ბუნებრივი რესურსები, როგორც ისლამური სახელმწიფოს დაფინანსების წყაროები, ძლიერება და სისუსტეები

სერგო ჭიჭაღუა
აკადემიკოს სტეფან დემიანჩუკის
სახელობის საერთაშორისო
ეკონომიკურ-ჰუმანიტარული
უნივერსიტეტის პროფესორი

რეზიუმე:

ერაყისა და ალ-შამის ისლამური სახელმწიფო (ISIS), ასევე მოიხსენიებული, როგორც ერაყისა და ლევანტის ისლამური სახლემწიფო (ISIL) ან „დაეში" , ბოლო დროის მიხედვით კი უბრალოდ, როგორც ისლამური სახელმწიფო (IS), არის ექსტრემისტ სუნიტ ისლამისტთა მოძრაობა. ალ-ქაიდისა და სხვა დაჯგუფებებისგან განსხვავებით, ისლამური სახელმწიფო, რომელმაც ცალმხრივად გამოაცხადა ისლამური სახალიფოს ხელახლა დაარსება, მუდმივ პროტო-სახელმწიფოდ გადაქცევამდე , წარმოადგენს ტერორისტულ და მეამბოხე ფინანსურად თვითკმარ ჯგუფს უკვე დაახლოებით რვა წლის განმავლობაში. ისლამური სახელმწიფო, როგორც ყველაზე ძლიერი დაჯგუფება, სწრაფად ზრდის თავის მნიშვნელობას ტერორიზმის უახლეს ისტორიაში. IS სხვა მეამბოხეებისა და ტერორისტული ჯგუფებისგან უპირველესად განსხვავდება მის მიერ კონტროლირებად ტერიტორიაზე მდებარე შემოსავლების წყაროების მრავალფეროვნებით. სადაც ერთ-ერთი მნიშვნელოვანი ადგილი უკავია ბუნებრივ რესურსებს ნავთობის, ბუნებრივი აირის, ფოსფატების და სოფლის მეურნეობის ჩათვლით. ისლამური სახელმწიფოს მიერ მისი მოსაზღვრე ტერიტორიის უწყვეტი კონტროლი და შესაძლებლობების მუდმივი გაფართოება ასევე დიდ სირთულეს წარმოადგენს ამერიკის შეერთებული შტატების ხელმძღვანელობით შექმნილი კოალიციისათვის, რათა მოახდინოს მისი დაკნინება და დაშლა. მაშასადამე, მნიშვნე-

ლოვანი შეკითხვა, რომელიც განხილვას საჭიროებს არის ის, თუ როგორ ახერხებს ისლამური სახელმწიფო წვდომას და კონტროლს ასეთ უხვ კაპიტალსა და შემოსავალზე? აღნიშნულის ნათელი პასუხია შემდეგი, რომ ისლამურ სახლემწიფოს შეუძლია მანიპულირება მოხდინოს და ბოროტად ისარგებლოს მრავალფეროვანი დაფინანსების წყაროს მეშვეობით. მოცემული ნაშრომის ძირითადი მიზანია სწორედ ისლამური სახელმწიფოს აღნიშნული მრავალფეროვანი დაფინანსების წყაროების ანალიზი, კერძოდ კი ბუნებრივი რესურსების მეშვეობით მიღებული ფინანსურ წყაროები და ამავე წყაროებთან დაკავშირებული მისი ბოლოდროინდელი სისუსტებიის წარმოჩენა.

საკვანძო სიტყვები: ისლამური სახელმწიფო; დაფინანსების წყაროები; ნავთობი;ბუნებრივი აირი; ფოსფატები; სოფლის მეურნეობა; ძლიერი მხარეები; სისუსტეები;

INTRODUCTION

The Islamic State in Iraq and al-Sham (ISIS) also referred to as the Islamic State in Iraq and the Levant (ISIL) and, or Daesh[1] more recently, as just the Islamic State (IS), is an extremist Sunni Islamism movement.[2] It currently controls a territory of more than 70,000 km2 , with around 8 million inhabitants, which includes huge tracts of the Syrian governorates of Aleppo, Raqqa, Deir ezZor, Homs, Hasakah and Damascus, as well as the Iraqi provinces of Saladin, al-Anbar and Nineveh.[3] In June 2014, ISIS captured global attention after its strategic seizure of Mosul, Iraq and its self -proclaimed establishment of a Caliphate. Over a year later, ISIS has sustained the attention of global powers and topped many policy agendas. The

1 Acronym derived from ad-Dawla al-Islāmiyya fi-l-irāqwa-š-šām, literally "Islamic State in Iraq and Sham [Syria]"

2 Singh,M.,Ross,D.,Jeffery,J.,White,J.,Levitt,M.,Zelin,A.andKnights,M. (2014).Ten Things You Need to Know about ISIS. [online] The Washington Institute. Available at: http://www.washingtoninstitute.org/policy- analysis/view/ten-things-you-need-to-know-about-isis [Accessed 23 December 2015].

