

**Terrorism financing as a threat to national Security and Development  
in Africa- The Nigeria scenario**

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**Abstract**

*This paper investigates the cause of terrorism financing and its impact on development in Africa with focus on Nigeria. There exists a notion among terrorist that they can conquer and control the world from their own perspective. The notion calls for more power by the so-called terrorist organisations. The interrogation of this paper is: who is financing this organization and how? From this premise and using descriptive phenomenological method and review approach, the paper discovered that the two most viable sources of terrorism financing in Nigeria and Africa are the state-led-sponsorship and the private-led-sponsorship. Again, the study also affirms that illegitimate and illegal sources of finances to terrorist constitute substantial modus operandi of terrorist fund raising strategies. The paper conclude that the national and economic developments in Nigeria and Africa are seemingly compromised. The challenges of insecurity and national development have become an unholy marriage of inconveniences. Thus, the paper strongly recommends stopping the money from entering into the cell of a terrorist as one of the best approaches in fighting terrorism in Africa.*

**Keywords:** *Terrorism, Finance, Human Security, Economy, National development, Nigeria*

**Introduction**

Today, terrorism financing has remained a major security threat to national peace in Africa. The act of financing terrorist groups in Africa constitutes the greatest defy of terrorism halt in the African continent. In this day and age, the supreme exchange of blows of political, economic and national developments in Africa is the pervasive widespread of a terrorist group in the region. Unarguably, terrorism financing cum terrorist attacks remain the greatest human security threats and a foremost threat to national development in Africa. At the center of this human security threats, brutality and inhumanity to humanity in Africa are the combined ill activities of terrorist groups, insurgency, religious crisis, political crisis, armed conflict, and land-related war. Terrorism is the worst of all. The frequency and the nature of terrorist attacks in Africa are clear evidence of the increasing security threats and increased sophistication of the terrorist monsters.

Execution of terrorist attack is expensive, hence the reason for adequate financing. For instance, the terrorist attack of the World Trade Center and Pentagon 2011 in America cost \$303,672 - \$500,00 to execute; the Embassy bombing in Kenya cost \$50,000. Again, according to an estimate by the national terrorist financial investigation unit of the New Scotland Yard, UK, the subway bombings in London, cost \$12,543 and the bombings of the Nightclubs, Bali, Indonesia by terrorist groups also cost \$50,000. More so, see table 1. Other scholars argue that it does not matter the huge amount of money involved in executing terrorist attacks, since the actual amount of money involved in their operation can be relatively small but the dangerous impact of the attack can be huge and unbearable (Acharya, 2009, Carbonara, 2001 and Pieth, 2006).

**Table 1: Terrorist attacks and cost involved**

S/N	Major terrorist attacks	Date	The cost involved (est)
1	Bishopsgate Church Bombing London the UK	April 1993	\$5,500
2	Embassies bombings Tanzania & Kenya	1998	\$50,000
3	USS Cole attack, Yemen	October 12/2000	\$10,000
4	World Trade Centre and Pentagon, USA	Sep. 11/2001	\$303672-500000
5	Bombings of Night Club, Bali, Indonesia	Oct. 12/2002	\$50,000
6	J.N.Mariot Hotel Bombing, Indonesia	Aug. 5/2003	\$30,000
7	Truck-bomb attacks, Istanbul, Turkey	Nov.15&20, 2003	\$40,000
8	Train bombing, Madrid, Spain	March 11/2004	\$10,000
9	Subway bombings, London, UK	July 7/2005	\$12,543
10	UN House bombing, Abuja, Nigeria	2012	\$13,000
11	Eagle square bombing, Abuja, Nigeria		\$10,000

**Source:** Acharya, 2009, with modification by the authors

The global perception of terrorism financing is the view that small amount brings big bash. With such perception, any amount of money prevented from entering the cell of the terrorist group becomes significant. The post-September 2001 bombing initiative with the objective of terrorism financing submits that the strategy of going after the money for the purpose to weaken the operational capacity of terrorist has remained on course.

