

Financial instruments to counter the exploitation of natural resources

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Abstract. Currently, the financial activities of the state cover all areas of the country's economic activity, including all monetary relations between all entities producing tangible and intangible assets within the country and foreign countries, as well as interstate relations and with all international funds. The state's implementation of financial activities is aimed at its own provision of financial resources to fulfill its most important tasks: creating a material and technical base for the education and systematic increase of the "middle stratum" of society, increasing the material and cultural standard of living of the civilian population, ensuring the economic and military security of the country, promoting the strengthening of international cooperation. The exploitation of natural resources is seen as one of the ways in which terrorist organizations control and hold territory. This issue also relates to how terrorist organizations finance themselves through criminal activities and possible links to organized crime groups. Such criminal activities include extortion, smuggling, theft, illegal mining, kidnapping for ransom, corruption and environmental crimes. Since the main sources of extremism and terrorism are unresolved, constantly growing social contradictions and intertwined with them negatively influencing social processes, phenomena or conflicts in certain spheres of public life. And addressing the issues of countering the financing of terrorism today is the most important in the modern world.

Keywords: financial activity of the state, exploitation of natural resources, countering the development of terrorism, economic synergy of law.

1. Introduction

Recent terrorist attacks, including in East Africa, clearly show that terrorist groups use legitimate and illegal sources of financing for their activities. Many countries are increasingly concerned about the link between organized crime and the financing of terrorism.

Pursuant to resolution 2462 (2019), the United Nations Counter-Terrorism Office and its partners are building their capacity in response to the growing number of requests from interested States for technical assistance in combating the financing of terrorism. In particular, work is being carried out on a wide range of topical topics related to the fight against the financing of terrorism (CFT), such as the protection of the sector of non-profit organizations, the exchange of financial intelligence data, strengthening partnerships between the public and

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private sectors, conducting sectoral risk assessments and other priority areas identified by the Financial Action Task Force (FATF) and regional bodies created according to the FATF type [1].

It is particularly important to build the capacity of national authorities and relevant stakeholders to combat the financing of terrorism within their jurisdictions and at the regional level. Work in this area is being carried out in accordance with the current flagship capacity-building program in the field of terrorist lists and asset freezing, under which, since March 2015, technical assistance and training has been provided to Member States (national regulatory authorities, financial intelligence units, relevant ministries and private sector institutions) and regional authorities on issues of effective application of targeted financial sanctions in order to combat terrorism and terrorist financing. It also provides support to Member States and regional bodies in creating mechanisms to ensure the security of their financial systems and counter terrorist financing methods [2].

In countries where there is no effective government control over territory and resources, the natural resource sector may be vulnerable to being used to finance terrorism. Terrorist organizations can use these resources to make money by controlling or exploiting under-controlled natural resources such as gas, oil, timber, diamonds, gold (and other precious metals), wildlife (eg ivory trade) and charcoal (eg , in Somalia). These sectors can be lucrative sources of income and also attractive due to their lax regulation. The problem may also be exacerbated by low detection, prosecution and light penalties for criminal activity in these sectors. In addition, an increased risk of TF is present in regions with historically weak institutional frameworks, political instability, conflict zones, as well as in regions with rich natural resources. This is especially true in West Africa and parts of South America. Mining companies may be vulnerable to extortion and kidnapping of their employees for ransom, or they may be extorted by terrorist organizations for the right to operate in certain regions [3].

The Kyrgyz Republic pursues an active policy in the field of international cooperation in countering extremism and terrorism, including through participation in the United Nations Global Counter-Terrorism Strategy (hereinafter referred to as the UN GCC), in the implementation of its Joint Action Plan developed specifically for the countries of Central Asia. Within the framework of regional international cooperation, Kyrgyzstan participates in the activities of the Organization for Security and Co-operation in Europe (hereinafter - OSCE) to counter violent extremism and radicalization leading to terrorism, actively interacts with members of the Anti-Terrorist Center of the Commonwealth of Independent States (hereinafter - CIS ATC) and the Regional Anti-Terrorist Structure of the Shanghai Cooperation Organization (hereinafter - SCO RATS) [4].

The activities of certain radical groups and organizations aimed at spreading banned extremist materials and the ideology of terrorism continue in the country. The potential vulnerability in this process is represented by citizens who find themselves in a difficult life situation, migrants, closed communities, youth and women. In addition, there is the involvement of some religious figures in the process of spreading radical and extremist ideas. Law enforcement agencies identify facts of illegal activity of both registered religious organizations and unregistered religious associations, as well as individuals [5].

A rapidly growing threat is the activity of extremist and terrorist groups in the information space, including in social media and messengers, which are the main means of spreading radical ideas, a tool for recruiting new members to their ranks to organize and commit crimes of extremist and terrorist orientation

2 Materials and Methods

The financial activities of state bodies should be comprehensively clothed in a legal form – financial and legal acts. Such acts are issued by the competent state bodies on various financial issues and are divided into two main groups: 1) acts of public authorities; 2) acts of public administration [6].

