

# **Securing the Maritime Commons:**

## **An Economic and Strategic Justification for Sustained Multinational Naval Intervention in the Indian Ocean Region**

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### **Abstract**

The Indian Ocean Region (IOR) serves as a critical global economic artery, facilitating over 40% of seaborne trade and two-thirds of oil and gas transit, yet it faces a security vacuum exploited by a symbiotic “Illicit Triad” of drug smuggling, small arms and light weapons (SALW) trafficking, and resurgent piracy. This paper provides a strategic and economic justification for sustained multinational naval intervention to disrupt these interdependent threats, which generate billions in illicit financial flows (IFFs) via trade-based money laundering (TBML), fuel terrorism (e.g., Al-Shabaab), and exacerbate regional instability, public health crises, and governance weaknesses.

Drawing on detailed threat analysis, including the Southern Route for narcotics and Yemen-sourced SALW proliferation, the study highlights littoral states’ capacity deficits under UNCLOS and jurisdictional paralysis on the high seas. A comprehensive cost-benefit assessment reveals inaction costs ( $C_I$ ) of \$7–12 billion annually—encompassing rerouting, insurance premiums, and macroeconomic disruptions—far exceed intervention costs ( $C_A$ ) of \$1.5–2.5 billion, yielding a conservative benefit-cost ratio (BCR) exceeding 1.65:1.

Recommendations advocate a unified UN Security Council Chapter VII mandate for universal interdiction authority, expansion of Combined Maritime Forces (CMF) and EUNAVFOR Atalanta with predictive intelligence fusion (IMCFC), integration of naval action with AML/CFT regimes (e.g., FATF, OFAC), and parallel capacity-building for littoral self-sufficiency. Ultimately,

such intervention represents a cost-effective global insurance policy against maritime criminality, safeguarding commerce, countering terrorism, and promoting IOR stability.

## Keywords

Indian Ocean Region (IOR), Maritime Security, Illicit Triad, Piracy Resurgence, Drug Smuggling, SALW Trafficking, Multinational Naval Intervention, Economic Cost-Benefit Analysis, UNCLOS Jurisdictional Gaps, Crime-Terror Nexus

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# Introduction

The Indian Ocean Region (IOR) stands as a pivotal artery of global commerce and energy security, channeling over 40% of the world's seaborne trade and two-thirds of its oil and gas supplies through vital chokepoints such as the Strait of Hormuz and the Bab-el-Mandeb. This expansive maritime domain, connecting the Middle East, Asia, Europe, and Africa, underpins the stability of international supply chains and economic prosperity. However, its vastness and the governance challenges faced by many littoral states have created a persistent security vacuum, exploited by transnational criminal networks. These networks perpetuate a symbiotic "Illicit Triad" of drug smuggling, small arms and light weapons (SALW) trafficking, and sea piracy, which not only disrupt lawful commerce but also fuel terrorism, regional conflicts, and public health crises. Recent developments underscore the urgency: in the first nine months of 2025 alone, global piracy and armed robbery incidents reached 116, marking a 47% increase from the same period in 2024, with Somali piracy showing a concerning resurgence driven by instability and the redirection of international assets (International Maritime Bureau 2025a; International Maritime Bureau 2025b).

This paper aims to deliver a robust economic and strategic justification for the establishment of a sustained multinational naval intervention in the IOR, framing it as an essential global insurance policy to secure maritime commons against non-traditional threats.

The specific objectives are as follows:

- To provide a strategic overview of the convergence of transnational threats in the IOR, defining the Illicit Triad's scale, scope, interdependencies, and financial architecture.
- To conduct a detailed threat analysis, examining operational modalities such as the Southern Route for drug smuggling, SALW proliferation from conflict zones like Yemen, piracy resurgence, and the crime-terror funding cycle.
- To evaluate the capacity and jurisdictional deficits, including littoral states' patrol limitations under UNCLOS and geopolitical frictions amid great-power competition.
- To perform a comprehensive economic analysis, quantifying the staggering costs of inaction (e.g., \$7–12 billion annually from piracy alone) against the manageable costs of intervention (\$1.5–2.5 billion), yielding a favourable benefit-cost ratio.

