

Sustaining Separatist/Terrorist/Liberation Movements in the 21st Century: Who Does the Financing?

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Abstract: The 21st century has seen the growth of insurgency, separatist, terrorist organisations and liberation movements, across the world, particularly in Africa and the Middle East, adding to the old ones that have spurned for decades in Central America and South Eastern Asia. These have threatened the consolidation of democracy and improvement of good governance. Despite their most unwelcome contribution to democratic governance and conflict zones through death, injuries and psychological trauma as well increasing vulnerability and fragility of entities they have continued to emerge and proving to be able to sustain their activities some of which have lasted for more than two or more decades. In order for these movements to sustain their activities they require heavy funding for project formulation and implementation given their organisational aims and objectives. Therefore, the purpose of this paper is to analyse the sources of funding behind these movements and organisations which have contributed to the instability of states not only in Africa but other developing countries. The paper will proffer some solutions to this ever persistent problem on human life.

Keywords: Developing countries, Funding, Liberation movement, Organisations Separatist, Terrorist

1. Introduction

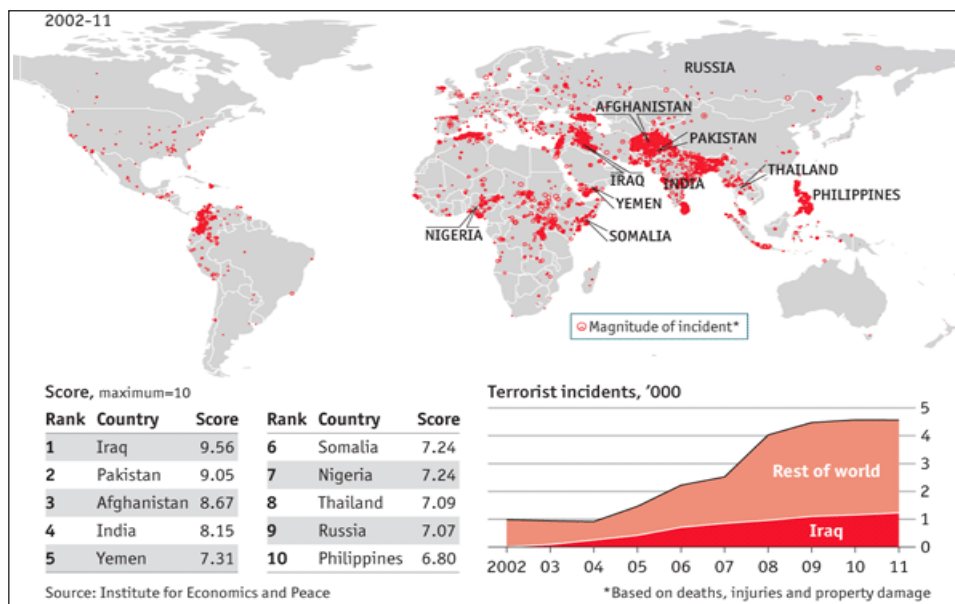
Separatist or terrorist movements derive their funding from both local and foreign sources in order to continue effectively operating. The sources of funding include among others, starting with the crudest and the traditional ones of cattle rustling, robberies, looting, to the modern which include drug trafficking, human trafficking, kidnapping, money laundering, extortion, taxation as well as trade in illicit minerals and oil. Funding may also come from governments and international organisations on one hand, and on the other hand international civil society groups and non-governmental organisations that are supportive to the cause the groups. This paper establishes the sources of funding and suggests solutions of dealing with the menace. It also highlights challenges that Africa has to deal with in order to curb or deal with challenges posed by separatist movements.

2. Conceptual Framework

The concepts terrorist organisations, liberation movements and separatist movements have often been used interchangeably owing to ranging interpretation by the actors involved. Often, what has become one's terrorist might be another one's liberator (McLean & McMillan, 2009). By definition separatism is the advocacy of a state of cultural, ethnic, tribal, religious, racial, and governmental

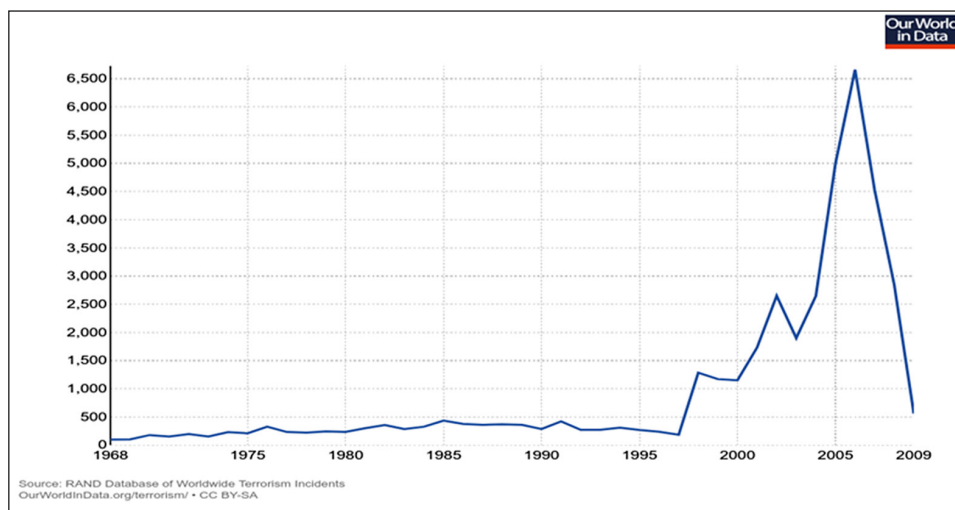
or gender separation from the larger group. While it often refers to full political secession, separatist groups may seek nothing more than greater autonomy. A separatist is someone who is a member of a particular race religion or other group within a country who believes that this group should be independent and have their own government or in some way live apart from other people (Cambridge Advanced Learners Dictionary, 2013). It is agreed amongst political scientists that the term terrorists are invariably used in a pejorative sense to describe someone who uses life threatening actions which are politically motivated (McLean and McMillan: 2009:525). For Evans and Newnham, a terrorist is someone who uses or threatens to use violence on systematic basis to achieve political objectives (1998:530). In essence a person who uses unlawful violence and intimidation, especially against civilians, in the pursuit of political aims. On the other hand, a liberation movement is a type of social movement that seeks territorial independence or enhanced political or cultural autonomy (or rights of various types) within an existing nation-state for a particular national, ethnic, or racial group (<http://www.encyclopedia.com/social-science>). A liberation fighter therefore, a person engaged in a resistance movement against what they believe to be an oppressive and illegitimate government. The approach taken by the researchers is that irrespective of classification it is the means to achieving their objective which has been discredited as the

Figure 1: Separatist Movements



Source: Institute for Economics and Peace

Figure 2: Total Incidences of Terrorism Worldwide, 1968-2009



Source: RAND Database of Worldwide Terrorism Incidents

use of violence is detrimental to the development process that enhances democratic governance and often sow seeds of divisions.

