that would attempt to bring solutions in order to prevent the financing of terrorism.

## Possible Solutions

- Promoting the countries that are struggling with domestic terrorist groups to judge the individuals within the country who are giving support to in-state terrorist organizations.
- Tightening the legislations on banks, and increasing the surveillance on suspicious transfers in order to prevent any financial support to terrorists and to stop money laundering.
- Restrictions on arms sales to the governments who have supported terrorist groups.
- Investigation of the financial trades and the transfers within the countries that are suspected to support terrorism.
- While the financing of terrorism should be punished, since there are too many accusations that are waiting to be accepted or be proved, the steps that will be taken in the judgment of the individuals should be clarified, in order to prevent any misjudgment that could happen. No judgment should be made until there is clear proof that an organization, individual, or a government has supported a group that is widely considered as terrorists.

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