- To propose a strategic framework for intervention, encompassing a unified UN Chapter VII mandate, operational scaling of existing forces like CMF and Atalanta, intelligence fusion, financial disruption, and capacity-building for regional self-sufficiency.

The scope of this paper is centred on the Western Indian Ocean, with a primary emphasis on non-traditional security challenges posed by the Illicit Triad. It draws on data through 2025, incorporating recent escalations in piracy, while excluding high-end military confrontations among major powers (e.g., US-China-India rivalry), though noting their role in diverting attention from these “low-end” threats. By integrating threat assessment, economic rationale, and actionable recommendations, this analysis seeks to bridge the gap between recognition of the problem and effective multilateral response.

## I. Strategic Overview: The Convergence of Transnational Threats in the IOR

### A. The Indian Ocean as a Global Economic Chokepoint and Strategic Nexus

The Indian Ocean Region (IOR) is unequivocally vital to global commerce and security. It serves as the primary maritime artery connecting the Middle East, Asia, and Europe, facilitating the transit of more than 40% of the world’s seaborne trade. Furthermore, two-thirds of the planet’s oil and gas flows pass through its critical chokepoints, such as the Strait of Hormuz and the Bab-el-Mandeb. Disruption to this vast maritime space immediately translates into global economic risk.

Despite its global importance, the IOR suffers from a significant security imbalance. Its vastness and the limited capacity of many littoral states allow criminal organizations to exploit large, ungoverned stretches of the high seas. This environment permits the flourishing of a complex array of non-traditional security threats, including illicit trafficking, which directly threatens unimpeded lawful commerce and regional stability.

### B. Defining the Illicit Triad: Scale, Scope, and Interdependencies

Maritime security in the IOR is primarily challenged by a mutually reinforcing triad of transnational organized crimes: drug smuggling, small arms and light weapons (SALW) trafficking, and sea piracy. These activities are interdependent, forming a self-sustaining criminal cycle that generates

violence and destabilizes governance across the rim.

The relationship between the three threats is symbiotic. Piracy, while disruptive in itself, often generates large, liquid capital through ransom payments. This illicit capital is swiftly reinvested into the highly profitable drug and arms trades, completing the cycle. The presence of illicit SALW acts as a critical force multiplier, enabling both pirates and traffickers to use escalating levels of armed violence, fueling organized crime, and supporting terrorist groups operating across the Horn of Africa and South Asia.

### **C. The Financial Architecture of the Nexus: Illicit Financial Flows (IFFs)**

The ability of these illicit networks to operate at scale depends entirely on effective financial mechanisms to process and integrate their vast profits into the legal global economy. Organized crime utilizing the IOR generates billions of dollars annually, necessitating sophisticated methods for money laundering and repatriation.

A critical methodology exploited by these groups is Trade-Based Money Laundering (TBML). Criminal entities exploit the complexity of global shipping by misrepresenting the pricing, quantity, or quality of goods and services. This can involve over- or under-invoicing or multiple invoicing to move illicit value across borders, effectively weaponizing legitimate trade to obscure the illegal origins of funds. This necessitates not only a naval presence but also a specialized, technologically advanced intelligence and financial tracking response.

The current geopolitical climate further exacerbates the vulnerability of the IOR. Intense strategic competition among major global powers, including the United States, China, and India, frequently leads external navies to prioritize high-end strategic deterrence and force projection. This strategic focus inadvertently results in the diversion of limited resources and attention away from the "low-end" non-traditional security threats posed by the Illicit Triad. The resulting security vacuum provides operational space for transnational criminal organizations (TCOs) to thrive, highlighting the necessity of a dedicated, non-aligned multilateral coalition, such as the existing Combined Maritime Forces (CMF), to specifically address this collective action problem. Existing operational frameworks, such as CMF and the European Union's Operation Atalanta, have already acknowledged this gap by expanding their mission statements to operationally include counter-narcotics and contributions to arms embargo enforcement. This operational shift confirms the necessity of fighting the Triad holistically, but it also underscores the need for a robust, unified international legal mandate to ensure the full effectiveness of these expanded missions.

## II. Detailed Threat Analysis and Operational Modalities

### A. Drug Smuggling: The Criticality of the Southern Route

The global illicit drug market, particularly for opioids and synthetic drugs, continues to exert continuous pressure on maritime trafficking routes in the IOR. Shifts in global production, such as the 2022 Taliban ban on opium cultivation in Afghanistan, create changes in supply but guarantee continuous demand, often leading to greater prominence of synthetic drugs like methamphetamine.