3 Brisard, J.-C., & Martinez, D. (2016). ISIS Financing. Center for the Analysis of Terrorism.

funding of the Islamic state has been key to its territorial expansion and research shows that its revenue sources are diverse and mainly located within territory the group controls - but probably unsustainable over time. In his evidence before the US House Committee on Financial Services, Matthew Levitt stated that "estimates put ISIL's daily income at around $3m, giving its total value of assets between $1.3bn and $2bn, making it the world's best-funded terrorist group. By this standard, ISIL draws more income than many small nations".[1] These figures were supported by Duhaime who noted that "by September 2014, ISIL had revenues of at least $2bn from internal and external sources".[2] It has also been suggested ISIL's total assets exceed $2tn, with an annual income totaling $2.9bn. [3] Furthermore, Humud et al stated that ISIL "approved a $2bn budget" for 2015.[4]

MAIN PART

OIL. IS has utilized their territorial control to develop self-sufficient fundraising methods which would be, in Cronin's[5] words, "unthinkable for most terrorist groups". Chief among these is revenue from the sale of 'domestic' petroleum and refined petroleum products to individuals in ISIS-held territory and several entities abroad, ranging from the Syrian government to criminal elements in Turkey.

1 Levitt, M. 'Terrorist financing and Islamic State – Testimony submitted to the House of Committee on Financial Services', November 13 2014, available at http://www.washingtoninstitute.org/policyanalysis/view/terrorist-financing-and-the-islamic-state, accessed January 5 2015)

2 Duhaime, C. 'Terrorist financing and the Islamic State', available at http://www.duhaimelaw.com/wpcontent/uploads/2015/04/White-Paper-Terrorist-Financing-Methods1.pdf, accessed October 28 2015.

3 Brisard, J. and Martine, D. 'Islamic State: the economy-based terrorist funding' (Thompson Reuters, 2014), p. 3.

4 Humud, C., Pirog, R. and Rosen, L. Islamic State Financing and US policy approaches (The Congressional Research Services, 2015), p. 13. Hereinafer 'Humud et al'.

5 Cronin, Audrey Kurth (2015), "ISIS Is Not a Terrorist Group: Why Counterterrorism Won't Stop the Latest Jihadi Threat", Foreign Affairs, [online] March/February 2015. Available at: http://www.foreignaffairs.com/ articles/middle-east/isis-not-terrorist-group>[Accessed 10 August, 2015].

The US Treasury estimates that ISIS accrued $100 million in revenue from petroleum and petroleum-related products in 2014.[1] Despite this, numerous sources indicate that the rate of oil extraction has declined precipitously in recent years, dropping from 80,000 barrels per day (bpd) in August 2014 to 20,000 bpd in November 2014.[2] This has mainly been attributed to the persistent effects of US-led coalition airstrikes on mobile oil refineries. Most significantly, revenues from petroleum and petroleum products have also plummeted, with some positing as much as an 80% decrease between October 2014 and April 2015.[3] This has largely been due to (a) the aforementioned airstrikes, (b) Turkey's enhanced border security measures, and (c) the recent fall in oil prices.

IS currently controls numerous oilfields in Syria and Iraq. In 2015, the organization had 15 oilfields in Syria, chiefly in the region of Deir ez-Zor, Raqqa and Hasakah, and 10 oilfields in Iraq. These figures are now lower as a result of recent military setbacks, particularly with the loss of three oilfields in the governorate of Hasakah, one in the governorate of Raqqa and three in Iraq.

Much of the physical and economic damage to the Syrian oil sector took place between March 2011 and June 2014, when IS forces expanded their control of oil producing regions in northeast Syria. The Islamic State organization needs and uses oil for a variety of purposes. Refined oil is needed to fuel ISIS vehicles as well as for

1 United States Department of the Treasury 2014, Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment for International Peace, 'Attacking ISIS's Financial Foundation, [press release] March 4, 2014. Available at: http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>[Accessed 12 August, 2015].