3. Historical Background to the Problem

Terrorism as a long drawn problem is not confined to Africa alone. Indeed, it is a world problem though of course, it is more pronounced in the Middle East. Separatist movements are dotted in almost every region of Africa though most pronounced in Central and East Africa as shown on the map in Figure 1 above.

There is clear historical evidence that incidences of terrorism have risen in the 21st century. Figure 2 clearly shows such escalating incidences starting from 1968.

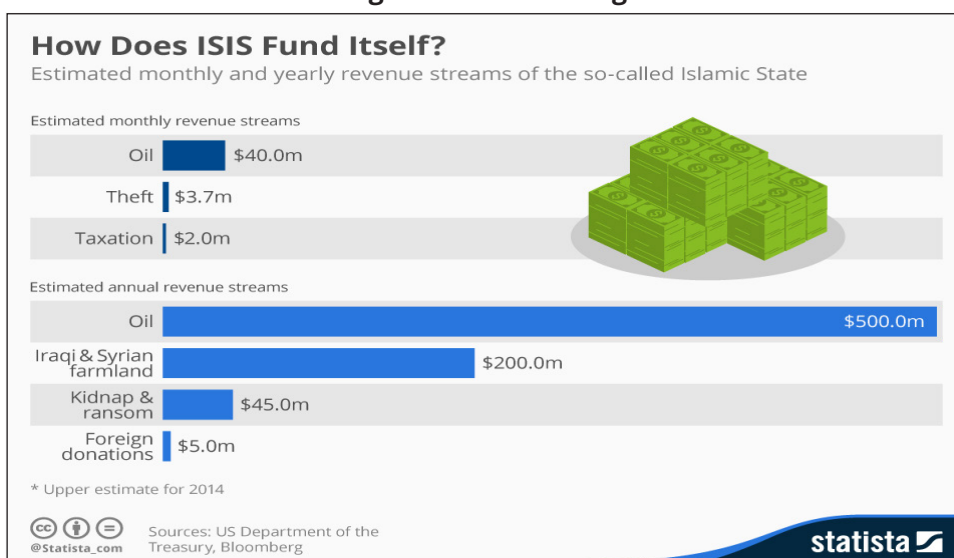
The life-blood of an effective terrorist network is financing. Without a sound source of finances, terrorists cannot travel extensively, buy weapons and effectively organise against governments. As a result, terrorists have sought to fund their activities largely outside the law whether municipal or international. Al-Qaida's worldwide operations for example require \$30-50 million per year. The September 11 attacks, for example, cost approximately \$500,000 (<http://theconversation.com/panama-papers>).

Figure 3: Terrorism Sources of Revenue



Source: Authors

Figure 4: ISIS Funding



Source: US Department of the Treasury, Bloomberg

Some terrorist groups derive much of their funding and support from state sponsors of terrorism. With increased international pressure, many of these funding sources have become less reliable and, in some instances, have disappeared altogether. In addition, newer decentralised, independent cells often do not have the same level of access to foreign funding as traditional terrorist groups. As a result, terrorist groups have turned to alternative sources of financing, including criminal activities such as arms trafficking, kidnap-for-ransom, extortion, racketeering and drug trafficking. Terrorists' use of criminal activity to raise funds ranges from low-level

fraud to involvement in serious and organised crime. It is often difficult to determine whether the funds raised from these activities are destined for terrorist activities or are simply the proceeds of general criminal activity. Described below are criminal activities terrorists are known to have engaged in, including selling narcotics, credit card fraud, cheque fraud and extortion (<http://www.fatf>). Each of these is discussed in turn.

A good example of breakdown is the ISIS which has appropriated almost all these techniques as indicated in Figure 4.

4. The Sources of Funding

The first major source of these groups is resource control and exploitation. It has been found that following the end of the Cold war, terrorist groups are finding it hard to get financial support from formal channels such as governments. As such, drug trafficking is one of the major sources of funding. This is common in known drug producing regions such as Afghanistan, Columbia and Peru. The US Drug Enforcement Administration found that 19 of the designated terrorist organisations are connected to the global drug trade and up to 60% of terrorist organisations are connected to narcotics trade in some way as indicated below:

Drug Trafficking is an attractive source of funds for terrorist groups, enabling them to raise large sums of money. The degree of reliance on drug trafficking as a source of terrorist funding has grown with the decline in state sponsorship of terror groups (<http://www.fatf-gafi.org/media/fatf/documents/reports>).

Drugs are then exchanged for weapons and follow the same smuggling routes and mechanisms to conceal profits derived from these illegal transactions. Sometimes they also use the same corrupt officials to facilitate movement of their goods. Income is also derived from taxation levied for the protection of drug growers, laboratories, clandestine landing fields and the transport of drugs. Smith, McCusker and Walters (2010:2) found that some of the terrorist organizations which derive their income from drug trafficking include Abu Sayyaf Group (ASG) in Southern Philippines and the Revolutionary Armed

Forces of Columbia (FARC). The example of FARC demonstrates clearly that:

...the organization taxes farmers \$50 per kilo of cocaine and criminal organizations \$200 per kilo. It charges \$100 per kilo to the laboratories that soak the green leaves in kerosene to extract the alkaloids that 1.5 million U.S. cocaine users regularly snort. FARC charges airplanes that transport the drugs from its territory, and has even shipped cocaine itself (<https://www.theatlantic.com/news>).