Thence, the purpose of this study is to delineate and illustrate the ill practice of funding terrorist attack and terrorist organization. In the views of the World Bank and IMF (2006), terrorism financing is described as “the financial support in any form of terrorism or those who encourage, plan or engage in it”. On a general note, the act of financing terrorism begins with legitimate money usually with legitimate sources. It moves from this legitimate process to the hands of terrorist to sustain their infrastructure and fund attacks (Simser, 2011). Terrorism financing has many motivations but peace is not one of them. Over the years, many attempts have been made to investigate the scope of terrorism financing because of the huge amount of

money usually spent in one attack by terrorist groups (Schott, 2006; Biagioli, 2008; Zdanowicz, 2009; Walker and Unger, 2009; Unger *et al*, 2006 and Unger 2007).

In addition to the economic losses through the financing of terrorist groups, many lives and property have been destroyed in Nigeria and Africa in general. For instance, Mavin (2008) cited in Simser (2011) reported that about 200 million people working and living outside their home together in one place could be world's fourth most populous country are displaced by a terrorist. The lethal killings and destruction of property no doubt have negatively and adversely affected National development in Africa. In Nigeria and other parts of African countries, many business investments have collapsed, just as many foreign investors have withdrawn their investment. The national government attentions have been diverted to the insecurity challenges. As a matter of fact, national development, economic progress, and national peace are perhaps compromised. It is against this background that this study is motivated to investigate the sources, the types and methods of terrorism financing in Africa with special attention to Nigeria as a reference point. To be able to understand the terrorism financing, the paper will highlight some causes of terrorism which are appetizers to its financing.

### **Some causes of terrorism**

According to Krieger & Meierrieks (2011:6), economic frustrations create a space for terrorism activities because the poor tend to be frustrated because of being excluded from economic stature of the communities they live in, thence they are easy targets for recruitment to fight the government of the day. They are promised a better life. Political vacuum and instability contribute to the establishment of terrorism because when leadership is lacking, there is a possibility of someone taking over and that space is utilised by terror groups to create a security and a sense of militancy to fight the weak government.

Kreiger and Meierrieks (2011:8) further highlight that unfair practices or oppression can contribute to terrorism. This is exacerbated by the globalisation which tends to change people's identity and impose new identity and worldview. This is viewed as oppression and terrorism want to liberate people from the slavery of the minds and give them the freedom to live the way they wish. Kreiger and Meierrieks argues that;

If individuals are incited by an existing global order that is perceived as 'unfair', it should be easier for terrorist organizations to find support by building on related grievances in the source countries of terrorism. However, the targets of terrorism may also be chosen in response to the existing global order, especially if this order is perceived as 'unjust' from the perpetrators' perspective. For instance, a conflict between a government and an opposing group may be exported to a foreign ally of the government. Terrorism may also be used as a foreign policy tool to fight antagonistic worldviews, e.g., as observed during the Cold War.

Religion is another factor that causes terrorism. There exist a tendency that people who are leaders or claim to be leaders want to follow and they prefer total obedience and that necessitates that their followers follow a strict pattern. That pattern is enforced by religion. Zalman (2018) refers to the 1990 when there was a number of attacks in the name of religion. He refers to the Islamic martyrs. Career terrorism experts began to argue that a new form of terrorism was on the rise, with concepts such as martyrdom and Armageddon seen as particularly dangerous. However, as thoughtful studies and commentators have repeatedly pointed out, such groups selectively interpret and exploit religious concepts and texts to support terrorism. Religions themselves do not "cause" terrorism.

From the cases mentioned the paper is opinionated that in order to wage such a war or such an initiative one needs finance. The other factor which is evident in the causes is the take-over and the mental indoctrination by exploiting the poor, marginalized who are eager to have leadership. But due

to that vacuum, terrorism invades the space and install itself as a legitimate liberator. To sustain the takeover and to implement it one needs finance and alibis thence terrorism is being financed.

### **The concept of terrorism financing**

Most of the attempts in the conceptualization of terrorism financing are deeply connected to the terrorism. In its simplest form, Financial Action Task Force(2015) opines that terrorism financing “involves the financing of terroristactivities and of a terrorist organization.” Additionally, Fidis (2004) argues that terrorism financing refers to “processing of funds to sponsor or facilitate terrorist activity.”

