

Abstract

The manifestation of terrorism on the African continent has increasingly become a major emerging and evolving security concern. Based on the number of incidents happening on the continent, it is evident that the approach in addressing this phenomenon needs to be rethought, restrategised and redesigned in order to maximise the effect of current counter interventions by different organisations. At the centre of terrorism is the financing thereof. The bulk of this study will focus on the financing of terrorism and how the United Nations Security Council respond to it focussing on North, West and East Africa.

Results should not just address the challenges of the current environment, but should be able to stand the test of time and ensure that these horrific activities do not re-occur.

In order to reach this stage, it is critical that all role-players, stakeholders and organisations work together to ensure that the crisis is addressed in the most effective way, but also, critically, managed under the umbrella of an organisation that has the capability, resources, capacity and leadership to intervene in these situations successfully. The United Nations Security Council is the one organisation that can fulfil this role.

Declaration

I declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Security) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any other university.

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Signature

23 March 2016

Dedication

For my mum, thank you for all the support and prayers.

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First and foremost, I bow down to my Heavenly Father for giving me the strength, wisdom and courage to do this.

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Table of Contents

List of Abbreviations.....	9
Table of figures	11
Chapter 1: Introduction and Background	12
1.1 Research problem.....	13
1.2 Purpose of the research	14
1.3 Research question	14
1.4 Literature review	14
1.4.1 <i>What makes ISIS dangerous</i>	25
1.4.2 <i>The rise of Boko Haram</i>	28
1.4.3 <i>Why do people join terrorist groups? The case of Al-Shabaab</i>	30
1.5 The financing of terrorist activities	33
1.6 Current initiatives on combating the financing of terrorism on the African Continent.....	57
Chapter 2: Research Methodology and Data Collection	67
2.1 Research methodology	67
2.2 Research methodology in this research.....	67
2.3 Research design.....	68
2.4 Data collection	69
2.5 Data validation.....	69
2.6 Limitations of the research.....	71
2.7 Research strategy.....	72
Chapter 3: Framework of Analysis	74
3.1 The difference between regime theory and international law?	80
3.2 The effectiveness of regime theory	81
Chapter 4: Presentation and Analysis of Research Data.....	84

Chapter 5: Conclusion and Recommendations 99

References 111

Appendices A: Maps..... 120

Glossary

Caliphate: A caliphate is an Islamic state. It's led by a caliph, who is a political and religious leader who is a successor (caliph) to the Islamic prophet Muhammad. His power and authority is absolute (Chandler, 2014:1).

Epiphenomena: A secondary phenomenon that occurs alongside or in parallel to a primary phenomenon but has no causal influence on the primary phenomenon itself (www.merriam-webster.com/dictionary).

Neo-patrimonialism: A system of social hierarchy where patrons use state resources in order to secure the loyalty of clients in the general population. It is an informal patron-client relationship that can reach from very high up state structures down to individuals in small villages (<https://en.wikipedia.org>).

Exogenous: An exogenous factor is any material that is present and active in an individual organism or living cell but that originated outside that organism, as opposed to an endogenous factor (www.thefreedictionary.com).

Hawala: A method of transferring money without any actual movement. One definition from Interpol is that Hawala is "money transfer without money movement." Transactions between Hawala brokers are done without promissory notes because the system is heavily based on trust. A hawala involves a network of people in different locations (www.investopedia.com).

Spaza shops: An informal convenience shop business in South Africa, usually run from home. They also serve the purpose of supplementing the owner's household income by, selling every day small household items (www.wikipedia.org). These are shops that form part of the informal economy in South Africa whereby mainly foreign nationals (Somalis, Nigerians, Pakistani's and Bangladeshis) buy or rent property in the mainly informal

settlements in South Africa and then set up informal shops in these communities. They create a very competitive market by charging very low prices for their merchandise, basically forcing legal, and tax paying South African shops out of the local market and business.

Informal Economy: Refers to activities and income that are partially or fully outside government regulation, taxation, and observation. The main attraction of the undeclared economy is financial (www.worldbank.org).

OECD Countries: The Organization for Economic Cooperation and Development (OECD) is a unique forum where the governments of 34 democracies with market economies work with each other, as well as with more than 70 non-member economies to promote economic growth, prosperity, and sustainable development (<http://usoecd.usmission.gov>).

List of Abbreviations

ACSRT: African Centre for the Study and Research on Terrorism

AML/CFT: Anti-Money Laundering/Counter Financing of Terrorism

ANC: African National Congress

AU: African Union

CISSA: Committee of Intelligence and Security Services of Africa

DIRCO: Department of International Relations and Cooperation (South Africa)

ECOWAS: Economic Community of West African States

FATF: Financial Action Task Force

FIU: Financial Intelligence Units

GIABA: Inter-Governmental Action Group Against Money Laundering in West Africa

HST: Hegemonic-Stability Theory

ISIL: Islamic State of Iraq and the Levant

ISIS: Islamic State in Iraq and Syria

ITERATE: International Terrorism: Attribute of Terrorist Events

OPEC: Organization of the Petroleum Exporting Countries

PSC: Peace and Security Council

UN: United Nations

UNICRI: United Nations Interregional Crime and Justice Research
Institute

UNSC: United Nations Security Council

WTO: World Trade Organisation

Table of figures

Figure 1: Terrorism in North Africa & Sahel in 2012: Global Research and implications	120
Figure 2: Challenges to US Diplomacy: Dealing with Terrorism and Instability in the Horn of Africa-Strategic Thinking on East Africa	120
Figure 3: Militant Spheres of Influence	121
Figure 4: Key Terrorist Groups in Africa	121
Figure 5: Global Terrorist Hotspots Mapped (2014)	122
Figure 6: Islamist Militants Groups and their areas of influence in Africa	122
Figure 7: Growth of Terror: Since its formation as the Islamic State of Iraq and Syria in 2-13, it has conquered regions of Iraq, Syria and recently Libya	123
Figure 8: Islamist factions active in Africa	123
Figure 9: ISIS main source of income	124
Figure 10: Boko Haram fatal attacks	125
Figure 11: Trans-Sahara trafficking and threat finance-22 April 2015	125
Figure 12: Nigerian Map: Education, Governance, Peace and Security	126

Chapter 1: Introduction and Background

This report will present a number of interlinking scenarios pertaining to terrorism and the financing thereof, taking into consideration the different approaches to terrorism on the African continent and the fact that the current role of the United Nations Security Council (UNSC) is not sufficient and effective in the fight against terror.

The framework that will be presented is that of regime change theory and the link between terrorism and international trade, in an attempt to decipher the sources and mechanism behind the financing of terrorism.

As the global village opened itself up to more robust international and transnational trade and interaction, it has become easier for terrorists to shift funds around and finance their activities through legal and illegal international trade.

The UNSC initiated a number of resolutions in response to the financing of terrorism and how to combat it. The significance of these resolutions is to provide guidance and a legal framework for states to implement regulations and laws that will allow them to fight the financing and support of terrorist groups on a regional and domestic level. It also provides an opportunity for regional organisations to include these objectives in their missions.

This report will thus focus on the role of the UNSC in combating the financing of terrorism on the African continent and how the lack of appropriate counter measures enhances the financing of terrorist activities, with clear evidence that there is an increase of terrorist activities on the continent.

Regime theory and that of international law brings to the fore the question of whether terrorism should be treated as an attempt to change regimes or as cross border transnational crime. This report will suggest that the UNSC may

have to rethink approaches to terrorist groups and fight terror as a criminal act instead. The reasons provided for a change in the approach to terrorism and the different terror groups operating in North, West and East Africa is that these groups have different ideologies and motives behind their reasons for declaring war.

Literature suggests there is very little co-ordinated efforts in fighting terror on the African continent. It further shows that the financing of these terror activities are well resourced and the question is: where does the financing originate from for operations, weapons, attacks and recruitment?

This research will focus on the role of the UNSC in combating the financing of terrorism on the African continent. The study will emphasise the different terrorist groups prominent on the continent, namely ISIS in North Africa, Boko Haram in West Africa and Al-Shabaab in the Horn of Africa and how these groups finance their activities. Literature will further illustrate that there is a clear link between trade integration and transnational terrorism. Additional to that, there will also be an assessment on the current counter measures on the financing of terrorism on the African continent. There will be a specific focus on the activities and collaboration of the UN and the AU.

Finally, this report will attempt to establish a link between crime and terrorism with an objective to highlight that the current counter measures are not effective and that the UNSC is the ultimate organisation to implement renewed measures on the African continent to not just deal with terrorism, but also with the source of the financing thereof.

1.1 Research problem

According to the Global Terrorism Index for 2015, there is an increase in terrorist activities globally. In spite of a number of anti-terrorism initiatives,

the phenomenon is ongoing and the question that remains is: How are these activities financed?

1.2 Purpose of the research

The purpose of the research is to ascertain how terrorist groups finance their activities in North, West and East Africa and whether the role of the UNSC is sufficient in combating the financing of terrorism on the African continent.

1.3 Research question

What is the role of the UNSC in combating the financing of terrorism in North, West and East Africa?

1.4 Literature review

The literature review will present the argument that there is a need for this research in order to assess the role of the UNSC in fighting the financing of terrorism on the African continent. Added to this, it will be attempt to prove that there is an increase in terrorist activities on the African continent and that this warrants an intensification of the response of the UNSC to this phenomenon. The UNSC should be involved in an effective terrorism-combating method because the phenomenon of terrorism not just affects human rights on the continent, but poses a risk to the continent at large, influencing development, security, political stability and regimes.

Defining terrorism remains a challenge. According to Lodge (1981:1), numerous attempts were made to define terrorism and to distinguish it from other forms of political violence associated with the conduct of a legitimate campaign against a repressive regime, which is normally despotic, military, fascist or a reaction to revolutionary violence, all of which have always been viewed in a legitimate frame. Recent attempts to construct typologies of

terrorism tend to categorise it as a sub-species of revolutionary violence seeking a change in regime or people in pursuit of political ends of revolutionary or anarchist form.

Intrilligator defines terrorism as “the premeditated use or threat to use violence by individuals or subnational groups in order to obtain a political or social objective through the intimidation of a large audience beyond that of the immediate victims. Terrorism is also regarded as a global phenomenon” (Richardson, Gordon and Moore, 2009:14). Gendron (2012:403) defines terrorism not as an ideology, but as a set of criminal tactics which deny fundamental principles of democratic societies.

The terror-crime interconnection is of such a nature that it is sometimes difficult to determine the difference between criminality and acts of terrorism or extremism. The line between criminals, terrorists and insurgents is often blurred, but whatever the motivation, the threat to public safety and security is multiplied to the extent that these networks co-operate or develop a symbiotic relationship with each other. This is the foundation which the terror-crime interaction is based on (Gendron, 2012:405).

Goredema and Botha (2004:55) highlight that it is easier to define the act of terror than to label a group or organisation as a terrorist group or movement. The OAU Convention on the Prevention and Combating of Terrorism (1999) may also be used as a frame of reference in an attempt to define terrorism. In the Algiers Convention, terrorism is defined as:

- a) any act which is a violation of the criminal laws of a State Party and which may endanger the life, physical integrity or freedom of, or cause serious injury or death to, any person, any number of group of persons or causes or may cause damage to public or private property, natural resources, environmental or cultural heritage and is calculated or intended to:

i. Intimidate, put in fear, force, coerce or induce any government, body, institution, the general public or any segment thereof, to do or abstain from doing any act, or to adopt or abandon a particular standpoint, or to act accordingly to certain principles;
or

ii. Disrupt any public service, the delivery of any essential service to

iii. Create general insurrection in a State

b) any promotion, sponsoring, contribution to, command, aid, incitement, encouragement, attempt, threat, conspiracy, organising, or procurement of any person, with the intend to commit any act referred to in paragraph a) (i) to (iii).

Article 3 of the Convention states that, notwithstanding the provision of article 1, the struggle waged by people in accordance with the principles of international law for their liberation or self-determination, including armed struggle against colonialism, occupation, aggression and domination by foreign forces shall not be considered as terrorist acts.

This article is almost a contradiction of the aforementioned definition. It goes further by saying in point ii) that political, philosophical, ideological, racial, ethnic, religious or other motives shall not be justifiable defences against a terrorist act.

It is quite evident that this provision protects the historical context of liberation movements on the African continent whereby many liberation movements, such as the African National Congress (ANC) were labelled as terrorist groups, understanding that this labelling was not necessarily based on the political ideologies of the ANC, but mainly on the activities that was associated with the group in the name of “the liberation struggle”.

The impact of transnational terrorism on trade integration cannot be examined without looking into the measuring of transnational terrorism and stylised facts. This cannot be done without considering the definition of terrorism and transnational terrorism. The Oxford Dictionary simply refers to terrorism as “furthering one’s views through acts of coercive intimidation”. The US State Department, for analytical purposes, defines terrorism as the involvement of premeditated and politically motivated violence perpetrated against non-combatant targets by subnational groups or clandestine agents, usually intended to influence an audience. Krueger and Maleckova (2002) define terrorism as the premeditated use, or threat of use, of extreme violence to obtain a political objective through intimidation or fear directed at a large audience (Mirza and Verdier, 2006:6). Transnational terrorism applies to terrorist acts involving citizens or the territory of more than one country, either as victims or perpetrators.

As much as there is agreement about the difficulty to define terrorism, Goredema and Botha (2004:56) differentiate between international, transnational and domestic terrorism. International terrorism comprises of acts of terrorism that have international consequences; incidents where terrorist cross national borders to strike at a foreign target, select victims or targets due to their connection to a foreign country, e.g. 9/11 and ISIS targeting UN aid workers. Transnational terrorism occurs when an act of terrorism extends beyond the borders of one country, in terms of either victims, targets and/suspects, e.g. the attack on the Westgate Mall in Kenya. Lastly, Domestic terrorism occurs when the act of terrorism is confined within national borders and does not include targets or agents from abroad, e.g. Boko Haram in Nigeria.

Additional to that, for non-elected groups to resort to violence for the realisation of political ends in liberal democracies is regarded as illegitimate and unjustifiable, especially when it is accompanied by violence and force

where the means does not justify the end. This then borders on or constitutes a criminal act rather than political offence and should be treated as such (Lodge, 1981:1).

Due to the fact that the characteristics of terrorism changed significantly over the last century, the difficulty in defining the occurrence is the fact that terrorism is not seen as an ideology anymore, but rather the insurrectional strategy of people of very different political convictions. It is not merely a technique, its philosophy surpasses the traditional dividing lines between political doctrines (Lodge, 1981:1).

Jenkins argues that the threat of violence, individual acts of violence, or the campaign of violence is primarily designed to instil fear; to terrorise (Lodge, 1981:2). Terrorism is violence for effect; not only, and sometimes not at all, for the effect on the actual victims of the terrorist. In fact, the victim may be totally unrelated to the terrorist cause. Terrorism is violence aimed at people watching. Fear is the intended effect, not the by-product of terrorism. This definition manifests in the operations and modus operandi of ISIS.

This resonates with the techniques of Boko Haram in the West of Africa, whose technique is a strategic intent to destroy the confidence of a particular government by causing it to act outside the law, to bring about moral alienation of the masses from the government until its isolation has become total and irreversible, making life unbearable for a democratic government as long as terrorist demands remain unsatisfied (Wolf in Lodge, 1981:2). Hence the change of government in Nigeria was not a surprise as one of the main factors, objectives and results was the masses losing confidence in the previous government to respond to Boko Haram and the cruelty it displayed.

In an attempt to conceptualise terrorism, the literature differentiates between three broad types of terrorism namely 'revolutionary' terrorism, aimed at political revolution; 'sub-revolutionary' terrorism, having political motives

other than revolution; and, lastly, 'repressive' terrorism, where the aim is to restrain certain groups, individuals or forms of behaviour deemed to be undesirable (Wilkinson in Lodge, 1981:3).

'Revolutionary' terror activities are associated with organisational terror where the aim is to maintain internal order and discipline, making penetration from external actors virtually impossible. Members who err are also dealt with very harshly. The second aspect, 'allegiance terror' is less restrained, but involves the use of violence to create mass support in the form of funds obtained through extortion, strikes, boycotts and civil disobedience with the threat of vengeance. Thirdly, the actions taken to gain strategic advantage or the isolation of a category of victims by virtue of their function as targets of assassination can be described as 'functional terrorism'. Fourth, 'provocative terror' is a strategy, rather than terror, where the aim is to exploit the deed and escalate its impact. Fifth, 'manipulative terror' is characterised as the creation of a bargaining situation where threats are made to destroy assets or kill hostages unless certain demands are met. Lastly, the victims are selected based on the fact that they 'represents' the epitome of the enemy and this is referred to as 'symbolic terror' (Bell in Lodge, 1981:4).

Further to the above, Bell (in Lodge, 1981:4-5) identifies 'psychotic' terrorism, which involves bizarre, ostensibly political actions with uncertain or irrational outward motivations committed for personal, internal reasons, whilst kidnappings and hijackings are labelled as pure criminal terror.

Bell also identifies terror committed by governmental authorities, also called state terror or state violence. This form of terror he refers to as 'endemic terror', where the collapse of the state is the underlining factor. This is evident in the state of Somalia where state power is used for coercive purposes and vigilante terrorism arises where the volunteers, instead of the regime, is under threat from within with the purpose to curb or eliminate opposition (in

Lodge, 1981:5). Indigenous terrorism transcends national boundaries in its exercise, effects, ramification and prosecution. This is evident in the attacks that took place in Kenya by Al-Shabaab.

For the purpose of this study, the following definition will be used by Dictionary.com which describes terrorism as acts of violence committed by groups that view themselves as victimised by some notable historical wrong. Although these groups have no formal connection with governments, they usually have the financial and moral backing of sympathetic governments. Typically, they stage unexpected attacks on civilian targets, including embassies and airliners, tourist destinations and, lately, hotels, with the aim of sowing fear and confusion.

The anti-terror crusade has been extended to all corners of the world and Africa was not spared. Troops and spies are deployed in many African countries, suspected to be havens for terrorist activities, which include, amongst others, Nigeria in the West, Kenya and Somalia in the East and the ever troublesome North (Chweya, 2004:44).

Literature shows evidence that Transnational Organised Crimes are inherently part of international crime and security threats. Depicted as a recent threat, it is also identified as a crime that is extremely flexible and capable of adapting and changing itself very quickly to new environments. This is the exact reason why it is found to be in such an alliance with terrorism (Carrapiço, 2012:19). This is also said to be the result of the latest political, economic, legal, technological and social changes in the world – the sudden increase in trade, globalised markets, the fall of the Soviet Union, the spread of corruption, the creation of the Single Market, the acceleration of economic transition, increased mobility, illegal migration and new forms of communication are some of the root causes for Transnational Organised Crimes in an increasingly smaller Global Village.

In recent years, other activities like human trafficking, immigrant smuggling, cybercrime and terrorism are some of the activities added to Transnational Organised Crimes. This is no longer just an economic problem, but has the capacity to destabilise countries where they operate economically, socially and politically. Because of the level of power reserved for state actors, this occurrence is currently referred to as a “threat” to the safety and security of citizens and to the existence of countries themselves, thus a security rather than a criminal problem.

When looking at transnational crimes and terrorism, globalisation is the one concept that cannot be ignored. The free movement of money, people, goods and information are harnessed by terrorist and organised criminals. This results in money being raised in one country, used for training in another country, for procurement of goods in another country and eventually for terrorist activities in a final country. The opportunities that have come with globalisation have changed both the nature of transnational organised criminal groups and terrorist networks and the connection between them. Developments in the financial, banking, travel and communications sector have enabled terrorists to extend their reach by becoming more networked and integrated, while taking advantage of weak and failing states to establish sanctuaries and strongholds. This development was also documented by the UN (UNICRI, 2007:104).

Terrorist groups have also moved from hierarchical bureaucracies to flatter, more decentralised networks. The trend has been for a shift from well-organised, localised terrorist groups supported by the state, to loosely organised, international networks which are dependent on their own worldwide fundraising efforts and donations. In these loosely organised groups, operatives are part of a network of cells that rely less on direction and more on shared values and horizontal co-ordination to accomplish goals. Terrorist networks now engage in large-scale criminal activities to fund their

core activities and like criminal syndicates, have shown that they too are prepared to form alliances to accomplish their objectives (Gendron, 2012:404). The terrorist attack in November 2015 on the Radisson Blu hotel in Mali is reported to be the first collaborated attack between ISIS and Boko Haram.

An overview of literature of these highly volatile areas indicates that there are commonalities in these regions pertaining to the existence of terror and the mistakes made in combating terror. Clan, religious and cultural divisions remain at the centre of this phenomenon. These armed conflicts represent the “third wave” of hostilities, which is violence through small arms and light weapons (SALW), which have been a major determinant in the cyclical violence in Somalia. This also links to the argument by Omitola (2014) that terrorism and crimes have blended to define the characteristics of the Fulani herdsmen attacks on farmers in Nigeria, fuelled by the deployment of trafficked small arms and light weapons from the Sahel region (Mwanika 2010:65-66).

The events of 11th September 2001 undoubtedly took terrorism to another global level, whereas previously it was an uncomfortable aid to anarchism, liberation wars and counter-insurgency campaigns. At one level regarded as an unlawful, threatened use of violence against individuals and property, accompanied by intimidation of governments or societies for political objectives, terrorism is now distinguished from common crimes and other offences because the motivation is not only for financial gain (Cilliers, 2003). The main ingredient of terror is now understood to be retaliation.

With the US State Department’s “Patterns of Global Terrorism”, it clearly indicates that international terrorism is on the increase in Africa. This is further supported by the Global Terrorism Barometer, 2015. Since the early 1990s, a new threat emanated from loose groupings of individuals with similar

backgrounds and beliefs, who respond to terror as a way of striking against their enemies.

Cilliers (2003:194) states that early effective countermeasures from North Africa managed to halt the spread of radical terror further afield. Globalisation remains an important factor in the spread of international terrorism, e.g. internet, cell phones and social media are used by terror groups in recruitment, organising attacks and spreading fear in a particular country or region, as seen with ISIS. Even though Algeria represents the country in Africa mostly entangled in international terrorism, complex characteristics drive much larger menace, such as domestic terror.