The "Southern Maritime Corridor" is the critical pathway. Opium and heroin originating in Afghanistan are trafficked overland through Iran and Pakistan before being loaded onto traditional vessels, like dhows and fishing boats, for sea transit. These vessels then traverse the Arabian Sea, often destined for East and Southern African transit countries, where the drugs are fragmented for onward distribution to global markets. Smugglers frequently rely on complex trans-shipment operations conducted on the high seas, exploiting the vast, unpoliced areas far beyond the typical patrol range of regional navies.

The consequences of this trade are regional and profound. The influx of narcotics into East Africa imposes severe public health consequences, specifically fueling injection drug use and accelerating the spread of HIV, placing immense long-term societal and productivity costs on already fragile regional health systems. This maritime criminality acts as a massive drain on development resources.

### B. Small Arms Proliferation: The Conflict-Criminal Enabler

SALW trafficking is the primary enabler of violence across the IOR. Weapons are primarily sourced either through diversion from active conflict zones, most notably Yemen, or via the theft from insecure government stockpiles in states prone to weak institutional control.

Corruption is the central mechanism facilitating this supply. In many instances, the diversion of weapons is facilitated by corrupt state officials, sometimes due to insufficient salaries or low morale, who systematically steal or "rent" arms from government stockpiles to supply TCOs. This continuous diversion ensures a steady, reliable supply of lethal force to non-state actors. The weapons are typically trafficked from Yemen, transiting the critical Bab-el-Mandeb Strait, and moving south along the African coast to destinations including the Horn of Africa, Tanzania, and Mozambique. This influx directly fuels regional conflicts and empowers insurgent groups, such as those operating in Cabo Delgado.

## C. Piracy Resurgence: A Symptom of Underlying Instability

While international efforts dramatically reduced the peak of Somali piracy, the threat has shown a concerning resurgence since 2023, driven by instability and potentially the redirection of international assets. The ICC International Maritime Bureau (IMB) reported a rise in incidents, recording 33 cases in the first quarter of 2024, an increase from 27 in the same period in 2023.

The nature of the threat is escalating. The risk to seafarers is notably rising, with a documented increase in the number of crew taken hostage (126 in 2024, compared to 73 in 2023), and a higher prevalence of incidents involving the use of firearms. The current hotspot concentration in the Gulf of Aden and the Red Sea is complicated by the ongoing conflict in Yemen, which adds layers of geopolitical risk to basic interdiction efforts.

## D. Analyzing the Crime-Terror Funding Cycle (CTFC)

The nexus between maritime criminality and terrorism confirms the critical need for intervention. The profits generated from illicit maritime trade, especially narcotics, provide a vital funding source for regional terrorist organizations, including Al-Shabaab. The strategic imperative of international naval intervention is thus not only maritime security but global counter-terrorism; disrupting the flow of arms and money simultaneously degrades the operational capability and the long-term financial viability of non-state armed groups.

The analysis confirms that maritime illicit trade is frequently a symptom of deep-seated state weakness. The systemic problems of corruption and weak governance in littoral states are foundational to the persistence of the Triad, facilitating both the supply (through weapons diversion) and the transit (through bribery). Consequently, a purely kinetic naval intervention can only displace the problem geographically. To achieve lasting security and stability, naval action must be meticulously integrated with parallel governance capacity-building efforts sponsored by civilian organizations like UNODC and EU sister missions (e.g., EUFOR-Somalia).

Table 1: The Triad Nexus: Interdependencies and Global Consequences

Illicit Activity	Primary IOR Route/Source	Impact on Other Crimes	Systemic Consequence	Data Source
Drug Smuggling (Heroin/Meth)	Southern Route (Afghanistan \rightarrow Arabian Sea \rightarrow East Africa)	Provides major revenue source for terror groups financing (Al-Shabaab) and maritime criminality.	Public health crisis (HIV spread); financing of terrorism; corruption of state institutions.	
SALW Trafficking	Yemen/Conflict Zones	Enables piracy (providing tools for instability; threat)	Regional instability; threat	

Illicit Activity	Primary IOR Route/Source	Impact on Other Crimes	Systemic Consequence	Data Source
	Horn of Africa/Mozambique	of violence) and fuels regional insurgencies (Cabo Delgado).	multiplier for armed violence; state corruption vulnerability.	
Sea Piracy (Resurgence)	Gulf of Aden Western IOR	Ransom payments laundered, often channeled to purchase arms and fund illicit drug operations.	Direct economic disruption; increased shipping costs; threat to seafarer lives (hostage risk).	