In an attempt to factually link terrorism with terrorism financing due to its twin nature, Richard Belts, the director of the Institute of war and peace studies, Columbia University raised the following questions: “everyone uses the term terrorism, but who really understand it? What is precisely terrorism? What causes it? Who engages in it? Should terrorists be identified according to intentions, ideologies, tactics or targets? When is violence justified so that it is not terrorism? How can one distinguish morally culpable terrorists from legitimate guerillas, insurgents, counter-terrorists, or freedom fighters? Does terrorism include threats of violence as well as actual acts of violence? What is it to be an innocent victim of terrorism? Is it rational to speak of the human terrorism against the animal world? Does terrorism involve a sudden, singular, direct dramatic action such as a bomb strike or can it also include an economic or political policy that unfolds slowly, indirectly, yet devastating? Can there be terrorism against ministry target or only against civilian and noncombatants? In the same attempt to link terrorism with terrorism financing, the UN convention for the suppression of the financing terrorism, article 2 posits that:

Any person commits an offence within the meaning of this convention if that person by any means, directly or indirectly, unlawfully and willfully, provides or collects funds with the intention that they should

be used or in the knowledge that they are to be used in full or in parts, in order to carry out (a) An act which constitutes an offense within the scope of and as defined in one of the treaties listed in the annex; or (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population or to compel a government or an international organization to do or to abstain from doing any act.

The above similitude makes a broad link between terrorism financing with terrorism. In this line of thought, UN convention of 1994, further state terrorism is an act of “criminal acts intended to provoke a state of terrorism in the general public, a group of persons or persons for political purposes are in any circumstance unjustifiable, whatever the considerations of a political philosophical, ideological, racial, ethnic, religious or any other nature that may be invoked to justify them”. Although, the UN member states have not yet agreed upon the general definition of terrorism itself, due to its multifaceted nature, and this fact has remained a big obstacle to meaningful international countermeasures to terrorism financing; the terminological consensus on terrorism even though necessary for single comprehensive convention on terrorism but is not the primary goal of this study. However, reference is made to it for the purpose of superior appreciation of the concept of terrorism financing.

Consequently, with reference to the definition of terrorism financing offered, it is factual to point out that terrorists and or terrorist groups as an organized criminal association maintain and build litany of organs and infrastructure to facilitate the development of fundraising and channels of sources of funding to the financiers. The illegal means of terrorism financing usually result in terrorist financiers to disguise the illegal funds so as to protect organizations responsible for such sponsorship. It is these extraordinary arrangements in terrorism financing that make it somewhat different from the traditional money laundering from the financial intelligent or investigation point of view.

## **Terrorism Financing Sources and Typologies**

There is no contradiction in the extant literature on the consensus that terrorist groups strive by every standard to ensure that their financial needs and requirements are met. Though terrorists have diverse sources of finance, the sources depend on the type and ideology of the groups, capacity, and capabilities, opportunities at their disposal and the nature of resources involved or needed. The sources of terrorism financing present itself in two dimensions. From the pedagogical inquiries, it is argued whether state-led terrorism financing is the leading financiers or the private-led sponsorship is the leading financial sponsors. On whether it is state-led sponsorship or private-led sponsorship, Banktekas and Nush (2007) argue that terrorist and terrorist financiers source their funds through both legitimate and illegitimate means.

Outside the two major lead sponsors of terrorism, terrorist also sources their funds from other sources depending on the type of terrorist group and the opportunities before them. For instance, other sources of terrorist financing are:

(a) Self-financing (b) Individuals and Companies (c) Donations (d) Nongovernment organizations and charity based organization (e) Investment and legitimate businesses.

**(a) Self-financing:** Terrorist can source funds through the means of compulsory levy that may be imposed by the group on themselves. This form of finance comes from individual members' contribution to the group. They can also source fund through self-financing by soliciting fund from the parent organ of the group who serves as the general oversea of the affairs and activities of the small terrorist groups-operating at the country level.

**(b) Donations:** Donations are a substantial source of finance to terrorist groups all over the world. According to Victori (2011:38), 'donations to terrorist groups come from wealthy individual donors and it is the commonest means of terrorism funding'. The donors often directly make



“huge sums” of money to terrorist. Some of the individual donors generously donate the money due to religious affiliations or obligations while some are international Diasporas donor. Most of the direct or indirect donors provide the funds to the terrorist group for various motives and purpose. According to Financial Action Task Force (2008: 11), ‘terrorist donated funds are usually collected through charity organizations that have a global presence that provides a framework for international operations’. These charities are not usually subjected to stringent regulation by financial institutions because they enjoy public trust.