In accordance with the above, the implementation of financial activities by the state is closely related to such legal categories as "law" and "law". A unified and precise approach to these categories has not yet been developed in the scientific literature, so we will try to consider the features and differences of these categories from the point of view of economic categories: the law allows satisfying the subjective need of a person, and the law allows satisfying the material need of a citizen of the country. Consequently, from the standpoint of economic synergy, we can say that law is an objective reality associated with the existence of a person engaged in any activity, and law is a method of ensuring the rights of economic entities of a country by the state itself, since rights materialize in the course of the activity itself [7].

Consequently, the possession of rights implies the formation of legal obligations, for example, a citizen who has a constitutional right fulfills obligations on tax and other payments aimed at maintaining the functions of the state, the state, in turn, protects against encroachments on an individual from third parties, also ensures the receipt of individual rights and consumption of public goods of each rightholder by separate laws.

Thus, according to our concept of economic synergy, the right is the consumption of individual needs, and the law is the provision of an individual with the right to receive public and other benefits provided by the form of state support.

Proceeding from the above, it can be emphasized that the objective existence of law is accompanied by the existence of obligations and obligations. In order to have civil rights, it is necessary to fulfill tax and other obligations (not to violate the laws) of the country, and duties can be – service in the armed forces of the country (for men), education of the younger generation, etc. So, in our opinion, it is possible to express the right as a set of obligations and responsibility for non-fulfillment of their obligations [8].

Therefore, from our position, we can say that law is an objective reality that inextricably exists with the person himself, and the law is a method of ensuring the rights of any country by the legislation itself, i.e. by the state.

The current situation in the republic is complicated by the lack of control over religious activities, which is characterized by a low level of general education and religious knowledge among the clergy, the lack of educational, methodological and technical base in religious educational institutions, the interference of religious figures in political processes and public administration, which leads to a violation of the constitutional principle of secularism and creates favorable conditions for the spread of radical and extremist ideas

The concept we are developing will allow us to formulate a financial mechanism that will identify the main financial instrument for countering terrorism in any politicized society with an institutional environment.

3. Results

It can be said that the process of formation of the financial system in the country can quite clearly show the way of the emergence of the state as an institution of a politicized society. First, with the unity of individual and actual rights between two persons, there is an objective need for an exchange. And as a result of its expansion between groups of individuals, prerequisites for tribal associations are conditioned, which presupposes the creation of common monetary funds for the survival of unfavorable natural conditions for human life, and the further strengthening of these tribal institutions, the first states appear, the existence of which is conditioned by the development of the financial system in it [9].

The emergence of the state proceeds in parallel with the emergence of the financial system, which involves the establishment of mandatory payments by the state to ensure its normal functioning and the realization of its intended goals, etc.

Since the financial system covers the processes of formation, distribution and redistribution, with the help of the movement of financial resources, it will also determine control over countering terrorism and extremism, since any human activity is accompanied by any financial relations occurring within the financial system itself [10].

Thus, economic reasons lead to changes in the relations of material production, forms of ownership and standard of living. And among them, the most important is the unfair redistribution of property with the simultaneous insurmountable level of poverty of the country.

All of the above leads to various violations of "normative" laws, the appearance of violence in the process of "natural" image. The existing exchange relations in the country are played by corrupt layers of officials, with their "vertical", "horizontal" and so-called "transactional" connections. And the illegally "registered" property accumulated by them allows them to receive a sufficient level of "economic rent" to force the countries of the post-Soviet space to take the "political decisions" planned by them. All this creates conditions for increasing the level of threats of extremism, terrorism and political crises [11].

The possession of rights implies the formation of legal obligations. The owner of any property, having the right of ownership established by the state, at the same time undertakes to pay to the state all mandatory payments on them. Thus, we see that any right has a direct connection with the financial resources of the country, establishing "any" right of the state, it can immediately establish a financial obligation on them [12].

For example, you can express the right as a set of obligations and responsibilities for non-fulfillment of their obligations. If we assume that the right is equal to a coefficient of 1, then in order to balance the consumer of rights, it is necessary to balance the obligations of the right holder by a coefficient of 0.5 with his responsibility (right responsibility) by a coefficient of 0.5. Since the state gives officials (officials) the rights to distribute public goods among the population, in order for there to be no "stowaway" in its distribution, it will be necessary for the state to oblige them to fulfill their obligations with responsibility for the illegal distribution of public goods [13].

Thus, it can be concluded that the very illegal enrichment of an official or corruption schemes are associated with the failure to receive sufficient funds to the state treasury and is a problem of an unbalanced right issue to the holder of the rights to distribute public wealth with responsibility for the unfair fulfillment of their obligations.