The opportunities that Africa presents to international terrorist groups (see *Figure 1: Terrorism in North Africa & Sahel in 2012: Global Research and implications in Appendix page 121*) to hit the international community are limitless, e.g. peacekeepers, aid workers, donor agencies and multinational offices are easy target. This is evident in the realities of shootings, assassinations, kidnappings or hijackings, which are popular modus operandi for terror in Africa (Cilliers, 2003). These are the same networks that support armed trafficking, money laundering and illegal human trafficking for the various proxy wars fought in Africa, blurred in neo-patrimonialism, which is a system of social hierarchy where patrons use state resources in order to secure the loyalty of clients in the general population. It is an informal patron-client relationship that can reach from very high up in state structures down to individuals in small villages. The link between international terrorism and transnational crimes is very close, as highlighted in the UN Security Council Resolution 1317 (article 4), focusing on the global security problem that this phenomenon poses.

Botha and Solomon (2005) highlight that terrorism, and in particular Islamic extremism, presents a real threat to regional and international security on the African continent. The biggest threat presents itself in the formation of

terror networks that have disastrous consequences, as witnessed in the terror activities in the Eastern Horn of Africa. These acts lead to the differentiation between victims and agents of terror, which in Africa is a growing transnational threat to international security. They further claim that the reason behind these claims are the arguments that Africa is the breeding ground for transnational terror activities, the lack of interest, political will and a definite commitment from the developed world and some African governments to pro-actively counter this threat (Botha and Solomons, 2005:1).

Some of the most prominent characteristics of the presence of terrorist activity in North Africa are the desperate socio-economic conditions and the military dominated governments that prevail in most of these countries, which is used by military and government leaders as an excuse for repressive measures to consolidate their hold and power. This provides the ideal conditions for natural discontentment and the growth of militant sentiments (Botha and Solomon, 2005:6). Even though each of the North African states manifests a different Islamic militancy and politic, their governments react in different ways to the realities of the political challenges. The perception, nature and extent of these militancies by their states, contributes to the indiscriminate and spiralling acts of violence and the way they formulate their internal and foreign policies on how to deal with this threat.

There are three main groups that are recently highly active and generate terror in the North, West and East of Africa, namely the Islamic State in Iraq and Syria (ISIS) in the North, Boko Haram in the West and Al-Shabaab in the East. ISIS has received broad attention from the media. This group follows in the footsteps of Al Qaeda and most Arab states, under the influence of the United States (US) developed strategies and responses that centre around military interventions by implementing air strikes on camps and infrastructure of this group. ISIS is mainly referred to as the “new” Al Qaeda, with membership from Western citizens. These individuals who have joined

the ranks of the organisation are often arrested either en route to join the ranks or on their way back from their countries of citizenship (Blumenau, 2014:1).

1.4.1 What makes ISIS dangerous

Blumenau (2014) defines terror as the all-encompassing strategy (and thus not an ideology) that aims at instilling fear through violence or the threat thereof in order to further a political (or religious) agenda. This definition differentiates a terror group from a guerrilla movement or liberation group, who normally want to control a certain territory, use heavier weaponry, often operate in bigger fighting units, in some cases wear uniform, use small handguns and explosives and want to implement specific political or religious goals. In spite of these clear characteristics, ISIS displays features of both, which makes this group different.

The Islamic State, formerly known as the Islamic State of Syria and Iraq, published a horrific video showing the beheading of U.S. journalist James Foley, calling it a “Message to America.” The 50,000-strong Islamic militant group threatened to do the same to another American journalist in Syria, identified as Steven Sotloff, if the Obama administration did not meet its demands. He was beheaded on video as the “Second Message to America”.

The goal of the extremist group was to use shocking images to intimidate the Obama administration into halting US strikes on ISIS strongholds in Iraq and Libya. These airstrikes seemed to be impeding ISIS’ ultimate objective: to maintain and expand its self-declared caliphate. The extremists have already seized large parts of Iraq and Syria, taking control of several of the towns’ main resources, like wheat and oil fields. They had previously seized the largest dam in Iraq, and Foley’s beheading came just a day after U.S. and Iraqi forces successfully regained control of the Mosul dam (Masi, 2014).

After the initial airstrikes were announced, the Islamic State vowed retaliation for the airstrikes, calling for sleeper-cell attacks on U.S. interests worldwide through its social media accounts. Part of creating the caliphate, for ISIS, means eradicating everyone who does not adhere to their rule of “convert or die.” In Syria, ISIS has made huge gains in eradicating those they call “infidels”. Since the strikes and beheadings, ISIS managed to secure the towns of Turkman Bareh, Akhtarín, Dabíq, al Masoudia and al Ghouz in Northern Syria, close to Aleppo. So far ISIS has seized territory in Iraq and Syria that is about the size of Belgium and their plans to expand the caliphate does not end there. One of the group’s former names was the Islamic State of Iraq and the Levant, which includes Syria, Jordan, Lebanon, Palestine and Israel. In June 2015, a pro-ISIS rally was held in the Jordanian city of Ma’an. In early August, media outlets all over the world published a map purportedly showing how ISIS wanted to conquer parts of Europe in the next five years. The map was later debunked (Hofmeister, 2015: 80).

In terms of territorial expansion, it remains to be seen whether ISIS is a group just devoted to the regional goals of establishing an Islamic caliphate, or if at the same time they are developing global and transnational capabilities in order to attack the West.

ISIS was established in 2003 and was known as Al Qaeda in Iraq. With attacks in Iraq, in recent years, the organisation continues its assaults on US army installations, Iraqi authorities, the population and, most recently, targeted and assassinated Western citizens. During 2005 it surfaced that there are links between the group and Al Qaeda, which resulted into them being classified as a terrorist group by the US and other governments. Two years ago the group started participating in the Syrian civil war, expanding its territorial presence. It officially changed its name to Islamic State in Iraq and Syria in 2013 and started to move beyond the association with Al Qaeda, by developing a distinct character of its own (Blumenau, 2014).

ISIS' aspirations are more clearly defined due to origins in the idealised notion of the Caliphate. The original Caliphate was established in 632 in the Arabian Peninsula. The title was given to the first leader, after the death of Prophet Mohammad. The word "Caliph" means successor. By using this word, ISIS is attempting to establish itself as the leader of the Muslim movement and mobilise a broad coalition of support by eliminating national boundaries. This group also developed a hierarchical structure and draws from committees for financing, law, security and other themes to manage its organisation and territory, thus featuring characteristics of a guerrilla group or even a liberation movement. Unlike most terror groups, this group strives for territorial control and wants to create its own state. The group also displays separatist characteristics, but not based on a single ethnic group that is trying to fill the vacuum left by Al Qaeda in Iraq and Syria. ISIS directs its violence intentionally against non-armed targets (Blumenau, 2014).

ISIS has special characteristics which makes them more dangerous. These characteristics will now be explored. First, it recruits members that possess European and Western passports, thus making it difficult for the authorities to control these, mainly youth, as they return home to carry out attacks as a means of retaliation, e.g. the first reports of ISIS sympathisers who planned to behead random victims in Australia is but one of these trends. In order for this group to retain its credibility, they need to resort to terrorist tactics, with a clear intention: spread fear in Western societies about the ISIS revenge and to build up enough domestic pressure to force governments to cease their operations against the ISIS in the Middle East (Blumenau, 2014:4).

Secondly, for as long as the struggle in Syria and Iraq continues, ISIS will remain a potential threat with plans and possible committed attacks in Europe and the North America. ISIS thrives on the level of political instability in the region and will continue as long as anarchy is present in these countries. In case a political solution can be found, the group will splinter into

smaller groups and will focus on domestic security instability (Blumenau, 2014).

A new regional concept of peace, stability and perspectives to pacify the region by including all ethnic and religious groups might result in weakened support for ISIS. This will require a serious commitment from the international community and might come at a price (Blumenau, 2014:5).

The fact that ISIS combines the features of both a guerrilla group and a religious terrorist group allows for it to be referred to as a hybrid organisation. This is both an advantage and disadvantage to the group, in the sense that it increases the claim to legitimacy as it struggles for a just cause. On the other hand it enlarges its recruitment pool. It will be difficult for the group to exist beyond the current situation in the North, once a long-lasting solution is found for the problems in the region (Blumenau, 2014:5).

In conclusion, under the above conditions, the end of conflict in the region will not necessarily translate into the end of ISIS terror. This group will have to form a critical role in the process of stabilising the region otherwise the current military approach might not be the solution.

1.4.2 The rise of Boko Haram

Boko Haram has created an ungovernable space in North-Eastern Nigeria and on the Cameroon border, with the potential to resurrect regional Islamic rule in West Africa (see *Figure 2: Challenges to US Diplomacy: Dealing with Terrorism and Instability in the Horn of Africa-Strategic Thinking on East Africa* in Appendix page 121). Driven by hostility towards secular authority and compelled by ethno-religious hatred, they successfully inspired hatred and fear in the region. Governments on both sides of Nigeria and Cameroon seem not to be able to deal with the situation or stop the groups from spreading terror in the region. This group managed to wage terror rapidly and made impressive

territorial gains across Nigeria and have sharply and rapidly increased violence (Celso, 2015:1).

Boko Haram is characterised by cultish practices and millenarian ideological association with smaller groups and organisations. The notion that terrorism is rational does not fit the theological driven terror organisations. Analysing Boko Haram as a traditional Islamist group is highly misplaced in dealing with this group, mainly because this group is very capable of short-term operational rationalities due to the fact that their long-term objectives are utopian and farfetched (Celso, 2015:1).

Defined as a 5th wave Jihadist group, Boko Haram's main characteristics are the rejection of the existing social-political order, idealisation of a mythic past, the quest for millenarian justice, youth culture, brutalisation of women and children, kidnappings, ethnic and sectarian cleansing, unrestrained violence, charismatic leadership, support for Sharia Law and the development of a new society (Celso, 2015:6). Boko Haram ultimately seek to destroy Western culture and political institutions in Nigeria and Iraq and they believe these Western institutions are sinful and corrupt (Celso, 2015:8).

Boko Haram originated in the 1970s from the Maitatsine Movement and started with moderate demands on the government. As the movement grew, their demands and agenda became more radical and trans-Islamic. By 1980 a populist insurgency was created that attacked police stations and the government. The Nigerian army intervened, the group was ordered to disband and the followers of Muhammad Marwa revolted. This resulted in over 4000 people dying and hundreds of villages destroyed.

Recent literature on terrorism in Nigeria did not just link Boko Haram with terrorist organisations in the Sahel, but also establish that they are linked to organised crime networks in Nigeria and West Africa. This is specifically important as the relation between Boko Haram elements and the existence of

the Fulani herdsman in Nigeria are defined mainly in terms of culture and religion, which is also shared in neighbouring countries. Therefore, the crimes and terrorism have mingled to define the character of the Fulani herdsmen attacking farmers in Nigeria. These attacks are further fuelled by violence through the deployment of trafficking of small arms, drugs and light weapons from the Sahel region (see Figures 3 and 4 in Appendix). This results in a direct link between the attacks of the Fulani herdsmen and Boko Haram (Bolaji, 2014).

There is a continuous failure of the Nigerian authorities to deal with these attacks and the challenge may be weak domestic security apparatus and the lack of non- co-operation with other states within the framework of ECOWAS (The Economic Community of West African States) to tackle terrorism and trans border crime (Bolaji, 2014).

Despite these impressive gains, the odds are against Boko Haram and it is most likely to repeat the pattern of popular revulsion, internal rebel dissension and external resistance, which will ultimately lead to their implosion.

1.4.3 Why do people join terrorist groups? The case of Al-Shabaab

In keeping with its name, Al-Shabaab, which means “The Youth”, targets young adults and adolescents, who are especially vulnerable to recruitment. This is an important time in a person’s life trying to establish the political “self” and also form worldwide opinions and beliefs. Young people are also more idealistic and reform minded, because of the lack of political and socio-economic participation, they are easily drawn into unconventional methods and political behaviour, by clearly defying the older generation in their political manipulation (Botha and Abdile, 2014).

The main catalyst for terror activities in Somalia and the involvement of Al-Shabaab in this region is the socio-economic conditions, lack of education, unemployment and political circumstances in a region that is characterised as a failed state with little or no societal order. The collective identity and sense of belonging contributes to the radicalisation of almost complete societies in the region of East Africa, of which the major contributing factors are the economic conditions and the killing of Muslims in Iraq and Palestine (Botha and Abdile, 2014).

One factor that separates Al-Shabaab from the other terrorist groups is the fact that it is highly invested in intelligence-gathering capabilities. Secondly, they use coercion, intimidation, bribery and outright murder to collect information, which results into many people co-operating out of the fear of being killed. Their targets are well identified and range from Somali government officials, parliamentarians, UN staff members, donor community, local and international organisations, local staff working for these organisations and their families, including business people and all ties with these entities, e.g. Kenyans play an important and critical role in the intelligence operations conducted by this group. Additional to this, clan and family networks are being used to recruit informers. Basic and unsophisticated techniques to track, monitor and target individuals makes it difficult for the advanced techniques of the international community to trace the activities of this group (Botha and Abdile, 2014).

In order to destabilise this group, a fair number of partnerships need to be established with clan leaders and community leaders to kick-start a nation-building process that will not be associated with Al-Shabaab. Education and employment security will be the only option for individuals to provide for themselves and their families. An effective government will have to be established to ensure that societal order is created and to provide essential services. The Somalian security forces have to embark on stringent counter-

terrorism techniques and operations to counter insurgency programs which will also hamper the organisation from infiltrating government. The building of trust will be critical to establish a sense of pride and loyalty to the government. Better co-ordination and co-operation between security agencies, transforming authority from military to police is essential, and lastly, establishing rule of law and a society based on human rights that uses force minimally (Botha and Abdile, 2014).

The drivers of territorial control however seem to differ in both the cases of Boko Haram and Al-Shabaab. The need to establish and maintain a trade infrastructure (including imports and exports) appears to be more important to Al-Shabaab than to Boko Haram, which did not make serious attempts to govern its areas of control. Al-Shabaab, by contrast, views itself as a government, reflecting its roots in Somali nationalism, including the popular Somali dream of a “Greater Somalia”. Such beliefs, coupled with the traditional Somali acumen for commerce, continue to drive Al-Shabaab’s strategy even as it loses territory. Indeed, its focus shifted from controlling ports to controlling lucrative routes between these ports and the Somali hinterland. It also diversified its sources of revenue through the imposition of various taxation schemes and tighter control over lucrative money exchange businesses in Somalia and the Somali diaspora.

The dynamics within this group makes it quite a challenge to study and research, because it is continuously on the move and reinvents itself based on the many global channels that exist. This makes the counter measures implemented by the UN and AU even more impractical as resolutions and policies do not adapt to the changing techniques of the terrorist group.

Based on literature, it is quite evident that the different terrorist groups assessed during this research have different motivations behind their existence, and their composition and structures differ significantly. One

approach or methodology in combating the financing of terrorism will, therefore, not be effective.

1.5 The financing of terrorist activities

The Economist of August 2005 starkly reminded us of the revolutionary anarchism of the late 21st century, where terrorism has been a fact of life in human security (2006:2). The events of 9/11, Madrid and London brought renewed attention to the phenomenon of transnational terrorism in modern society, emphasised by the latest events in France, Mali and Tunis.

Mirza and Verdier (2006) offer a general analytical framework to illustrate the complex two-way interactions between trade and transnational terrorism. Empirical studies point to the appropriate controlling of these interactions in terms of distinguishing between “source” countries and “target” countries of terrorism and taking into account the inter-temporal persistence of terrorism between specific pairs of countries.

The impact of the terrorist attack on the tourism venue in Tunis highlighted the viability of an open global economy. Economic globalisation was thought to have contributed to an increased vulnerability of nations to transnational terrorism, while international economic transactions are significantly affected by terrorist incidents and counter terrorist policies. Worldwide international trade increased drastically in the last three decades, with trade volumes as a percentage of world Gross Domestic Product (GDP) growing from 27% to 45% by year 2000 (Mirza and Verdier, 2006). This resulted into Foreign Direct Investment (FDI) exploding over the same period. The increasing number of trucks and container vessels that facilitate international commerce certainly enhanced the likelihood of a terrorist successfully smuggling himself or a weapon undetected across a vulnerable border. Added to that, the growing number of international financial transactions made it increasingly difficult

for international monitoring and interception of money used to support and finance terrorist activities. This evolution might have facilitated the development and capacity of terrorist groups to execute acts of terrorism successfully in foreign countries.

Concurrently, terrorism and the associated anti-terrorist policies taken by governments have an impact on the costs of doing international business. Terrorism directly generates anxiety and risk resulting in people being more careful about the potential harm embedded in any transaction, which affects the uncertainty on economic returns and transactions that creates a reduction or shift in investment and demand patterns with non-negligible implication for trade transactions. Counter-terrorist policies tend to multiply the negative impact of terrorism on trading costs. Costly inspections and monitoring and tight security at airports and seaports increase the cost of travel for both tourists and business people and the cost associated with shipping goods, especially when time is factored as a cost. This is enough reason to question the perceived increased prevalence of transnational terrorism in relation to the process of globalisation experienced in the last three decades (Mirza and Verdier, 2006).

The questions that remains are: what are the links between globalisation and transnational terrorism, what are the effects of terrorism on international trade integration and, lastly, does the open global village contribute to transnational terrorism?

Literature shows there is a significant link between transactional cost effect on trade and terrorism by reduced willingness to get into business with agents from an “unsecure” country (country of location, origin or target). Terrorism also impacts on trade indirectly due to the effect on counter-terrorism policies that are implemented in response to terrorism attacks. Terrorist acts also indirectly affect trade through their impact on real GDP. Simultaneously,

terrorist acts or security measures against those acts are not exogenous, but are the outcome of strategic interaction between terrorist organisations and the authorities at the borders (Mirza and Verdier, 2006:3).

The appropriate controlling of the different interactions which prevail between terrorism, security measures and trade, distinguish between source countries and target countries of terrorism, taking into account the inter-temporal persistence of terrorism between specific pairs of countries (Mirza and Verdier, 2006:3). Thus, international integration and transnational terrorism encompasses openness to transnational terrorism and trade flows, openness to transnational terrorism and counterterrorist policies and international integration (Mirza and Verdier, 2006).

Whichever definition is being used to define terrorism, three characteristics remain central and essential to all of them: terrorist acts are premeditated and politically motivated, aim to intimidate an audience larger than the immediate victims and, lastly, are undertaken by groups which have no sovereign national recognition.

Another challenge with terrorism is the fact that there is also no unified system where reporting of incidents takes place. Most of the recorded incidents are reliant on media reports and this is influenced by authoritarian countries where the freedom of information is limited. In the case of transnational terrorism, these reporting biases are less severe as information may stem from diverse sources. One of such sources is ITERATE. This database compiles publicly available media sources on the country of location of each incident, the number and nationality of the victims, the nationality of the terrorist organisation and the type of incident (Mirza and Verdier, 2006:10).

Based on this information, the following assumptions can be made: there is no significant increase in incidents, but there is an increase in the number of

victims and casualties since the 1990s; terrorist activities seem to be cyclical; attacks towards the US or US interest constitutes a substantial portion of the total events; and, transnational terrorism is a local phenomenon, meaning terrorists hit targets that are relatively close to home and/or have big influence on internal policies of the origin countries. This is evident with the attacks of Al-Shabaab in Kenya (Mirza and Verdier, 2006:12).

Terrorism is not a new problem (Passas in Lum and Kennedy, 2012:255). Factors that enhance the problem of terrorism include globalisation and the cross-border movement of ideas, information, people, goods and capital that resulted into terrorism being brought to the fore. Terrorist fundraising has been traced back to almost every legitimate and criminal source imaginable, especially when there was no difference between terrorism, insurgency, guerrilla warfare, civil war or independent and liberation movements. History shows that militant groups and organisations are likely to turn to any means available for the raising and transfer of funds in support of their operations and activities. This statement is supported by an interview with Person A who said that where there is a will there is a way, where it was highlighted that terrorists will use any means to achieve their goals and objectives. The growing infrastructure of anti-money laundering and counter financing of terrorism, highlighted the importance of untangling the numerous groups involved in terrorist activities and focusing on those representing the highest threat to security and economic interest worldwide (Passas, 2012:255).

The main objectives of countering the financing of terrorism is to monitor illicit and militant activities in order to prevent terrorist actions, to reduce the harm of terror attacks and to facilitate the investigative work seeking to identify co-conspirators and facilitators. Neither the utility nor the need for controls against terrorism finance are questioned, but it should be matched with other counter-terrorism measures, on the basis of evidence and analysis, fairly and in compliance with more general national and international legal

standards, especially those in support of universal human rights (Passas, 2012:256).

Passas (2012:257) identifies a number of developments in social controls that have significantly progressed since the 1980s in respect of serious crimes, mainly cross-border of nature. The two main processes are identified as the “follow the money” approach, targeting profitable underlying offences, and secondly, the shift of control functions and responsibility to the private sector, especially where financial institutions have been burdened with the task of due diligence and reporting knowledge of their clients, record keeping and filing of reports of suspicious activities and transactions to the authorities.

The first reference to financial controls against terrorism can be found in Europe, when a 1980 Council of Europe Recommendation reflects the official concern about operations mounted by the Red Army Faction and Red Brigades by citing “acts of criminal violence such as holdups and kidnappings” (Passas in Lum and Kennedy, 2012: 258). The basis of the current framework for countering terrorist finance was laid by the UN initiatives and Resolutions 1267 (1990), 1333 (2000), 1390 (2002), 1455 (2003), 1526 (2004), 1617 (2005), 1735 (2006), 1822 (2008) and 1963 (2010). These resolutions vary from the prevention and suppression to the criminalisation of the financing of terrorist acts. It also puts a responsibility on member states to freeze funds, emphasises the ratification of International Conventions, and the classification of the financing of terrorist activities as an independent offence (Passas, 2012:259). Unfortunately, all these legal frameworks caters for international action and does little to ensure the implementation of these conventions down to the domestic level, where it can actually make a difference.