Terrorist groups abuse charity organization. For instance, the terrorist organization uses charity based organization such as “Sham charity” to perpetrate frauds against donors to raise funds in disguise and in some case diverts funds from huge donation in the guise of humanitarian services. For example, according to the Financial Action Task Force (2008), “the Chief Executive Officer of the Benevolence International Foundation, an Illinois-based charity based in the United States of America was convicted of diverting of US\$315,000 of charitable donations to terrorist groups.

**(c) Non-Governmental Organizations (NGOs):** Some NGO can also be a veritable source of terrorism financing because they provide facilitates for a terrorist to strive in fundraising. Such facilities according to Victori (2011) include shippingaddress, housing, employment; identity cards recognized the location in a particular state. An example of NGOs as a source of funding was emphatically noticed by the confession of a member of Al-Qaeda who admitted that he “received identification cards from the Kenya-based Mercy International Relief Organization as they plotted the 1998 embassy bombings” (Stern, 2003: 273). Another example of where NGOs can facilitate terrorist fundraising is through NGOs bank accounts and by means of collecting funds and transferring such money to any part of the world where they are required by the terrorist groups. Thus, the non-governmental organization performscurtail functions as the source of terrorism financing in Africa.

**(d) Investment in business:** Additionally, some terrorist usually engages in legitimate business for the purpose of raising funds for terrorist activities. Due to the complex nature of business ventures, the terrorist would start up domestic business and use the proceeds of the business for terrorism financing. Terrorist groups can also legitimately “invest in stocks, bonds, real estate, construction companies, honey shops, tanneries, banks, agricultural commodity growers and brokers, trade business, bakeries, restaurants and bookstores” (Tofangsza, 2015:116). For instance, evidence abounds where a notorious and international acclaimed terrorist group such as Al-Qaeda invested in many businesses like the ‘real estate, wood, and paper industries in Norway and hospital equipment in Sweden’ among others (JaCquard, 2002: 128).

In such business, the terrorist groups keep on investing in the business because it gives a wide link to front line companies that perhaps provide them with international facilities and access to bank account and official postal address. Again, such investment offers protection to the terrorist in the “purchase and acquisition of explosive and chemical” required for terrorist attacks (Reeve, 1999: 178).

All these sources discussed above are legitimate sources of funds to the terrorist group. The illegitimate or illegal sources of finances to terrorist groups are drug trafficking, narcotics, organized crimes, extortion and intimidations, kidnapping, robbery, contraband cigarettes, counterfeit, frauds, smuggling, racketeering, drug, and arms trafficking, among others.

Amongst all, drug and arms trafficking is the most attractive and lucrative illegal sources of financing terrorist groups. The drug trafficking is a phenomenon called “Narcoterrorism” and it means the act of illegal business of cultivating, refining and distribution of narcotic drugs to various part of the world (Vittori 2011).

According to Berry and Library of Congress (2002), the Revolutionary Armed Force of Colombia, the Peruvian Shining Path, Taliban, Al-Qaeda

and Islamic Movement of Uzbekistan is the major user of the drug as the major source of terrorist financing. Additionally, in 2007 alone, it was reported that Afghanistan exported drug valued at USD 4 billion among insurgents, warlords and drug traffickers (Vittori, 2011: 36). Specifically, at the moment, the current illegal wave of terrorist finance in the West is through Politically Exposed Persons (PEPs). See as well appendix 5.

In addition to the various terrorism sources discussed above, other typologies of terrorism financing are:

- i. Terrorist financing through begging: this is done by arms collection by the vulnerable person sent by the terrorist groups.
- ii. Terrorist financing through extortion by means of intimidation.
- iii. Terrorist financing through execution of works by construction companies.
- iv. Terrorist financing through Politically Exposed Persons (PEPs).
- v. Terrorist financing through alternative transfer system, particularly *hawala*. See appendix 6 for *hawala* transactions.

### **Transcript of terrorist attacks in Africa and its consequences on National development**

As earlier stated in this paper, the number of people displaced globally by terrorist attacks apart from the number of persons killed is equivalent to the fourth most populous country in the world. From the global point of view, Iraq is the world leader in terrorism attacks with 10.00 score according to the 2015 global terrorism index (GTI). The terrorist group operating in Iraq is called ISIL, the second most deadly terrorist after Boko Haram. It is alarming that over a decade, the world (Africa inclusive) has remained fixated over the rising threats of the Islamic State (ISIL) “the richest and the most violent terrorist group in the modern history” (Liang, 2015); gathering its extremist fighters from around the globe to support its goal of establishing a “lasting and expanding caliphate. ISIL has eclipsed all other terrorist groups on the

world stage by transforming terror from a regional to global security threats. ISIL is regarded as ISIS or Daesh or the Islamic state.