A study by Stanford University shows that:

In 1999, the FARC's membership and kidnapping peaked at 18,000 and 3,000 respectively. The FARC's heightened influence in the country, extreme kidnapping records and involvement in the drug trade elicited both domestic and international response. In 1999, a quarter of the Colombian population protested in cities throughout the country (<http://web.stanford.edu/group/mappingmilitants>).

Other groups are Basque Fatherland and Liberty in Europe which is involved in a variety of crimes including drug trafficking, the Real Irish Republican Army (RIRA) which is linked to narcotics trade in the Middle East and the Kurdistan Workers Party which is into money laundering and drug trafficking (ibid). Some of the means used to finance modern terrorism are as indicated in Figure 5.

For Abu Sayyaf Group (ASG), ransom is one way of raising funds. For example, relatives of a kidnapped Malaysian victim in effect paid 12 million Malaysian ringgit (P138 million) to the terrorist group for the

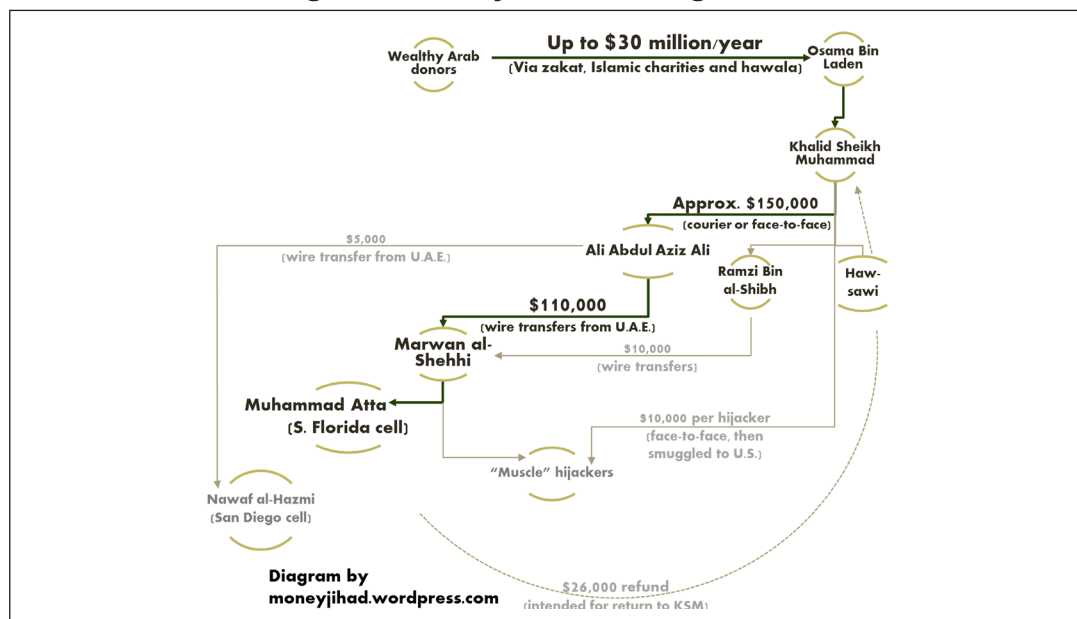
Figure 5: Means of Financing Modern Terrorism



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Source: Authors

Figure 6: 9/11 Hijackers Funding Sources



Source: www.google.com

release on June 8 of four of its citizens kidnapped off Sabah on April 1, and hidden in Sulu. Reports have revealed that ransom has been paid, for example, after reportedly receiving 32 million pesos (638,000 dollars), ASG released Norwegian Kjartan Sekkingstad on September 17, 2016. Filipino Maries Flor was released on June 24, 2016. On May 15, 2015, two Malaysians, Thien Nyuk Fun and Bernard, were abducted by ASG from the Sandakan Resort in Sabah. The ransom amount was set at 30 million pesos for the two of them, and, upon receipt of the ransom, Thien Nyuk Fun was freed on 9 Nov 2015 (Rigoberto, 2017).

Real Irish Republican Army (RIRA) employs more or less the same tactics of terror despite hailing from a developed part of this world as the quotation below indicates that:

According to a report from Forbes Israel, the dissident group, which now calls itself the IRA, has an income of around £32m, largely generated from smuggling and organized crime. "Laundering marked or agricultural diesel and selling road fuel is a major source of funding," he said... A diesel plant said to be capable of producing 20 million liters of illicit fuel was uncovered in the Forkhill area of Co Armagh earlier this month. Trafficking alcohol over the border and smuggling cigarettes from China and Eastern Europe are also said to be a sources of income. Funding for the organization, the only European-based group on the Forbes

list, is still a considerable way behind Islamic State (Isis), which emerged as the world's richest terror group in history, with an income of £1.3bn.

In the case of al-Qaeda, trading in drugs or narcotics is one way of creating revenue as the incident below clearly demonstrates:

Oumar Issa, Harouna Touré and Idriss Abelrahman were snatched in Ghana on Wednesday by a Drug Enforcement Administration sting and shipped to New York, where they arrived on Friday to face charges of conspiracy to commit acts of narco-terrorism and providing material support to al-Qaeda, a terrorist organization. The arrests mark the first time that al-Qaeda associates have been charged with narco-terrorism offences. The complaint accused the three men of agreeing to transport large amounts of South American cocaine through West and North Africa and ultimately to Spain for \$2,000 a kilogram, a fee slated to be partly turned over to al-Qaeda and its affiliated group, al-Qaeda in the Islamic Maghreb, in return for protection along the route (<https://www.forbes.com>).

The 9/11 September hijackers had funding coming from a variety of sources as demonstrated in Figure 6.