The magnitude of state conflict on the African continent is evident in the last decade where the attempt to deal with armed conflict on the continent has

made up about two-thirds of the United Nations Security Council's activities and has involved nearly three quarters of its active peacekeepers (Williams, 2006:309). Since the inception of the UNSC, conflict on the African continent has been overwhelmingly intra-state, identified as the "new war" (Kaldor, 2001:6).

The current research will focus on mainly two aspects of this new war, namely the financing of terrorist activities and physical combat practices.

Freeman and Ruehsen (2013:5) identify six main methods that are widely used to finance terror activities, namely cash couriers, informal transfer systems, money service businesses, formal banking and false trade invoicing of high value commodities. These processes are attributed by volumes, risk, convenience, simplicity, costs and speed. Other methods include stolen value cards, prepaid debit cards, casinos, digital currency, e.g. Bitcoin, mobile payments and the selling of phone cards.

ISIS also uses pre-existing government structures by using former government employees of the Saddam Hussein regime. Oil has also become the backbone of ISIS funding as many opposition forces depend on ISIS for diesel. Crude oil is sold directly to independent traders. Other sources of income are extortion and taxes from any person who crosses its territory (see *Figure 5: Global Terrorist Hotspots Mapped (2014)* and *Figure 6: Islamist Militants Groups and their areas of influence in Africa in Appendix page 123*) and expropriating real estate from those who have fled the region. Food crops are also a source of terrorist financing, with ISIS controlling over 40% of Iraq's wheat cultivating land. With ISIS gaining control over one of the richest archaeological sites in the world, antiques and artifacts has become an important source of income (see *Figure 6: Islamist Militants Groups and their areas of influence in Africa in Appendix page 123*). Human trafficking, kidnapping and smuggling remain one of the top activities to finance terrorist

activities with human rights abuses as an instrument of terror and a source of revenue. The Kidnap for Ransom (KFR) is a specialised unit within ISIS. There is a lack of expertise in the field of ITC and media is mainly used to broadcast terror activities and to prevent journalists from entering into their territory. There has not been any report of any cyber-attacks conducted by ISIS. ISIS mainly uses online media tools to disseminate its vision of the caliphate, thus creating an international brand and image, a modern day vanguard of militant Islam, the only legitimate jihadist movement to hold territory and govern a pseudo state. Whilst social media is mainly used for recruitment (Liang, 2015:78).

It is evident from this analysis that terrorists use multiple methods to move money around. Even though there are a number of counter-measures in place, Africa remains vulnerable to these techniques due to a lack of formal banking system for the tracking and tracing of funds and the implementation of financial intelligence services and units are still a very foreign strategy on the continent. Even if these counter measures exist, African countries lack the facilities to ensure compliance and regulatory frameworks to enforce legislation pertaining to these activities.

ISIS' diverse financial portfolio makes it the richest terrorist organisation in history, with an estimated wealth of US\$ 2 billion. The reason why they are so effective is because they run its criminal or terrorist enterprise with a business acumen that has no historical precedent. This enterprise is also based on a list of "lessons learned" from its predecessor, The Islamic State of Iraq, whereby it identified the failures of Al-Qaida in utilising its financial resources effectively, e.g. the failure to distribute funds to local cells and the inability to acquire a regular funding source. This was enough motivation for ISIS to redesign a modern business strategy to run its enterprise, which include a corporate plan, structures, source coding, recruitment plan,

identification of sources of income and how to target influential families and military opponents (Liang, 2015:77).

In support of this, Boulden (2003:2) indicates that the focus on Africa is important because Africa is the region where the UNSC have a larger presence in terms of conflict resolution. Added to that, historically co-operative efforts between regional organisations and the UN have been mostly tested. The UNSC can also draw most of its experiences and lessons learned from their experience in Africa. It is evident in the African Agenda for Peace by UN Secretary-General, Boutros Boutros-Ghali in 1992, together with ECOWAS that Liberia and Sierra Leone remain the most significant African case studies of substantial relevance to the conflict resolution comparative assessments where lessons can be drawn on how to address different types of conflict successfully.

Boulden (2003:3) further states that the UN's experience in Africa had an enduring and significant impact on the way in which the UN responded to conflict during the post-Cold War period. The cases that can be referred to in support of this statement are the UN withdrawal from Somalia and the failure of the UN to respond timeously to the genocide in Rwanda. This resulted in a significant effort to rethink the way in which the UN dealt with international peace and security. This further resulted in member states' hesitancy to get involved in complex conflicts. The impact and lessons learned from Rwanda and Somalia resulted into member states reconsidering their level of involvement in terms of the level of resources committed to and the UNSC and decisions made without its approval or mandates.

The International Convention for the Suppression of the Financing of Terrorism of 1999 from the AU was introduced after the Algiers Convention and it forms an essential part of the international strategy to counter terrorism. The aim of this convention is to prevent and counteract the

financing of terrorist activities, focusing on groups that claims charitable, social or cultural goals as a front for the financing of terrorist groups and/operations; and implementing measures that will make provision for the identification, freezing and seizure of funds allocated for terrorist activities. This includes bank secrecy (Goredema and Botha, 2004: 99). Measures to suppress the financing of terrorism on the African continent includes:

- a) Legislative measures such as legal instruments in preventing and prosecuting individuals who finance acts of terrorism
- b) Instruments to alert authorities to suspicious transactions
- c) Legislation to detect, identify and freeze funds
- d) The regulation of public collection of funds

The AU Plan of Action, which was adopted after 9/11, intended to implement the Algiers Convention. Specific obligation, in line with the international requirements, provided a well-structured framework to analyse the introduction of and implementation of measures to suppress terrorist financing on the part of member states. Algeria was one of the first countries to criminalise the financing of terrorism by adopting Ordinance 95.11 of 25 February 1994, which allows for a five- to 10-year imprisonment if found guilty for the financing of terrorism.

In December 2002, Nigeria passed three laws to support the crackdown of money laundering and tightening of regulations in the banking sector. South Africa implemented the POCA (Prevention of Organised Crime Act) of 1998, whereby money laundering and criminal gang activities were criminalised. This law also allows for the confiscation of the proceeds of crime. The FICA Act (The Financial Intelligence Centre Act) of 2001, 1-70 also specifically focuses on Money Laundering and Terrorist Financing Control Regulations.

In 2001, Uganda issued the Anti-Money Laundering policy document designed to strengthen the fight against money laundering and circulated it to stakeholders for implementation. This policy document was followed by the Anti-Terrorism Act, 14/2002 (Goredema and Botha, 2004:102)

On the other hand, Ethiopia, Ghana and Senegal does not have any specific legislation to prohibit individuals or entities from making funds available in support of terrorist acts. There are also no mechanisms to collect, collate and analyse financial intelligence. Kenya also has no law to regulate the movement of funds across the borders. The country did implement two circulars, one focusing on suspicious transactions and the other on details required for the opening and operating of a bank account (Goredema and Botha, 2004:104).

The implementation of the UN Convention of the Suppression of Financing of Terrorism, article 4(1) of the Prevention of the Protection of Constitutional Democracy Against Terrorism and Related Activities Bill extends beyond the provision of financial or monetary assistance to include the use of property and other economic support as instruments of means to finance acts of terrorism (Goredema and Botha, 2004:102).

The events of 9/11 and the effort that was made after that to combat terrorism and its activities in comparison to pre- 9/11 efforts, shows that the international community applied limited attention to the issue pre 9/11. Research indicates that long before 9/11 the UN implemented a number of conventions, which was only implemented by a few states. In Africa, the Kenyan and Tanzanian bombings of 1998 influenced the drafting of the OAU anti-terrorism convention. As much as 9/11 was a watershed manifestation of terrorist activities, it was also a decisive moment for counter-terrorism initiatives. However, a number of gaps exists between theoretical requirements and practical considerations, especially pertaining to border

control and instruments to prevent the financing of terrorist activities. Resources and training remains a major challenge. Constant re-assessment is required for the medium- to long-term strategies to prevent the recruitment, movement and support of terrorist groups (Goredema and Botha, 2004:120).

The ratification and implementation of regional and international instruments should be regarded as an ongoing priority, which presents a direct and indirect threat to international, regional and human security, international and regional bodies with the assistance of the civil society, who also have a responsibility to prevent draconian counter-terrorism policies and legislation from provoking and legitimising terrorism. Excessive counter-terrorism legislation and initiatives in itself directly threatens democracy. Governments should not just gather information in the name of counter-terrorism operations only, but should also protect the political order of the day. Africa often acts against terrorism as a national security risk at the cost of the rule of law that exists in many of the states. There is a need to ensure that liberty, the rule of law and the principles of fundamental justice will be protected in societies (Goredema and Botha, 2004:121).

The ultimate question that remains is how effective the approaches to the countering of the financing of terrorist activities was this far? To what extent has it been fairly implemented?

Research shows that, not only are many measures ineffective, but they also have counterproductive consequences by generating incentives for financial or other flows to shift to channels less regulated or monitored, e.g. informal value transfer systems. There is also a need for a systematic assessment of threats and vulnerabilities in different economic sectors, because different groups will raise and transfer funds in very unlike ways, providing a typology of terrorist finance. Diamond trade has also become a very attractive way to 'transfer' funds across borders. An increased phenomenon is that of tobacco and the four

major forms of illicit cigarettes, ranging from trade diversion, invoice manipulation, smuggling and counterfeiting of tobacco products, and although all four occurrences happen on their own, they often coincide with each other and other illegal activities, particularly in the light of cross-border trade and the promotion of governments to increase international and regional trade (Passes, 2012:273).

There are further allegations that ISIS generates in the region of \$ 1 billion from heroin trafficking between Afghanistan and Europe. Additional to that, The United States accused the government of Qatar of funding the terrorist group, even though they acknowledge that they do not have evidence to base these allegations on, they believe private individuals are supporting the financing of the activities of this group. They further believe that the Gulf States are aware of it and are not doing enough to stop it. Over the past two years, ISIS have accepted donations as much as \$ 40 million from the government or private sources in the oil-rich nations. These donations are alleged to be laundered through unregistered charities in the form of 'humanitarian aid' with members of ISIS co-ordinating geographical drop-off points for payments using cell phone applications such as WhatsApp and Kik. These two applications can be used worldwide and in the case of Kik, you don't even need a phone number to register (Giovanni, Goodman and Sharkov, 2014:2).

Not only can WhatsApp be used around the world but, crucially, it incorporates a GPS mapping tool that makes it easier for terrorists to communicate their exact locations to each other. Affiliated ISIS Twitter accounts openly publish their Kik usernames.

The biggest financial coup that ISIS achieved thus far was the looting of the Central Bank in Mosul. This activity resulted in funds approximated at \$ 429 million in cash. This was apart from the other bank in Mosul regularly

plundered by ISIS. Willem Marx from Bloomberg highlights that The Islamic State of Iraq and al-Shams (ISIS) has become the richest terror group ever after this event. Additional to this, they export approximately 9000 barrels of oil per day at price ranging from \$25 to \$45. It is further reported that the majority of these funds are transferred through the US. Iraq still blames Saudi Arabia for the financial wellbeing of this group and fear that ISIS will probably use some of the money to buy military equipment. During its conquest of Mosul, the ISIS fighters bagged a lot of US weapons and vehicles. Their current financial power allows them to easily buy additional high-quality weapons on international armaments markets.

Amidst all these allegations, Charles Lister from the Doha Centre in Qatar, a subsidiary of Brookings Institute, highlights that there is no publicly accessible proof that any state or government is involved in the sponsoring or financing of the terrorist activities of ISIS. On the other hand, Günter Meyer from the Centre for Research into the Arabic World at the University of Mainz posits a wide variety of financial possibilities for ISIS and disagrees with Lister and agrees with the US that ISIS gets its funding from the Gulf States, primarily Saudi Arabia, Qatar, Kuwait and the United Arab Emirates. The motivation for the Gulf States to financially support ISIS is to support their fight against the regime of President Bashar al Assad in Syria (Money Jihad, 2014).

The oil rich region also provide a key financial source to ISIS. These oil fields are controlled by ISIS and it is alleged that trucks transport the oil across the border into Turkey. This, added to the transnational crime theory also provides an explanation why there has been an increase in attacks in Istanbul.

Lister disagrees with him in that he believes ISIS is largely able to fund itself. This is due to the networks established by this group within societies that generate a continuous flow of money. This argument is based on the

systematic extortion conducted by ISIS affecting small businesses and big companies, construction firms and in some cases even local government representatives. The organisation also levies taxes in the areas that they control.

Meyer disagrees with him in that he believes that there is no possibility that money can flow to ISIS from Sunni circles connected to Iraq, before the fall of Saddam Hussein. He believes that the goals of ISIS are way too different from those who used to be in Hussein's network. Both groups want to topple the Shiite government of Iraq, but ISIS wants to establish an Islamic theocracy, whereas the Sunnis from Hussein's Baath Party want to establish a secular democracy (Foundation for Defence of Democracies, 2016).

Meeting in Turkey just two days after the horrific November 2015 terrorist attacks in Paris, leaders of the G-20 countries issued a statement condemning recent ISIS attacks and reaffirmed their commitment to combat terrorism. More specifically, the group of industrial nations recommitted itself to "tackling the financing channels of terrorism." Which begs the question: How does ISIS finance its international operations?

ISIS is primarily financed through a wide array of criminal activities, large and small, centred in the parts of Syria and Iraq under their control. It is alleged that ISIS steals livestock, sells foreign fighter passports, taxes minorities and farmers and truckers, runs a sophisticated extortion racket, kidnaps civilians for ransom payments and loots antiquities. It also makes about \$ 40 million a month from illicit oil sales alone. But these sources primarily support the group's expensive state-building and war-fighting enterprises back home, ranging from paying teachers' salaries and collecting the garbage to bribing tribal leaders and paying fighters' salaries (Levitt, 2015).

There is, however, an entrepreneurial self-financing model that ISIS implements that supporters around the world have been encouraged to use to fund either their travel to ISIS-controlled land or, perhaps, their attacks. While it is too soon to state with any certainty how the Paris attacks were funded, the likelihood is that they were funded in whole or in part through local criminal activities or legal activities such as the use of state welfare benefits or taking out a loan. None of these would surprise, since authorities have been tracking the use of such funding schemes by prospective foreign terrorist fighters looking to join ISIS. Indeed, earlier this year, a FATF report identified several potential revenue streams for would-be foreign terrorist fighters, including robbery and drug trafficking, various social service payments and unpaid loans. Some potential plotters or travellers took on short-term jobs to raise the money they needed, while others simply drew on their savings or student loan accounts (FATF Report, 2015).

Consider a few examples. Michael Zehaf-Bibeau, who murdered a Canadian soldier before attacking the Canadian Parliament buildings in October 2014, worked at one of the Alberta oil fields to raise money for his attempted travel to Syria. Petty crime has the potential to bring in sufficient funds for a home-grown attack or transportation to a combat zone as well. There is the case of the 15-year-old boy in Montreal who held up a convenience store with a knife, stealing some \$ 2,200 to pay for his plane ticket out of Canada. The teen's father turned him in to the police after finding the money in his son's bag. Or take the four men arrested in February in Brooklyn, N.Y. for attempting to join ISIS. Some of their funds were supplied by a supporter who operated mall kiosks selling kitchenware and cell phones. According to the indictment, a round-trip ticket to Istanbul costs a mere \$ 598. One of the defendants expected that "he would not need to bring more than \$ 400 to travel to Syria because he would not have any concerns in the land of the Islamic State." In Britain, the Metropolitan Police's counterterrorism command unit has noted

several cases where jihadists financed themselves through state-funded welfare payments. Most recently, Yahya Rashid used his student loans and educational grants to cover the travel costs for himself and four friends to go join ISIS in Syria via Morocco and Turkey. Christopher Cornell, who stands accused of plotting to detonate pipe bombs at the U.S. Capitol and shooting people as they ran away, simply "saved money" to conduct his attack, according to the FBI. In several cases, including the shooting in Canada, individuals whose travel to Syria was thwarted turned to deadly attacks at home instead, easily redirecting transportation funds toward home-grown acts of terrorism (Levitt, 2015).

Whilst ISIS' governance and military expenses in Syria and Iraq are high, carrying out an attack in the West is inexpensive. For example, in the January 2015 attacks in Paris against Charlie Hebdo magazine, a police officer and a kosher grocery, Amedy Coulibaly claimed to have helped the Kouachi brothers with their "project" by giving them "a few thousand euro" so they could buy what they needed to buy. The two Kouachi brothers reportedly received \$ 20,000 from Al Qaeda in the Arabian Peninsula (AQAP), but the rocket-propelled grenade launcher and the Kalashnikov automatic assault rifles used by the Kouachis cost less than \$ 6,000. Coulibaly himself reportedly used a false income statement to take out a 6,000 euro loan to finance the purchase of weapons for the attacks. And while AQAP claimed responsibility for the Kouachis' attack, Coulibaly self-identified with ISIS (Levitt, 2015).

Another possible funding stream available to terrorist operatives is old-school: the abuse of charities. In light of the catastrophic humanitarian crisis in Syria and Iraq, the FATF warned earlier this year that "the possibility of abusing charities by ISIS or its affiliates directly or indirectly for fundraising or funding activities needs to be recognized." Over the past year, European countries have taken action against several charities over terror finance suspicions. In November 2015, French authorities shut down Pearl of Hope, a

charity that claimed to "promote the health and education of sick Syrian and Palestinian toddlers," arresting two people on charges of financing terrorism. According to investigators, while Pearl of Hope did deliver food and medical supplies, "the group was also using such deliveries as a front to funnel covert funds to jihadist groups and had links to the Nusra Front." About a dozen other charities were under surveillance at the same time, some on suspicion of ties to ISIS. To date, these cases involved raising funds for terrorist activities in Syria and Iraq, but the potential for skimming small amounts of money off the top for terrorist travel or operations has authorities concerned (Levitt, 2015).

There is one other way attacks like those in Paris may have been financed, in whole or in part: with funds from ISIS itself. Unlike previous attacks, which were almost all lone-offender plots inspired by ISIS, the Paris attacks were foreign-directed operations planned outside France as part of what CIA director John Brennan recently described as ISIS' "external operations agenda." This agenda is reportedly led by senior ISIS official Abu Muhammad al-Adnani, whose recorded messages calling for attacks in the West appear to correlate to the increased operational activities of ISIS operatives in Europe. Late last year, as European foreign terrorist fighters affiliated with ISIS began trickling back home to Europe – some, it is now believed, to carry out attacks – al-Adnani issued this directive to ISIS followers: "If you can kill a disbelieving American or European, especially the spiteful and filthy French, then rely on Allah and kill him in any manner or way however it may be." According to former French counterterrorism judge, Jean-Louis Bruguière, Abdelhamid Abaaoud, the purported ringleader of the Paris attacks and several earlier plots, would almost certainly have been in contact with senior ISIS officials about plots like these.

In the event that ISIS leaders wanted to send funds from their war chest to finance operations abroad, there are several ways they could do so even as

ISIS has been largely cut off from the formal financial system. The Central Bank of Iraq, for example, has instructed financial institutions to prevent wire transfers to and from banks located in ISIS-held areas, and international banks with regional branches in these areas have relocated their staff. But there are other ways ISIS could send funds if it chose to do so, beyond having returning foreign terrorist fighters carry small sums of money back to Europe on their person.

First, despite the Iraqi government's efforts, officials remain concerned that the Assad regime in Syria has not placed any restrictions on the banks in ISIS-held areas. And even in Iraq, the FATF warns, some bank branches in ISIS areas "may maintain links to the international financial system." Although many international institutions likely cut ties to these banks, FATF found that the latter are still able to liaise with certain, unnamed jurisdictions (FATF Report, 2015).

ISIS has also engaged in backdoor banking, accessing banks with ties to the international financial system just outside the areas it controls. Dutch officials report that foreign terrorist fighters who arrived in Syria or Iraq were using their European debit cards linked to their national bank accounts when withdrawing money from ATMs in areas near where ISIS operates (Levitt, 2013).

Beyond the formal banking system, ISIS can also send and receive funds through nearby foreign money remitters. Finnish authorities report that a common method of getting funds to foreign fighters once they arrive in Syria or Iraq is to send it via "money remitters who have agents operating in border areas close to ISIS-held territory" (FATF). Dutch authorities have noted similar activity and "regard it highly likely that intermediaries transport cash to areas near territory occupied by ISIS" (FATF). ISIS operatives have come up with other schemes as well. For example, Saudi authorities reported to

FATF that individuals associated with the group solicited donors via Twitter and told them to establish contact via Skype. The operatives then asked these donors to purchase international prepaid cards (e.g., mobile phone credit or store credit) and send them the card numbers via Skype. The information would eventually reach a follower near ISIS-held territory in Syria, who could then sell it and take the resulting cash to the group. While these cases all involve the movement of funds to Syria and Iraq, they could be used just as easily to send funds in the opposite direction (FATF Report, 2015).

Whether the Paris attackers financed their operations through criminal or other activities in Europe, or whether they were funded in whole or in part by ISIS funding from leaders in Syria and Iraq, the fact remains the attacks were certainly inexpensive. Following the money trail after the fact can be an extremely effective investigative and intelligence tool to map out covert networks, identify other operatives and prevent follow-up attacks, but the financial intelligence tool is no panacea. At the end of the day, such small sums of money are easy to come by and can facilitate painfully successful attacks (Levitt, 2013).

Despite the poverty of Northern Nigeria – where 70% of people live on less than a dollar per day – the Boko Haram terrorist group has at its disposal a seemingly limitless amount of heavy weaponry, vehicles, bombs and ammunition that it uses to kill with unfathomable wantonness. The Islamic militancy, masquerading as members of the military, raided three villages in North-Eastern Nigeria and mowed down 400 villagers “from house to house” using “sophisticated weapons,” one local leader told Bloomberg (McCoy, 2014).

How is Boko Haram paying for all this? Who would finance this campaign of slaughter?