2 Levitt, Matthew 'Terrorist financing and Islamic State – Testimony submitted to the House of Committee on Financial Services', [online] November 13 2014. Available at: : <http://www.washingtoninstitute.org/policyanalysis/view/terrorist-financing-and-the-islamic-state>[Accessed 5 January, 2015].

3 Bahney, Benjamin and Johnston, Patrick (2014), "Hitting ISIS Where it Hurts: Disrupting ISIS's Cash Flow in Iraq", RAND Corporation, [online] August 13, 2014. Available at: http://www.rand.org/blog/2014/08/hitting-isis-where-it-hurts-disrupt-isiss-cash-flow.html[Accessed 21 April, 2015].

civilian use within areas under IS control. Crude oil can be sold for cash to finance the group, or traded for refined products. The Islamic State has been in control of a number of relatively small oil fields in northern Iraq, selling volumes of oil through Turkey in essentially the same manner as their sales of Syrian oil. In June 2014 the group captured the Bayji refinery which, with its production capacity of 170,000 barrels per day, supplied petroleum products for northern Iraq. [1]

The Turkish border region also is a conduit for the sale of illicit Iraqi oil, both by the Islamic State, which holds several small fields in Iraq, and by the Kurds.[2]

Overall production for 2015 was estimated at around 40,000 bpd[3] (by comparison, daily production in Syria between 2008 and 2010 totaled 400,000 barrels). According to consistent local reports, transactions are conducted at between $15 and $45 per barrel, depending mainly on the quality of the oil.[4] Syria's largest oilfields (al-Tanak and al-Omar) yield the highest prices, at between $40 and $45 per barrel, and these are barely affected by fluctuations on the world market due to a monopoly over the captive market within the combat areas to the north and east of Syria. ISIS oil revenue for 2015 is estimated at $600 M, compared with estimates of over $1bn at the end of 2014. The fall in oil revenue is primarily due to coalition and Russian airstrikes and the resulting disorganization in terms of oil sales and transportation.[5] Indeed, the strikes initially focused on refining, storage and transport infrastructure and, more recently and systematically, on extraction infrastructure. In December 2015, production at the al-Omar and al-Tanak fields fell by about 30%, which

1 Borzou Daragahi, Iraqi Forces Retake Key Oil Refinery from ISIS, Financial Times, November 28, 2014.

2 The Iraqi government and the Kurdish Regional Government (KRG) agreed to an oil export deal in December 2014.

3 Barrels per day

4 Varies according to gravity, expressed in API (American Petroleum Institute) units

5 E.g. the destruction of 116 trucks by a coalition strike in November 2015.

represents a substantial loss for ISIS. [1]

In theory, Turkey could close the border to these activities, reducing the volume of contraband oil entering the world market. However, beyond the physical difficulty in closing the large and porous border, Turkey also faces the risk of retaliation by the Islamic State inside Turkish territory. [2] While IS forces are not in control of a modern operating oil refinery, the group has refined oil in crude, small, mobile refineries with capacities of about 300 to 500 barrels per day of petroleum products. Refined products may be more useful to the group than crude oil because these products (gasoline and diesel fuel) can be directly used to fuel IS military movements. Petroleum products may also be easier to sell to Turkish brokers because they can enter retail markets directly, avoiding the documentation attendant with processing at a legitimate refinery. [3]

U.S. airstrikes in Syria have targeted oil facilities because of their importance to IS financing. It has been estimated that by early October 2014, U.S. airstrikes had destroyed about 50% of IS refining capacity. 13 Oil production facilities are also very vulnerable to airstrikes. In addition, reports suggest that since October 2014, Turkey might be acting to limit IS oil sales, and some claim that oil sales might have declined by 80%. [4]However, others have noted that while the United States has targeted refineries, it has generally avoided strikes on oil wells because of the potential impact on civilians and because it seeks to preserve key oil infrastructure for the post conflict period[5]

1 As of April 1, 2016, Tidal Wave II, specifically targeted refining, storage and transportation equipment, and oil extraction infrastructure, 247 targets have been destroyed, according to Colonel S. Warren, "Department of Defense Press Briefing by Colonel Warren via Teleconference from Baghdad, Iraq", U.S. Department of Defense, 1 April 2016.

2 Humud C. E.; Pirog R. and Rosen L,(2015) "Islamic State Financing and U.S. Policy Approaches", Congressional Research Service, April 10, 2015.

