

# Terror Financing and Growth of Terrorist Groups: A Case Study of Tehrik-e-Taliban Pakistan

Arshi Saleem Hashmi and Muhammad Saqib\*

**A**bstract: Since the inception of Tehrik-e-Taliban Pakistan (TTP), as an organized terrorist organization, it is widely discussed among scholars, whether terrorist organizations are financed by local or international sources in Pakistan. It is argued that some locals from FATA and KP regions did provide financial and manpower assistance to TTP's objectives by assuming as defensive jihad against Pakistan Army and for the enforcement of Sharia (Islamic law) in the country. In this perspective, other local militant outfits in Pak-Afghan border-areas significantly participated in the formation of the TTP challenging the writ of the state. In FATA and KP regions, the TTP was enthusiastically supported by the local people and militant outfits, because the political vacuum created after the annulment of PATA in 1994, created socio-political grievances among people. In this campaign, regional and International players specifically provided assistance in order to promote militancy in Pakistan. With the collaboration of Tehrik-e-Nifaz-e-Sharia-Mohammedi (TNSM) and other militant outfits, the TTP strengthened its organizational and operational structure within and beyond Pakistani borders. This paper addresses the strategies adopted by the TTP to sustain financially, and maintain fundraising and administrative affairs within dominated areas of Pakistan.

**Keywords:** Terrorism Funding, Taliban, Pakistan, Violence.

## Introduction

Terrorist organizations have evolved over the time in motivations, size, operational strategies, recruitments and capabilities, but the strategies to raise, move and utilized funds have remained largely the same.<sup>1</sup> However, terrorist funding is not specifically fixed to provide funds to terrorist operations, but to manage organizational expenses for maintaining a favourable environment essential to prolong militancy in a particular area or society.<sup>2</sup> Terrorist organizations cannot survive on ideology alone, but have to maintain strong financing and operational structure to be more operational and violent. Hence, these organizations have to show adaptability and opportunism to meet their financial requirements. To understand financing mechanisms, utilized by the terrorist organizations for their survival and activities, there has been a limited success in highlighting the responsible sources used by them. In order to fill this critical gap, further exploration of the issue is required.

---

\* Dr Arshi Saleem Hashmi is an Associate Professor of Peace and Conflict Studies Department, Faculty of Contemporary Studies, National Defence University, Islamabad, and Mr Muhammad Saqib is a PhD Scholar at National Defence University, Islamabad.

Upon its formation in December 2007, the TTP significantly declared itself to be an extension of the Taliban movement in Afghanistan, though, Afghan Taliban leadership never owned the TTP. Later, it claimed for three primary goals, such as, the enforcement of *sharia* (Islamic Rule) in Pakistan, unity against coalition forces and *defensive jihad* against the US in Afghanistan, and the Pakistan Army in Federally Administrated Tribal Area (FATA) and Khyber Pakhtunkhwa (KP).<sup>3</sup> The TTP was initially welcomed and supported by the local tribes and agencies of these areas, who were not in favour of Pakistan's alliance with the US and NATO. Consequently, the TTP also altered public opinion by justifying its goals and strategies against Pakistan security forces in FATA and KP regions. These justifications also helped developed a strong bridge for TTP's local and international financial assistance with manpower.

The TTP also managed funding from variety of activities ranging from low-level crimes to organized crimes, such as, kidnapping for ransom, extortion, bank robberies, exploitation of natural resources in FATA and KP, drugs trafficking via Pak-Afghan border, control on archaeological sites and funds collection through religious institutions.<sup>4</sup> Similarly, the smooth flow of TTP's financial assistance became more fluent, when it started to receive foreign charity-based funding and assistance. TTP leadership also divided each tribal area and agency of FATA and KP regions into administrative zones for revenue collection.<sup>5</sup> In this perspective, local and International militant syndicates, such as Lashkar-e-Jhangvi (LeJ), Tehrik-e-Nifaz-e-Sharia-Mohammedi (TNSM), Sipah-e-Sahaba Pakistan (SSP), Islamic Movement of Uzbekistan (IMU) and al-Qaida, supported TTP's agenda, and enhanced finance generating circle within and beyond the borders of Pakistan.

The TTP decided to attract people by promoting the concept of *sharia* and declared the democratic system in Pakistan as an anti-Islamic and Western practices. This particular message helped the TTP spread its message and convinced local people by interpreting violent activities as a defensive "*jihad*" against the Pakistan Army and coalition forces in Afghanistan. Given this background, this paper endeavours to explore financial sources of the TTP by addressing the questions mentioned below:

- What types of strategies were used by the TTP and what kind of initial response, it received from the local people of FATA and KP regions?
- Did the TTP exploit the political vacuum created after the annulment of Provincially Administrative Tribal Areas (PATA-1975) regulations by the Supreme Court of Pakistan in 1994?

- What were the tactics used by the TTP's leadership to convince local people, and established a smooth flow of local and international financial assistance?
- What were the consequences on Pakistan's socio-political system?

This study is about a systematic and a purposeful effort to unveil the methods and techniques adopted by this terrorist group.