The number of killings attributed to ISIL in Iraq alone is highest ever recorded in the single country. ISIL has over 9,929 deaths records and an average annual increase of 55% deaths records (GTI, 2015). This is followed by Afghanistan with 9.233 scores of global terrorism index from the same global point of view.

In Africa, Nigeria is leading interterrorist attacks and incidents. In the global ranking, Nigeria is ranked 3<sup>rd</sup> after Iraq and Afghanistan in first and second position respectively while Nigeria is ranked first in African context with 9.213 GTI score. Nigeria is greatly afflicted from terrorism devastation. Nigeria hosts the most deadly terrorist groups in the world since 2014 when Boko Haram made their highest killing in Nigeria and other African countries; such Cameroon and Chad where they operate. Boko Haram has recorded 453 attacks, killing 6,644 persons as at 2015. Boko Haram has also injured a total 1,742 person within the period under review. Boko Haram group is also known as Jama'at Ahlas-Sunnah had-Da'wah wa'l-Jihad and recently it is recognized as Islamic State's West African Province (ISWAP). The escalated killings of the group became massive when the leader of the group Mohammad Yusuf declared violence campaign in Nigeria in 2009.

In 2010, the new leader of the group Abubaka Shekau declared jihad against the Nigerian government and the United States. Since then, Boko Haram has been struggling to establish an Islamic state in Nigeria and other African countries. To achieve their goal, Boko Haram has strongly integrated with al-Qaeda in the Islamic Maghreb (AQIM). Again they have also more currently interacted heavily with ISIL in military training, funding, and mechanism because in 2015 Boko Haram official pledged loyalty and allegiance to ISIL as they reorganized the leader- al-Baghdadi as their Caliph of Muslims. Since then, it became bad news as they doubled their attacks and number of killings in West Africa. After these mergers, bombing increased in three-fold in Nigeria and Africa. Surface it to say that between January 3<sup>rd</sup>

to January 7<sup>th</sup>, 2015, Boko Haram as reported by GTI killed 2000 people in one town-Baga in Borno State, in the Northeast part of Nigeria alone.

Still, within Africa, Somalia is ranking second in Africa, because of lethality of killings by Al-Shabaab. Al-Shabaab is as strong as Boko Haram in Nigeria. They are operating in three African countries namely – Somalia, Ethiopia, and Kenya just as Boko Haram is operating in three countries. Al-Shabaab as at 2015 has conducted over 496 attacks, killing 1021 person and left 850 people injured (GTI, 2015). The Al-Shabaab groups have vowed to create an Islamic state in Somalia. Al-Shabaab also was known as Harakat al-Shabaabal-Mujahideen is an al-Qa'eda loyalist with a home base in Djibouti town in Somalia. The biggest attack of Al-Shabaab as at 2015 was the paramilitary group-Raskamboni movement and the military forces of Jubaland which killed 91 persons and the 70 separate kidnapping/hostage attacks which resulted in 238 deaths.

Additionally, the Fulani militants as a terrorist group have conducted 154 attacks and killing 1229 person within Nigeria and the Central African Republic. This group has also injured over 395 people in addition to people displaced from their homes. As a terrorist group, Fulani-militants presence is clearly seen in seven Africa countries and their tribe comprises over 20 million people in Africa. In 2014 alone, Fulani militant is reported to have killed 1229 people with most of their attacks in six states in Nigeria. The Fulani militants' attack mostly targets farmer communities.

Though, the transcript of terrorist attacks and incidents is synoptic in this paper; it shows that out of five most deadly terrorist groups in the world, Africa alone hosts three and out this three, Nigeria hosts two. Therefore, these terrorist groups operating in African countries have currently put Africa in red alert as the terrorist desolate continent. See table 2 for a briefoverview of the African country's terrorism ranking outlook. Again, the African ranking can be easily compared with the global ranking in the appendix which shows Iraq as the world leader in terrorism.