Diamonds have been used to support terrorist movements in Sierra Leone and Angola. Diggers are protected and guarded by militants. In Angola, UNITA managed to fund its military activities through the sale

of diamonds valued at US\$3,72 billion between 1992 and 1997 (Ndumbe & Cole, 2005:54). Despite being defined as bloody diamonds, the mineral was still able to secure a market and fund the war. Between 1992 and 2002, UNITA is said to have operated the largest and most well-organised illegal diamond trading in the world. Conduit for the diamonds and arms purchase in Zambia was the Mwinilunga region as well as other cross border sites such as Mongu and Lusaka regions. Even more shocking is that UNITA traded with big diamond companies such as De Beers. It is claimed that a security company called British Mine Police working with De Beers used helicopter gunships to protect UNITA-controlled diamond mines (ibid, 56). In 1998, the United Nations Security Council came up with Resolution 1173 which placed an embargo on UNITA diamond trade. When the lucrative usual route was blocked, UNITA traded with several Lebanese and Hezbollah traders in violation of the UNSC sanctions (ibid, 54). Savimbi, the leader of UNITA, was fully in charge diamond mining, trading and financial operations. His death therefore dealt a heavy blow to the movement which became so weak and gave in to peace talks. Control over territories endowed with marketable resources is one of the major sources of separatist movements. DRC is a classic example of this. Most of the armed rebel groups apparently occupy large territories which are rich in minerals such as gold, coltan and diamonds. They are able to easily acquire ammunition through illegal exploitation and trading (Tunda, 2016:31). Such resources have been able to sustain rebels and their families for a long time. Therefore, there is little if any effort on their part to embrace peace as it may mean being banished to perpetual poverty. Natural resources in North Kivu which is in Eastern DRC have enabled rebels not only to fund themselves, but also to easily get new recruits because they can afford short term rewards (Lyll, 2017:15). Those who are recruited eventually find it lucrative to stay on since they can use the gun to loot and extort. The whole incentive to work and achieve gradually dies down. One rebel movement in North Kivu, the National Congress for the Defence of the People (CNDP) formerly led by Laurent Nkunda is thought to have earned 15% of its revenue from mineral trade (ibid, 16). Another separatist movement in the same area, Mouvement du 23 Mars (M23) decided not to go into mining. Miners were left on their own. The movement levied taxes on households and transport thereby getting proceeds from mining but indirectly. It is alleged that a significant proportion of the group's transport tax revenue came from coltan and cassiterite across Goma/Gisenyi border (ibid). M23 simply

secured routes and collected its dues even from bulk minerals such as metals like tin, coltan and wolframite. Further evidence below shows how resources are oiling separatist movements in DRC.

The ongoing conflict in the Democratic Republic of the Congo, which Nellesmann noted has claimed 7 million lives, is increasingly seen as a conflict driven by criminal interests, rather than as a political insurgency. The exploitation of resources there totals \$722 million to \$862 million annually. Only about two percent of that goes to armed fighters – the rest ends up in the pockets of organized crime (www.cnn.com/2016/06/10/environmental-crime-funds-terrorism-and-is-growing-faster-than-global-economy).

Smuggling is yet another source of income for terrorist activities in the DRC and neighbouring countries which harbour terrorists.

...smuggling of DRC's natural resources is linked to conflict in the region, meaning that Al Shabaab remains sufficiently resourced to fund its activities despite efforts by African Union Mission in Somalia and the United Nations to cut off its channels of funding. Gold from DRC finds its way to Kampala, Nairobi, Bujumbura and Dar es Salaam before being smuggled to other markets.

Rwanda is also mining in Eastern DRC. As such, it is also supporting M23 and uses the chaos and instability to loot various minerals including diamonds. Stearns found out that Rwanda was involved with the group right from its founding (Stearns, in Lyall). Rwanda is said to have provided direct military support, facilitating recruitment and also desertions from the armed forces of the DRC and providing arms, ammunition, intelligence and political advice. All that support can translate to huge sums of money if so converted. The East African terror group Al-Shabaab, which has been linked to Al-Qaeda, drew somewhere around \$250 million in funding from illegal charcoal in 2013 and 2014. And as is well known, ISIS is funding itself with oil. Trading in charcoal is a traditional means of raising funds and indeed in the modern era resembles an archaic means.

4.1 Funding from Other Terrorist Organisations

Small terrorist groups may from time to time derive their funding from bigger and well-established

separatist movements. This becomes the case when for example they are ideologically linked. A good example is ISIS which from its inception was financed by al Qaeda though Osama bin Laden and Zarqawi (who founded ISIS) were not the best of friends (Stern & Berger, 2016:16-17). The two organizations were linked together by their total indifference to the Americans and their activities particularly in the Middle East. This link later on paid its dividends. Following the September 9/11 attacks in America, Zarqawi returned the gesture extended to him by rallying behind Osama bin Laden. Such support to smaller terrorist organizations results in the expansion of the smaller one as is the case today with ISIS which is almost eclipsing al Qaeda.

Within East Africa and the Horn, al-Shabaab is being financed by foreign actors including al-Qaida linked groups. That financing enabled the group to gain control over most of Southern and Central Somalia and most of Mogadishu right to the town of Kismayo (Shikman, 2018). Some terrorist movements do not actually hide their sources of funding. In 2011, a Boko Haram spokesman is reported to have said that: 'Al-Qaida is our elder brother. We enjoy financial and technical support from them. Anything we want from them, we ask them' (McCoy, www.independent.co.uk/news). It is against this sound financial backing that separatist and terrorist movements are difficult to subdue. They possess the financial muscle to carry on with their destabilization activities. It is claimed that at one 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" as reported by the International Crisis Group, was Boko Haram. "We are not saying all \$3 million went to Boko Haram," an author of the report told the *Daily Beast*. "What I can tell you from talking to lots of conservative Muslims in Nigeria is that there was a lot of money coming into northern Nigeria, there are many sources of that money. One of those sources was from al-Qaeda."

4.2 Violence

Violence is also one way separatist movements can fund their operations especially when the national government in which the movement operates is weak. Separatist movements can seize equipment and resources on the battlefield. ISIS is alleged to have looted the banks in Mosul in June 2014 (Stern &

Berger). This enabled the organisation to get richer and richer as each day passed. The economy of violence has also funded rebels in Eastern DRC. Rebels can erect roadblocks, levy taxes, profiteer from forest resources and pillage cattle. In fact, no commodity escapes predation as products seemingly small such as milk, cheese and palm oil are also clear targets. All this began at the turn of the century. Boko Haram which is a terrorist movement operating in northern Nigeria also derives part of its income from ransom, robberies and looting. It further attacks police stations, army barracks and looting small villages during market days to get cash and food items (www.fatf.org/media/fat). Of late, there has been an offshoot from Boko Haram called Ansaru which is again involved in robbery and kidnapping in order to get funds to sustain its survival as a movement. Boko Haram (BH) has moved ahead in its bid to raise funds by abducting women and then demanding cattle payment for their return. At times, BH demand as many as 40 cattle for the release of each woman captured. Kidnapping for ransom is not confined to BH but also to terrorist groups in Algeria, Mali, Niger and Mauritania. Hostages can be sold into slavery if ransom is not secured for their release. Terrorist groups such as Boko Haram are intricately networked and funded.