### **Terrorist Financing and Management Strategies: Conceptual Understanding**

Terrorist financing refers to those activities and strategies, which are helpful in fundraising process for terrorist activities. It may be from various sources, for instance, private assistance and profits from businesses, fundraising from charitable organizations, drugs trafficking, weapons smuggling, fraud, kidnapping for ransom and extortion. The primary objective of terrorist financing is to empower a terrorist network for intimidating a population or coerce a government to be involved in killing, harming, endangering or causing substantial property damage; or seriously interfering in essential services and systems.<sup>6</sup>

The World Bank and the International Monetary Fund (IMF) broadly defined the term 'financing of terrorism' as financial support, in any form, of terrorism or of those who encourage, plan or engage in it.<sup>7</sup> The need to track the sources of funding for terrorism was realized as far back as 1986, when the UN General Assembly drafted the first UN Convention against recruitment, use, finance, and training of mercenaries. This convention was adopted on 4<sup>th</sup> December 1989. Furthermore, in 1994, the UN General Assembly called attention to the growing connection between drug traffickers and mercenaries. In light of these resolutions, the International Convention for the Suppression of the Financing of Terrorism was adopted by the UN General Assembly on 9<sup>th</sup> December 1999.<sup>8</sup>

Terrorist financing is not a new phenomenon; however, management strategies varies in order to maintain consistency in fund raising campaigns. In this context, whatever the motives, purposes or objectives of a terrorist organization or group are, like other militant organizations, they must have to maintain necessary skills, acquire, shift, accumulate and eventually utilize the required financial resources to fulfil the objectives.<sup>9</sup> As al-Qaeda's financial chief Sa'id Al-Masri argued that "without money, jihad stops."<sup>10</sup> Similarly, terrorist groups in South Asia, such as, al-Qaeda, TTP, Liberation Tigers of Tamil Eelam (LTTE), Lashkar-Tayyiba (LeT), Jammatt-ul-Mujahideen Bangladesh (JMB) and Maoist groups in India, all came forward with different ideologies based on religious, separatist and nationalistic views to operationalize their activities, but generally fundraising techniques and

strategies were more or less similar.<sup>11</sup> One of the most sophisticated and effective ways, utilized by these organizations, is a network of international Non-Profit Organizations (NPOs), which facilitate militants to generate and move finances easily in any part of the world through a systematic channel.

Interestingly, these NPOs act as effective fronts and also helpful to gain legitimacy of funds movement. Normally, this deliberate movement of funds occurs from well-developed and more regulated economies to developing and under-developing countries.<sup>12</sup> In Muslim countries, governments often overlook the regulation of charities and *madrassas* that include registration criteria, record-keeping procedures, monitoring financial inflows and outflows, and security checking systems. The militant organizations take the advantage of the situation. In societies like Pakistan, where philanthropy is part of religious obligations, the extremist organizations usually engage in charity and welfare work, and collect amounts, which are normally used for recruitment, propaganda and terrorist operations.<sup>13</sup>

### **Mechanism for Financial Support**

Terrorists financing ranges from low-level crimes to high-level organized criminal activities. Similarly, the TTP followed the same pattern to deepen its roots in FATA and KP. In this process, structural factors like social, economic and historical transformations, made environment more conducive for TTP's growth in these areas. It is a fact that reducing the financial strength of militant groups is a crucial part of counterinsurgency strategy. The insurgency is not monolithic factor to counter, but also include leadership, goals, ideologies and means of finance generation.<sup>14</sup>

Fazal Ullah, the son-in-law of Maulana Sufi Muhammad, and head of the TNSM in Swat valley, was appointed as the leader of the Tehrik-e-Taliban Swat (TTS) in 2009. The TTS also divided the whole KP province into 37 administrative zones and appointed a commander to each to set-up judicial and financial services system.<sup>15</sup> The separate zones aimed to collect intelligence, maintaining law and order and monopoly over the natural resources in Swat division. Prior to the advent of the TTP, majority of the local militant groups had already been confronting the Pakistan Army in various areas of FATA and KP. Later, these groups made allegiance to the TTP. Fazal Ullah, was also known as "Mullah Radio" due to excessive use of local FM radio stations to disseminate TTP's messages and to urge the people for financial assistance, He disseminated three messages to the people of FATA and KP: religious piety, education and jobs for the boys, and resolution for the disputed lands. He was also granted reasonable funds to construct a large madrassa for religious education and training to students.<sup>16</sup> Other sources in which online *jihadi* literature, songs,

magazines and an easy access to FM radio significantly boosted up TTP's realm of recruitment and sympathy within these areas.