3 ibid

4 Keith Johnson, Has the U.S. Turned Off the Islamic State's Oil Spigot? Foreign Policy, October 7, 2014.

5 "Islamic State keeps up Syrian oil flow despite U.S.-led strikes," Reuters, October 24, 2014.

Under Secretary of the Treasury for Terrorism and Financial Intelligence David Cohen in a November 2014 hearing reported that the Islamic State's revenue from oil sales had dropped from $1 million a day to several million dollars a week.[1] In January 2015, U.S. Secretary of State John Kerry stated that coalition strikes had destroyed nearly 200 oil and gas facilities used by the Islamic State.[2]

Where and how IS sells the oil? Selling IS oil is technically difficult because the group has no traditional export facilities or access to the open market. With the shortest distribution circuits being preferred, the local market constitutes the primary commercial outlet for oil. ISIS is able to maintain high prices in this market despite the slump in international oil prices, due to two factors. First, according to documents seized by the U.S. Army in May 2015[3], ISIS has followed the practice of local black market vendors, selling oil to the highest bidder. Second, the group enjoys a monopoly, principally in the rebel controlled areas in northern Syria, those in the East dominated by Syrian Kurdish militia, and within its own territory. Moreover, ISIS has also continued to do business with the Syrian regime[4], notably through the intermediary of businessmen close to the regime. [5] Thus, there is an interdependence: some actors on captive markets in the war zones are compelled to purchase oil from ISIS, when itself is forced to sell to its own enemies. Since ISIS abandoned its major refineries as from the first airstrikes and as the bombing of tankers intensified, the organization sells most of its crude oil to independent traders at the oilfields in order to avoid the risks as-

1 House Financial Services Committee hearing on Terrorist Financing and the Islamic State, November 13, 2014.

2 Remarks by Secretary of State John Kerry at a joint press conference with UK Foreign Secretary Hammond and Iraqi Prime Minister Abadi, January 22, 2015.

3 B. Faucon and M. Coker, "The Rise and Deadly Fall of Islamic State's Oil Tycoon", Wall Street Journal, April 2016

4 Ibid

5 Businessman George Haswani was cited by the US administration and the European Union as having acted as an intermediary between IS and the Syrian regime.

sociated with transportation. These traders then have two options: either to sell the crude locally, where makeshift refining is performed, or to sell to intermediates, who then smuggle it outside the territories under ISIS control. Part of the crude oil is also smuggled into bordering territories or countries with porous borders (Turkey, Jordan, Syrian regime), less by ISIS itself (which focuses on making profits immediately upon extraction) than by Syrian or Iraqi traders. The current smuggling networks predate the group. They are mainly composed of clans and tribes living on one side or the other of the border, who smuggle the oil using non-conventional methods. Most of the oil contraband ending up in Syria goes to the north-west, which is under opposition control. In Iraq, since the route to Kurdistan is blocked, the majority of oil currently transits through the al-Anbar region on its way to Jordan.[1] The Turkish border region also is a conduit for the sale of illicit Iraqi oil, both by the Islamic State, which holds several small fields in Iraq, and by the Kurds.[2]

Because the Syrian government considers IS oil to be stolen contraband and because international sanctions limit the markets the oil can legally enter, IS oil trades at a steeply discounted price. Reliable, documented oil quantity and price data for IS transactions are unavailable due to their illegal nature. It has been reported that IS oil might have been selling for as little as $18 per barrel at the Turkish border, when Brent, a world price reference crude oil was selling for about $107 per barrel.[3] Recently, the price of Brent has declined to about $65 per barrel, a decrease of over 50% since June 2014. This contraband has recently diminished, less as a result of stricter border control than because of the sharp decrease in international crude prices, which makes this form of transportation less profit-

1 E. Solomon, R. Kwong and S. Bernard, "Inside Isis Inc.: the journey of a barrel of oil", Financial Times, October 14 2015

2 The Iraqi government and the Kurdish Regional Government (KRG) agreed to an oil export deal in December 2014.

3 Ma'ad Fayad, ISIS in Control of 60 Percent of Syrian Oil, ASHARQ AL-AWSAT, July 11, 2014, available at http://www.aawsat.net/2014/07/article55334174. [Accessed 4 September, 2015].

able. Beyond its purely economic value, ISIS also uses oil as a mean of political pressure on the rebels, as it demonstrated by imposing a blockade on oil deliveries in the Aleppo region in the spring of 2015.[1]