4.3 International Associates Seeking Local Linkages, Individuals, Organisations or States

Separatist or terrorist movements have also obtained assistance from governments who for various reasons find doing so lucrative. UNITA which fought the government of Angola from 1975 to 2002 was helped by many governments partly because of the polarity that originated from Cold War politics. The apartheid South African government which was opposed to Eastern Communism was one of the main financiers in Sub-Saharan Africa. During the 1980s, it is estimated that UNITA was supplied with US\$80 million by the South African government while the South Africa air force contributed regular drops of arms, ammunition, medicine and food to UNITA troops (www.sahistory.org.za). UNITA under Savimbi also got help from Egypt, Morocco, Senegal, Somalia and Tunisia. Saudi Arabia and Kuwait as known enemies of communism and rich in oil resources provided support valued at around US\$60 to US\$70 million annually. In addition, the US government through the CIA also forked out US\$15 to US\$20 million each year for weapons, medicine, logistics and training (ibid). It therefore comes as no wonder why UNITA

withstood government forces for that long. It was a financially sound military machine and logistically well-endowed. The availability of resources explains why and how Savimbi was able to convert his guerrillas to a conventional army before his demise in 2002. Diamonds were also used by DRC rebels to fund their activities. It is estimated that before 2000, 75% of diamonds produced in DRC were smuggled out of the country. High value stones produced in the Equateur province were held by rebel movements such as RCD-Goma and RCD-Kisangani, MLC and their Ugandan allies (Ndumbe & Cole, 2005). Illicit diamond trade and support from diamond cartels in some parts of the world help to explain continued unrest in DRC in which separatist movements greatly feature.

Illicit oil trade particularly in the Middle East also raises funds for separatist movements. For example ISIS's largest form of funding is said to come from the black-market sale of oil from seized oil fields located in eastern Iraq and Syria. ISIS can produce between 25,000 and 40,000 barrels of oil per day. ISIS started smuggling oil in late 2013 when it took oil fields in eastern Syria and has since expanded to support many black-market oil refineries along the Syrian border and eastern Iraq that produce gasoline and heating oil. The smuggling networks that ISIS has created to export crude oil are even more elaborate. They follow their path into Turkey, though the group has been smuggling crude oil as far as Afghanistan and Armenia. Middlemen are paid to assist the group in smuggling the barrels, earning millions for the fighters. ISIS also takes oil directly from pipelines and storage tanks. Militants then load the oil onto trucks and sell the barrels on the black market for \$25 to \$60 per barrel. In 2014, the average market value for crude oil was fluctuating between \$95 and \$112 per barrel, meaning ISIS was selling oil for 42 percent to 74 percent below market value. Discounted oil will always sell due to high demand in the global market. Transportation of the crude oil is routed by trucks through Islamic State-controlled territories into Turkey. Estimates show the sale of oil generates about \$1 million to \$2 million per day for ISIS (securityintelligence.com/funding-terrorists-the-rise-of-isis).

4.4 Ransom From Individuals, Countries, Organisations

Kidnapping and drug trafficking are some of the major sources for separatist movements in

Columbia and Venezuela. The Colombian government estimated the revenue for guerrilla and paramilitary organisations totalled US\$311 million from extortion and US\$236 million from kidnappings in 1998 alone (Smith, McCusker & Walters, 2010:2). Extortions are done to both legal and illegal businesses by organisations such as FARC. This organisation uses Venezuela as a safe haven to extort and kidnap both locals and foreigners. Around 2004, it was estimated that Columbia supplied 90% of cocaine to the world and the bulk of this came from FARC (Ortiz, 2014). The involvement in drug trade has enabled FARC to survive as a guerrilla movement for over half a century with enough energy to sustain its war against successive governments of Columbia.

In the Horn of Africa, the breakdown of the government of Somalia has given rise to large number of pirates who take ships, its crew and passengers as hostages until such a time that they are ransomed. The government of Somalia through the Transitional Federal Government has generally failed to police its waters hence the subsequent problem from pirates who hail from its soil. They are also somehow frustrated by their government for various reasons. The major motive for piracy is undoubtedly profit. This profit is then used to fuel terrorist activities inland. A Ukraine ship M V Faina was released for a reported US\$3, 2 million ransom in February 2009 after being held for 6 months. Similarly, a Saudi super tanker M V Sirius was released for US\$3 million to Eyl-based pirates in January 2009 (Ploch, Blanchard, O'Rourke & Mason, 2009). Pirates are not concerned much with taking over the government but with profits from the trade.

4.5 Illicit Dealing Human Trafficking/Organ Trafficking, Money Laundering, Weapons Trade

Smuggling of drugs as well as contraband and weapons by extremist 'Muslim' groups is yet another source of financing. Profits are transmitted as bulk cash to a destination chosen because of it has porous regulatory controls and through the use of structures such as shell companies which are known to have a good reputation in areas they are operating (ibid). And shell companies facilitate the easy distribution of money since they are formerly registered. ISIS makes \$1 million to \$2 million a day in oil production, has obtained over \$100 million in ransoms from kidnapping

and collects "taxes" from the 6 million people it has gained control over (theconversation.com/panama-papers-show-how-easy-it-is-to-finance-terror-using-u-s-shell-companies).