Seven tribal agencies of FATA (geographical areas), and different districts of KP including Swat, Bannu, Dera Ismail Khan, Tank, Lakki Marwat, Kohistan, Buner, and Malakand, appeared more fertile areas in terms of recruitments and financial assistance for the TTP.<sup>17</sup>

### **Local Financial Sources of the TPP**

Generally, terrorist financing is directly linked with operational capabilities of terrorist organizations. To ensure and maintain stable fundraising streams, these organizations have to show adaptability with prevailing environment of the area, where they are anticipating in continuing their violent activities. Therefore, the TTP followed the same patterns and maintained financing stream by utilizing the local sources with help of local people and terrorist organizations.<sup>18</sup>

Initially, the TTP received a response from KP districts, particularly from Swat valley, Tank, Lakki Marwat, Dera Ismail Khan, Bannu, Mardan, Kohat, Kohistan, Bunner and Malakand division. However, it did not limit itself within the boundaries of FATA and KP regions; it extended its existence in other provinces gradually. In August 2008, Pakistani law enforcement agencies disrupted the finance generating circle, which was operating in Karachi with the help of Lashkar-i-Jhangvi (LeJ) and other militant outfits.<sup>19</sup> TTP's militant wing in Punjab received logistical, financial and manpower assistance from different sectarian outfits such as the SSP, LeJ and Jaish-e-Mohammad (JeM).<sup>20</sup> In Karachi, three different offshoots of the TTP from Swat valley, Mehsud tribe of South Waziristan and Mohmand Agency, were actively running their networks for fundraising and finance collection with association of Karachi-based Afghan/Pashtun traders and transporters since many years.<sup>21</sup>

In December 2010, a report suggested that some TTP members had links with political parties, which could not be continued for a long time, yet still many members of the TTP were in contacts with religious-political parties of Pakistan, particularly with Jamaat-e-Islami (JI) and Jamiat-e-Ulema Islam (JUI).<sup>22</sup> As a result, political affiliation gave strength to the militant groups in Pakistan.

### **Drugs Smuggling/Trafficking**

Drugs smuggling/trafficking is one of the productive sources of terror financing, which enables to raise and accumulate reasonable amount to meet their requirements. The TTP also took the benefits of Afghan drugs trafficking and adopted it as a more viable finance generating source in Pakistan. As it has systematically dominated the areas adjacent to Pak-Afghan border, the TTP also

exported drugs to foreign countries via Karachi.<sup>23</sup> On 24<sup>th</sup> August 2009, terrorists belonging to the LeJ and TTP were arrested in Karachi and bluntly confessed that heroin exported to different countries, such as, Singapore, China, Malaysia, the UAE, Europe, Africa and the US. They further revealed that capital from the heroine-exporting was provided to Taliban leaders in Baluchistan and FATA and to the families of arrested and imprisoned militants of Jundullah and the TTP.<sup>24</sup>

### **Monopoly over Natural Resources in FATA and KP**

Militant-dominated areas of Pakistan, especially, FATA and KP regions are enriched with natural resources, such as, rare wood, fine quality precious and semi-precious gemstones, and quality marbles used for floors and walls in construction. Unfortunately, these natural resources became feasible finance producing source of terrorist outfits on both ends of the border.<sup>25</sup> In April 2008, the TTP gained control over the marble mine in Mohmand Agency. Similarly, on 25<sup>th</sup> March 2009, Taliban extended their control towards emerald mines in Swat valley and started mining for smuggling via Afghanistan to different countries of the World. Previously, Shamozaï and Gujjar Killi (Swat) mines had been occupied, and excavation and trading processes initiated by the TTP.<sup>26</sup> The spokesperson of Taliban in Swat, Muslim Khan, justified the exploitation of natural resources as “all the minerals and natural resources have been created by Allah for the benefits of His creatures.” Thus, the TTP took huge benefits from the exploitation of the coal mines in Orakzai Agency of FATA.<sup>27</sup>

In addition, militants were involved in stealing and exploiting the archaeological sites in the KP region. They maintained strong relations with Swat’s timber mafia to generate more capital through selling wood in the market. The hills of Swat valley were once covered with Pine forests and presented an attractive view, but militant outfits and the timber mafia ruined the natural beauty for their interests. According to the survey conducted by the Aryana Institute for Regional Research and Advocacy, Peshawar, it was estimated that the transportation of rare woods (Pine, Oak and Olive) including timber and gemstones generated US\$100 million for Pakistani Taliban.<sup>28</sup>

### **Donations Collection and Fund-Raising Campaign through Religious Institutions**

In Muslim countries like Pakistan, it is quite easy for Islamic charities to convince people to pay *zakat*, which is compulsory (2.5% of the wealth) and donations to their groups. Such fundraising was no longer restricted for the welfare of the poor in a society or state.<sup>29</sup> Harkat-ul-Mujahedeen, led by Maulana Fazal-ur-Rehman Khaleel and Jammāt-ul-Furqan, commanded by Maulana Abdullah Shah Mazhar, two

banned militant organizations associated with the TTP and al-Qaeda set up fundraising networks through donations and charities from their supporters and sympathizers with new names Ansar-ul-Ummah and Tehrik-e-Ghalba-e-Islam.<sup>30</sup>

Small boxes for donation are placed on jewellery shops, pharmacies (medical stores), railway and bus stations, outside mosques and other public places in Pakistani small towns and urban areas with Islamic messages for sympathizers and donors to drop spare change and money to finance and help different Islamic centres and organizations. Women were convinced by Taliban in Swat to contribute their jewelry and wealthy men with money and lands for the developments of these organizations.<sup>31</sup>