### III. The Capacity and Jurisdictional Deficit

#### A. Limitations of Littoral States: The Patrol Paradox

IOR coastal states operate under immense pressure to police vast maritime domains. Under the United Nations Convention on the Law of the Sea (UNCLOS), sovereign states are entitled to an Exclusive Economic Zone (EEZ) extending up to 200 nautical miles from their baselines. These EEZs cover millions of square kilometers, requiring substantial naval and aerial surveillance assets for effective patrol and enforcement.

However, the resources available to many critical littoral states are highly asymmetric to this task. For example, states like Tanzania and Kenya, despite their strategic importance, lack the adequate naval and air assets required for year-round deep-sea patrol and sufficient surveillance capability to effectively monitor their EEZs. This capacity gap is compounded by the near-total absence of effective national maritime capacity in stateless or conflict-affected regions like Somalia, which serves as a major source and transit hub for criminal syndicates. This deficit forces regional navies to concentrate their limited assets near the shore, leaving expansive, ungoverned areas on the high seas for TCOs to conduct major trans-shipment operations, safely removed from national jurisdiction.

Table 2: Regional Capacity Gap: EEZ Size vs. Policing Capability

Littoral State (Example)	EEZ Size (Approx. Sq Km)	Naval/ISR Capability	Capacity Limitation	Data Source
Kenya	Large	Limited frigate/patrol assets, some air assets.	Struggles to police maritime domain; requires external information sharing.	
Tanzania	Very Large	Minimal operational assets for deep-sea patrol.	Insufficient surveillance capability; less informed about maritime activity.	
Somalia	Massive Coastline	Functionally non-existent national capacity.	Source/Transit zone for criminal syndicates; lawless operational environment.	
IOR High Seas	Millions of Sq Km	Coalition assets (CMF, Atalanta, India)	Insufficient resources to patrol effectively without fusion/coordination.	

## B. The Legal and Jurisdictional Paralysis on the High Seas

The intervention faces a significant legal hurdle defined by UNCLOS. Unlike piracy, which is classified as a universal crime, illicit drug and arms trafficking are generally not classified as such. This means that outside a state's territorial waters, a vessel is subject to the exclusive jurisdiction of its flag state. While the 1988 Vienna Convention encourages states to enter into agreements to combat the drug trade by sea , reliance on disparate bilateral agreements for real-time interdiction against fast-moving criminal networks is operationally inefficient.

The legal precedent for robust action, however, was set by the international counter-piracy operations off Somalia. The UN Security Council utilized its Chapter VII mandate to authorize international navies to board and detain vessels suspected of piracy, thereby overcoming typical jurisdictional limitations. Existing counter-narcotics and arms missions conducted by multinational organizations, despite their operational necessity , often lack this robust, standardized legal backing. Therefore, the strategic objective of a new UN mandate must be to provide *standardization*, ensuring that evidence gathered by any partner navy against any element of the Triad is legally sound for prosecution via the UNODC's Global Maritime Crime Programme (GMCP), maximizing the long-term disruptive impact.

## C. Geopolitical Friction: Navigating Sovereignty and Great Power Competition

Sustained international intervention must navigate complex geopolitical sensitivities. Major IOR regional powers, such as India, are naturally protective of their maritime sovereignty and view external military presence with caution, fearing it may complicate the strategic balance or compete with their own efforts to be regional security providers.

Furthermore, historical experience demonstrates that policy uncertainty created by short-term mandate renewals (such as the three-month renewal period used for counter-piracy resolution 2608) creates significant planning and budgetary risks for long-term operations like EUNAVFOR Atalanta. Criminal networks capitalize on these signals of policy fatigue and withdrawal. Therefore, the proposed intervention requires a guaranteed funding commitment and a minimum five-year mandate to ensure the necessary persistent presence and systemic operational tempo to effectively dismantle TCO infrastructure, rather than merely displacing tactical activity.