Such companies may produce invoices for non-existing goods in order to facilitate transactions of illegal goods through formal channels. The Albanian National Army and the National Liberation have been allegedly involved in large-scale smuggling of weapons, narcotics and other goods to finance terrorist activities in Macedonia and Kosovo (ibid). All these are a source of funding for the survival of the organisation. Diasporas also fund terrorist groups. For example:

The Albanian diaspora funds the KLA through an organisation named "Homeland Calling", soliciting funds in the U.S. (mostly Brooklyn), Australia, Canada, Switzerland, Germany, and other European nations. A UN arms embargo prevents member nations from funding the KLA. The European press alleges that ethnic Albanian drug traffickers contribute to the rebel army, a report that arms trade experts confirmed. Although most ethnic Albanians are Muslim, the Kosovo independence movement is not much influenced by Islamic fundamentalism. The group's spokesman says that they shun the assistance of Middle East radicals despite sketchy reports that Iran surreptitiously finances the KLA. The State Department denies, at least for the record, that it knows the source of KLA funding.

Some leading Muslim office bearers in the United States have been caught and prosecuted for secretive dealings involving large sums of money destined for terrorist organisations. One example involved Almoudi, the former head of American Muslim Council who in 2004 pleaded guilty to illegal financial dealings with Libya. He was involved in a plot to assassinate Prince Abdullah of Saudi Arabia. Subsequently, he was sentenced to 23 years in prison for providing hundreds of thousands of dollars to men who had been hired by the Libyan government to assassinate the Crown Prince (Landman, 2010). In August 2010, a jury in Eugene convicted Peta Seda, former head of al Haramain Islamic Foundation. He was accused of conspiring to move money out of the US without declaring it and with filing false tax returns to hide the fact that the money ever existed. He admitted in his trial that the money was intended to assist 'our Muslim brothers

in Chechnya but the money had been directed to Saudi Arabia without filing the CMIR on the way to Saudi Arabia' (ibid).

Taxes from the local people or local elites, business, and companies to include international organizations also fund terrorism. Terrorist acts sometimes stem from militant nationalists who are bent on creating separatist states (Spielvogel, 2009:951). Such groups flourish because they receive local support from those sympathetic to their agenda. A classic example could be the Irish Republican Army which had considerable support in Northern Ireland. Taxes become a source of income as they are imposed on strategically chosen people for their protection. Targets may be shopkeepers, politicians, fishermen, businessmen and banks. While taxes are a source of money for BH, in Mali, they also play a major role as income to separatist groups. Here, they are called Zakat which means obligatory provision of funds for charitable religious purposes. These funds are collected on behalf of a terrorist group, MUJAO.

Every year a Muslim must pay a religious tax (Zakat) amounting to 2.5% of TOTAL earnings as part of their duty to support Islam. This is commanded from the Koran. How it is to be distributed is also detailed in the Koran. Mosques usually are the agency that collect and distribute Zakat payments – hence Imams are the ones getting caught out by Western security people for supporting terrorist organizations. Some payments uncovered being made to terrorist organization like HAMAS, in Canada for example, were reaching into the millions. One eighth of the contributions ZAKAT according to the Koran is to support the active cause of Islam (the creation the domination of Islam over all others) – which is also the ultimate cause of jihad (concit.org/how-islam-fund-terrorism-through-zakat-payments).

Taxation also acts as another source of financing for terrorist financing particularly in Canada. Such money is derived from extortion of civilians inside or outside the country with threats of unspecified action for failure to comply. For the Liberation Tigers of Tamil Eelam (LTTE) extorting civilians was a source of income from the 1980s to the new millennium. The World Tamil Movement acted as the main front organization for LTTE. Businesses were taxed according to success. Families were taxed up to \$280 annually and each family had to provide a

member for the Civil Defence Force (Thompson, in Gartestein-Ross & Frum, 2012:35). Taxation was extended throughout Sri Lanka in the diaspora. In 1990, 10 LTTE members were caught extorting 50 Deutschemarks (DM) per month and they threatened to harm families if not paid. By the same year, extortionists were moved to India. In 2000, as the Tamil prepared for a major battle, they reportedly expected every Tamil family in Australia, Canada and the UK to contribute US\$1000 to the cause (ibid).

For ISIS, the process of state-building has included some tax-building. Initially, the group depended on outright violence to raise cash. But as ISIS made the transition to ISIL, its revenue extraction became more sophisticated. "Despite a rocky beginning, ISIL today in many ways looks and acts like a state", noted Ahram. In Mosul, according to reports, ISIL enforced taxes on a variety of commercial activities, including telecommunications companies that had relay towers in ISIL-controlled zones. Those who refused to pay risked abduction or murder. In Syria's Raqqa province ISIL imposed the jizya (poll tax), the same tax the prophet Muhammad placed on non-Muslim communities.

Human trafficking provides funding for the same terrorist group stated above. That is the case because most Tamils would want to be taken out of Sri Lanka to secure better jobs in foreign countries. Around 1986, it was estimated that a group of eight Tamils might pay \$800 to be taken out of Sri Lanka. Large scale shipments took place in that year. By the turn of the century rates for the same had risen to between \$10 000 and \$40 000. In 1994, 200 Tamils were taken into the Netherlands from Russia (Thompson, 2012:39).

Another equally important source of income for terrorist group in Africa except Southern and parts of Central Africa is cattle rustling. Since cattle are used as draught power, have a religious significance and provide a source of meat, they are easy to dispose of. Often they are sold in distant markets or alternatively kept for use where they cannot be located by their original owners. In Nigeria, BH deploys a number of tactics to profiteer from cattle rustling. It sometimes creates its own markets to sell cattle in BH controlled territories. Scattering and selling cattle in distant markets is yet another tactic. Alternatively, cattle can be sold in small markets or can be hidden in neighbouring countries to be

sold at a later stage, Terrorist Financing in West and Central Africa). Governments in Cameroon and Nigeria have sometimes reacted by closing cattle markets, but this has not brought the problem. Terrorist-linked rustlers keep on perfecting and revising their skills.

Added to this is extortion, diaspora communities can be a significant and consistent source of funds. Estimates state that before 2001 one terrorist group collected up to USD 1 million a month from expatriates in Canada, Britain, Switzerland and Australia, making it among one of the most well-funded terrorist groups in the world. One report outlines how extortion demands were made on expatriate businesses of up to CAD 100 000 and GBP 100 000 in Canada and the UK respectively, with equally high demands made in France and Norway (ibid).