According to a survey (Survey: Perception of Boko Haram among Nigerians, July 2013) conducted by Peregrino Brimah and Rotimi Adigun of Research

Guilt, academic, governmental and journalistic accounts, Boko Haram funds its escalating acts of terror through a diverse network of black market dealings, local and international benefactors, and links to Al-Qaeda and other well-funded groups in the Middle East. Analysts say its fundraising apparatus is intricate and opaque. “The actual source of the funding,” wrote Heather Murdock in Voice of America, “is as elusive as the militants themselves.” (<http://rguild.org/wp-content/uploads/2013/06/Perception-of-Boko-Haram-among-Nigerians.pdf>).

The story of Boko Haram’s fundraising begins after the terrorist attacks on the World Trade Centre and the Pentagon. In 2002, the group’s original leader, a charismatic cleric named Mohammed Yusuf, who was later killed, founded the group as an alternative to Western education (see *Figure 7: Growth of Terror: Since its formation as the Islamic State of Iraq and Syria in 2-13*, it has conquered regions of Iraq, Syria and recently Libya in Appendix page 124), which he claimed undermined Nigeria’s development. It is alleged that around that time, Osama bin Laden sent an aide to Nigeria with \$ 3 million in local currency to dispense among groups that shared Al-Qaeda’s mission to impose Islamic rule. One of the “major beneficiaries,” reported by the International Crisis Group, was Boko Haram.

But even such alleged financial connections with Al-Qaeda does not explain Boko Haram’s money. Like a river sucking water from many tributaries, Boko Haram draws funding from other sources as well. The group reportedly also gets cash from Islamic terrorist groups such as Al-Shabaab in Somalia and local Al-Qaeda affiliates.

“Each of those three organizations is by itself a dangerous and worrisome threat,” Carter Ham, head of the U.S. military’s Africa Command, said in 2012. “What really concerns me is the indications that the three organizations are seeking to co-ordinate and synchronize their efforts – in other words, to establish a co-operative effort amongst the three most violent organisations

... And I think that's a real problem for us and for African security in general" (McCoy, 2014). The co-ordinated attack on the Radisson Blu in Mali is known as the first co-ordinated and planned attack between all three of these groups.

In addition to that, there is black market money. Beyond a hatred of Western education, economic motives may have also driven Boko Haram's abduction of the schoolgirls (see *Figure 8*: Islamist factions active in Africa in Appendix page 124). A robust and terrifying slave market hums in Nigeria and neighbouring countries. "Kidnapping has become one of the primary funding sources, a way to extract concessions from the Nigerian state and other governments, and a threat to foreigners and Nigerian government officials," according to West Point's Combating Terrorism Centre. It is worth "millions of dollars in ransom money." Boko Haram was paid \$ 3 million when it freed a French family last year. After that, it released an Italian priest and a Canadian nun "as part of a prisoner exchange with a fee being paid," an anonymous source told Agence France-Presse. (Canada disputed that allegation). According to Terrorism Research & Analysis Consortium, bank robberies also account for \$ 6 million of the group's wealth.

Experts agree that one of the best ways to stall Boko Haram is to cut off its funding. But how to do that isn't clear. The group is an entrenched part of life in Northern Nigeria, possessing control and influence (see *Figure 9*: ISIS main source of income in Appendix page 125), and even collecting taxes.

A complex finance network that includes everything from fake charities to kidnapping has supported the East African militant group Al-Shabaab's activities over the past few years. It's difficult to know specifics but experts say these sources of capital have been essential to Al-Shabaab's growth, and will be much harder to wipe out. Islamist militant group Al-Shabaab is battling the U.N.-backed government in Somalia and is suspected of having

links to a string of attacks in neighbouring Kenya, e.g. the Westgate shopping centre that killed 68 people.

While the group has been around for nearly a decade, things began to change in 2012. They were forced out of many major cities and a vital port, which meant Al-Shabaab had to start looking elsewhere for financial support. Members once had control of the vital port city of Kismayo, where they profited from millions of dollars' worth of charcoal exports. But in 2012, Kenyan forces ejected them, dealing a major blow to their finances. "That entire area provided so much money to Al-Shabaab, and when that was taken away from them they absolutely had to diversify to find other ways of receiving funds," Roger Carstens, a senior fellow in Foreign Policy Research Group's Program on National Security, said in *The Somaliland Times*. The steady stream of income helped kept the group organised and under control. But as international attention and pressure from local military forces increased, the group has become less co-ordinated. Like other regional militant groups, members are known for charging protection fees and "taxes" on local businesses and NGOs operating in the area. Somalia's telecom sector has been unregulated for decades, which means the prices are low and opportunities are big for entrepreneurs. But as *Money Jihad* reports, this means elders and local businessmen are negotiating with huge operators like Arabsat. *Gulf news* also reported that many middlemen overcharge so they can pay off Al-Shabaab members. *The New York Times* reported last year that Al-Shabaab has a team of "white-collar militants" who use elaborate taxation schemes to extract money from farms and businesses. But even without local money, Al-Shabaab has been supported from the outside for some time.

There are reports that the Eritrean government was sending money and resources, which forced the U.N. to impose sanctions in 2009, citing concerns that "Eritrea has provided support to armed groups undermining peace and reconciliation in Somalia." In 2012, the U.S. also sanctioned a handful of

military officers that supposedly worked closely with Al-Shabaab in the past. But beyond the state sponsors, the militant group has other ways of getting money from abroad. “The two major things would be Al-Qaeda- affiliated groups and sympathizers within the diaspora,” Daveed Gartenstein-Ross, senior fellow at the Foundation for Defense of Democracies, told International Business Times.

Banking records show that members of the Somali diaspora have been sending money home from various locations around the world -- including the United States. For example, in 2011 two Minnesota women received prison sentences for soliciting donations in Somali neighbourhoods around the U.S. and Canada “under the false pretence that the funds were for the poor and needy,” according to the federal indictment.

Loads of attention has also been drawn to poaching in recent months. Rhino horn and ivory are valuable commodities that have not escaped the attention of groups like Al-Shabaab, which reportedly facilitates trade to buyers in the Middle East or China. “The organization has the financial means to sustain an Improvised Explosive Device terror campaign in large part because of ivory wealth,” wrote Jeremiah Foxwell, a global security researcher at John Hopkins University, World Policy Journal.

They are also reported to deal in commodities. Kenyans consume 800,000 tons of sugar every year, according to the Kenya Sugar Board, but only produce 500,000 tons domestically. Consequently, more than \$ 1.2 billion of Somalia-produced sugar is imported into Kenya every year, though much of it is not declared, and has been a sweet opportunity for Al-Shabaab. In 2012, the U.N. reported that 10,000 bags of contraband sugar were sold every day at lower prices. For example, a regular bag costs roughly \$ 58 while a smuggled bag costs \$ 53. The benefit of trading actual commodities is the lack of a report trail. And it’s easier to transport sugar secretly than it is vast amounts of

money through wire transfers. Weapons can also be easily concealed in these bags.

“Not only is trade diversion difficult to detect, it is also versatile and allows funds to remain in numerous countries without serious injury to the authorities,” wrote Donald de Kieffer, a former General Counsel to the U.S. Trade Representative. This method “has serious implications for terrorist financing in that it enables terrorist groups to successfully raise and hide funds while evading government scrutiny.”

Underlying these and other transactions is the “Hawala,” a unique type of money transfer that requires no big banks and leaves no trace. The system, whose name translates roughly as a remittance, is a quick and cheap method to transfer money around the world. “The very features which make hawala attractive to legitimate customers – efficiency, anonymity, and lack of a report trail – also make the system attractive for the transfer of illicit funds,” reads a report from the U.S. Treasury Department (Gurule, 2008: 173). A hawala involves a network of people in different locations. A customer pays one agent, who sends a message to another agent, who then pays the recipient the same amount. Often, transactions are done within a day, and records don’t show names or other specifics. The Kenyan Ministry of Finance suspects that more than \$70 million is transferred this way, though there is no way to prove that. This simple solution is just one of many ways Al-Shabaab, like other terrorist groups, is trying to get around the authorities when it comes to money.

The Journalist for Justice reported that Kenya’s survival is mainly dependent on the capacity of the country to stem the wave of insecurity that terrorist attacks associated with the Al-Shabaab group have wrought on the country. The human cost of these attacks are very high, especially with regards to economic disruption (Kegoro, 2015).

This report from the Journalist for Justice highlights the many challenges that counter-terrorist agencies and organisations face when it comes to the governance and effectiveness of the implementation of the counter-measures. The question that almost immediately arises is how one deals with the scenario where governments are seemingly involved in the support of systems and processes used by terrorist groups to the detriment of their own citizens. This emphasises the point made by the Mr Miles Armitage, Ambassador for Counter-Terrorism, Australia that in order to resolve violent extremism, a framework of inclusion and diversity is critical, supported by good governance (IIS Seminar, February 2016).

1.6 Current initiatives on combating the financing of terrorism on the African Continent

Although the UNSC is increasingly withdrawing from direct involvement in world conflicts, the organisation increased the involvement of regional bodies and organisations to resolve conflict within their own regions. The underpinning factors that persuaded the UNSC to pull out from conflict, not just worldwide, but also in Africa, were the high risk of financial, personnel and political losses. Two significant events triggered the UNSC to review their security approach and policy to Africa concerning conflict and conflict resolution: the scale of problems that the UNSC experienced in Somalia and Rwanda and the withdrawal from the post-Cold War enthusiasm to get involve in conflict.

There are a number of reasons Africa is a hotbed for transnational terrorism. Firstly, the geographical and religious implications of the power relations between African States and transnational terrorism. Terrorism became a problem with incalculable dimensions for all people in the world with the

ineffectiveness of African states to respond to it when they come under attack (Mentan, 2004:2).

Africa recorded 6,177 known casualties from 296 acts of terrorism between 1990 and 2002, making it the continent with the second most casualties in the world, after Asia (Goredema and Botha, 2004:51). These numbers only reflect the number of international terrorist attacks on African soil. In addition to these attacks, African countries have been plagued by periods of domestic terrorism, resulting in shocking effects on human life, stability and development. This compelled the AU to shift its focus to terrorism after 1982 and propose a number of resolutions to be implemented by member states.

Goredema and Botha (2004:52) warn that domestic terrorism should be taken as seriously as international terrorism and even though most affected African countries responses are based on international pressure and mandatory requirements from the UNSC Resolution 1373, the primary obligation of these states lies with their citizens. African countries that have been directly affected by the impact of terrorism, whether domestic or international, proved to be well equipped with mechanisms to deal with terrorism through specialised intelligence gathering and crime prevention measures, ensuring limited access by terrorist to these countries. African countries are at different stages of development and implementation of legislation aimed at the prevention and criminalisation of the financing of terrorism.

The UNSC has passed four key resolutions on countering the financing of terrorism. At international level, UNSC Resolution 1373 calls on all UN members to criminalise the use or collection of funds intended for terrorism, in addition to freezing funds, denying support and denying safe havens for those who support, finance, plan or commit terrorist acts. In March 2015, the Countering ISIS Finance Group was established (Liang, 2015:79).

This proved to be less effective against domestic terrorist groups who do not require extensive financial resources to execute their activities, e.g. Boko Haram in Nigeria. National initiatives to counter the financing of terrorist activities also seem to be very new, making them difficult to assess, taking into account the lack of resources, training and experience (Goredema and Botha, 2004:53).

There are a number of spikes in the wheel when it comes to combating terrorism and the financing of terrorism on the African continent. The need to act against terrorism as a national security risk, without destroying the domestic rule of law that exists in many constituent states is but one of them. These legal tools should not undermine the values within countries, threatening their solidarity and sovereignty. It is evident that in the cases where terrorist acts are characteristics of local conflicts, security measures alone do not end the violence. Some form of political accommodation and settlement will be required. The lack of a functioning, nationally-recognised central government and failed and weak African states provides a safe haven for domestic and international terrorists, as is the case in Somalia with Al-Shabaab. The interview with Person B confirms this as they state that there can be no success combating the financing of terrorism without dealing with governance issues within states first, as good governance and institutions are a support structure to implement and maintain anti-terrorist initiatives.

Military operations against terrorist groups alone have proven to be insufficient as they are not linked to or joined and in collaboration with a process aimed at reconciliation and the reconstruction of a functioning state with a government in control of its territory, urban and rural, its land, sea and aerial. There is also very limited research available with regards to the role of SSR (Security Sector Reform) in curbing the activities of terrorist groups within a country upon regime change. This was confirmed in the interview with Person G. In this interview it was confirmed that the strategies

and approaches of peacekeeping operations had to adapt in order to ensure the terrorist component of the operation in Somalia is addressed. This is simply because terrorist groups are not officially regarded as a formal security sector component. But maybe it is time that the possibility is considered in order to ensure that SSR does become all inclusive and makes provision for the involvement of liberation groups. An example is the involvement and absorption of the former ANC armed wing into the formation of the national security forces in South Africa when there was a transition in government and the adoption and implementation of democracy.

The AU, through the Peace and Security Council, remains concerned about terrorism on the continent. Very significant measures include the implementation of the African arrest warrant, counter terrorism fund, the implementation of the AU counter-terrorism 2004 Protocol and the 2002 AU Action Plan. Strengthening the continental and regional framework is the establishment of the African Centre for the Study and Research on Terrorism, the Committee of Intelligence and Security Services of Africa and numerous other protocols declarations. Implementation of these protocols remain a challenge.

Africa's commitment to prevent and combat terrorism dates back to July 1992 when the Head of States and governments of the OAU adopted a number of Declarations against Extremisms (Goredema and Botha, 2004:57-62), signed in Dakar. The aim of these declarations was to enhance co-operation and co-ordination between African states against the manifestations of extremism on the continent. The 1994 Code of Conduct for Inter-African Relations led to the OAU Convention on the Prevention and Combating of Terrorism, which was adopted in Algiers in July 1999 and which together with the "Plan of Action" of the African High Level Intergovernmental Meeting on the Prevention and Combating of Terrorism in Africa are the latest and most comprehensive instruments in Africa addressing terrorism. This includes four main

commitments, namely: to ratify international instruments and incorporate these into domestic legislation, establish and enhance inter-agency co-operation at national level, strengthen surveillance and border control, and suppress the financing of terrorism. National anti-terrorism units can broadly be classified as structures responsible for facilitating co-operation in respect of analysing and preventing terrorism, and as anti-terrorist units responsible for intervention and protection (Interview with Person G).

According to the Africa threat assessments conducted in eight countries in context of the response of these states to global counter-terrorism initiatives, these countries have committed themselves to the Algiers Convention on the Prevention and Combating of Terrorism. Evaluating the degree to which terrorism poses a threat to human security and how it varies considerably in these countries, Algeria, Kenya and Uganda remain in the high risk category with activities ranging from election violence, and transnational and domestic terrorism. Intermediate threats are posed in countries like Nigeria, Ethiopia and South Africa, where the surge of religious and ethnic conflict remain a challenge. Ghana and Senegal are categorised as low threat due to the fact that there are no direct experiences of terrorist threats or incidents (Goredema and Botha, 2004:64).

The commander of AFRICOM, Army General David M. Roderigues, states that the threat of terror remains on the African continent with terrorist groups in the North and West Africa expanding their operations, increasingly threatening the US and its interests. Coupled with the fragility of neighbouring states, this continues to destabilise the affected regions. Despite programmes and exercises with Nigeria, Boko Haram is now operating in Niger, Chad and Cameroon. After an absence of over twenty years from Somalia, the US now have individuals on the ground to co-ordinate AU and UN operations to disrupt and contain Al-Shabaab forces and areas, to weaken the militant group (see *Figure 10*: Boko Haram fatal attacks in Appendix page

126). Africom is mainly using military-military engagements, programmes and exercises to respond to crises and threats in an attempt to guide African partners to combat these problems (Simeone, 2014).

The endemic nature of ethnic conflict in Africa since the 1960s is a consequence the consequence of civil wars, but while the conflicts have evolved, the responses to these conflicts did not. Furthermore, the factors that support these conflicts are not being dealt with to the core (Mentan, 2004:20).

Contrary to that, according to Murphy and Collins (2013), the challenges that face Africa today are very different from the one's mentioned above. Contemporary threats are devastating agricultural and rural sectors, poorly maintained and destroyed infrastructure, over-inflated and worthless currencies, absence of well-integrated and viable economies, the lack of gainful participation in international trade and global affairs, uncontrollable rates of unemployment (especially amongst woman and youth), high rates of HIV/Aids which are decimating each country's scarce labour resources, high levels of corruption and public malfeasance and a general absence of the rule of law (Mentan, 2004:20).

The final reason for the terrorist focus on Africa is the fact that the UN's efforts on the continent have generated mixed result pertaining to conflict resolution. As much as Africa has success stories to tell, failures and unfinished efforts outweigh the successes. The African continent struggles with long-standing, perverse conflicts that remain evidence of the inability of the UNSC and international and regional bodies to deal adequately with these challenges, for example Somalia (Boulden, 2003:3).

Terrorism, not just the term, but also the appearance, has evolved over the years and the attacks on the US embassies and Paradise Hotel is evidence of how it manifests itself and how different trends have emerged when comparing the terrorism of today to the terrorism before these attacks.

Terrorism in the past was generally practised by a collection of individuals belonging to an identifiable organisation with clear command and control, with a set of political, social or economic objectives (Mentan, 2004:2). This has changed inherently.

The terrorism threat that was previously confined to the North has now spread to the broader Northern and West regions (see Figures 11, 12 and 13). This happened despite the presence of the United Nations Multidimensional Integrated Stabilisation Mission (MINUSMA) and the French military under Operation Barkhane. Maïga (2015) highlights that the re-emergence of the Macina Liberation Front (MLF) can largely be attributed to a strategy from ISIS to redirect attention away from their activities in the North. The increased attacks and the emergence of new fronts to the centre and South of the Northern regions can mainly be assigned to reorganising or continuing their trafficking activities in the North (see *Figure 11: Trans-Sahara trafficking and threat finance-22 April 2015* in Appendix page 126). This also confirms that there is an operational link-or at the very least an ideological link- between the groups in the North and those in the centre and South of the Northern regions.

Added to that, Mali did not receive the same attention from its authorities with regards to the insecurities in the North. This encouraged the creation of several self-defence militia in the centre manifesting in the attack on the Radisson Blu hotel in November 2015. Confronted with growing terrorism threats, it is increasingly clear that the national authorities and their international partners must adapt their response. In spite of many amendments to its mandate, MINUSMA did not prioritise the fight against terrorism. Instead, this responsibility was delegated to French Operation Barkhane, which replaced Operation Serval in August 2014. This operation was significantly downgraded from 3,000 men to 500 deployed across five countries. This significantly impacted on the mission's efficacy in dealing with

the terrorist threat in the entire territory, which is significance evidence that the UNSC's response to terrorism on the African Continent is flawed. There are many other examples.

The approach towards terrorism on the African continent needs to be redirected and this fast-spreading threat requires timely tactical mobility and intelligence. Collaboration with the local populations is also essential. This will eliminate and prevent the human rights abuses often associated with the fight against terrorism. The recent Mali attacks provide an opportunity for the UN and the Malian authorities for in-depth reflection and analysis of the factors behind the emergence and spread of terrorist attacks in areas where it did not previously happened (Maïga, 2015).

On Tuesday, 9th February, the Security Council was briefed by Jeffrey Feltman, the Under-Secretary-General for Political Affairs, on UN counter-terrorism efforts against the Islamic State in Iraq and the Levant (ISIS). This briefing was followed by consultations. The briefing was based on the Secretary-General's first report on the threat posed by ISIS to international peace and security and the range of UN efforts in support of member states in countering the threat, requested by resolution 2253 of 17 December 2015, which was released on 29 January 2016 (S/2016/92).

Traditionally, reports on ISIS or other Al-Qaida affiliates have been developed by the Monitoring Team of the 1267/1989/2253 ISIS (Dae'sh)/Al-Qaida Sanctions Committee. During the negotiations of Resolution 2253, several Council members expressed their concern that with a new reporting requirement, the Secretary-General was essentially being asked to report on the same issues as the Monitoring Team. Other members thought it was important for the Secretary-General to report on a serious threat such as ISIS. In the end, a compromise was found by requesting that the report place more emphasis on strategic thinking and less on implementation measures.

Updates on this strategic-level report are expected to be provided by the Secretary-General every four months, although it remains unclear how useful Council members will find this new reporting track on counter-terrorism.

The briefing further focused on the analysis of the threat and strategic-level recommendations. The report acknowledged that ISIS represents an unprecedented threat to international peace and security that is able to adapt quickly to the changing environment in order to persuade or inspire like-minded terrorist groups around the world to facilitate and commit acts of terrorism. In particular, the report highlighted the evolution of the threat in the last 18 months, including ISIS' growing sphere of influence (see *Figure 3: Militant Spheres of Influence* in Appendix page 122), the increasing complexity of recent attacks (in terms of planning, co-ordination and sophistication), and the steady stream of foreign terrorist fighters joining ISIS and its affiliates.

Despite Council action targeting foreign terrorist fighters, the report noted how figures have risen to an unprecedented level (around 30,000 originating from over 100 member states) as a result of the increasing number of ways potential recruits can access information on how to join ISIS, including through the internet. Equally, despite the Council's renewed focus on the financing of ISIS, the report underlined ISIS' rapid and effective mobilisation of financial resources in the service of recruitment and territorial expansion, characterising ISIS as "the world's wealthiest terrorist organisation" (Hofmeister, 2015: 87).

Council members may want more information about the recommendations on strengthening the capacities of member states in order to ensure the implementation of legal obligations already imposed by the Council regarding issues such as the financing of terrorism, the travel and recruitment of foreign terrorist fighters and others. The report's only recommendations addressed directly to the Council had to do with incorporating the protection of cultural

heritage into UN humanitarian action; security strategies, including action to counter terrorism; and, peacebuilding processes given ISIS' continuing destruction and looting of cultural sites and artifacts. Council members may further ask about supplementary action that the Council could undertake to further diminish the capabilities of ISIS and other affiliated groups. Furthermore, Council members may inquire about the Secretary-General's recommendation to enhance the UN response in addressing the links between terrorist groups and transnational organised crime, as well as whether the Council could play a more active role in this regard.