### **Kidnapping for Ransom**

Kidnapping for ransom was also one of the rapidly growing sources of revenue generating for terrorist groups and organizations. Each ransom relatively produces roughly 50% revenue for a terrorist group's total annual expenses, but it depends on factors, such as, the structure of the group and economic situation of the region of operations.<sup>32</sup> The organized criminal and terrorist organizations, both are engaged in such activities throughout the world. Terrorist organizations frequently justify this practice by proclaiming that "the holy warriors who detain a foreign soldier, journalist or worker have the right to ask for money or exchange him/her for Taliban prisoners."<sup>33</sup> As TTP's spokesman declared, "though we condemn kidnapping for ransom, but if it is meant for the promotion of the Islamic cause, then it's very much fair."<sup>34</sup> After the death of Bait Ullah Mehsud in August 2009, the TTP potentially increased the practice of kidnapping for ransom in Pakistan, especially in major cities, such as, Islamabad, Lahore, Karachi, Peshawar and Quetta.<sup>35</sup>

Pakistani militants hired "Commando Squad" to kidnap NGOs workers, local businessmen, security personnel and government officials for ransom in Pakistan. In June 2007, the militants kidnapped a government employee and an NGO worker and a bank manager from the Bannu district and demanded for ransom of amount Rs.1.2 million, which was later paid by their families.<sup>36</sup> Similarly, businessmen and wealthy personalities had been particular target of the TTP, as a captured militant in Swat reportedly confessed that 'we kidnapped Najeeb Ullah Afghani, the owner of a cement transporting company in Hayatabad and Peshawar, and received Rs. 10 million as ransom for his release."<sup>37</sup>

Consequently, army personals and government employees were regularly targeted by the TTP for ransom in different areas of Pakistan. In August 2007, the TTP demanded for Rs. 60 million for the release of 280 kidnapped soldiers. On 11<sup>th</sup> February 2008, the Pakistani Ambassador to Afghanistan, Tariq Aziz Uddin, was

kidnapped by the TTP and then released after receiving ransom of US \$2.5 million. Likewise, militants also demanded Rs. 25 million ransoms for the release of Afghan Ambassador to Pakistan, Abdul Khaliq.<sup>38</sup> In Karachi, it was long argued that TTP militants were involved in rapidly growing element of kidnapping for ransom. On 5<sup>th</sup> December 2011, Karachi police successfully rescued a kidnapped local industrialist, Riaz Chinoy, when three militants belonging to group of the TTP, including its Karachi head Qari Shahid, were killed in this rescue operation. According to Media reports, militants demanded Rs. 70 million as a ransom.<sup>39</sup> According to police officials, al-Mukhtar group, an outfit of the TTP, was deployed in Karachi for extortion money, bank robberies and kidnapping for ransom.<sup>40</sup> In October 2008, a prominent Pakistani filmmaker, Satish Anand, was kidnapped by Pakistani Taliban from Karachi and then released in March 2009 from North Waziristan after receiving a ransom of Rs. 16 million from his family.<sup>41</sup>

### **Illegal Taxes, Penalties and Extortion from the Local People**

In tribal areas, the central and provincial governments never exerted their real control to regulate the rule of law. Therefore, illegal tax mafia and terrorist maintained their monopoly over the local areas of FATA and KP regions particularly. The movement of transports through the tribal and border areas, had to pay US \$6 per month for small vehicles, while for large vehicles including passenger buses have to pay US \$30 per month.<sup>42</sup> In the Bajur Agency, gas stations were required to provide free fuel to TTP members for transportation in the region. Similarly, Taliban commanders also collected US \$1.25 per month from every house in Waziristan agency. Same practices have also been extended to settled urban areas of Lahore, Karachi, Islamabad and Quetta, where business community, civil servants, and merchants were harassed by local Taliban and criminals to pay monthly dues as extortion or illegal taxes.<sup>43</sup>

In Waziristan, the leadership of TTP divided tribal areas for funds and information collection. In North Waziristan, Taliban imposed 'toll tax' on transport movement, for instance, ten-wheel truck entering in the area was required to pay Rs. 1,500 for 'safe' road access for six months.<sup>44</sup> The TTP also charged smugglers and mafias for the 'safe passage' of illegal shipments from Afghanistan to FATA, KP and Baluchistan. Consequently, minorities had to pay extortion money for their protection as *Jiziya*. Accordingly, in April 2009, the Sikh community in FATA was coerced by Taliban to pay Rs. 20 million to the militants as *Jiziya*.<sup>45</sup>