The solution requires the intervention to be framed explicitly as a collaborative, non-aligned security provider focused entirely on the non-traditional threats affecting *all* trading nations. The existing CMF framework, which comprises 47 member nations, including key regional actors , offers the optimal structure for pooling resources and securing the

requisite regional buy-in.

## IV. Comprehensive Economic Analysis: Cost of Inaction vs. Cost of Action

The economic justification for a sustained multinational naval intervention in the IOR is overwhelming. A robust cost-benefit analysis demonstrates that the economic damage inflicted by the Illicit Triad far surpasses the cost of deploying a robust deterrent force.

### A. Quantifying the Staggering Cost of Inaction (\text{C}\_I): A Systemic Risk Assessment

The annual economic cost of the Illicit Triad, even when measured conservatively, runs into the tens of billions of dollars. During the peak of Somali piracy, the annual cost to the global economy was estimated to be between \$7 billion and \$12 billion.

The direct costs borne by the shipping industry constitute a significant portion of this total:

1. **Rerouting and Increased Speed:** To avoid high-risk zones, ships were forced to take significantly longer routes or maintain higher speeds, consuming substantially more fuel. This avoidance behavior resulted in costs estimated at \$2.7 billion for increased speed and an additional \$486 million to \$680 million for rerouting annually. These direct costs alone represent a baseline aversion value of approximately 3.18 to 3.38 billion per year.
2. **Insurance and Security:** War risk insurance premiums skyrocketed, costing the industry approximately \$635 million annually. The cost of hiring armed security guards, installing equipment, and implementing best management practices (BMP) added another 1.064 billion to 1.16 billion.

Beyond direct costs, the secondary and macroeconomic costs are systemic and potentially much larger. Illicit Financial Flows (IFFs) from drug and arms trafficking fuel widespread conflict and corruption, which deter Foreign Direct Investment (FDI) and destroy physical and human capital. Furthermore, the societal costs—such as addressing regional public health crises (e.g., HIV/addiction epidemics) and funding expensive global counter-terrorism and humanitarian aid operations—exponentially increase the true, unquantified \text{C}\_I. The strategic value of intervention, therefore, lies not only in reducing insurance costs but in securing regional governance and development over the long term.

### B. Calculating the Manageable Cost of Intervention (\text{C}\_A): A Budgetary Model

A robust, permanent naval task force is necessary to address the

multi-faceted threat. Historically, the cost of sustained international military operations against piracy in 2011 was quantified at approximately 1.27 billion annually. This serves as a reliable floor for deterrence costs.

To project the cost of a modern, sustained, multi-mission force (capable of complex interdiction beyond simple piracy patrol), a higher estimate is necessary. Using cost models for a modern surface combatant, such as the US FFG(X) class frigate, the Congressional Budget Office (CBO) estimated the direct Operation and Support (O&S) costs at \$63 million per ship annually, rising to \$130 million when including all indirect and overhead costs (maintenance, readiness training, depot labor).

For a projected high-tempo coalition force of 25 surface combatants, the theoretical upper limit of the annual O&S cost (25 ships \times \$130 million) would be 3.25 billion. However, given that the intervention would be multinational (the CMF involves 47 nations), costs are mitigated by leveraging pooled resources—including shared maritime patrol aircraft (MPA) surveillance, command structures, and logistics. Therefore, a realistic and dedicated annual operational budget for sustained, high-tempo, multi-mission presence is projected to fall within the range of **1.5 billion to 2.5 billion** per year.

### C. The Benefit-Cost Ratio (BCR): Why Intervention is Economically Rational

The Benefit-Cost Ratio (BCR) strongly favors intervention. The calculated intervention cost of approximately 2.0 billion annually is significantly less than the 3.18 to 3.38 billion in direct shipping costs averted simply by suppressing piracy and eliminating the need for rerouting.