**Table 2: African Country Ranking in Terrorism Attack**

Rank	Country	Score	Rank	Country	Score	Rank	Country	Score
1	Nigeria	<b>9.213</b>	18	Ethiopia	<b>3.544</b>	33	Republic of Congo	<b>0.823</b>
2	Somalia	<b>7.6</b>	19	Niger	<b>3.485</b>	34	Burkina Fasco	<b>0.305</b>
3	Libya	<b>7.29</b>	20	Senegal	<b>3.467</b>	35	Mauritania	<b>0.305</b>
4	Egypt	<b>6.813</b>	21	Burundi	<b>3.342</b>	36	Angola	<b>0.243</b>
5	Central African	<b>6.721</b>	22	Rwanda	<b>3.334</b>	37	Guinea – Bissau	<b>0.153</b>
6	South Sudan	<b>6.712</b>	23	Cote d’ivoire	<b>3.141</b>	38	Benin	<b>0</b>
7	Sudan	<b>6.662</b>	24	Djibouti	<b>2.567</b>	38	Gabon	<b>0</b>
8	Kenya	<b>6.66</b>	25	Madagascar	<b>2.444</b>	38	The Gambia	<b>0</b>
9	Dem. Rep. of Congo	<b>6.487</b>	26	Chad	<b>2.142</b>	38	Equatorial Guinea	<b>0</b>
10	Cameroon	<b>6.466</b>	27	Zimbabwe	<b>1.71</b>	38	Mauritius	<b>0</b>
11	Mali	<b>5.871</b>	28	Eritrea	<b>1.636</b>	38	Malawi	<b>0</b>
12	Uganda	<b>54.894</b>	29	Morocco	<b>1.446</b>	38	Namibia	<b>0</b>
13	Algeria	<b>4.75</b>	30	Ghana	<b>1.381</b>	38	Papua New Guinea	<b>0</b>
14	Mozambique	<b>4.386</b>	31	Liberia	<b>1.219</b>	38	Sierra Leone	<b>0</b>
15	South Africa	<b>4.21</b>	32	Guinea	<b>1.187</b>	38	Swaziland	<b>0</b>
16	Tanzania	<b>3.979</b>						
17	Tunisia	<b>3.697</b>						

Source: Extracted by the authors from the *Global Terrorism Index Report 2015*. See Appendix 3.

In the light of the above, the national development in Africa is seemingly compromised in the altar of terror. It has affected not only the national unity and peace but the very fabrics of the continent's economic growth and development. Most of the human and material resources in the continent are forcefully channeled to the burning battle between the terrorist groups and the military to an extent that national development is almost abandoned. For instance, in Somalia, the terrorist groups have forced the sovereign of the state out of the capital base-leading to the gradual relation of Somalia sit of authority to a nearby country, from where the government Somalia is run. In Nigerian case, for instance, most of the states in the Northwest part the country have fully devoted her full attention to the cause of getting the lasting solution for the lingering unity crisis in the zone. Maintenance of internally displaced persons who have turned refugee in their own country is a huge burden on the government. As a matter of fact, national development is negatively affected.

### **Funding at different levels and funding necessity of terrorist group**

Terrorist groups at different levels have various funding needs. The funding necessity of terrorist groups whether local-based or international-based terrorist is inevitable. A terrorist needs money/funds to finance local cells and carry out terrorist attacks. At different levels, terrorist groups require money to maintain networks of supports, communications, training facilities and "most importantly to underwrite the cost of local conflicts as al-Qaeda was doing in the Middle East, the South and Southeast Asia and in the Horn of Africa (Acharya, 2009). The basic different funding levels that have formed funding necessity for terrorist groups are as follows:

### **Training and organization of groups**

Terrorist groups need fund for the training of members. This is done for the establishment and organization of the groups. The need for funding in this respect is because of "command and control structure" of the terrorist organization. Gunaratna (2002) has noted, "how while in Afghanistan, Al-

Qaeda had an elaborate organizational structure with a number of committee and councils responsible for different aspects of the group's activities." Apart from the similar strong structure financed and maintained by Osama bin Laden in Sudan, when he returned to Afghanistan; the same kind of expensive network of training camps was set up by Al-Qaeda, funded and maintained with highly organized and administrative structures.