Today, the main targets of terrorist acts are strategic and infrastructural facilities that are important for ensuring the social and managerial functions of society. Their destruction causes serious harm to the functioning of State institutions, the economic and social well-being of the population, the life and health of citizens. The primary targets for terrorists are also places of mass stay of people, such as educational organizations, healthcare institutions, museums, cinemas, religious sites, shopping malls and others [14].

The FATF report on ISIS notes that ISIS seeks to control local oil infrastructure in order to extract and refine oil for its own use and to sell or exchange it in local and regional markets at a low cost. ISIS makes its greatest profit from the use of controlled oil and petroleum products or from the sale of these resources to local buyers. ISIS makes the rest of its oil profits from sales through middlemen and smugglers who sell and transport illegal oil and petroleum products to end consumers. According to press reports, ISIS receives payment primarily in cash when selling oil, making oil trade difficult to track and disrupt.

It is also common for mining companies to operate in areas not controlled by governments or in areas controlled by corrupt officials. Sometimes such regions are also home to large-scale presence of terrorist groups. For example, in West Africa, groups such as al-Qaeda in the Islamic Maghreb and the West African Unity and Jihad Movement engage in protection and

extortion in exchange for mining rights. There are often no strict requirements for companies operating in the mining sector. Mining operators may be supporters of terrorist organizations and may also attempt to contribute financially to activities carried out by terrorist groups. There is a risk that donations from legal and illegal miners may go directly or indirectly to terrorist groups [3].

In order to prevent and minimize the consequences of terrorist acts, it is necessary:

1) develop and organize a set of measures to prevent and minimize the consequences of terrorist acts that are aimed at:

- ensuring the safety, readiness and effective response of state institutions, strategic and other facilities to emergency situations and possible terrorist acts by establishing requirements for the anti-terrorist protection of these facilities, categorizing and putting into effect their anti-terrorist protection passports;

- development and implementation of recommendations for private organizations and institutions on internal security, anti-terrorist protection and emergency management;

- raising awareness of employees of institutions and the public in the field of security and countering terrorist acts, which will allow them to adequately respond to crisis situations;

- improvement and development of the national anti-crisis management system in order to ensure a unified approach to operational cooperation in the field of eliminating the consequences of terrorist acts and restoring destroyed infrastructure facilities to ensure the vital activity of society with the involvement of all interested parties;

2) develop and implement a set of measures for the rehabilitation of persons injured as a result of an act of terrorism and participants in counter-terrorism operations aimed at:

- compensation for material damage, provision of material assistance and moral and psychological support to persons affected by terrorist acts;

- legal and social protection of persons involved in countering terrorism.

4. Conclusion

Consequently, the rights of certain social groups of the population (even officials, or law enforcement agencies, etc.) adequately established by the country, the country will be able to exclude the possible level of terrorism and extremism with the help of financial instruments [15].

Thus, it can be concluded that financial resources can be directly linked to legal ownership, to the right to all kinds of freedom, to the right of law enforcement agencies to use any public goods, and, accordingly, all this can be equated with financial responsibility for the possession of these rights. All this will determine the market approach to management and determine the dynamic development of post-Soviet countries.

The main risks in the implementation of measures to counter extremism and terrorism are:

- lack of a systematic approach to monitoring and evaluating the implementation of Program activities;

- low involvement of individual state bodies and MHI, which complicates the achievement of the final result;

- insufficient awareness of the state bodies, the OMS and civil society institutions about the goals and content of measures to implement the state policy on countering extremism and terrorism and this Program, which may lead to the adoption of incorrect management decisions;

- changing the nature and intensification of the activities of extremist and terrorist organizations in areas beyond the control of the state, such as the Internet space, social networks and messengers, which create new hotbeds of tension;

- lack of financial, human, technical or other resources for the effective implementation of this Program [16].

Natural resource crime investigations, including terrorism financing investigations, are often complex and require extensive and in-depth financial analysis. It is often difficult to identify the entire criminal network and the specific actors (including collaborators) committing such crimes. This in turn makes it difficult to prosecute such crimes. In order to take enforcement action to curb the activities of those involved in illegal mining, it is necessary to identify all operators operating in the sector, both legally and illegally. In addition, identifying and suppressing the activities of smugglers and smuggling networks, which, in addition to the territory directly controlled by the group, also often operate outside the country in which the minerals are mined, will help counteract this method of obtaining funds.

To overcome the problems, it is necessary to consider the possibility of cooperation between representatives of the public and private sectors and the involvement of entities outside the traditional AML/CFT system in this work. It is also very important to strengthen the legislative and institutional framework in these sectors. This is especially important given the enormous amounts of money that terrorist groups can make from exploiting natural resources. To adequately address these issues, public and private sector stakeholders need to be aware of the industry's vulnerabilities, such as the potential link between terrorist financing and corruption and organized crime

In the framework of cooperation with international organizations and research structures, it is necessary to develop and implement modern monitoring and evaluation mechanisms, identify appropriate indicators for the implementation of the Program, which can be used to analyze the results of the work.

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