In Karachi, transporters, who belong to tribal agencies of FATA and North-South Waziristan, had paid billion of rupees to secure their families and release of relatives from the detention of Taliban during the last 5 years.<sup>46</sup> The Pashtun and Afghan business community linked with the heavy transport industry, particularly

trucks carrying NATO's oil supply to Afghanistan, regularly paid millions of rupees to the Taliban based in Karachi. The TTP also demanded billions of rupees as extortion from different large business centres, especially from real estate and mobile phone companies in the city.<sup>47</sup> Similarly, Mehsud group occupied the structural bodies of heavy-duty vehicles, local trucks and mini-bus services of Sohrab Goth, and imposed illegal taxes on traders and transporters associations.<sup>48</sup> TTP leadership regularly supervised the audit of extortion money and transparency in funds allocation for different projects within and beyond the borders of Pakistan. Intelligence reports indicated that the TTP had appointed six chartered accountants in the Sindh province including Karachi to regulate the funds and transparency in accumulated capital.<sup>49</sup>

### **External Financial Sources of the TTP: Foreign Charity-Based Aid or Funds**

Foreign charity-based funding or financing is one of the prominent factors, which facilitate the terrorist organizations significantly. The nature of such fundraising campaigns is always more complex in highlighting the actual flow of money. Therefore, it is widely perceived that aid or donation money generally diverts towards militant organizations under the shadow of social welfare. The US Agency for International Development (USAID) initiated a separate investigation process to highlight the responsible factors involved in the diversion of funds. The US Inspector General, Dona Dinkler, investigated the hurdles that diverted US funds to Afghanistan. The US Inspector General acknowledged that "investigators faced many complications and it is very hard to highlight the factors, but as a challenge we accepted, but it doesn't mean that we stop trying."<sup>50</sup>

### **Financial Support from Afghan/Pashtun Diaspora**

Financial support from diaspora plays a significant role in strengthening the operational and organizational structure of a terrorist organization. After US attack on Afghanistan and operational initiative in Pakistan's tribal areas, majority of militants moved in various nearby countries especially in Gulf States and Saudi Arabia. This migration has also generated widespread implications for the international community in its efforts to eliminate terror financing. In this context, funds raised through diaspora communities have become a viable source of terrorist financing in the region.<sup>51</sup> Financial support for the TTP from Afghan or Pashtun diaspora was also another reliable source in finance generating sources. A political activist in Pakistan, Dr. Said Alam Mehsud, remarked that wealthy Afghan and Pashtun traders had also donated more than US \$100,000 during fundraising campaigns initiated by Taliban and banned militant groups in 2009.<sup>52</sup>

### **TTP-Afghan NDS Nexus**

Despite repeated requests from Pakistani side to the Afghan government, little or no action was taken to target TTP militants hiding in Afghan area. The long stay of TTP former chief Fazal Ullah in Afghanistan, who ran across the border after the Swat operation, raised many questions. Pakistan has long urged Afghanistan to eliminate what it calls 'safe havens' of the TTP in North-eastern Afghan provinces of Kunar and Nuristan. Pakistan sought Fazal Ullah's extradition from Afghanistan, but Kabul was not forthcoming to such a demand.<sup>53</sup> The sanctuaries of TTP in Afghanistan helped them to regroup and aimed to disrupt operation Zarb-e-Azab right under the nose of Afghan security agency. The reports published during 2014 and 2016 repeatedly mentioned the emerging nexus between RAW and Afghan National Directorate of Security (NDS) using TTP militants against Pakistan. Nangarhar, Kunar, Nooristan, Paktia and Paktika situated at Pak-Afghan border are known for anti-Pakistan activities by various TTP groups.

NDS network reportedly expanded its reach in Baluchistan. In 2016, six operatives of NDS, including a serving army officer was captured by the country's premier intelligence agency, Inter-Services Intelligence (ISI), during different operations in Balochistan. Balochistan Home Minister Sarfraz Bugti, shared the details and a confessional video statements of these six operatives in which they admitted that they were getting instructions from two serving Major Generals of the Afghan Army and a retired army officer.<sup>54</sup> Such news get credibility, when Pakistani security initiatives are met with negative response from the Afghan side. According to the *Guardian*, a memorandum of understanding was signed between the security agencies of Pakistan and Afghanistan to train Afghan intelligence officers, but section of Afghan media and politicians resisted this move. Afghan Intelligence Chief, Rahmatullah Nabil was against the MoU and refused to sign, which was then signed by the Deputy Chief.<sup>55</sup> The differences within the Afghan government on relations with Pakistan are an open secret now. Several initiatives by the Pakistan government to improve relations and increase security cooperation could not be materialized due to trust deficit and reluctance on Afghan side.

### **The India Factor**

Training and financing the militant groups in other countries is not a new phenomenon for India. Long before the Taliban in Pakistan, Indian intelligence agency RAW is accused of financing and training the Sri Lankan Tamil Tigers causing havoc in Sri Lanka. Pakistan became its new target, when Indian intelligence community bluntly declared the need for covert operations in Pakistan. Given the nature of relationship between two countries, India never misses any chance to contribute towards instability in Pakistan by using different proxies. The TTP

provided a golden opportunity to do their bidding. The Indian funding is usually routed through different places, such as, Dubai, Doha, Jeddah, Kabul, Kuala Lumpur, London and New York. This is done either in the garb of official monetary transactions by cut-out multinational companies (mostly import-export firms) with a presence in Pakistan or via *Hawala/Hundi* transfers to their local assets. These companies or individuals (RAW assets), then in turn, transfer the money to the militants, vis-a-vis their local contacts.