The kind of the structure requires a huge sum of money for funding at different levels. In fact, funding necessity of the terrorist groups is second to none with respect to the kind of terror architecture usually maintained by the terrorists. For instance, Gunaratna and Acharya (2005) argue that most of the training camps of terrorist groups are in the form of terror University because it spans a number of well-equipped facilities where hundreds of thousands of terrorist from all parts of the world gather to receive training with wide range of skill for both simple and complex operational techniques. Al-Qaeda as a terrorist organization operated a chemical laboratory in one of its training camps and boldly invited paid specialist and scientist to run the criminal weapon programming aspect of the laboratory. Members were also trained with high records of expenditure and paid nominal salaries. According to Defense Intelligence Agency(2002), the Al-Qaeda constitutional charter provides that the salary for a married Mujahideen was 6500 Pakistan rupees and 500 rupees for each child, while an unmarried Mujahideen goes home with 1000 rupees. Therefore, the organizational formation and training no doubt form their funding necessity at different levels of the organization.

### **Safe haven**

Terrorist groups need huge amount of money to pay for their protection and asylum. The payment for protection is their safe heaven bills. In spite of the nature of their devilish activities, they need protection. Sudan received huge financial support from Osama and his group to protect them as the host state. In Pakistan and Afghanistan, Al-Qaeda rented guest houses for the training camp of some of their large network for training and recruitment needs. The



Taliban who promised protection to them were regularly paid by the terrorist groups with a huge amount of money. Roth *et al* (2004) reported that over time, the Taliban gradually became financially dependent on the terrorist group and increased their financial demands for armaments and the Taliban's social welfare projects. The Center for Intelligence Agency estimated the money released to the Taliban to the tune of \$30 million annually.

### **Social and political activities**

Terrorist groups need money for social activities such as providing support to the families of individual members killed in the cause of their operations/attacks or suicide operations. The group provides the support for the overall interest of the group as a community and to avoid the decline of the group's activities. In this regards too, money is needed by terrorist to cater for the group members deployed as sleepers (ie "operatives who live to undercover and do not support their dependent" (Ehrenfeld, 2005). Again, terrorist also provides support to political activities to gain popular support. This kind of political support goes with huge financial demands on the part of the services including propaganda and ostensible legitimate social activities to provide a veil of legitimacy for the activities (Her Majesty's Treasury, 2007).

### **Propaganda Communication**

Every terrorist group requires money for propaganda production. The propaganda comes in the form of electronic communications via television, radio, videos and print media. Terrorist groups spend money on propaganda and communications because it helps them to reach out to their allied groups, like-mind and through this means entice potential members. The propaganda and communication techniques of terrorist groups are an essential aspect of terrorist activities. Acharya (2009: 290) notes that:

*Terrorist groups continuously seek ways and means to achieve sophistication and professionalism in their propaganda methods. Professionalism in the use of the internet by the jihadi*

*groups encompasses the technology and the quality of content of audios, videos, and online magazines, produced by the Islamists and posted on various websites. This requires new software for data management and internet security for effective use of the panoply of web resources like chat rooms, forums, and blogs. The production of jihadi audiotapes and video recordings are also increasingly corporate-like. For example, most of the statements in the audio-visual format being issued by top-ranking Al-Qaeda leaders and videos of significant attacks in Afghanistan are being produced by “As-Sahab,” a production company affiliated to Al-Qaeda. Most web-postings, especially videos, now carry subtitles in many languages, including English. This is to rope in second, and third-generation Muslims who are born and brought up in English-speaking countries, especially in the UK and North America.*

### **Multiple operations in diverse locations**

Among the terrorist, it takes huge financial resources to conduct multiple attacks or operation in different locations in the world. Financing of multiple operations is usually transactional because money is raised in one country as the base; this fund is used for training in country B, perhaps procurement is made in country C and the terrorist attacks in country D, with outcome of such operation broadcast via propaganda across the world to showcase their ability (Treasury, 2007). Therefore, funding comes from different levels according to the funding necessity of the groups. According to Acharya (2009) “mounting attacks in a foreign jurisdiction or supporting the same by an affiliated group is likely to be more expensive than conducting attacks in a domestic one”. On the issue of multiple operations’ funding Al-Qaeda remains the world principle actor.

### **Methods of moving terrorist funds in Africa**

According to The Financial Action Task Force (2015), money used by terrorist moves from one hand to the terrorist hand or cell which in turn is

used by terrorist for their attacks. From the encompass literature, it is highlighted that terrorist move and store money through three methods namely-through formal and informal financial system, through physical movement of funds and value and through the international trade system.

a.) *Financial system:* Punder (2010) strongly argues that the formal financial system is the most “attractive channel for the financing of terrorism due to the provision of services and products by which funds can be transferred efficiently and effectively between and within the jurisdiction”. The formal financial system helps the terrorist financiers and terrorist to make the dirty money available via the financial institutions. Through this means and method, the value or the money moves with speed and ease. This institution can provide cover and in some cases conceal the origin of such fund.