In addition, Council members may take this opportunity to inquire about the Secretary-General's Plan of Action to Prevent Violent Extremism released on 24 December 2015 (A/70/674). They may decide to ask for clarification on the role of the Council in developing a global framework for preventing violent extremism, beyond ensuring the implementation of Resolution 1624 that called upon member states to prohibit by law incitement to commit a terrorist act or acts. Some members may be interested in how to operationalise the Secretary-General's recommendation to integrate preventing violent extremism into relevant activities of UN peace operations in accordance with their mandates.

Ultimately, the attempts to combat terrorism and the financing thereof have involved the alternative to improve security measures, the establishment of mechanism to control governmental resources with the objective to ensure efficient and rapid response by the authorities to terrorist incidents. It is further required to redefine data collection and retrieval systems to assist in identifying terrorist suspects by helping to expedite decision-making through making relevant information available to any governmental crisis teams and authorities established to deal with terrorist incidents (Bell in Lodge, 1981:6).

Chapter 2: Research Methodology and Data Collection

2.1 Research methodology

Research methodology is the systematic, theoretical analysis of the methods that will be applied to a field of study, or the theoretical analysis of the body of methods and principles associated with a branch of knowledge (Berg, 2009). The research methodology that was proposed for this study is discussed in detail pertaining to the research methods that was followed, the research design, including strategies, instruments and the way in which the data was collected and analysed, clearly highlighting the stages and processes in the study.

2.2 Research methodology in this research

The research methodology that was followed was mainly qualitative of nature with descriptive and interpretive analysis of secondary data analysis from various sources to provide evidence that there is an increase in terrorist activities on the African continent, especially North, West and East Africa. Additionally, there was an in-depth analysis of the three major terror groups that operate in these areas and the way they finance their activities. This was complimented with the different resolutions that have been undertaken by the AU and the UNSC to combat terror and the financing thereof on the African continent. There was a specific focus on the co-operation between the UNSC and the AU related to terrorism and the various counter measures that is in place to deal with the challenge of terrorism and the financing thereof.

In order to support the secondary data, empirical data collection was conducted by piloting unstructured interviews with open ended questions with subject matter experts within the academic and operational field.

Ultimately, the data was presented to either support or contradict the assumption that the current role of UNSC in combating the financing of terrorism in North, East and West Africa is not sufficient and effective with a main proposal that the UNSC needs to reconsider its approach to counter terrorism and the financing of terrorism on the African continent.

All this information was presented in a well-structured and scientifically-compiled research report.

2.3 Research design

The research design derives from the structure that enhanced data collection and analysis. The purpose of research design is to ensure that the evidence obtained enables the researcher to answer the research questions as unambiguously as possible. It was vital to obtain relevant information by specifying the type of evidence that was required to support the attempt to answer the research question.

The research design that was followed by this study did an analysis of terror groups active in North, West and East Africa and how these groups finance their activities, with an underlying objective to ascertain if the current role of the UNSC is sufficient in combating the financing of terrorism. A comparative analysis was drawn in terms of how the UNSC, together with the African Union, co-operate and integrate their efforts in combating terror activities on the continent by reviewing the current combating methods deployed on the continent.

The result of the literature review was tested by conducting unstructured interviews to corroborate the outcome of the research.

2.4 Data collection

Data was collected mainly from secondary data by analysing documentation and review of literature. This was further enhanced by unstructured interviews of individuals regarded as experts in the academic and operational field of terrorism, conflict resolution and anti-terror operations, the AU and UN. Additional to this, interviews from individuals from Civil Society and NGO's were instrumental in the fight against terror.

Thus, the main data collection methods used in this research were secondary data and interviews.

2.5 Data validation

In order to give quality, credibility and trustworthiness to this qualitative research, triangulation, saturation and member checking was used to enhance the outcome of this research.

Qualitative research is inherently interactive and the immediate analysis of data allowed for a progressive focus on subsequent interviews and observations. This also assisted the researcher to test emerging conclusions due to the fact that the fight against terrorism and the combating of the financing thereof is an evolving topic. Unlike quantitative research, sampling or statistical manipulation could not be used to control validity threats. Henceforth, validity threats were eliminated during the research phase. There are two broad types of validity challenges: research biasness and reactivity.

The validation strategies used to enhance the quality of data and information was the identification and analysis of cases not fit to a specific theory or interpretation, but could represent a wide range of ideologies, e.g. the regime theories. This also allowed the researcher to make a valid assessment about whether it was advisable and reasonable to retain or modify the conclusion. In the case of this research, the conclusion was retained as the secondary data from literature and the valuation of the interview corresponded and confirmed the assumptions made in the research methodology and the hypothesis. The data and information obtained from interviews was further validated by ensuring the privacy and confidentiality of the interviewees was guaranteed, which allowed the interviewees to participate more freely and openly. The comments and inputs from interviewees are protected by only referring to Person A or B.

Triangulations were supported by collecting information from a diverse range of individual experts on terror in the academic and operational field from different universities on the African continent, civil society, settings and institutions in government structures, non-governmental structures, independent researchers and journalists and experts in the developmental field. A variety of methods was also used, for example interviews, documentary assessments and in-depth analysis, thus a mix method of secondary data. Saturation was applied in the sense that the collection and analysis of data was mainly focused on three main terrorist groups in North, West and East Africa that formed part of this research. In the analysis it was also explained why this is the point of saturation, which was due to the fact that these are the main active areas on the African continent where terrorist activities are taking place, involving the most prevalent groups, according to media reports and supported and evidence provided by this research.

2.6 Limitations of the research

Buzan, Waever and de Wilde (1998:44) also identify limitations of this field in the sense that there is little conceptual literature on threats. In discussing the concept of security, some contributors claim an actor-based threat is a precondition for something to be a security problem. It is not easy to identify this as a logical step, even though it could be an empirical connection, a structural tendency making threats attributes to actors easier to securitise. Security problems do not want to be defined in such a way that actors have to be the problem. The assumption is that they usually are. This emanates from the general securitisation perspective of attributing security problems to specific sources rather than the actual origins of what appear to be the security problem.

A limitation of this research was the sensitivity of the topic. Many experts in the field and in some institutions were not at liberty to share their experiences and observations due to the fact that some of the information is classified and in the interest of national security, especially the contributors from CISSA.

Another limitation of the research was the fact that the field of terrorism is an evolving topic, which means a number of significant incidents and activities took place while this research was in progress. Some of these developments could have easily affected the direction and/or outcome of the research.

Lastly, it is important to emphasise that this is an academic study in order to obtain an academic qualification and that the objective is not in any way to expose, embarrass or offend any individual, state or organisation.

2.7 Research strategy

In an attempt to answer the below research question there was an evaluation of the co-operation between the UNSC and the AU PSC and the measures that are in place to combat terror and the financing of terrorism on the African continent. In addition to that, there was also an assessment on how these two organisations collaborate with the US as a leading actor in combating terror. There was a specific focus on the role of AFRICOM in combating terror on the continent and the influence of the member states in the fight against terror. A large part of this assessment focused on the financing of terror activities and terrorism as a phenomenon.

The supporting motivation for this study was to establish if the UNSC approach to war on terror on the African continent was still relevant in addressing the challenges that the continent faces in response to combating terror activities, with a specific focus on the financing of terrorism. It was also important to establish if the counter measures are effective in assisting African states and organisations in combating the financing of terror. There was also an evaluation of steps that can be taken to increase and enhance counter measures in order to strengthen co-operation between African countries.

The research strategy refers to the general plan of how the researcher went about answering the research question. It also refers to the general orientation to conduct research. There are a number of research strategies that can be followed, hence it is critical that the one chosen is relevant to this field of research and that it will provide the platform for the collection of relevant information and data. This strategy did include in-depth analysis and unstructured interviews. Thus, the research was mainly qualitative in nature.

This research mainly focused on the comparative analysis of secondary data as a research strategy because it provided a platform to do an empirical inquiry that allowed for the investigation of a contemporary phenomenon like terror within its historical context and in its real-life presence. These enquiries are normally associated with contemporary phenomena and can also be used in current analysis in order to understand why a specific phenomenon manifests itself in a specific manner in this contemporary setting. This was critically important in explaining the phenomenon of terror and the fact that terror has increasingly become a contemporary phenomenon. The Global Terrorism Barometer of 2014 was used to emphasise this statement.

The analysis had the capability to accommodate different research techniques and was generally used when it was required to obtain an in-depth understanding of a specific phenomenon. This research strategy did certainly enhance the understanding of terror on the African continent and the response of the UNSC to this phenomenon and the financing thereof. The fact that it accommodated both qualitative and quantitative research data made it easier to collect data or use existing secondary data and allow for a mixed-method strategy to be easily accommodated. This also supported the conclusion of Yen (2003) that there are a number of areas where research techniques overlap.

Chapter 3: Framework of Analysis

The purpose of this report is to focus on a conceptual framework addressing the dynamic and adaptive capacity of the UNSC towards terrorist activities on the African continent. It will focus on the financing of these activities, especially in the light of increased terror attacks on the continent, especially in North, West and East Africa. The multi-level erudition influencing formal and informal institutions, the role of state and non-state actors, the nature of multi-level interaction, the increasingly important role of bureaucratic hierarchies, markets and networks are identified as major structural characteristics of the regimes on this continent. In addition, the research will also focus on the key components of what is known about the relationship between crime and terrorism.

The international security environment has been going through some significant changes and the way security threats are being perceived at times leaves a question about the correlation between crime and terrorism (Makarenko, 2012:234). This perception is based on the belief that organised crime and terrorist groups would not find common causes for their activities due to the inherent differences between political/ideological motivations and profit maximisation, which is too significant. Evidence indicated the contrary. After the 9/11 incident, there is a significant belief that there is a link between crime and terrorism (Makarenko, 2012:10).

In the assessment between crime and terrorism, it may be suggested that the depth of the relationship often depends on the nature of the geographical region in which the relationship is established (Makarenko, 2012:237). This provides the framework for why, when and how a relationship between crime and terrorism emerges. There are three main catalysts identified with the potential to transform a politically motivated terrorist group into one that is

motivated primarily by profit maximisation: destruction of leadership structures, political transformation and opportunities for financial gain. These components are so vast that they are subsumed within an alternative framework. An additional eight characteristics are identified by Jackson (Makarenko, 2012:237) in a study on organised crimes within terrorist groups. These characteristics are identified as structure and command relations, group culture, resources devoted to learning, connections to knowledge sources, group operational environment, stability of membership, absorptive capacity for new knowledge and the nature of communications mechanisms.

Anarumo (in Kennedy and McGarrell, 2011:56) argues that the study of terrorism should reside primarily within the criminal justice system, mainly because civilian law enforcement agencies will ultimately be responsible for the prevention of and recovery from terrorist acts. Literature (Kennedy, 2011: 57) suggests that civilian police agencies possess unique capabilities to deal with terrorism. It further states that the threat of terrorism remains local and therefore proper mitigation strategies must also be local and current.

The explanatory models, as explained by Arena and Arrigo (2004), were developed to help explain and understand the various dynamics of the relationship between crime and terrorism. These models were created from the assessment of historical and contemporary case studies. The following definitional framework can be used to define the relationship between crime and terrorism: alliance, appropriation of tactics, convergence (integration and hybrid) and transformation (Anarumo in Kennedy and McGarrell, 2011:56).

Harmon (2000:1) highlights that terrorism is always about power and the creation of terror and describes it as the deliberate, systematic murder, maiming and menacing of the innocent to inspire fear for political ends, of which the major objectives are anarchism (destruction of state authority, e.g. Libya and partially Nigeria), communism (commitment to lengthy stage of

government through anti-establishment, anti-bourgeois and anti-capitalist, e.g. Angola), neo-fascism (revolutionary overturn of governments, e.g. South Africa), national separatism (dedication to race, e.g. Rwanda), religion (religious motivated violence, e.g. Hamas) and pro-state terrorism (to maintain the power of the state, e.g. Algeria).

Terrorists use different strategies to achieve their goals. It is these very strategies that set terrorism apart from other criminal activities, simply because they have different end-states in mind. In 1998, Osama Bin Laden took religio-political terrorism to Africa. This was particularly focused on the North of the continent, mainly because of the lack of military defence structures in these countries. Terrorism cells gained strength in Africa, particular in Saudi-Arabia. The level of operational skill was manifested in the simultaneous bombs at US embassies in both Kenya and Tanzania in 1998 (Harmon, 2000:52).

Other tactics include political strategies aiming to destroy political power by making the government look incapable to deal with terrorism, e.g. civilian airline hijackings and hostage takings. Other propaganda techniques include the use of radio, television and lately social media by terror groups, as demonstrated with ISIS and the Arab Spring. Economic strategies used by terrorists are not just to strengthen their grip on the regime, but also to fund their activities, e.g. highway “tax”, sabotage of oil pipelines and bombings as seen in Nigeria, extortion, the under-reporting of terrorist campaigns at tourist attractions, e.g. the bomb in Cape Town at Planet Hollywood in August of 1998, which all eventually affects state resources with police, hospitals and other emergency services that need to respond to these incidents (Harmon, 2000:63). The more recent 26 June 2015 bombings in Tunis, Sousse holiday resort, had a direct influence on the economy of the country sourced from tourism.

At the end the question that remains is: what is the cost of terrorism?

Looking at current trend and future threats, based on the Global Terrorism Index of 2015, terrorism is here to stay. Hence this study which attempts to highlight the role of the UNSC towards the combating of the financing of terrorism. There are several suggestions on possible amendments to the current measures to combat terrorism in order to match current trends.

North, West and East Africa face major political challenges, which provides a conducive environment and breeding ground for terrorist activities. The prevalence of nationalism is also a factor that boosts terrorism, due to the fact that deep and wide ethnic differences still exist and may even grow in the absence of coherent political ideology. Environmentalism, which highlights some 'non-political' challenges, leads to a number of cross-border attacks and regional instability. This is evident in the clashes between the Fulani herdsmen and Boko Haram in Nigeria (Omitola, 2014).

Global instability increased significantly after 1992, which may influence the increase in terrorist activities. The role of peacekeeping forces and humanitarian operations are also under threat as peace-keepers and personnel have increasingly become favourite targets for kidnappings and killings by terrorist groups. This is demonstrated by ISIS. Anger against Jews and Israelis has kept the flame of anti-Semitic and anti-Zionist sentiment burning as a significant factor in global terrorism. State resources of future terrorism will be challenged in the way states are able to co-ordinate these resources to either fight or support terrorist activities.

Lastly, technologies and tactics of terrorism in the next decade prove to be the threat of the individual or small groups with simple automatic weapons. Terrorist groups are no longer large communities or groups, but rather individuals and small groups that, with the right weapon, can cause the same

harm and effect as a large attack (Harmon, 2000:160). The Paris attacks in November 2015 was a clear demonstration thereof.

Krasner (1983:372) defines the regime as a set of explicit or implicit "principles, norms, rules, and decision making procedures around which actor expectations converge in a given issue-area". This definition is intentionally broad, and covers human interaction ranging from formal organisations (i.e. OPEC) to informal groups (i.e. major banks during the debt crisis). Note that a regime need not be composed of states.

Regime theory seeks to explain the factors and circumstances under which states co-operate. It further examines the role of power, especially hegemonic power, in the creation and maintenance of regimes. This supports the theory of realism in that it emphasises the close relationship between the emergence of institutions and the distribution of power, but is contrary to the rationalist regime theory, which states that power alone cannot explain the emergence or impact of institutions. What remains fundamental, is the role of power and its coercion in the implementation of rules. This is evident in the most distinctive contribution of regime theory, which is the idea of self-interest and reciprocal benefit. This is demonstrated by ECOWAS and the formation of Financial Action Task Force and GIABA (Inter-Governmental Action Group Against Money Laundering) (Hurrell, 1995:55).

The challenge is to explain the existence of co-operation based on the realistic assumption that states act from self-interest, competing in a world of anarchy and that co-operation does not rely on altruism, which can be developed from calculations of instrumental rational actors. This links to functional benefits that always formed part of the explanation of the existence of co-operation between states, which adds to Vattel's "voluntary law of nations", highlighting common safety, mutual correspondence and reciprocal duties Hurrell (1995:56).

Hurrell (1995) highlights that regime change cannot be described as a fad, as some of the international critics want to describe it. The reason being the fundamental question in International Relations on how co-operation is possible between states claiming their sovereignty, but at the same time competing for power and influence in a situation of anarchy. Many similar and different answers have been given in an attempt to answer this question. This is evident in an increase of international societies and regional organisations that strive to form an international society in pursue of common goals and objectives, e.g. the AU and ECOWAS.

The above argument is based on the opinions that states are less vulnerable than individuals, with less fear of death than they are of resources and power. In the light of rationality, states will be less tempted to destroy each other than individuals. States will develop a minimal set of rules for co-existence, based on self-interest and rational caution (Hurrell, 1995:50).

Regime theory also struggles with the relationship between law and norms versus power and interest. Many scholars argue that rules and norms of international life are purely a reflection of the power and interest of states. These arguments are based on classical international law which highlights that the role of custom and practices in the creation of legal rules, e.g. treaties, whilst there is no restraint on the right to wage war. The definition of state sovereignty has no place for self-determination or the rights of citizens (Hurrell, 1995:51).

Derby (1987) identified, as early as in the late 80s, that the efforts to co-ordinate the criminal law system globally to suppress the successes of terrorist activities can be accounted to the hypocrisy amongst nations. This is evident in the fact that terrorism is seen as a crime to some nations, whilst to others it is almost an act of heroism. In this light it is apparent that many nations have similar views towards the conduct of such activities, but even like-

mindful nations and groups of nations have done little to weld their legal systems into a common anti-terrorism mechanism.

This brings back the definition of a regime; implicit or explicit principles, norms, rules and decision making procedures around which actor's expectations converge in a given area of international relations (Hurrell, 1995:54). Keohane (in Hurrell) refers to a regime as an institution with explicit rules, agreed upon by governments, which pertain to particular sets of issues in international relations. The above two definitions bring regime theory and international law much closer than academics would like to acknowledge.

3.1 The difference between regime theory and international law?

The most basic difference between regime theory and international law is that states obey rules that are usually unenforced and mostly unenforceable. The reason for this is power and coercion, self-determination and reciprocal benefits, institutionalised habit or inertia, the existence of a sense of community, procedural legitimacy of the process of rule creation, or the moral suasion that derives from a shared sense of justice (Hurrell, 1995:55).

As much as regime theory provides fertile grounds for understanding international relations, there are a number of weaknesses identified and associated with this theory. The first concern is the relationship of specific bargains and bargaining processes to the broader international context and to the broader structures of the international system, because inter-state bargaining is famously concerned with relative gains and distribution of cost and benefit of co-operation (Hurrell, 1995:55).

Secondly, the sense of community and the emergence of co-operation is based on a moral rather than a legal dimension. Parties believe that they form part of a shared project or community in which there is a common interest that can be enhanced by co-operative behaviour. This is quite evident in the pursuit of

holy wars and the treatment of indigenous people where a lack of a shared sense of community has undermined co-operative limitations on conflict based on reciprocity and self-interest (Hurrell, 1995:62).

Thirdly, justice and order is another point of concern as many international norms derive compliance from a shared sense of justice, human rights and norms against armed conquest and the invasion of territory. In this case, rules and norms do not develop due to the direct interplay between states or functional benefits, but rather because of moral awareness of individuals within states. Order and justice are therefore separately tracked (Hurrell, 1995:62).

Lastly, the domestic dimension is explained outside the theories of interdependence and transnationalism, which stresses the multiple links between domestic and international co-operation. Domestic issues remain central in the explanation or resolution of community and societal domestic political systems (Hurrell, 1995:62).

The role of international law in the policy-making process, the technical links between international law, domestic legal systems, the complexities in the implementation of international rules and lastly, the political cost of violating international rules are affecting and have a direct influence on domestic societies.

3.2 The effectiveness of regime theory

International environmental regimes – especially those regimes articulated in multilateral environmental agreements – have been a subject of intense interest within the scientific community over the last three decades. However, there are substantial differences of opinion regarding the effectiveness of these governance systems or the degree to which they are successful in solving the problems leading to their creation. The international environment is

generally one of anarchy dominated by states where there is no authority that makes states play nice with each other. Nevertheless, states are not the only actors on the world stage today, and there is oftentimes co-operation between the actors. Regime theory attempts to explain these realities.

Regime theory argues that power in the international system is distributed across different states and non-state actors, such as non-governmental organisations, intergovernmental organisations, and multinational companies, that co-operate on specific issues based upon a set of international regimes. Regimes are the manifestation of co-operation among actors in the international system. A regime can be thought of as a rulebook that covers a specific area of international relations upon which most of the players agree to abide with general areas of co-operation. Let's look at a quick example of a regime.

Our current system of international trade can be viewed as a regime. The principles, rules and norms of our international system of trade revolve around free trade, globalisation, diplomacy to resolve trade issues, and the creation of international trade organisations, such as the WTO. Most states participate and co-operate within this trade regime (Young, 1999: 285).

The study of regime theory can be divided into different approaches, namely a power-based approach, an interest-based approach, and a knowledge-based approach. The power-based approach, sometimes referred to as neorealism, of regime theory attempts to explain international regimes in terms of the distribution of power among the most relevant actors of particular international policy. It assumes that states and other actors act rationally. Hegemonic-stability theory is one of the most well-known power-based approaches in international regime theory. In a nutshell, HST suggests that a hegemon, a country that dominates all others, will encourage the development of regimes that are consonant with its interests to develop

support for its policies without the expense of forcing its will on other states using more costly means, such as economic sanctions or force. For example, the United States has played a large role in fashioning a global financial and economic system that aligns with its interests and values. Of course, the hegemon will not permit the formation of any regime contrary to its interests. For example, the US will not permit an economic regime that discourages free trade (Young, 1999:297).

Keep in mind that a regime is not an all-encompassing set of principles that govern the entire international system, like the concept of state sovereignty. Instead, under the theory, regimes focus on specific areas of international life, like our trade example, nuclear proliferation, international finance, and security (Young, 1999:320).

The main important aspect of regime effectiveness is state compliance. States calculate not only the gains against the cost from international co-operation, but also compare net benefits against those of their partner-competitors. The neoliberal-utilitarian approach further assumes that states prefer higher certainty for the course of future competition and calculate costs and benefits accordingly. Pure institutionalism maintains that states comply simply because the regime exists (Guzman, 2002:1860).