The sudden outbreak of sophisticated planned terror attacks on civil and military institutions, point towards a sustained financial support system. Pakistan's security establishment mentioned time and again the strong link between the Indian security and intelligence establishment and anti-state militant groups, particularly the TTP. Indian media came up with reports citing their intelligence community hinting towards "covert actions" against Pakistan.<sup>56</sup> The appointment of former intelligence officer, Ajit Doval as national security advisor, having significant experience inside Pakistan, is indicative of the intentions and planning in this regard. Vikram Sood, a former chief of RAW, has been writing on strategies to "punish" Pakistan. He writes, "The response to terror is not always reciprocal terror nor is launching a conventional response. The best response is to make the sponsor pay a price he cannot afford. So far, in our national reactions, we are like a bamboo forest that bends with the wind, but when enraged we burn fiercely. The embers, however, cool fast enough. Instead, we need cold rage and not looking over our shoulders all the time. In our actions all these years, we kept wanting to look good and seek international approbation instead of pursuing our national interest, more single mindedly. Finally, the response has to be long term strangulation of the disease, not dramatic gestures."<sup>57</sup>

Indians have demonstrated that they have the strong motives and the means to hurt Pakistan. They have established a powerful presence in Afghanistan along the border with Pakistan and deployed significant resources to carry out a very violent covert war inside Pakistan. Christian Fair of Georgetown University, known for her anti-Pakistan rant, was quoted in the news, "I think it is unfair to dismiss the notion that Pakistan's apprehensions about Afghanistan stem in part from its security competition with India." She had then said, and noted, "Having visited the Indian mission in Zahedan, Iran, I can assure you they are not issuing visas as the main activity. Moreover, India has run operations from its mission in Mazar and is likely doing so from the other consulates it has reopened in Jalalabad and Kandahar along the (*Pak-Afghan*) border." Fair also went on to claim, "Indian officials have told me privately that they are pumping money into Balochistan. Kabul has encouraged India to engage in provocative activities such as using the Border Roads Organization to

build sensitive parts of the Rind Road and use the Indo-Tibetan police force for security."<sup>58</sup>

Laura Rozen in her article in Foreign Policy Magazine wrote, "The Indians are up to their necks in supporting the Taliban against the Pakistani government in Afghanistan and Pakistan." The former (US) intelligence official, who served in both countries said, "The same anti-Pakistani forces in Afghanistan also shooting at American soldiers are getting support from India. India should close its diplomatic establishments in Afghanistan and get the Christ out of there."<sup>59</sup>

### **Counter Response against TTP's Financial Sources**

After 9/11, military campaign conducted by the US/NATO forces in Afghanistan scattered the nexus of Taliban and al-Qaeda, which ultimately directed Taliban insurgents in border regions of Pakistan especially FATA and KP. In March 2013, both the Senate (Upper House) and the National Assembly (lower house) of the Parliament of Pakistan passed the Anti-Terrorism (Amendment) Bill – 2013, which deals with particular offenses related to terrorist financing. The bill, which the National Assembly adopted and a majority in the Senate unanimously allows the government to act against elements involved in taking the financing of terrorism in the country, and provides in, among other things, the seizure of assets of those involved in such activities. This final bill is an update of the former Anti-Terrorism (Amendment) Bill – 2010, which was introduced in the Senate, with modifications to the Anti-Terrorism Act (ATA) introduced in 1997.

The APS attack on 16<sup>th</sup> December 2014, led the Government of Pakistan to adopt a strict policy to terminate fundraising campaigns and strategies of terrorist organizations. The state initiated an organized military operation against terrorist groups in Pakistan.<sup>60</sup> In order to dismantle nexus of terrorists, the Pakistan Army launched a military operation 'Zarb-e-Azb' in June 2014 in North Waziristan. Similarly, in December 2014, the Government of Pakistan responded to the APS attack and devised a counterterrorism policy consisting on 20-point, which is known as the National Action Plan (NAP).<sup>61</sup> In order to break down terrorist financial networks, the NAP authorizes Pakistani foreign, finance, interior and other ministerial departments to inform friendly Muslim countries for containment policies against the investors of sectarian and terrorist networks operating against Pakistan.<sup>62</sup> The NAP also authorizes the law enforcement agencies to cut all local and international financial sources of terrorist organizations. It also prohibits internet, social, print and electronic media to show terrorists messages, pictures or videos within and beyond the country.<sup>63</sup> In order to punish terrorist financiers, supporters, sympathizers and activists, establishment of military courts are significant point of the NAP.

