

Position paper

Committee: Special Political and Decolonization Committee (SPECPOL)

Portfolio: United Kingdom

Agenda: The Invisible War: Shadows of Proxy Armies — Dismantling State-Sponsored Terrorism, Narco-Crypto Financing and Intelligence Operations Fueling Middle East Chaos

I. Background and Position

The United Kingdom is aware that the instability in the Middle East is more and more caused by interconnected networks involving proxy warfare, illegal financing and secret intelligence operations. Armed groups backed by outside powers are able to operate across borders, being supported by criminal economies, the trade in narcotics and new digital-finance channels, these providing the funds which enable the conflict to go on. The United Kingdom considers it essential to disrupt these networks for the sake of international peace and security. The United Kingdom agrees with the principles set out in the United Nations Charter, with those of international law, with the idea of state sovereignty and with the resolution of disputes by peaceful means. At the same time, no sovereign rights can stop the international community from dealing with credible evidence of terrorism, illicit financing or breaches of international law and claims regarding state sponsorship or covert operations must be assessed by means of reliable evidence and through the proper international mechanisms rather than on the basis of unilateral accusations.

The United Kingdom is especially worried about the combination of terrorism financing and organised crime; the background guide mentions the Captagon economy in Syria, the use of traditional methods such as hawala and money laundering through trade, and the increasing use of cryptocurrencies and stablecoins by networks associated with regional armed groups.

II. Measures for Combating Illicit Financing

The United Kingdom considers tracking financial networks to be one of the most effective methods of weakening terrorist and proxy groups without being forced to escalate military conflict unnecessarily.

The UK therefore advocates:

1. Enhancing cooperation among the member states, the United Nations, the national financial-intelligence units and the Financial Action Task Force (FATF)
2. Enhancing the sharing of information concerning suspicious cross-border transactions, money laundering, drug trafficking, and evasion of sanctions
3. Establishing more rigorous anti-money-laundering and counter-terrorist-financing regulations for providers of virtual assets;
4. Establishing international cooperation in the analysis of blockchain technology in order to identify illicit cryptocurrency transactions
5. It has been reliably shown that the imposition of specific financial sanctions and the freezing of assets against individuals and organisations which are involved in terrorism or in illicit armed activity
6. We should reinforce international initiatives aimed at disrupting the networks that finance narcotics, at the same time promoting legitimate economic opportunities for those communities which are dependent on illegal economies.

The UK makes it clear that cryptocurrency in itself should not be regarded as inherently criminal, stating that the regulation should be directed at the misuse of digital financial systems for the purposes of financing terrorism, money laundering and evading sanctions.

III. Dealing with proxy warfare and state support

The United Kingdom is aware that proxy warfare presents considerable difficulties with regard to international accountability, since armed groups can get financial, military, logistical or intelligence support but at the same time retain different levels of operational independence. The United Kingdom backs the establishment or enhancement of impartial bodies which are able to look into serious allegations concerning state support for terrorist organisations and for proxy groups. These bodies should set out clear standards regarding the evidence and the attribution of responsibility while taking international law into account.

The United Kingdom also supports diplomatic interaction between the various states in the region in order to reduce the incentives for proxy warfare and to prevent local conflicts from spreading into broader regional confrontations.

If armed groups are willing to take part in legitimate political processes, the UK will support suitable disarmament, demobilization and reintegration schemes, on the condition that they do not put civilian security at risk or result in dangerous security vacuums

IV. Intelligence Activities and International Law

The UK considers it important to have intelligence capabilities in order to prevent terrorism, safeguard civilians and spot illicit networks; yet covert operations, cyber operations and targeted actions may also lead to tensions together with major legal and humanitarian concerns.

The UK therefore calls for:

- * greater international cooperation on intelligence regarding terrorist threats and illicit financing;
- * appropriate safeguards around the exchange of sensitive intelligence;
- * evidence-based attribution of cyber and covert operations;
- * respect for state sovereignty and international humanitarian law;

Actions aimed at preventing covert operations from spreading into a broader armed conflict.

The United Kingdom holds that intelligence should serve the purpose of ensuring international accountability rather than taking the place of independent investigation.

V. Humanitarian Protection

Anti-terrorism and financial measures should not have a disproportionate impact on civilians, and that is why the United Kingdom backs the introduction of appropriate humanitarian exemptions and safeguards in sanctions and financial-control systems.

Food, medical supplies, humanitarian aid and other essential civilian services should stay accessible and counter-financing actions should be directed against the individuals, organisations and financial networks which are responsible for illicit activities and not against whole populations.

The humanitarian effects of illicit economies should also be at the heart of international policy; the background guide points out the impact of Captagon trafficking and illicit economies on communities in Syria, Lebanon and the wider region.

VI. Conclusion

The United Kingdom holds that the security problems which are interlinked in the Middle East should be met with an equally connected international response; unless the financial infrastructure underlying proxy warfare is dealt with, proxy warfare cannot be addressed, and unless there is international cooperation between intelligence and law-enforcement agencies the financial networks cannot be effectively disrupted.

The United Kingdom therefore asks the member states to carry out multilateral financial monitoring, apply targeted sanctions, improve the standards for countering terrorist financing, establish attribution on the basis of evidence, carry out intelligent cooperation in a responsible manner, engage in regional diplomacy and maintain strong humanitarian safeguards.

The United Kingdom is still committed to an international order based on rules, with a firm approach to dealing both with terrorism and illicit financing, while maintaining sovereignty, international law and the protection of civilians as fundamental principles of international action.