A conservative BCR calculation, comparing the projected cost of action ( $\text{C}_A \approx \$2.0$  Billion) against the minimum quantifiable direct savings ( $\text{C}_I \approx \$3.3$  Billion), yields a ratio of approximately **1.65:1**. This means that for every dollar invested, the global economy receives a \$1.65 return purely in averted direct shipping losses. When the immense and unquantifiable avoided costs of systemic instability, global energy market disruption, terrorism, and humanitarian burdens are included, the holistic BCR likely exceeds 5:1. Securing the IOR through naval intervention represents a critical, economically rational investment in global trade insurance.

Table 3: Economic Cost Analysis ( $\text{C}_I$  vs.  $\text{C}_A$ )

Cost Category	Component/Nature	Source/Basis	Estimated Annual Value (USD Billion)	Strategic Implication
<b>Cost of Inaction (<math>\text{C}_I</math>): Direct Shipping</b>	Insurance, Guards, Rerouting (2011 Peak)	OEF/Think Tank Data	\$7.0 - \$12.0	High, recurring cost easily avoided by deterrence.
<b>Cost of Inaction</b>	Rerouting & Speed	OEF/Think Tank	\$3.18 - \$3.38	Conservative

Cost Category	Component/Nature	Source/Basis	Estimated Annual Value (USD Billion)	Strategic Implication
(\text{C\_I}): Direct Aversion Metric	Increase Savings Alone	Data		minimum annual quantifiable saving.
Cost of Action (\text{C\_A}): Historical Military	2011 Counter-Piracy Operations	OEF/Think Tank Data	\sim \\$1.27	Confirmed minimum budget for sustained international presence.
Cost of Action (\text{C\_A}): Proposed High-End O&S	25 Surface Combatants (Full O&S Overhead)	CBO FFG(X) Analogy	\sim \\$3.25	Upper limit cost for robust, multi-mission capability.
BCR (Direct, Conservative)	(Averted Costs Proposed Cost Range)	Model Calculation	\sim 1.65:1 (min) to 2.6:1 (max)	Intervention is immediately and profoundly cost-effective.

## **V. Strategic Framework for Sustained Naval Intervention**

### **A. Proposed Mandate: A Unified Legal and Operational Framework**

Effective intervention requires solving the jurisdictional paralysis through a new legal mandate. The UN Security Council must adopt a new Chapter VII resolution specifically targeting the Western Indian Ocean (WIO) that universalizes jurisdiction over large-scale maritime drug and arms trafficking, based on its established nexus with piracy and terrorism financing. This mandate must explicitly grant international navies the legal authority to board, inspect, and detain vessels on the high seas when credible intelligence suggests involvement in the illicit triad.

This resolution must concurrently strengthen the judicial and prosecutorial pipeline. International forces must collaborate fully with the UNODC's GMCP, ensuring that evidence is collected to international legal standards, and providing necessary support to regional judicial authorities to prosecute and imprison suspects, thereby closing the accountability loop essential for deterrence.

### **B. Operational Structure: Scaling and Integrating Existing Forces**

The operational structure must leverage and expand existing successful mechanisms. The Combined Maritime Forces (CMF), a partnership of 47 nations, and EUNAVFOR Atalanta, possess the necessary coalition breadth. These forces must receive permanent resource increases and establish dedicated, multi-mission task groups focused specifically on the Triad, beyond traditional counter-piracy patrols.

The force structure must ensure a persistent presence in critical choke points (Bab-el-Mandeb, Strait of Hormuz) and known trans-shipment areas in the Arabian Sea. This persistent, predictable patrol raises the risk factor for traffickers, ensuring that the cost of operation for TCOs remains high. The nature of evolving threats, particularly the proliferation of synthetic drugs which are easier to conceal, demands that interdiction assets prioritize highly trained boarding teams and advanced detection technology with chemical and forensic capabilities.

### **C. The Intelligence Fusion Imperative: Moving to Predictive Interdiction**

Effective disruption requires intelligence-led action. A permanent, internationally-staffed IOR Maritime Crime Fusion Cell (IMCFC) must be

established to integrate intelligence streams from all member nations—including signals intelligence, satellite imagery, and financial tracking data.

The IMCFC's core function would be to move from random patrolling to predictive interdiction, specializing in analyzing TCO modus operandi, such as the use of deceptive flagging, vessel identity concealment, and covert ship-to-ship transfers utilized for sanctions evasion and illicit trade. This highly integrated intelligence effort ensures that naval assets are deployed against high-value targets, maximizing the disruption of network hierarchies.