In addition, trade in endangered species also helps to raise money. According to Christy, there is also evidence suggesting that trade in ivory is one of the means being used to forge links among the LRA, Al Shabaab, ISIS and other terrorist groups.

A weak state facilitates funding of terrorist organisations through corruption. As highlighted by OECD report 2015,

Corruption and terrorism do not only join forces in conflict-affected countries where criminal activities are likely to flourish. They have become a major concern in countries where corruption has become endemic and made the country itself or its neighbours vulnerable to terrorist activities. Terrorist organisations use corruption to both finance and perpetrate terrorism. Like criminals and those they corrupt, they use the same grey areas in legal systems and porosity of the financial sector to channel their financing. As such, no country is totally immune.

Separatist and/or terrorist organizations have perfected their fundraising activities to include operating within the confines of the law. In other words, they have hijacked legitimate means of raising money but for unlawful ends. Included in the legal route are charities or non-profit organisations which possess characteristics that make them particularly attractive to terrorists or vulnerable to misuse. Legitimate businesses also privately raise funds for terrorist activities and they do so without force exerted upon them.

In the end:

...the proceeds of legitimate businesses can be used as a source of funds to support terrorist activities. This is a particular risk in sectors which do not require formal qualifications (such as a master craftsman certificate) and where starting a business does not require substantial investments. The risk that a business will divert funds to support terrorist activity is greater where the relation between sales reported and actual sales is difficult to verify, as is the case with cash-intensive businesses (ibid).

In some cases, individuals and families are so committed to some of these organisations such that they find it compelling to fund them probably on a small scale. The quotation below summarises it all.

In some cases, terrorist groups have been funded from internal sources, including family and other non-criminal sources. The amounts of money needed to mount small attacks can be raised by individual terrorists and their support networks using savings, access to credit or the proceeds of businesses under their control. Terrorist organisations can be highly decentralised, and self-funding can include cases in which a relatively autonomous external financial facilitator who is not directly involved in planning or carrying out an attack nevertheless contributes funding (ibid).

The commitment to terrorism sometimes sees members becoming so committed to the extent of getting in outright fraud. This can be done by credit card fraud. It would include various methods of making dishonest purchases through the use of someone else's credit card details– but one of the easiest ways to do so is to buy goods using the internet or by phone (carding). The two cases studies in this case relates to credit card fraud showing the vulnerability of credit cards to misuse for terrorist financing purposes and other illegal activities.

5. Dealing With the Challenge

5.1 Cutting of Market Routes

Disrupting and dismantling terrorist financing networks is essential to combat terrorism. Terrorist organisations' diverse requirement for financing creates a strong logic for seeking to disrupt terrorism by choking off funding flows to all terrorist-linked activities. Interdicting these flows can degrade the

capability of terrorist groups over time, limiting their ability to launch attacks, increasing their operational costs and injecting risk and uncertainty into their operations, which can have tactical benefits, such as damaging morale, leadership and legitimacy within a network or forcing terrorist groups to shift activity into areas where they are more vulnerable, including areas that they would otherwise avoid (ibid).

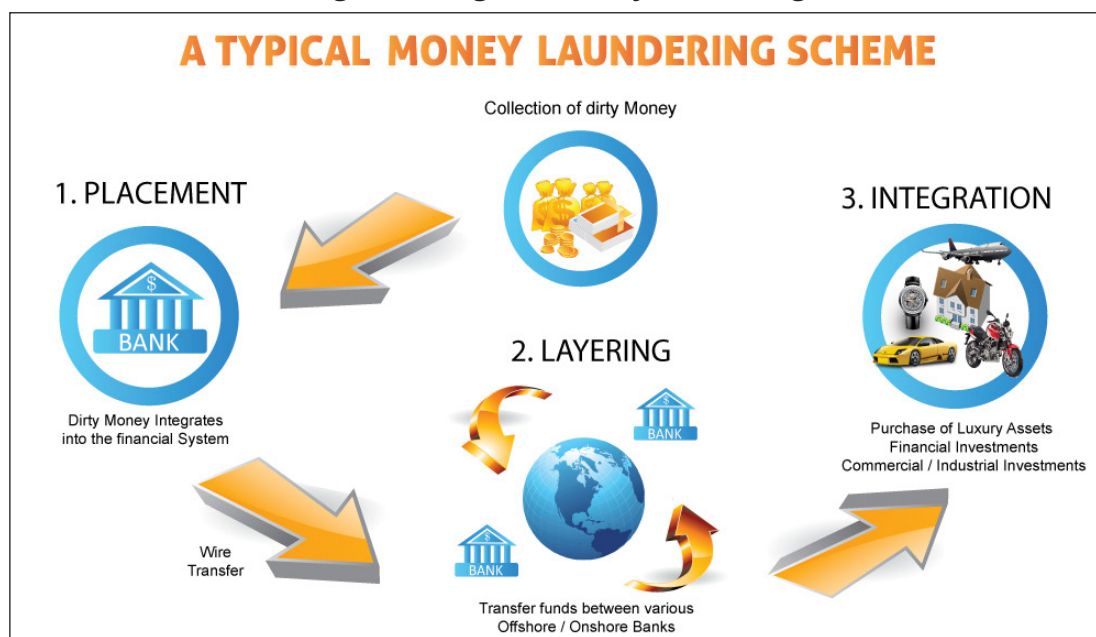
One of the remedies to problem of terrorist funding is to close markets in areas where terrorists thrive on cattle rustling. This could make it hard for proper conduct of the trade. For example, in March 2016, Borno state authorities in Nigeria reacted by closing down 4 cattle markets linked to BH. These were Gambouri, Dusuman, Shuwari and Ngom. In August of the same year, Cameroon also closed its main cattle market for the north of Mayo-Sava (Terrorist Financing in West and Central Africa). Without following up these closures with further action, such a move might arouse the anger of genuine cattle sellers. As such, there is need for a thorough screening of cattle to determine the genuine and those which have been stolen. It is important to ensure that once markets are closed, then borders should be secured to avoid free movement of rustlers.