The perspective from the theories of knowledge regimes creates a framework for states to learn, whereby states can test their assumptions based on the behaviour and adequacy of the instruments of co-operation.

Lastly, the complex institutional theory sees regimes embedded in general networks of norms and institutions. Compliance only happens because the normative system of higher order serves as a frame of reference that reinforce compliance in specific regimes (Guzman, 2002:1870).

Chapter 4: Presentation and Analysis of Research Data

“You cannot fix the problem of terrorism without fixing the state” – Hussein
Solomon

The results of the research remain an eye-opening experience. When this research started off, there was a feeling of despair to a certain extent due to the fact this is a challenging topic and above all, governments, organisations and individuals may not feel at liberty to share information.

On the contrary, the road travelled was a surprising one and the researcher was at certain points humbled by the wealth of information and the extent to which scholars, civil society and organisations opened their doors in order to share information, data and experiences.

Literature on the topic was vast and of high quality. The interviews were more intriguing. Experts and academics shared information and data, organisations shared experiences and as the journey continued, it became quite evident that the financing of terrorism is a topic that still needs a lot of research. In addition, a number of assumptions are made in the literature, but very little evidence is available to back up these assumptions.

During the interviews, it became evident that the lack of a definition of terrorism should not be seen as an excuse not to respond to the phenomenon. Another reason given for the lack of a unified definition is the lack of a conformed approach and a difference in value systems to the combating of terrorism. Some interviewees believe that the lack of a definition is just an academic challenge and that it should not limit actions against terror acts. Another respondent indicated that terrorists should be treated in the way they define themselves, which is an indication that there should be a focus on the

act of terrorism, instead of trying to define what a terrorist is. There was also an attempt to suggest that the AU's definition of terrorism is thus far the best definition to use. Some of the respondents also warned against making the mistake of treating terrorism and extremism as the same phenomenon. There is a suggestion that components of terror should be identified in order to assist with the definition of terrorism.

Michael Olufemi Sodipo (2015:3) explains that redressing violent extremism requires “interventions at every stage of the radicalization spectrum, from the measured use of force, to proactive development investments to alleviate socioeconomic grievances, countering extremist ideologies, and rehabilitating individuals who have been radicalized.” He also calls for alternative dispute resolution approaches such as those that actively engage youth and other at-risk groups in peace-building programmes to instil values of tolerance, diminish prejudice, and mitigate the appeal of radical ideologies. This idea is supported by interviews conducted at CISSA and the AU where it became evident that the UNSC rely increasingly on the successes of AMISOM operations in Somalia. The AU Peacekeeping operation was forced to review the way they do business in Somalia in order to ensure that they always stay a step ahead of Al-Shabaab. AMISOM made significant inroads in combating Al-Shabaab in Somalia, to the extent that the US is re-establishing diplomatic ties with Somalia. The change in policy direction was also confirmed with an interview at the policy unit of the AU.

Radicalisation is more about “who you know” notes Nouredine Jebnoun. “It leverages feelings of isolation from society and uses indoctrination to fill this void and create a sense of new belonging. Combating it requires recognition of the role of civil society and larger social movements and the integration of development, education, civil and political rights, common citizenship and political activism,” (Jebnoun, 2015:2). This was confirmed with the interviewee of the Peacekeeping Missions unit of the AU. According to this

interviewee, the UNSC increasingly proxy African problems to the AU because the UNSC became to understand that African can deal better with Africa's challenges due to the fact that Africans understand their challenges better.

Similarly, Dr Benjamin Nickels, Associate Professor and Academic Chair, Transnational Threats and Counterterrorism calls attention to the importance of focusing on “the unintended consequences of counterterrorism operations” and how they undermine counter-terrorism objectives. “We continue to see cases of repression in the manner in which some of these operations are carried out, which creates more instability and lends itself to exploitation by terrorist organizations,” he cautions. He also warns that overreliance by international partners on counterterrorism partners who pursue repression at home could inadvertently exacerbate local drivers of instability (Nickels in Jebnoun, 2015:3). This thought is echoed by Dr Omitola.

Concurring with the aforementioned, The Global Terrorism Index of 2015 highlights that the two factors, namely political violence and the existence of a broader armed conflict, is very closely associated with terrorism. The report further states that less than 0.6 percent of all terrorist attacks have occurred in countries without any ongoing conflict and any form of political terror. In OECD countries socio-economic factors such as youth unemployment, confidence in the press, belief in democracy, drug crime and attitudes towards immigration are the most statistical significant factors correlating with terrorism, while in non-OECD countries, factors such as historical armed conflict, ongoing internal conflict, corruption and a weak business environment are more strongly correlated with terrorism. Common denominators between these countries are a low respect for human rights, the existence of policies targeting religious freedoms, group grievances, political instability and a lower respect for the UN and EU (Global Terrorism Index, 2015:3).

Data from interviews provides different theories for the existence of terrorism. As a start, there is a caution to differentiate between domestic and transnational terrorism. One interviewee indicated that it is also important to understand that it is easier to fight individuals rather than organisations: “Organisations do not commit terrorist acts, but individuals do.” Other causes highlighted by interviewees are corruption, lack of political will, domestic societal challenges, and lack of rule of law, current conflict situations in countries, lucrative incentives for criminal activities, lack of resources in domestic societies, unemployment, low levels of education (see *Figure 12: Nigerian Map: Education, Governance, Peace and Security* in Appendix page 127) and the level of radicalisation. Mainly all interviewees agreed that governments need to address domestic challenges in order to ensure that the level of radicalisation is contained and does not provide for a conducive condition to support the emergence of terrorism.

This research further highlighted the fact that the approaches and role of the UNSC and the AU in combating the financing of terrorism is not sufficient in dealing with the bane of terrorism. A number of failures and gaps have been discussed and used as examples and references. The interviewees from the CISSA office confirmed this statement. Interviewees emphasised that Africa needs to own up to its challenges and needs to establish common ground on how, where and when to respond to the difficulty of terrorism. Africa should stop requesting financial assistance from foreign donors to fight terrorism, as these donations come with conditions and consequences on how, where and when to spend it. In some instances these conditions are not in line with the objectives of the country or do not take local laws and regulations into consideration.

There is also significant mistrust between African states and as a result, this obstructs co-ordination of intelligence and information. The fact that African states do not take the AU serious is another challenge identified by CISSA.

For as long as member states see the AU as a “toothless dog”, the AU will not successfully execute its objectives. This is also a reflection that African states do not regard themselves as part of the problem, by not having a sense of belonging to the AU. CISSA also highlights that some states still believe that they do not have a terrorist issue and therefore do not prioritise combating initiatives. This is echoed in the May 2015 Policy document of the Policy Research Unit of DIRCO.

Interviewees further underlined that the resolutions from the UNSC in addressing the financing of terrorism is an important aspect, due to the fact that it provides countries and states with the required international legal framework to initiate domestic laws and regulations against the financing of terrorism. The major challenge remains implementation of these resolutions. Contrary to the aforementioned, it is mentioned by the interviewees that the AU does not have the capacity nor the resources to respond to the challenges of terrorism on the continent. Evidence is the request to France to intervene in the Malian crisis, as well as the kidnapping of the school girls by Boko Haram in Nigeria. On the bright side, regional bodies like ECOWAS made some significant strides in combating the financing of terrorism. It was concluded that there are challenges at all levels, namely UNSC, AU and domestic, to ensure that the fight against the financing of terrorism is fought in a co-ordinated manner. An important issue emanating from the interviews was the fact that they recognised that regime power plays an important role in the fight against terrorism and they concluded that the actor with the most interest will lead this mission.

According to Liang (2015:3) at the Geneva Centre for Security Policy (GCSP), the financing of ISIS indicates that the organisation is a highly effective one, in some instances acting as a state, which includes tax systems and oil sales. She continues to identify ISIS as the richest and most violent group in modern history, who successfully transformed terror from a regional to a global

security threat. This is mainly due to their ability to establish and govern a semi-functioning autonomous territory, the use of 21st century marketing tools to create an international brand, and the strategy to attract and use foreign fighters. Their power is also based on the unprecedented wealth, which is based on diverse and sophisticated financing strategies. ISIS has been engaged in attacks in Egypt, Libya, Tunisia and Yemen.

According to the interviewees, the elimination of funds to terrorist organisations will not stop terrorists from executing their terror activities. Terrorists and their organisations will find alternative legal and illegal ways of funding their activities. And one of the reasons for the sustainability of terrorism is because the framework of responding to terrorism did not change over the past 30 years. In order to fight terrorism, states need to deal with the underlying reason why terrorism exists. Botha and Solomon (2015) agree that terrorism is a form of extremism and that states need to address these issues before they can attempt to suppress the financing of terrorism, e.g. the creation of fake and fictitious companies, political appointees in state institutions like immigration, lack of sufficient border control and the existence of the informal economy contributes all to the funding of terrorism. It is further important to identify all the different sources of terrorism financing, identify the commonalities and design counter measures accordingly. The other challenge with combating the financing of terrorism is that states believe that one counter measure will cancel all financing methods. One interview drew attention to the fact that funding is not always external and that countering measures should also look at self-funding. A number of terrorist funding comes from internal sources and therefore there is no formal way of countering this method. In some instances, funding comes from legitimate sources. How will states deal with legitimate funding of terrorist groups?

The level of substance of knowledge and information from the interviews were quite high and the interviewees almost agreed on the position of counter

terrorism on the African continent. They all agreed that governance, social cohesion, the integrity of security forces and government institutions, corruption, inclusion and diversity need to form part of the solution, which should be a combination of bottom-up and top-down approaches and strategies. What was of particular interest during this research was that all interviewees concluded that the counter intelligence agencies should shift their focus from designing and implementing resolutions and rather focus on enhanced collaboration strategic approaches in order to deal with an ever changing and adapting terrorist environment.

The Global Terrorism Report of 2015 highlights that in 2014, the total number of deaths from terrorism increased by 80% when compared to 2013, which is the largest yearly increase in the past 15 years. This is a clear indication and evidence that terrorism is on the increase and is highly concentrated on the African continent with a major intensification in Nigeria. This country experienced the largest increase in terrorist deaths ever recorded by any country, with Boko Haram being the most deadly terrorist group in the world. In March 2016, Boko Haram pledged its allegiance to ISIS, now also known as the Islamic State's West African Province (ISWAP) (Global Terrorist Index, 2015:2).

As highlighted by Person A and Person B in their interviews, states identify two major factors associated with terrorist activities, namely political violence committed by the state and the existence of a broader sense of the lack of the rule of law.

Although there seems to be a general agreement on the causes of terrorism, there also seem to be a general understanding that the approaches to this phenomenon need to adapt and that the solutions may be right in front of us by addressing education, culture and bringing back moral value systems, instead of high-level resolutions. As much as these resolution provide a

framework for states to fight terrorism in the international arena, governments need to keep it conventional and modest and address basic ailments in the society.

The analysis of the research completed was critical in support of the understanding of the findings and conclusions. The degree to which the data is presented, together with the analysis of that information is important to the extent that the reader and audience will either agree or disagree if the research question was answered and the research problem was addressed.

Grasping the phenomenon under study was also very critical, especially in the light of the lack of a unified, common definition. Data from the literature and interviews continued to agree that the lack of a unified definition should not stop counter measures from being implemented, as there is a definite shift towards identifying the act of terror, rather than trying to define a terrorist. Additional to that, there was a significant move towards dealing with terrorism as a criminal phenomenon rather than a social problem. This is a very important phenomenon that was uncovered during the research, and continued to surface during interviews and data analysis.

Synthesising a portrait of the phenomenon that accounts for relations and linkages within its aspects accounts for the conclusion that terrorism is here to stay. The inherent structures, operations, networks and functionality of the different terrorist groups that were researched, allows for a representation of the reality that allows for the reader to completely understand and comprehend the dilemma and challenge that exist in the combating of the financing of terrorism. The different linkages, relations and processes that were presented during this research, brought a new understanding of how terrorist finance their activities and why it is so difficult for the international actors, organisations and groups to combat this phenomenon.

All interviewees except for one, agreed that terrorism is here to stay. As long as there are divides along racial, tribal and religious lines, terrorism will find its place in society. The reasons provided were the lack of good governance, structures and institutions and political will, will not support an environment to fight terrorism and the funding thereof. Grievances embedded in society will also provide for supportive circumstances for the existence of terrorism. One interviewee highlighted that for as long as there is money to be made from terrorism, this phenomenon is not going anywhere. In addition, there are no tools or support structures on a regional and/or domestic level to implement UNSC resolutions.

The analysis of the information and data by assessing different theories in an attempt to understand why the phenomenon of terrorist financing exists and the importance to understand the reality thereof, will allow the different stakeholders to better plan, respond and combat this phenomenon. Theorising about how and why these relations appear as they do, allowed for secondary analysis in an attempt to answer the original research question. In order to support that, meta-analysis was also applied in order to ascertain and ensure that the analysis of previous studies, findings and data are incorporated in this research. This does not only allow for the review of previous studies, data and findings, but this is important to ensure that indicators and deviations can be observed and brought forth to be presented as new findings or conclusions. This will also support a change in theories or a change in certain conclusion that was reached with previous research. This was particularly evident in the conceptualisation of terrorism. At some point in the literature there is clear evidence that terrorism was regarded or even, in some instances, confused with extremism. More and more research are emphasising the point that terrorism is but one form of extremism.

It was further important to underline the difference between formal and informal financing of terrorist activities. Literature and previous research has

mainly focused on the formal methods of financing terrorism, until further research highlighted the importance of informal methods and that these methods are increasingly becoming prevalent, due to the fact that they are less vulnerable to tracking and tracing. Also, when looking at the financing of terrorism, there is a general belief and assumption that cash is involved, but literature exposed the many different ways terrorists finance their activities.

This led to re-contextualisation, or putting the new knowledge about phenomena and relations back into the context of how others have articulated the evolving knowledge.

The categories of the definition and approaches to terrorism, financing methods and techniques and the different counter measures became saturated and the new connections that emerged was the continuous realisation and acknowledgement that combating terrorism is more domestic matter supported by international and regional organisations and structures and that the UNSC need to attempt new strategy in combating the financing of terrorism. Additional information was gathered via theoretical sampling and the substantial concept was that the UNSC need to strengthen governments and institutions within states in order to combat the financing of terrorism on a domestic level.

Because data collection and analysis processes tend to be concurrent, with new analytic steps informing the process of additional data collection and new data informing the analytic processes, it was important to recognise that qualitative data analysis processes are not entirely distinguishable from the actual data. The theoretical lens from which the researcher approaches the phenomenon, the strategies that the researcher uses to collect or construct data, and the understandings that the researcher has about what might count as relevant or important data in answering the research question, are all analytic processes that influence the data. Hence open-ended question were

ask during the interviews in order to provide the interviewees with a platform to express their thoughts, knowledge and experiences in such a way that it will complement the research process in an attempt to answer the research question.

Analysis also occurs as an explicit step in conceptually interpreting the data set as a whole, using specific analytic strategies to transform the raw data into a new and coherent depiction of the phenomenon being studied. This was specifically evident in the assessment of the three terrorist groups identified as part of the comparative analysis. As much as there was an attempt to assess the groups on the same basis and components, it was evident very early in the research that the dynamics in these groups are so vast, that it would be difficult to compare them in the same approach.

This was further confirmed during the data analysis of the financing techniques used by these different groups. Due to the fact that they inherently differ based on philosophy, convictions, objectives and approaches, the way they handle their finance was evident during the research. It is basically only the terrorist techniques and activities that place them all in the same basket and being classified as terrorist groups. This links with the developments in the definition that terrorist groups and individuals should rather be convicted on their acts and not necessarily on their beliefs, conviction and objectives. One interviewee from the AU highlighted that the approach in dealing with the financing of terrorism requires a top-down approach in order to ensure that we respond to the phenomenon in a coordinated method.

The research also confirmed that the current counter measures employed by the UNSC, the AU and other regional bodies are not sufficient, even though they are effective to a certain extent. In certain instances the objectives of these counter measures are met, but mainly and overall, it is not developing and evolving with time and technology. This ties with the responses from all

interviewees, backed up by literature that the UNSC, the AU and other relevant stakeholders need to rethink their approach in dealing with the financing of terrorism. There is also an increased push for the UNSC, the AU, other actors and role players to redefine the targets of their combatting activities and programs as the unintended consequences seem to be more damaging than the intended consequences. The bombings in North Africa is creating a refugee crisis in Europe, the implementation of different resolutions seems to inconvenience law abiding citizens and the regime change in West Africa did not have much effect on the existence of terrorism in these areas. In fact, looking at the different maps presented in the addendum, it is quite evident that the phenomenon of terrorism is spreading and moving towards central Africa.

Based on the above, replication is found in this research due to the fact that the partial relationship is the same as the original relationship, meaning the assumption was that the role of the UNSC towards terrorism on the continent was assumed to be insufficient and not adapting with time and the new techniques applied by the terrorist groups in financing their activities. The implementation of resolutions did not assist significantly in the combating of the financing of terrorism. One can almost suggest a spurious relationship whereby the explanation is that the role of the UNSC in relation to the combating of the financing of terrorism is an independent relationship as this is depending on the successful implementation of the resolutions by regional organisations and local states and governments.

This led to the conclusion on the further explorative research to be conducted, e.g. how the UNSC can support local states and government to fight the financing of terrorism, without focussing too much on the implementation of resolutions. It is quite evident in the number of presentations at the North West University Conference (10-11 March 2016), named: "The Rise of Islamic Extremism", that there is a serious lack of coordinated research capacity at

higher learning institutions that should be able to support government and countering institutions to combat against the extremism and the financing thereof, by providing government with well research policy direction and tools to implement resolutions.

The implementation of UNSC resolutions need to come with clear support structures and tools in order to ensure the intentional objectives of the resolutions are met. Additional to that, regional bodies and organisations need to develop a new platform to ensure that all states are involve in the combating of terrorism and the financing thereof. SADEC claims that there is no significant threat of terrorism in the region, but very well acknowledge the existence of certain mechanisms in the region that support the financing of terrorism.

On 18th March 2016 the diplomatic world was shocked to find an article in The New York Times whereby the Assistant Secretary-General, Mr Anthony Banbury, in an open letter to the UN highlighted the failures of the UN. This research will be deficient if there is no mention from one of the UN insiders on the failures of the UN. He mentioned that the world faces a series of many crises, of which the most prominent are climate change and terrorism. He continue by emphasising, and agreeing with this research, that the UN is uniquely placed to meet these challenges. Contrary to that, he underline a number of reasons why the UN is battling, and in some instances failing.

He refers to the level of red tape and bureaucracy that makes the UN almost incapable of delivering its intended results. The “sclerotic personnel system”, result into the best talent in the world not being able to serve in situations and conditions where their skills can be best applied, e.g. a grievous blunder was made in 2013 when the UN deployed 10,000 soldiers and police officers to mali to respond to a terrorist takeover. This force was unprepared, had no training on counterterrorism and was told “not to engage”. Sadly also, more

than 80 percent of the resources of the force is spend on logistics and self-protection. In 2014 in Central African Republic the UN took over peacekeeping operations from the African Union and had an opportunity to choose troop to take part in this operation. Unfortunately this decision was made proper debate and for cynical political reasons soldier were chosen that was involved in serious human rights violations. And despite reports and evidence confirming, the UN hardly made a whisper about these violations.

Additional weaknesses are minimal accountability for non-compliance, decision driven by political expediency, instead of the values of the UN, peacekeeping mission that carries on for ever with no clear goals, targets and end dates-creating deeper socio-economic problems – costing billions of dollars. UN bureaucracy is a serious stumbling block for peacekeeping operations.

Banbury (March 2016) refers to the UN as a “Remington typewriter” in a smart phone world. He further agrees with this research that unless the UN genuinely commits to reform, it will not succeed in the advancement of peace, human rights, development and the climate. The bureaucracy need to work with the missions, and not the other way around. There is also a solemn lack to “do the right thing”.

This research originated with the role of the UNSC in combating terrorism by focussing on how terrorist finance their activities. There was a specific focus on the three most prominent group in North, West and East Africa. Data collection was mainly through secondary data and unstructured interviews with open ended questions. The interviews were coded in that the questions were based on three major themes, namely defining terrorism, the funding of terrorism and future developments whereby the role of the UNSC was questioned. During the interviews, the following patterns emerged and it became evident that there is consensus that the role of the UNSC in

combating the financing of terrorism is not developing with time and is therefore not sufficient in its response to the phenomenon on the African continent. The lack of a definition is not critical when responding to combating the financing of terrorism; terrorism should be responded to base on the components of the act; terrorism and crime is closer related than what some scholars would like to admit; there is clear move away seeing terrorism as a state problem and rather a manifestation of a range of societal problems, with its roots deep locked in extremism; all interviewees agreed that cutting the financing of terrorism will not stop the phenomenon; responding to terrorism needs an integrated, co-ordinated bottom-up and top-down approach; as much as the UNSC plays an important role in the combating of terrorism and the financing thereof, the implementation of the security council resolutions, together with support mechanism on regional and domestic level is of cardinal importance if these resolutions are to make an impact and different in the life of ordinary citizens feeling safe and protected from terrorism. The majority of the interviewees agreed that terrorism is here to stay, while the minority believe that terrorism will eventually fade and be replaced by another form of extremism.

Chapter 5: Conclusion and Recommendations

This research report attempted to assess the role of the UNSC in combating the financing of terrorism on the African Continent, focusing on ISIS in the North, Boko Haram in the West and Al-Shabaab in the East. This research demonstrated an increase in terrorist activities and that Africa can be considered to be the continent most regularly affected.

In the glossary, different terms significant and explicitly associated with this area of research were clarified. The research problem, purpose and question were clearly stated with the framework of analysis pointing at regime theory and international law. Reasons for that was to establish a link between terrorism, regime change and international law, because some scholars and experts believe that the solution for terrorism lies in a criminal justice approach. The effectiveness of regime theory in understanding the phenomenon of terrorism was also explored.