## **D. Follow the Money: Integrating Naval Interdiction with Financial Disruption**

Naval intervention must be integrated inextricably with international financial regulatory bodies. Seizure of assets (vessels, cargo, narcotics) must immediately trigger parallel investigations into the beneficial ownership and financial sponsors of the illicit enterprise. This interdiction-to-sanctions pipeline leverages international anti-money laundering and counter-financing of terrorism (AML/CFT) regimes, such as those governed by the Financial Action Task Force (FATF) and the Office of Foreign Assets Control (OFAC).

The success of the intervention should therefore be measured strategically, shifting Key Performance Indicators (KPIs) from simple kilograms of narcotics seized to the number of financial networks sanctioned, the value of frozen assets, and the resulting disruption of the TCO business model.

Finally, the naval component must be coupled with substantial resources dedicated to non-military capacity building. While the Chapter VII mandate provides the necessary legal tools, the long-term success requires strong littoral state institutions. Funding must explicitly support judicial and legislative reforms, enhance local port security, and implement AML programs in conjunction with organizations like UNODC and EUCLAP, ensuring that the region can eventually assume full responsibility for its maritime domain. Furthermore, the arms interdiction mandate should adopt a regional focus, rather than solely targeting groups like Al-Shabaab. A regional focus acknowledges that SALW flows fuel widespread destabilization in areas like Mozambique , treating the illicit flow of weapons as a universal threat to IOR stability irrespective of the final recipient organization.

# Conclusion and Strategic Recommendations

## Conclusion

In the Indian Ocean Region (IOR), the entrenched nexus of drug smuggling, small arms and light weapons (SALW) proliferation, and resurgent piracy forms a vicious cycle that undermines global trade routes, finances terrorism, and perpetuates instability in fragile littoral states. As evidenced by the sharp escalation in 2025—with 116 reported piracy and armed robbery incidents worldwide from January to September, a 47% rise from the previous year, including hijackings extending deeper into the Indian Ocean amid distractions from the Red Sea crisis—this Illicit Triad demands urgent, coordinated action to prevent further erosion of maritime security (International Maritime Bureau 2025). The economic imperative is compelling: costs of inaction ( $C_I$ ), conservatively pegged at tens of billions annually through disrupted shipping, inflated insurance premiums, and macroeconomic ripple effects like deterred foreign investment and health crises, dwarf the projected intervention costs ( $C_A$ ) of \$1.5–2.5 billion per year for a multinational force. Far from a mere expenditure, such intervention emerges as a proactive safeguard, disrupting criminal financial architectures via integrated AML/CFT measures, bolstering regional governance to address root causes like corruption and capacity deficits, and ensuring the IOR’s role as a stable conduit for 40% of global seaborne trade. By prioritizing a unified UN Chapter VII mandate and leveraging frameworks like the Combined Maritime Forces, the international community can transform this vulnerability into a model of collaborative resilience, yielding long-term dividends in counter-terrorism, sustainable development, and geopolitical equilibrium.

## Recommendations:

- Secure a Unified Chapter VII Mandate:** The UN Security Council must adopt a comprehensive resolution establishing a standardized legal framework for the Western IOR, granting international forces the universal authority to interdict vessels suspected of major drug and arms trafficking on the high seas, thereby overcoming current jurisdictional limitations.
- Establish Permanent Multi-Mission Capacity:** Commit to long-term funding (\approx \\$2.0 Billion annually) for a sustained, multi-mission naval task force, building upon the established structures of CMF and Atalanta. This force must be integrated with a permanent IOR Maritime Crime Fusion Cell (IMCFC) to enable predictive, intelligence-led disruption.
- Integrate Naval Action with Financial Disruption:** Mandate the strict linkage of all interdiction operations and asset seizures with

international AML/CFT regimes and sanctions authorities (FATF, OFAC). Success metrics must shift to reflect the extent of disruption inflicted on the TCO financial architecture.

4. **Prioritize Regional Institutional Capacity:** Ensure that the intervention's budget includes significant, long-term funding for governance support, judicial training, coastal surveillance development, and anti-corruption initiatives in littoral states (in conjunction with UNODC/EUCAP), fostering long-term regional self-sufficiency and stability.

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