Natural Gas. While crude oil can be moved using a variety of transportation modes, natural gas (used largely to fuel electric power generation) has more limitations. In Syria and northern Iraq, the only way to move natural gas is in the existing pipeline system. Due to the difficulty in capturing and selling natural gas, as well as the Islamic State's interest in governing the areas it controls—most of Syria's natural gas is used for power generation—the natural gas system has suffered relatively little damage compared to the oil sector. It has been estimated that Syrian natural gas production has declined by about 32% from 2011 to 2013.[2]

Indeed, the organization brokered agreements with the Syrian regime and with public companies within the sector. The latter provides qualified staff and equipment, while ISIS agrees to share its gas production. The gas may also be used to produce electricity, which is then divided between the regime and ISIS. For example, the gas facilities at Twinan, south-west of Raqqa, are managed in tandem.[3]

In contrast, In 2015, ISIS exerted control over several natural gas fields. The capture of Palmyra in late May of that year led to an increased number of ISIS-run gas fields. The fields in this region account for almost half of Syria's entire natural gas production[4] allowing the organization to make up for its loss of the Ajil and Himreen fields in Iraq following the retaking of Tikrit by the Iraqi army in late March. The group continues to control the Akkas field, which contains Iraq's largest natural gas reserves, in the north of the al-Anbar province. In all, ISIS controlled at least a dozen natural gas fields in

1 E. Solomon, "Isis imposes fuel blockade on rebel-held northern Syria", Financial Times, June 18 2015

2 ibid

3 E. Solomon and A. Mhidi, "Isis Inc.: Syria's 'mafia-style' gas deals with jihadis", Financial Times, October 15, 2015.

4 Y. Sayigh, "The War Over Syria's Gas Fields", Carnegie Endowment For International Peace, June 8 2015.

2015. According to an estimate by the US Energy Information Administration (EIA) in June 2015, Syria's gas production was at least 40% lower than during the pre-conflict period. [1] Following the intensification of bombings at the end of the year, this reduction was estimated at over 0%. To this must be added the loss of the Himreen and Ajil fields. Thus, ISIS revenue from natural gas was reduced by 30% in 2015, from our estimate of $489M in 2014 to $350 M.

Despite the takeover of Palmyra and of some of Syria's largest gas fields, income from natural gas fell in 2015. Although directed less against gas installations than oil facilities, the U.S.-led coalition airstrikes and the Russian airstrikes cut ISIS production capacity. In particular, the strikestargeted the transformation infrastructures at the gas facilities. Thus, one bombing raid seriously damaged the Conoco facility in the Deir ez-Zor province. The impact of the airstrikes was compounded by the difficulties encountered by ISIS in maintaining the infrastructure under its control, and also by the falling numbers of qualified personnel. [2]

Phosphate. ISIS control of vast areas rich in natural resources also includes potentially lucrative sectors such as phosphate mines. ISIS seized the Akashat mine located near Rutba in the al-Anbar province, like most mines. According to its owner, the National Phosphate Production Company, annual production for 2014 was 1 Mt (for a capacity of 3.4 Mt/year and reserves in excess of 10,000 Mt). At the end of 2014, potential revenue was estimated at over $50M. . Further, the nearby al-Qa'im plant, which belongs to the same public company, is under ISIS control. This facility also produces sulphuric acid (1.5 Mt in 2014) and phosphoric acid (400,000 t in 2014). To this may be added the seizure of Palmyra and the Khnaifess mines, 70 km south of the town, which are among the country's most im-

1 U.S. Energy Information Administration, "Syria Country Analysis Brief", June 24 2015.

2 F. Dahmoush al-Mashhour and Syrians for Democracy, "The Impact of International Coalition Operations on the Economy of ''Islamic State" in Syria", Justice for Life Observatory in Deir ez-Zor, January 2016.

portant mines. [1]

However, the group is facing operational difficulties concerning the ore, in Palmyra and the al-Anbar region. Phosphate transformation, unlike oil, which ISIS is readily able to refine, requires advanced technologies over which the group has no control. Without transformation, the raw phosphate from the Khnaifess mines is unusable. In addition, unprocessed phosphate must be carried by truck due to the distance to the country's ports as well as the landlocked nature of ISIS-controlled zones. Given the low international prices and current transportation difficulties, the profitability of phosphate is thus dwindling. In 2015, production fell by around 20% compared with 2014 and revenues are estimated at about $250 M. [2]