In addition to the formal means, the informal means is developed for informal transfer of value for the same purpose of financing terror. This informal method according to ViHori (2011) is referred to as trust-based mechanism, a method of informal value and money transfer in which money is ensured to be transferred to another geographic location by using a series of informal and often unlicensed money exchangers. This type of informal mechanism is very rampant in many parts of Africa, South Asia, the Middle East and other parts of the world. Their common names are hundi in India, fei chi ien in China, phoe Kuah in Thailand and hawala in Muslim countries. These informal means of storing, moving and hiding terrorist finance have to gain notorious popularity among financiers because it is the most convenience and criminally attractive method with a high level of anonymity and rapidity. Again, it is the most reliable means of transferring funds in the countries with poor and corrupt banking/financial institution. These informal means is prevalent in Africa because most African countries are still struggling with the menace of corruption and mismanagement of public funds with impunity.

b.) *Physical movement of funds:* Physical movement of cash by terrorist can be in the form of the conventional method of cash smuggling by means of

money laundering. Generally, cash smuggling is attractive; because smuggled money is completely fungible, anonymous and very easy to convert into any other financial resources and needs (Kiser, 2005). In most cases and for the purpose of avoiding the danger in moving raw cash (such as risk stole, defection, etc) some terrorist groups often convert the cash into diamond, gold and any other antiques and metals in which this cash can be stored and easily converted without any loss in value. Al-Qaeda is cited as the terrorist groups that use this method to move funds to any part of the world in support of their allies (Koh, 2006).

c.) *International trade system*: It is argued that international trade system gives wide chances for terrorist financiers to transfer value and goods through legitimate means of trade flows. This is done across many borders without suspicion because the paperwork approach and the shipments style in Africa look completely legitimate to any inspector (Passas, 2007).

### **Conclusion and recommendations**

As the paper conclude it draws from the security council resolution after the 9/11 attacks in United States of America. “The 9/11 attacks brought an international sense of urgency to disrupting terrorists’ financial networks. Within a few weeks, the UN Security Council adopted a wide-ranging resolution demanding countries take action to suppress terrorist financing. The following month, the Financial Action Task Force, an intergovernmental body, issued a list of recommendations that became the basis for many governments’ efforts. These included passing legislation specifically criminalizing terrorist financing, requiring financial institutions to report suspicious transactions, creating a greater degree of international cooperation in tracking down terrorist financiers, and ratifying the UN convention on financing terrorism, a step that has been taken by 150 countries.”

Despite the above, it appears that Africa is always a victim of terrorism. During the writing of this paper, Kenya was attacked by terrorists. The demand is that The Al Shabaab leaders have in multiple times demanded the

withdrawal of KDF from Somalia in exchange of stopping terror attacks. This is a form of a truce in good faith without a face to face negotiation. The assumption from this demand can be linked to power. The Kenyan government which is doing so much to bring peace and stability in Somalia is blamed for that wonderful act of Ubuntu. This can be inferred to terrorist movement desires for war at all times. And the promotion of Ubuntu and oneness are not in the objectives of the terrorist movements.

Africa needs to speak in one voice and fights against terrorism which is ravaging Africa at an alarming rate. Leaders of Africa should use means that can force the sponsors of terrorism to stop it. Africa should be jealous of their continent and drive terrorism out of Africa. Africa should exclude those who support terrorism and shun them through an embargo.

If money is not given to the hands of the terrorists, peace and stability and development will reign in Africa. Africa will experience lasting peace which will assist in the promotion of development and institute oneness. This will help the African continent to develop like other continents in the world. This paper, therefore, concludes that the challenges of insecurity, terrorism financing threats and national development have become an unholy marriage of inconveniences. Thus, the paper strongly recommends stopping the money from entering into the cell of a terrorist as one of the best approaches in fighting terrorism in Africa. Again, the role of politically exposed persons and states that throw their financial weights on terrorism financing should be nipped on the board by strengthening financial intelligent unit states. Additionally, State borders that are apparently porous ought to be completely closed with adequate security surveillance.

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