After the induction of the NAP, the Prime Minister of Pakistan lifted the moratorium on death penalty and empowered the special military courts.<sup>64</sup> Similarly, civil and intelligence agencies arrested 150 people involved in terrorist assistance campaign. In addition, on 25<sup>th</sup> March 2015, the Pakistan Finance Ministry ceased accounts with estimated amount of Rs.10.2 billion cash for terror financing.<sup>65</sup> Under the UNSC Resolution 1267, Pakistan banned many groups and individuals and also blacklisted to curb the terrorism in the country. Efforts to regulate madrassa system, curb hate speeches, *jihadi* literature and block terrorist financing have been in practice.<sup>66</sup>

## Conclusion

Financial sources and fundraising campaigns are life blood of terrorist organizations in every part of the world and dismantling these activities is an essential dimension of counterterrorism strategy. In countries like Pakistan, where societies always appear to be more fertile for religious, extremist, sectarian and terrorist organizations, containment of such organizations becomes more challenging, whether a number of counter-strategies and policies would be in practice. Therefore, the TTP initiated terrorist activities by utilizing social, economic and political weaknesses of Pakistan, especially in FATA and KP regions, where the central and provincial governments had less control. By examining the financial sources of the TTP, it has been concluded that both local and international factors significantly financed terrorism in the country. On the basis of strong organizational and financial structure, the TTP became a lethal terrorist organization, which urged the people to participate defensive *jihad* against Pakistan and the US/NATO forces, and bluntly negated the democratic structure, and demanded for the enforcement of *sharia* in the country.

A combination of efforts through the National Internal Security Policy (NISIP), the National Counter Terrorism Authority (NACTA) and the National Action Plan (NAP) for the containment of terrorists' networks and financial sources is required. Similarly, media as a fourth significant pillar of a state should condemn and highlight the factors involving in terrorism and terror-financing. In order to culminate terrorism, there is a need of cooperative framework among all institutions in the country. The government should also address the social, economic and political grievances of the population in FATA and KP. Therefore, Pakistan should transform counterterrorism policy from reactive to proactive, which could produce more satisfactory results for the peaceful future of Pakistan.

## Endnotes

- 
- <sup>1</sup>Financial Action Task Force (FATF,) *Emerging Terrorists Financing Risks*, Paris. (2015), available at <http://www.fatf-gafi.org/media/fatf/documents/reports/Emerging-Terrorist-Financing-Risks.pdf>
- <sup>2</sup>FATF, *Terrorists Financing*, Paris. (2008): 4, <http://www.fatf-gafi.org>.
- <sup>3</sup>Qandeel, Siddique. "Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West" (2010): 5.
- <sup>4</sup>Qandeel, Siddique. "Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West" (2010): 52.
- <sup>5</sup> Ibid.
- <sup>6</sup>Duhaime's Anti Money Laundering in Canada, "*What is Terrorist Financing?*", available at <https://www.antimoneylaunderinglaw.com/aml-law-in-canada/what-is-terrorist-financing>.
- <sup>7</sup>Sener Dalyan, "*Combating the Financing of Terrorism: Rethinking Strategies for Success*," Defence Against Terrorism Review 1, no. 1 (2008): 137–53.
- <sup>8</sup>Kshitij Praba, "Narco-Terrorism and India's Security," available at.: <http://www.idsa-india.org/an-jan-6-01html.html>
- <sup>9</sup>FATF, *Emerging Terrorists Financing Risks*, Paris. (2015): 11, <http://www.fatf-gafi.org>.
- <sup>10</sup> "National Terrorist Financing Risk Assessment" (2015): 20, the US Treasury Department, D.C. Washington.
- <sup>11</sup>Sulaiman, Sadia. Kumar, Ankur. "*Modes and Strategies of Terrorist Financing in South Asia*" (2009):2, World-check Singapore, [www.world-check.com/experttalk](http://www.world-check.com/experttalk)
- <sup>12</sup> Ibid.
- <sup>13</sup>Babakhel, Ali, Muhammad. "*Funding Terrorism*" December 30, 2015. <http://www.dawn.com/news/1229473>.
- <sup>14</sup>Collins, Catherine. Ali, Ashraf. "*Financing the Taliban: Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan*" (2010):2.
- <sup>15</sup>Qandeel, Siddique. "*Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West*" (2010): 39.
- <sup>16</sup> Ibid.
- <sup>17</sup>Sana Jamal and M. Ahsan, "*TTP – Analyzing the Network of Terror*" IRIA Report. No. 6 (2015): 3.
- <sup>18</sup> Ibid
- <sup>19</sup>Sulaiman, Sadia. Kumar, Ankur. "*Modes and Strategies of Terrorist Financing in South Asia*" (2009):3, World-check Singapore, [www.world-check.com/experttalk](http://www.world-check.com/experttalk)
- <sup>20</sup>Qandeel, Siddique. "*Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West*" (2010): 9.
- <sup>21</sup>Rehman, Zia. *Militant Economy of Karachi*, "The China-Pakistan Economic Corridor", (2013):3.
- <sup>22</sup>Issues Paper: *The Pakistani Taliban*: January, (2013):14.
- <sup>23</sup>Qandeel, Siddique. "*Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West*" (2010): 54.
- <sup>24</sup>Rehman, Zia. *Militant Economy of Karachi* "The China-Pakistan Economic Corridor", (2013):8.
- <sup>25</sup>Collins, Catherine and Ali, Ashraf. "*Financing the Taliban: Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan*" (2010):5.