Agriculture. Iraq and Syria are fertile lands well-suited for cereal production. According to the Food and Agriculture Organization of the United Nations (FAO), the Iraqi provinces under ISIS control, in particular Nineveh and Saladin, are the country's most fertile provinces. ISIS seized many lands in the most fertile regions, raising the issue of food security. In all, areas under the group's control, including those in the provinces of Nineveh, Saladin and al-Anbar, contribute for 40% of the annual wheat production and 53.3% of the barley production. [3]

Agricultural revenue consists of part of the income from production on the land seized by ISIS as well as income from the numerous agricultural taxes levied at various points of the value chain (on the fields themselves, whether irrigated or not, on production, on wheat processing machinery and cotton ginners, and on agricultur-

1 These data have been corroborated by the Compagnie Générale des Phosphates et des Mines, whose estimate for the first semester of 2014 was $30M.

2 Philippe Chalmin, lecturer at the Université Paris-Dauphine and specialist in natural resources, cited by OLJ/Agences, "Les mines de phosphates, une prise ''symbolique" pour IS" ['The phosphate mines: a symbolic capture for IS'], L'Orient Le Jour, 26 May 2015.

3 Food and Agriculture Organization of the UN (FAO), "Global Information and early warning system on food and agriculture (GIEWS)", Special Alert no 332, 25 June 2014.

al transportation vehicles). In 2014, this income was estimated at $200 M. However, the military setbacks suffered by ISIS resulted in loss of some of the fertile lands around Saladin. Besides, eyewitness accounts highlight the shortage of fertilizers and fuel, the poor quality of seed that has resulted in decreased yields, and transportation problems following airstrikes. Finally, the governments in Baghdad and Damascus no longer provide a guaranteed income by purchasing the production as they did in the past. In order to sell their products, farmers must now turn to intermediaries, often with no option but to sell at low prices.[1] ISIS income from the sale of cereal crops in 2015 was around $140 M, of which $20M comprised harvest taxes alone. In addition to wheat and barley, ISIS controls 75 to 80% of Syria's cotton production due to its control over the al-Raqqa and Deir ez-Zor regions, and part of the Hasakah region. Around 12,000 tons were sold in 2015 via intermediaries, primarily to Turkish buyers, with Turkish spinners and clothes manufacturers being based near the Syrian border. The low prices charged by ISIS for cotton, at around 70% of market value, makes it attractive. Cotton sales brought in some $15M for ISIS in 2015, equivalent to 1% of its total revenue.[2]

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1. Bahney, Benjamin and Johnston, Patrick (2014), "Hitting ISIS Where it Hurts: Disrupting ISIS's Cash Flow in Iraq", RAND Corporation, [online] August 13, 2014. Available at: http://www.rand.org/blog/2014/08/hitting-isis-where-it-hurts-disrupt-isiss-cash-flow.html[Accessed 21 April, 2015].

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NATURAL RESOURCES AS THE FINANCIAL SOURCES OF IS, STRENGTHS AND WEAKNESSES

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RESUME

The Islamic State in Iraq and al-Sham (ISIS) also referred to as the Islamic State in Iraq and the Levant (ISIL) and, or Daesh more recently, as just the Islamic State (IS), is an extremist Sunni Islamism movement. Unlike al-Qaeda and other terrorist groups, ISIS, which has unilaterally declared the reestablishment of an Islamic caliphate, was financially self-sufficient for about eight years as a terrorist and insurgent group before committing itself to running a proto-state. ISIS rapidly made its mark as one of the most powerful groups in the recent history of terrorism. The Islamic State diverges from comparable insurgent and terrorist groups firstly through its extensive sources of revenue, which are mainly located within territory that the organization controls, including one of the basic source such as natural resources, oil, gas, phosphates, agriculture. The sustained control ISIS exerts over contiguous territory and its rapidly expanding capabilities have made it difficult for the U.S.-led coalition to 'de-

grade and ultimately destroy' it. Therefore, an essential question that needs to be considered is how was ISIL able to access and control such vast sums of capital and income? There is a clear answer to this question; ISIL is able to manipulate and abuse an unprecedented array of funding opportunities, especially natural resources, black market oil and gas; phosphates, agriculture. The main purpose thus of this report is to identify the diversity of natural resources as funding opportunities of the Islamic State and to show its recent financing weaknesses.

Key words: Islamic State; Funding Sources; Oil; Natural Gas; Strengths; Weaknesses.