Financing terrorism is different from terrorism itself. It is recommended in this research that financing terrorism should be criminalised if progress is to be made towards stability. Therefore, organisations and individuals involved from one who sells ware at a stall to big companies must all face the full wrath of the law. Governments which are involved must also be sanctioned. If world organisations such as IMF get involved in the fight against terrorism, chances are high that success can be achieved. For example:

In 2000, the IMF responded to calls from the international community to expand its work on anti-money laundering (AML). After the tragic events of September 11, 2001, the IMF intensified its AML activities and extended them to include combating the financing of terrorism (CFT). In 2009, the IMF launched a donor-supported trust fund to finance AML/CFT capacity development in its member countries.

Dealing with money laundering at its source is another way of countering and ultimately destroying terrorism. This means that money laundering has to be blocked and each of its stages so that it does not mutate from one stage to the other. This can be seen in Figure 7 on the following page.

Figure 7: Stages of Money Laundering



Source: www.google.com

Terrorism is rife because movement of funds has been made a lot easier worldwide. This makes it easier to finance separatist movements. There is need to stop transfer of funds even if they are small amounts. The 9/11 September attacks may have used a small amount of between US\$400 000 to US\$500 000 to be accomplished (Dalyan, 2008:137). Therefore, a sound means of securing against funds that may be destined for terror is important as a means of curbing the challenge. Supply routes for funding also need to be cut. One way of dealing with the menace is the application of sanctions. Sanctioning Iran for state sponsorship of Hezbollah (and other) terrorism can reduce problems of terrorism. The group continues to receive significant funding and resources from Iran. Without undermining the JCPOA, which is limited to nuclear development and proliferation, more vigorous action could be taken against Iranian entities such as the IRGC Qods Force, Mahan Air, and a host of others involved in Tehran's support for terrorism. The designation of Hasan Dehghan Ebrahimi in February 2017 was a move in the right direction.

Since the bases and training camps of Islamic terrorist groups are largely outside the United States, counterterrorist strikes against them are possible. Where there are effective democratic governments where each member can account for his or her source of funds, reducing terrorism is possible.

5.2 Local Strategies

Local ways of handling terrorism would include saving elephants by funding effective organisations on the ground, prosecuting ivory traffickers in international courts and banning ivory trade in perpetuity. Furthermore, effective surveillance including flying manned and unmanned surveillance aircraft over the heavily forested north-eastern region of Nigeria wherever intelligence officials believe there are terrorists is one way of keeping them on their feet. Using satellite tracking, military and intelligence agencies can isolate training camps and countries known to support such movements and launch sophisticated air strikes against such bases. Preventing Terrorists from raising, moving, and using funds is one way of pursuing them to dejection. As such,

...targeting Hezbollah's criminal enterprises in South America, Africa, and Europe is important as well. Additionally, whenever possible, officials should inform the Treasury Department about any Hezbollah connections to actions taken under authorities other than support for terrorism, Apply secondary sanctions under HIFPA to financial institutions that bank Hezbollah or its associates outside the Middle East, such as in Africa or Latin America.

Culture of tolerance and cohesion and peace among religions of the world would contribute to

a culture of peace and tolerance, in which terrorist violence will lack fertile seeding-ground. The Christian churches and other faiths should create a culture of tolerance among people while working for social healing and reconciliation. Another way of curtailing this problem is to develop capabilities to deal with cybercrimes. Kenya is a good example of an African country that has implemented these strategies. She has continuously killed Facebook and twitter accounts which propagate terrorism. It was reported that between 2015 and 2016, the Kenyan Intelligence Services closed 250 Facebook accounts and 367 twitter accounts linked to terrorism (B Abdrishid). Declaring war against cybercrimes is pivotal because it is one of the ways capable of arresting the recruitment of youths into terrorism. Another notable achievement in Kenya is the setting up of the National Counter terrorism Centre which works with communities and institutions to reduce the appeal of extremist ideologies mainly among the youths.

5.3 General Strategies

These would include but not limited to reducing the number of failed states through regional and international support mechanisms, improving on democracy and good governance and deterring African states from supporting terror. It is clear that failed states in Africa are associated with extremist movements. Countries like Eritrea should be encouraged or compelled to stop sponsoring terrorism in the Horn and parts of East Africa. Western democracies have successfully reduced terrorism through good governance. Africa may need to take some notes from this success story.

5.4 Challenges to Address

Whilst efforts have been made and are underway to deal with menaces of terrorist, separatist and liberation wars, there are still challenges. Firstly, due to paucity of boundaries and accomplices across borders and fragile states, overwhelming terrorists remains a challenge. Resources monitoring is difficult particularly in failed states such as those in Central Africa and the Horn. Only when democratic governments are in control and can account for their resources is it possible to curtail terrorism. The local cause and the national concern such as ethnicity, regionalism, marginalisation, religious intolerance all need to be dealt with since they breed separatism. All the actions being

highlighted here would require close co-operation and integrations within and beyond the borders. Given that borders particularly in Africa are very porous, it would prove hard to effectively deal with the problem of terrorism without cooperation from other neighbouring countries. Most of the terrorist groups in Africa, the Middle East and so on often use neighbouring countries as sanctuaries. Without their cooperation, therefore, very little can be achieved. Some resources that are exploited provide a lifeline to the locals to the extent it is difficult for the locals to disengage. A community that depends on resource exploitation requires a formal market and the terrorist organizations are the key to accessing both the domestic and the international market. If a democratic government is able to secure and assure the livelihoods of such people without going punitive, then chances are high that they can disengage from terrorist activities.

6. Conclusion and Recommendations

The paper has demonstrated that one of the major challenges facing governments and by extension democracy is terrorism. Terrorists thrive because they have sources of funding which enable them to sustain their activities. The sources are both formal and informal and are networked beyond borders and in some cases go global. Some of the major sources of funding for major terrorist groups such as ISIS, al-Qaeda, al-Shabab and Boko Haram include drug dealing, illegal mining, oil trade, kidnapping and demanding ransom, cattle rustling, taxation, and fraud, among others. The research has noted that both local and international mechanisms can be employed to deal with the menace. Some of the means would include massive surveillance of suspected areas, blocking trading activities of suspected terrorists, prompt reporting of suspect monetary transactions and ensuring that as much as possible, recruiting grounds are insulated. In the long run religious tolerance might also help in dealing with the challenge of terrorism.

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