The literature review was conducted in an infinite manner for the mere fact that terrorism is an emerging and contemporary phenomenon. Information changes on a daily basis and continuous knowledge is dispatch due to the evolving nature of the topic. As part of the literature, there was an in-depth assessment of terrorist activities in the North, West and East Africa with a focus on the reasons that makes ISIS dangerous, the factors that lead to the rise of Boko Haram and the underlining reasons why individuals join Al-Shabaab.

Incorporating the aforementioned was the fundamental origins of the financing of terrorism activities on the continent. In this section, which formed the backbone of the research, an in-depth analysis was done on the different forms, strategies and techniques that terrorist groups (see *Figure 4: Key*

Terrorist Groups in Africa in Appendix page 122) uses to finance their activities in North, West and East Africa.

Lastly, there was an evaluation of the current counter measures on the financing of terrorism on the African Continent on the continent in order to ascertain whether these counter measures are effective in meeting their objectives by evaluating the counter-terrorist strategies from the UNSC, the AU and other regional initiatives.

During the qualitative research process and in the application of the research design and strategy, the sample collection, data collection and validation, various limitations were identified.

The general conclusions are that international and local regimes can and do make a difference. Although often in conjunction with a number of other factors, a strategy of combined tools can help improve the understanding of the determinants of success. This is evident in the West's ability to contain ISIS. According to Liang (2015) the perception of the West about ISIS in that it is a rogue state and nothing more, is the reason why they are not successful in combating its activities. ISIS is now a real, emerging and unrecognised state actor. It does not operate out of a safe haven within a sponsored state, but has become a de facto state that provides a safe haven for terrorist. They are ruthlessly and mercilessly administrating a territory. Additional to that, they have also become a successful criminal enterprise, which prevented the West from impeding the financial gains which are market by a fluidity and wealth never seen before by a terrorist group.

This research confirmed the identified correlates and drivers for terrorism, namely political violence, the safety and security environment within a country, the lack of respect for human rights and for international organisations also influence terrorism, the driver in wealthier countries differ from those in poorer countries (Global Terrorism Report, 2015).

The terrorism trends identified by the Global Terrorism Index of 2015 are private citizens who increasingly becoming targets of terrorist attacks, terrorist attacks linked to religious targets accounts for 11% fewer deaths than in 2014, and two groups are mainly responsible for half the deaths from terrorism – Boko Haram and ISIS. Nigeria experienced the largest increase in deaths from terrorism since 2014, ISIS causes more deaths on the battle field than with terrorist attacks, the flow of foreign fighters continue to flow into Iraq and Syria and a significant percentage (21) of these foreign fighters comes from Europe.

One of the common observation with solving problems and more generally, promoting sustainability in co-operation and coordination relations, is that governance systems work relatively well at the national level but poorly or not at all in efforts to solve international, transnational, and especially, global problems. Although the state is a positive force in managing resources and regulation in domestic settings, the anarchic character of international society, treated as a society of sovereign states, constitutes a barrier to successful governance at the international level. However, both elements of this argument are open to question. Failures to tackle problems effectively, are common not only in societies facing severe problems of poverty and hunger or saddled with the curse of natural resources, but also in advanced industrial societies.

Some regimes matter in the sense that they make a (sometimes sizable) difference not only in terms of outputs and outcomes but also in terms of solving the problems that lead to their creation. Anarchic character of international society is not always an obstacle to the capacity of regimes to contribute to problem solving. Regime design is often a more significant determinant of effectiveness than some measure of whether the problem is benign (i.e. easy to solve) or malign (i.e. hard to solve). Sizable proportion of the success of regimes is attributable to activities that are not regulatory in

the ordinary sense. Regimes are dynamic in the sense that they change continually after their initial formation. Success of regimes is highly sensitive to contextual factors. Active participation on the part of a single dominant actor (commonly known as a hegemon) is not a necessary condition for success in solving international environmental problems. Success in the implementation of international regimes is likely to require the establishment and maintenance of maximum winning coalitions rather than minimum winning coalitions. Maintenance of feelings of fairness and legitimacy is important to effectiveness, especially in cases where success requires active participation on the part of the members of the group over time. Casting arrangements in the form of legally binding conventions or treaties do not ensure higher levels of compliance on the part of subjects (Young, 2011).

Arrangements featuring private governance and hybrid systems encompassing both public and private elements can solve some types of security problems. Multiple pathways may lead to success in efforts to solve many security problems. Institutional interplay is just as likely to produce positive or even synergistic results as it is to lead to interference between or among regimes. There is generally scope for resolving actual or potential conflicts between regimes through negotiations leading to mutual accommodation rather than by subordinating one regime to the other. Regime complexes offer a way forward in situations that do not lend themselves to the creation of a single integrated governance system.

Berry (in Moran et al, 2008) brings a very important aspect to the fore; the question of terrorism and political violence insurance covering physical loss or damages to property in the emerging markets. This is one area of neglect in the insurance industry, in fact many insurance companies does not cover damages due to political violence, terrorism and protest action. Reasons provided for this current situation is the fact that the political risk investment insurance market is not in a good state, the stand-alone terrorism insurance

market has grown dramatically since 9/11 and is further fuelled by the decision of general insurers and reinsurers to exclude terrorism from their general insurance policies. In an attempt to provide solutions to this challenge the following should be considered (Berry in Moran et al, 2008:13).

Emerging markets, as is the case with the majority of states in Africa, cannot separate terrorism from war risk and or political risk; insurance brokers may never consider effective terrorism insurance within their general insurance policies; based on the definition of terrorism – which is a challenge on its own – the wording should focus on the elements of the act in order to ensure effective cover for insurance against terrorism; lastly, the insurance industry should consider specialist in the terrorism field to assist with the accommodation of terrorist insurance for assets in the emerging markets and state infrastructure (Berry in Moran et la (2008:26).

Substantial structures need to be put in place for states to be able to consolidate resolutions of security problems. The success on resolving that problem depends on the problem structure, meaning the way the problem is constituted, have a major impact on how the problem will be addressed and resolved. The role of power as a determinant of regime effectiveness is complex and contested, especially if we construe power to encompass soft as well as hard power, cognitive as well as structural power, and issue-specific as well as general power.

This is demonstrated by ISIS in that it possesses its own means of income generation and financing. So far the US and its allies are losing the war against ISIS with a deterioration of the geopolitical situation in the affected regions. For as long as ISIS holds territory, the more plausible is its caliphate and its accompanying political, ideological, social and economical pretensions become (Liang, 2015:79).

Critics of regime analysis have sometimes dismissed institutions as epiphenomena that reflect underlying distributions of power and that change as these distributions shift. The study of regimes sometimes seem to ignore or at least, marginalize the role of power as a determinant of the capacity of these arrangements to solve problems.

How can we come to terms with these diverging perspectives on the role of power?

Regimes are embedded in overarching political orders, and they reflect the general principles of political discourses dominant at the time of their creation. However, this finding does not mean that they are of no significance in their own right, especially when treated as intervening forces that form links between the underlying drivers of human behaviour and the outcomes flowing from human-environment interactions. What we need to know here is how to think about the role of power as a driving force in world affairs that does not blind us to the significance of other forces.

Participation versus depth also plays a critical role in the participants of regime change. Some state participate for the sake of compliance, while other states focus on fairness and legitimacy in the implementation of programs and policies. Despite the finding reported in the preceding section, there is substantial variation in the views that analysts have expressed regarding the roles of fairness and legitimacy as determinants of the effectiveness of international regimes. This divergence is not peculiar to the analysis of governance systems or regimes. It mirrors a larger and ongoing debate about the role of normative considerations as driving forces in global society. We do not need to resolve this overarching debate in analysing the effectiveness of international regimes. This depends largely on the policy instruments that are being used to support implementation.

Interplay management is a new concept and phenomenon. Institutional interplay is on the rise. Whatever the attractions of creating comprehensive and integrated governance systems to address security problems like terrorism, human trafficking and other transnational crimes, we must prepare for a world that features rising levels of interplay between and among distinct regimes.

This adds to the nonlinearity of some state. This refers to a regime that changes too readily and therefore, lacks resilience and cannot be effective. However, a regime that is too rigid in the sense that it is unresponsive to major changes in the socioecological environment will be vulnerable to forces leading to institutional collapse in a world in which nonlinear changes are common. The scale, in this context, is a matter of the generalisability of findings regarding the effectiveness of governance systems across levels of social organisation.

However, governments, faced with extremist threats tend to respond by restricting these activities in the name of restoring order – often with counterproductive effects. He cites the decision by the Tunisian government to shut down 80 mosques shortly after the attack on Sousse. “It will likely feed perceptions of grievance and push militants to operate underground,” says Dr Nouredine Jebnoun, a Professor of North Africa Studies at the Africa Center.

The literature in the field of financing of terrorism clearly indicated that money laundering and the financing of terrorism became a global problem that does not just threaten the destabilisation of the global financial system, but will also directly or indirectly affect the economic prosperity of nations. The need for building effective regimes and cooperation with other nations in the combatting of money laundering and the financing of terrorism is increasingly becoming a factor that countries cannot ignore. The effectiveness of Anti-Money Laundering/Counter Financing of Terrorism is highly

depending on strong regimes and stakeholders with strong partnerships (McDowell, 2004:1).

These stakeholders includes policymakers, judicial authorities, law enforcement agencies, financial intelligence units, financial regulatory and supervisory authorities, financial institutions, non-bank financial institutions, international and regional organisations, oversight agencies and financial institutions have a critical role to play in these efforts. In an attempt to coordinate these efforts, the FATF had a number of recommendations suggested to expand the scope of covered institutions, professions and predicated offences. These recommendations incorporated CFT preventative measures and international cooperation. The toughest challenge for government officials and financial institutions remained is to work closely together to comply with the international standards (McDowell, 2004:1).

But who set or determine these standards?

The importance of strengthening the consultative and collaborative process is very important and this resulted into a series of policy dialogues between selective stakeholders. These dialogues provided a platform where they could share experiences from developing, implementing and supervising AML/CFT regimes, with a specific emphasises on the importance of effective consultative mechanism between the public and the private sector to build and maintain a solid AML/CFT regime. McDowell (2004:2) makes an assumption that strong public-private partnerships and increased dialogue improves decision making, especially when authorities understand local conditions and circumstances and the private sector grasps the AML/CFT regime's implementation requirements. This dialogue presented a unique opportunity to identify ten lessons learned about private-public partnerships.

Additional to the above Chatain et al (2009:25) highlights that it is in their efforts to combat money laundering and terrorism financing that banks can

approach the management of risks either from an individual bank perspective or the perspective of the person who supervises the processes within the systems of the bank. The specific risks that banks that are inherent in money laundering and terrorist financing are compliance and legal aspects, reputation, operational and transactional risks, strategic risk and liquidity. In many cases these risks are intertwined. A risk assessment remain a crucial instrument in the risk management processes of which the first step is to understand the main types of criminal activity likely to generate proceeds that could be a subject of money laundering. Furthermore, it is important to identify these processes and activities in different locations and circumstances, as they may differ from bank to bank, neighbouring countries with similar products and services, customers and locations. Vulnerable areas are products, services, customers (both natural and legal) and geographical location (Chatain et al (2009:25).

The lessons learned were found to be important for actors to display commitment and political will, establish a national coordinating group, establish an implementation working group, issue clear rules, regulations and guidance notes, launch public awareness campaigns, build trust, develop consultative forums, forge public-private partnerships with Financial Intelligence Units and reporting entities, develop a feedback mechanism and lastly, establish an ongoing training facility for both public and private sectors to ensure that the mechanisms that has been out in place stays in place, therefore ensuring continuity. This set of best practices is intended to accomplish and help jurisdictions develop and implement domestic systems that are compatible with international AML/CFT standards, to serve as a benchmark when countries develop internal consultative processes and lastly, to guide the efforts of the public and private sectors to build stronger AML/CFT regimes. As much as these elements are essential in strengthening

an AML/CFT regime, they will not be sufficient by themselves McDowell (2004:3).

When looking at the strides that have been made on the African continent, it is impossible to do research on the combating of the financing of terrorism without referring to the case of Egypt. Egypt is arguably one of the countries on the continent with the most significant progress with regards to formulating and implementing counter measures. This country established a history of policies and operational procedures to address terrorism. The implementation of counter measures related to the financing of terrorism is supported by a comprehensive and effective structure of domestic and international coordination. The Ministries of Foreign Affairs, Interior, The Central Bank of Egypt and Public Protector's Office are all organs that form a united front against this phenomenon and implementing the different strategies (Country of Origin Information Report, 2009:24).

In the view of this threat, extensive powers were given to the above departments in an attempt to deal with money-laundering, drug-trafficking, weapons of mass destruction, the trafficking of humans and human organs, illegal trafficking and trading of antiquities and forgery link to immigration purposes. Crimes related to weapon trading showed a sharp decline since 2005, which can be assigned to sterner transnational restrictions. Another factor can also be assigned the fact that terrorist groups does not travel with weapons, but recruit members in countries where they want to launch attacks. This makes it easier on the part of the terrorist group to obtain weapons and explosives, because they need not to cross borders with it, but obtain it in the country where the attack will take place (Country of Origin Information Report, 2009:24). Corruption, bribery, theft and the misappropriation of funds are well on the increase and this can also be assigned to the financing of terrorism, as it is relatively easier to send money around than weapons or explosives.

Establishing inclusive governance processes that create trust between government institutions and citizens should be a key piece in combating violent extremism explains Hussein Solomon. “You cannot fix the problem of terrorism without fixing the state,” he suggests. “A new social contract needs to be established between the political leader and citizens, one that includes and respects ethnic and religious diversities and where citizens feel that they belong to the nation. However, African political elites thus far have resisted this. What then emerges is a corrupt and predatory state which creates more cleavages in society than it can ameliorate. This creates an environment for radical organizations to take root as happened in Nigeria, Northern Mali, and Somalia” (Solomon, 2013:3). Addressing these fundamental weaknesses of the African state should be viewed by international and African partners as vital to national as well as international security, he argues (Solomon, 2013:3).

Liang (2015:79) mention that the way the international community need to respond to these challenges should be based on three pillars: military, markets and messaging. Even though the military has an important role to play, it is quite evident that these techniques are not effective. Air campaigns is having limited effects and the drone campaign is reported to create multiple civilian casualties that actually continue to help terrorist recruiting new fighters. Markets need to be destroyed in order to address the ability to generate funds. A simple principle of demand and supply. Due to the mafia element in the structures of terrorist groups, it simply allows for messages to be send back and forth without the risk of being identified, due to coding and propaganda.

Changes are also required in the way military operations are carried out. Nigeria’s heavy-handed approach to dealing with Boko Haram contributed to radicalizing the group over time. It started out in 2002 as a religious sect but as time went on it clashed frequently with police. The tipping point came in 2009 after a violent encounter with police triggered five days of riots in Bauchi, later spreading to Borno, Yobe, and Kano states. These ended after

its founder was captured and killed in police custody. The group went into hiding, emerging several months later as an armed insurgency. A lot can be learned from this experience explains Sodipo (2015): “For security operations to be more effective, government forces should invest in building credibility and gaining trust among local communities.”

This is also concurred by Liang (2015:79), that some of these measures seem to be working. As much as the countering of finances have limit the operations of some of these terrorist groups, it has also empower them to think about alternative ways to finance their activities.

Terrorism can only be stopped if there is a whole-of-society holistic approach to counter radicalisation, including not only governments, but political parties, civil society and especially community and religious leaders. On an international level the different organisation like the AU and the UN need to re-assess the link between insurgency and counter efforts, in order to ensure that on a local level a firm politico-military foundation is established before any large scale counter measures is attempted; strategic bases should be established with an emphasis on rural as well as urban areas included, the population need to be mobilised in support of the government’s counter measures; an effective administration with the focus on the welfare of the people must be establish to ensure transparency; active participation from all stakeholders and should specifically focus on elements that may oppose the initiatives; a national program should be developed for the future of the country and that should be backed by the required resources in order to ensure that no external funders influence the objectives of the country (McCuen, 1996:3) This is also supported by the UNSC resolution 2178, which helps to mobilise the international community to design better solutions to counter violent extremism, of which terrorism is part of.

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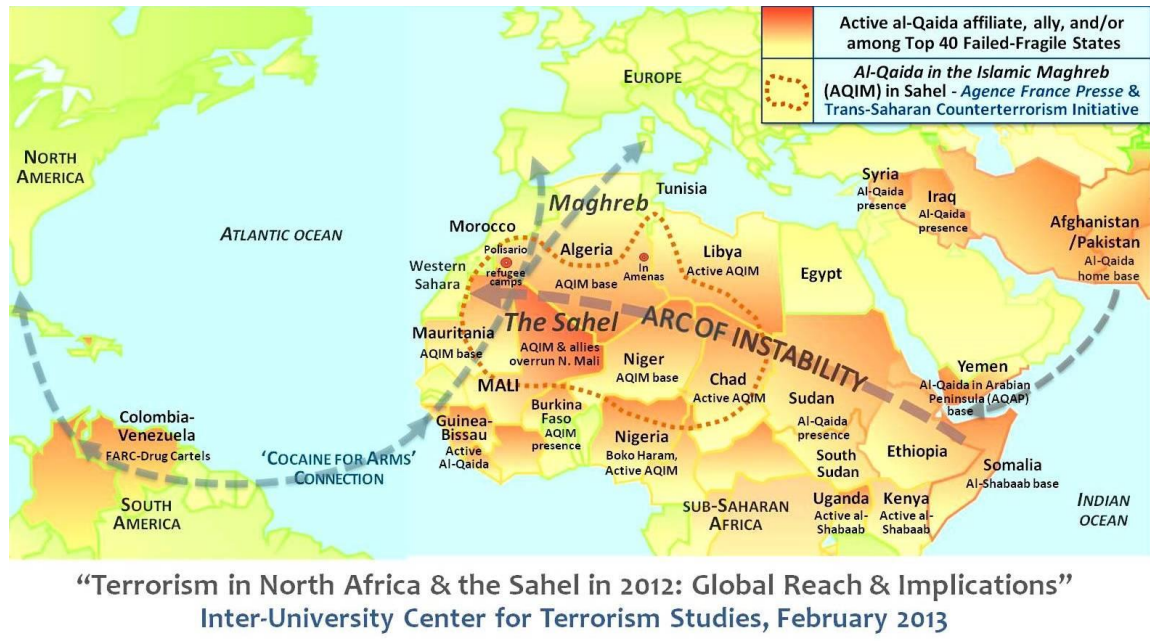
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Appendices A: Maps

Figure 1: *Terrorism in North Africa & Sahel in 2012: Global Research and implications*



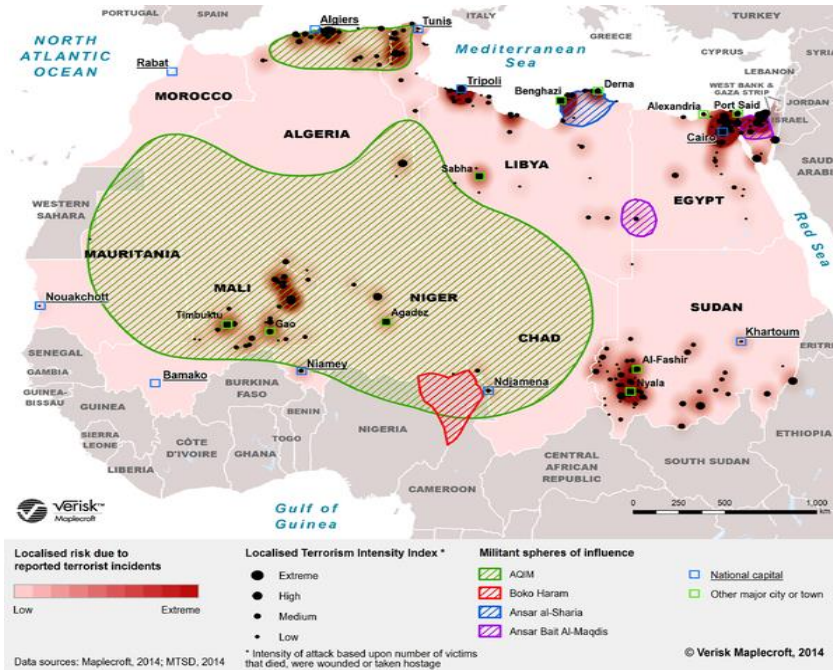
Source: moroccoonthemove.com

Figure 2: *Challenges to US Diplomacy: Dealing with Terrorism and Instability in the Horn of Africa- Strategic Thinking on East Africa*



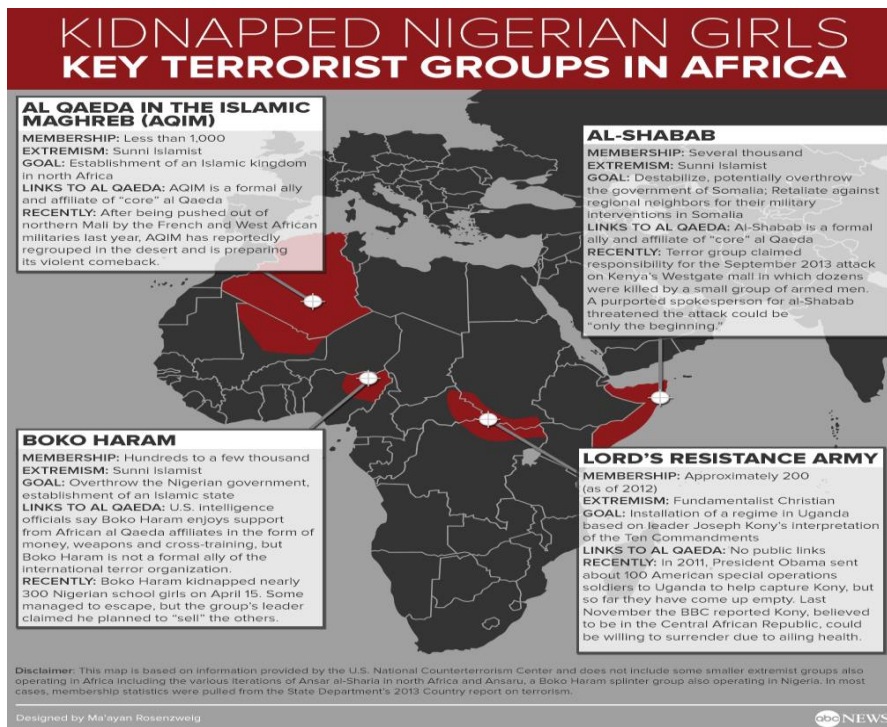
Source: Australian Department of Foreign Affairs and Trade