- <sup>26</sup> Qandeel, Siddique. "Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West" (2010): 55.
- <sup>27</sup> Ibid.
- <sup>28</sup> Collins, Catherine and Ali, Ashraf. "Financing the Taliban: Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan" (2010):4.
- <sup>29</sup> Sulaiman, Sadia. Kumar, Ankur. "Modes and Strategies of Terrorist Financing in South Asia" (2009):3, World-check Singapore, www.world-check.com/experttalk.
- <sup>30</sup> Dr. Sanchita, Bhattacharya. "Terror-Financing in Pakistan" NewDehli, (2016): 4.
- <sup>31</sup> Collins, Catherine and Ali, Ashraf. "Financing the Taliban: Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan" (2010):7.
- <sup>32</sup> FATF, *Terrorists Financing*, Paris. (2015): 4, <http://www.fatf-gafi.org>.
- <sup>33</sup> Catherine Collins and Ashraf Ali, "Financing the Taliban, Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan," Counterterrorism Strategy Initiative Policy Paper (Washington, DC: New America Foundation, April 2010).
- <sup>34</sup> Ibid.
- <sup>35</sup> Ibid.
- <sup>36</sup> Qandeel, Siddique. "Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West" (2010): 54.
- <sup>37</sup> Ibid.
- <sup>38</sup> Ibid.
- <sup>39</sup> Ibid.
- <sup>40</sup> Ibid.
- <sup>41</sup> Ibid.
- <sup>42</sup> Collins, Catherine and Ali, Ashraf. "Financing the Taliban: Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan" (2010):5.
- <sup>43</sup> Ibid.
- <sup>44</sup> Qandeel, Siddique. "Tehrik-e-Taliban Pakistan: An Attempt to Deconstruct the Umbrella Organization and the Reason for its Growth in Pakistan's North-West" (2010): 54.
- <sup>45</sup> Ibid.
- <sup>46</sup> Rehman, Zia. *Militant Economy of Karachi* "The China-Pakistan Economic Corridor", (2013):3.
- <sup>47</sup> Ibid.
- <sup>48</sup> Ibid
- <sup>49</sup> Ibid
- <sup>50</sup> Collins, Catherine and Ali, Ashraf. *Financing the Taliban: Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan* (2010):3.
- <sup>51</sup> Sulaiman, Sadia. Kumar, Ankur. "Modes and Strategies of Terrorist Financing in South Asia" (2009):2, World-check Singapore, www.world-check.com/experttalk.
- <sup>52</sup> Collins, Catherine and Ali, Ashraf. *Financing the Taliban: Tracing the Dollars Behind the Insurgencies in Afghanistan and Pakistan* (2010):6.
- <sup>53</sup> Kamran Yusuf/Sohail Choudhry, "Operation Zarb-e-Azb: TTP sets up new sanctuaries in Afghanistan", Express Tribune, October 27, 2014
- <sup>54</sup> Jawad R Awan, *Afghan Intel to use TTP groups against Pakistan*, The Nation, June 19, 2016
- <sup>55</sup> Jon Boone and Sune Engel Rasmussen, " Afghan backlash over security deal with Pakistan", *The Guardian*, May 19, 2015

<sup>56</sup> Raj Chengappa Sandeep, How to Punish Pakistan, *India today*, September 22, 2016, available at <http://indiatoday.intoday.in/story/uri-attack-narendra-modi-pakistan-terror-kashmir-nawaz-sharif-india-vajpayee/1/770435.html>

<sup>57</sup> "Former R&AW chief: How we can fix the Pak problem", *rediff.com*, September 28, 2016 available at <http://www.rediff.com/news/column/uri-attack-former-raw-chief-how-we-can-fix-the-pak-problem/20160928.htm>

<sup>58</sup> US: Expert who infuriated India offered key post", November 20, 2009 available at <http://news.rediff.com/special/2009/nov/20/us-expert-who-infuriated-india-offered-key-post.htm>

<sup>59</sup> Laura Rozen , " Can intel community defuse India-Pakistan tensions? ", *Foreign Policy*, Feb 16, 2009 available at <http://foreignpolicy.com/2009/02/16/can-the-intel-community-defuse-india-pakistan-tensions/>

<sup>60</sup> <https://www.crisisgroup.org/asia/south-asia/pakistan/revisiting-counter-terrorism-strategies-pakistan-opportunities-and-pitfalls>.

<sup>61</sup> Ibid.

<sup>62</sup> Gishkori, Zaheed" *National Action Plan: Pakistan in fresh push to choke terror funding*". Express Tribune, 2015. Express Tribune, Retrieved,14 January2015.

<sup>63</sup> Ibid.

<sup>64</sup> Revisiting Counter Terrorism strategies in Pakistan: Opportunities and Pitfalls, Crisis Group, Report # 271/Asia, July 22, 2015 available at <https://www.crisisgroup.org/asia/south-asia/pakistan/revisiting-counter-terrorism-strategies-pakistan-opportunities-and-pitfalls>.

<sup>65</sup> Ibid.

<sup>66</sup> Ibid.