

Position Paper

Committee: Special Political and Decolonization Committee

Topic: The Invisible War: Shadows of Proxy Armies – Dismantling State Sponsored Terrorism, Narco-Crypto Financing, and Intelligence Operations Fuelling Middle East Chaos

Country: People's Republic of China

The conflicts of the modern Middle East are no longer fought only on open battlefields. They are also fought through proxy armies, hidden financial networks, narcotics routes, encrypted digital payments, illegal arms flows, and covert intelligence operations. This is the invisible war: a system where violence is financed before it is fired, and where civilians suffer from conflicts sustained by actors operating in the shadows.

The People's Republic of China believes that this issue is one of the most serious threats to international peace and security. Terrorist organizations and armed non-state actors cannot survive without money, weapons, safe routes, and external support. The United Nations Counter-Terrorism Committee has recognized that terrorist financing may come from organized crime, drug and arms trafficking, exploitation of natural resources, abuse of non-profit organizations, crowdfunding, extortion, kidnapping for ransom, and virtual currencies. Therefore, dismantling terrorism and proxy warfare requires more than military action. It requires financial intelligence, digital regulation, anti-narcotics cooperation, respect for sovereignty, and long-term development.

China is a permanent member of the United Nations Security Council and has consistently supported counter-terrorism cooperation under the framework of the United Nations Charter. China firmly condemns terrorism in all forms and manifestations. At the same time, China believes that counter-terrorism must not be politicized or used as a justification for unilateral sanctions, unlawful intelligence operations, regime change, or interference in the internal affairs of sovereign states.

China is deeply concerned with instability in the Middle East because the region is central to international peace, energy security, trade routes, humanitarian stability, and global economic development. Continued conflict in the region threatens not only Middle Eastern states, but the wider international community. China has long supported dialogue, reconstruction, political settlement, and development-based solutions in the Middle East. China believes that peace cannot be imposed from outside through military blocs or selective pressure; it must be built through cooperation with sovereign governments and respect for international law.

The problem of proxy armies is especially dangerous because it allows conflicts to continue without direct responsibility. When armed non-state actors receive funding, weapons, training, intelligence, or political protection from outside forces, national sovereignty is weakened and civilian suffering increases. China believes that all Member States have the responsibility to refrain from supporting proxy groups and to respect the territorial integrity and political independence of other nations. Accusations of "state-sponsored terrorism" are

serious and must be handled through verified evidence and impartial UN-recognized mechanisms, not through political rivalry or selective blame.

Narco-financing has also become a major concern in conflict zones. Armed groups may use drug trafficking, smuggling routes, illegal taxation, and organized criminal networks to finance their operations. These networks often overlap with arms trafficking, human trafficking, informal money transfer systems, and corruption. The result is a cycle in which crime funds violence, and violence protects crime. China believes that SPECPOL must recognize the connection between narcotics, organized crime, terrorism, and regional instability.

The rise of cryptocurrency and virtual assets has added another layer to the problem. While digital financial technologies can support innovation and economic growth, they can also be misused by terrorist groups and criminal actors to move funds across borders. The Financial Action Task Force has warned that gaps in virtual asset regulation create loopholes that can be exploited for money laundering and terrorist financing. FATF standards require countries to regulate virtual asset service providers through licensing or registration, supervision, customer due diligence, record keeping, suspicious transaction reporting, and information sharing on originators and beneficiaries of transfers.

International action has already begun, but implementation remains uneven. United Nations Security Council Resolution 2462, adopted unanimously on 28 March 2019, requires Member States to prevent and suppress terrorist financing, criminalize the wilful provision or collection of funds for terrorist purposes, and freeze assets connected to terrorism. The UN Counter-Terrorism Committee has also highlighted the growing concern of terrorist misuse of the Internet, modern technologies, and virtual currencies. These frameworks prove that the international community already understands the danger, but stronger coordination and capacity-building are still needed.

China has taken strong national measures against terrorism, extremism, separatism, money laundering, cybercrime, and illicit financing. China has strengthened financial supervision, border security, cyber monitoring, and law enforcement coordination to prevent terrorist and criminal networks from exploiting its systems. China's approach is based on both security and prevention. It recognizes that terrorism cannot be defeated only by force; its root causes must also be addressed.

China's official position at the United Nations has consistently emphasized that the fight against terrorism must follow the UN Charter and international law. China opposes double standards in counter-terrorism and rejects linking terrorism with any specific country, ethnicity, or religion. China has also argued that poverty, social injustice, conflict, weak development, extremist ideology, and foreign interference create the conditions in which terrorism grows. Therefore, the international community must address both the symptoms and the root causes of terrorism.

China's Global Security Initiative further supports the vision of common, comprehensive, cooperative, and sustainable security. Under this approach, no country should seek its own

security at the cost of another country's instability. China opposes the abuse of unilateral sanctions and long-arm jurisdiction, as such measures often worsen humanitarian conditions and weaken the ability of affected states to fight terrorism. China believes that the Middle East needs dialogue, reconstruction, and development, not confrontation and external interference.

The People's Republic of China believes that the invisible war must be fought through visible cooperation. First, China proposes a UN-led framework to track and disrupt narco-crypto terrorism financing. This framework should combine financial intelligence, blockchain analysis, anti-narcotics enforcement, customs cooperation, and technical training for affected states. It must operate with the consent of sovereign governments and must not become a tool for unlawful surveillance or political interference.

Second, Member States should strengthen regulation of banks, charities, informal transfer systems, crowdfunding platforms, shell companies, and virtual asset service providers. This should include customer due diligence, licensing, suspicious transaction reporting, asset-freezing mechanisms, and cross-border information sharing. However, all such cooperation must respect national sovereignty, domestic legal systems, and international law.

Third, SPECPOL should encourage the creation of an impartial UN-recognized mechanism to examine allegations of proxy financing and state support for armed non-state actors. Such a mechanism would help prevent the politicization of counter-terrorism and ensure that accusations are based on evidence rather than geopolitical interest.

Fourth, affected Middle Eastern states should receive capacity-building assistance in border control, cyber-forensics, customs enforcement, anti-narcotics operations, financial intelligence, and judicial cooperation. Many states facing terrorism do not lack political will; they lack the resources and technology needed to track modern financing networks.

Finally, China believes that development is the most sustainable form of counter-terrorism. Reconstruction, education, employment, infrastructure, humanitarian assistance, and economic opportunity can weaken the conditions that allow extremist groups and proxy armies to recruit. A region cannot be stabilized only by cutting off weapons; it must also be given the tools to rebuild.

In conclusion, peace in the Middle East will not be achieved through sanctions, secret wars, military intervention, or bloc confrontation. It will be achieved when sovereignty is respected, financing is traced, proxy networks are dismantled, and development replaces destruction. The People's Republic of China remains committed to working with all Member States to bring this invisible war out of the shadows and build a more stable, secure, and peaceful Middle East.