Figure 3: Militant Spheres of Influence



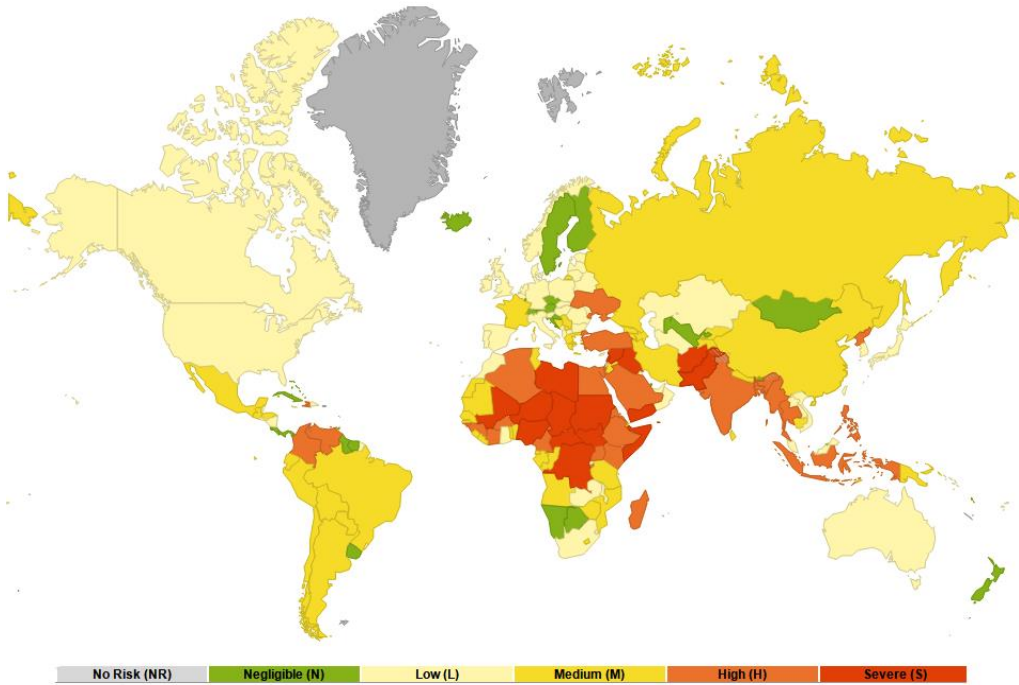
Source: Maplecroft, 2014

Figure 4: Key Terrorist Groups in Africa



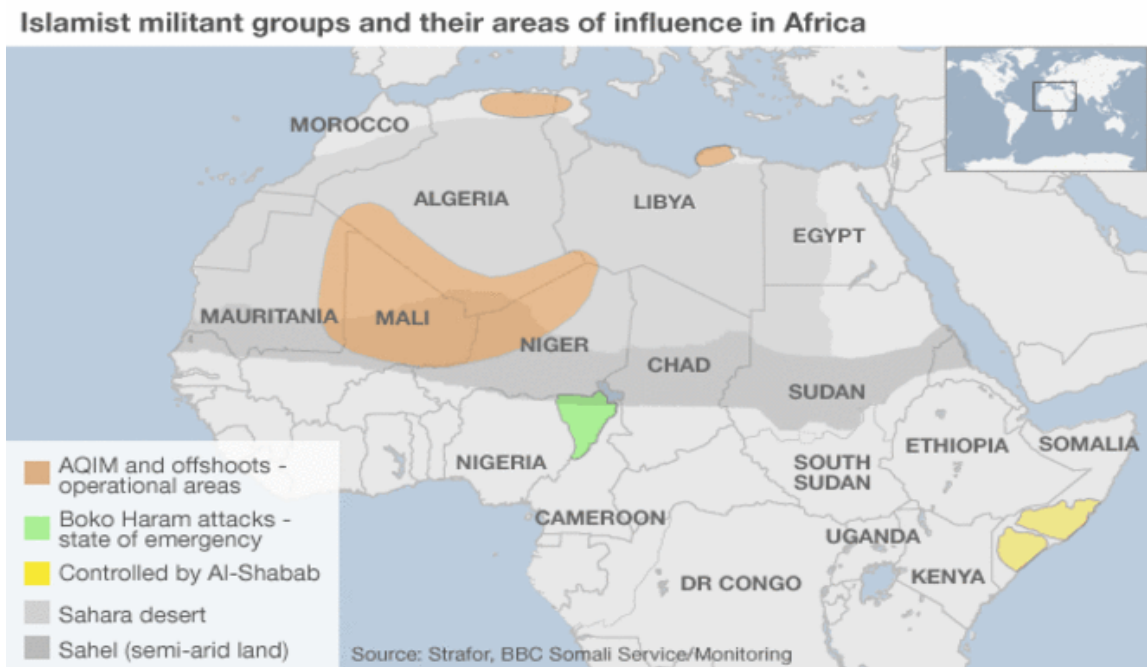
Source: abcnews.uk.com

Figure 5: *Global Terrorist Hotspots Mapped (2014)*



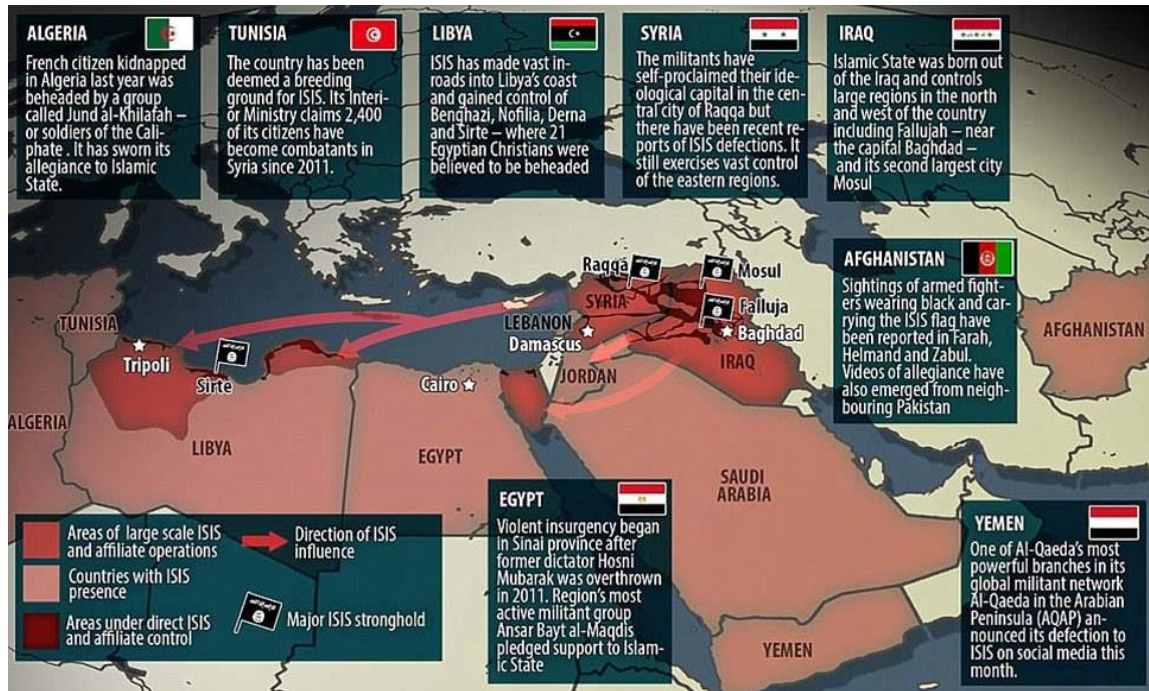
Source: www.businessstech.co.za

Figure 6: *Islamist Militant Groups and their areas of influence in Africa*



Source: *Strafor, BBC Somali Service/Monitoring*

Figure 7: Growth of Terror: Since its formation as the Islamic State of Iraq and Syria in 2-13, it has conquered regions of Iraq, Syria and recently Libya



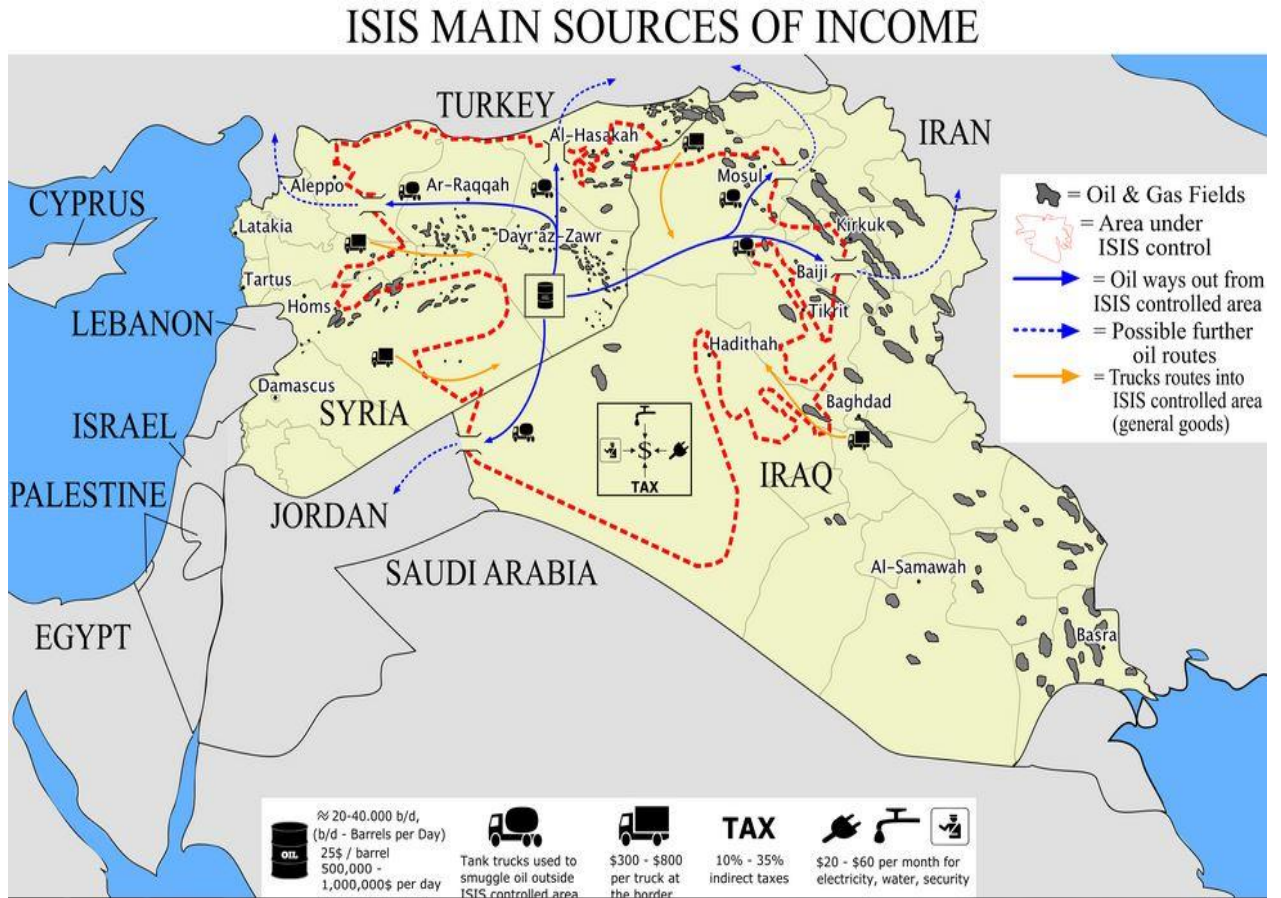
Source: www.dailymail.co.uk

Figure 8: Islamist factions active in Africa



Source: Mfa.gov.il

Figure 9: ISIS main source of income

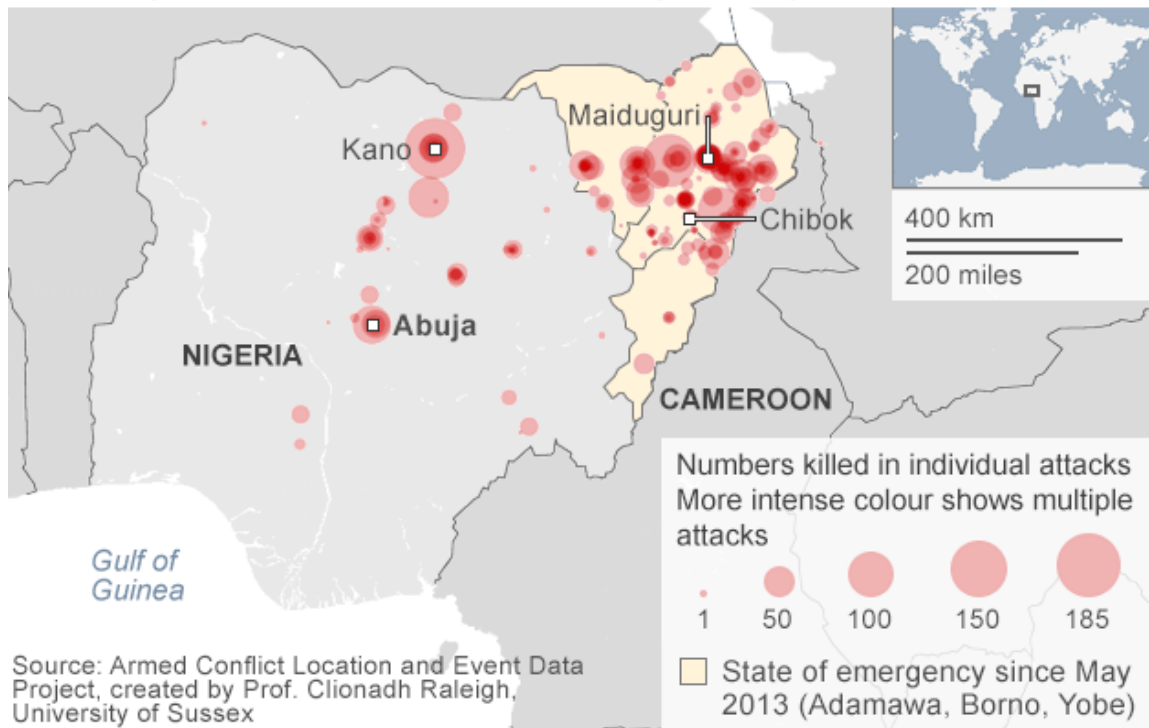


Source: moneyjihad.wordpress.com: Islamic State money pipelines

Figure 10: *Boko Haram fatal attacks*

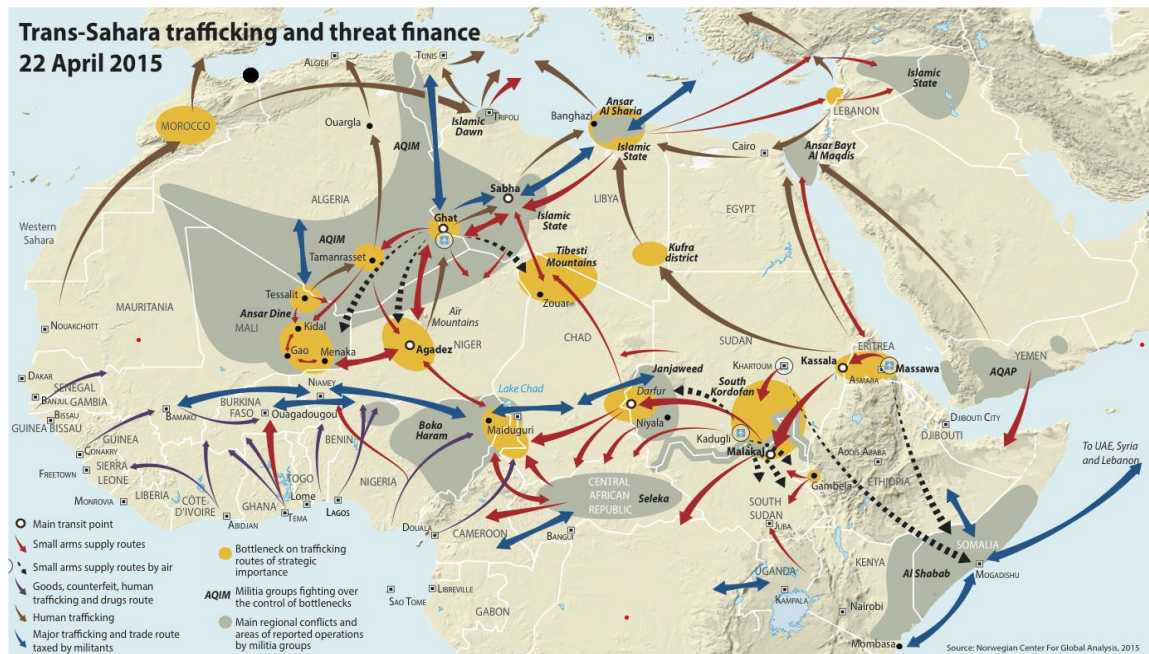
Boko Haram fatal attacks

Civilians reported killed in Boko Haram attacks Sep 2010 - Apr 2014



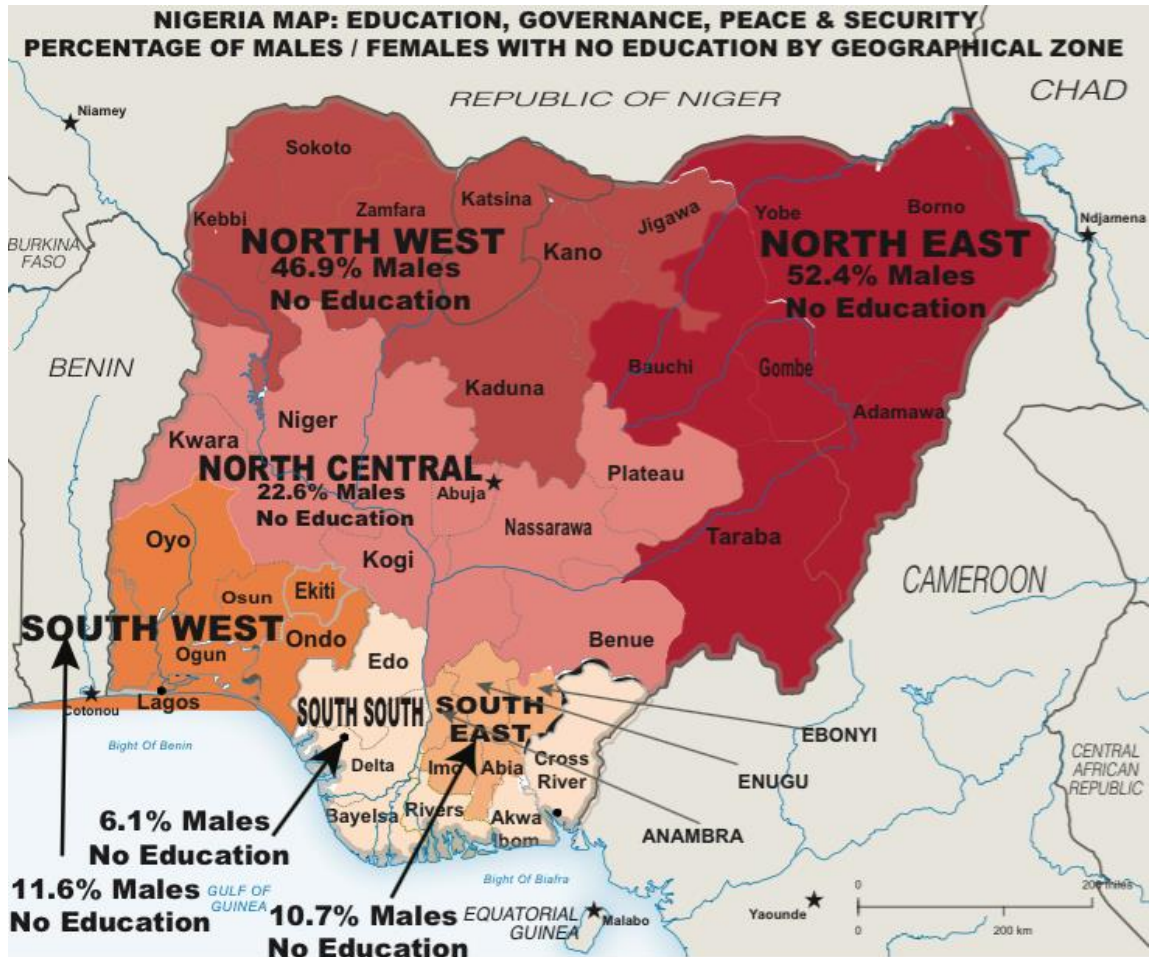
Source: Armed Conflict Location and Event Data Project

Figure 11: *Trans-Sahara trafficking and threat finance-22 April 2015*



Source: Norwegian Center for Global Analysis, 2015

Figure 12: Nigerian Map: Education, Governance, Peace and Security



MALE		FEMALE	
■	NORTH EAST (52.4% Males - No Education)	■	NORTH WEST (62.8% Females - No Education)
■	NORTH WEST (46.9% Males - No Education)	■	NORTH EAST (61.1% Females - No Education)
■	NORTH CENTRAL (22.6% Males - No Education)	■	NORTH CENTRAL (38.0% Females - No Education)
■	SOUTH WEST (11.6% Males - No Education)	■	SOUTH EAST (18.7% Females - No Education)
■	SOUTH EAST (10.7% Males - No Education)	■	SOUTH WEST (17.1% Females - No Education)
■	SOUTH SOUTH (6.1% Males - No Education)	■	SOUTH SOUTH (13.0% Females - No Education)

AFRI-DEV.INFO 2015

Source: Afri-Dev.Info 2015