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Occasional Paper

# An Illusion of Complicity

## Terrorism and the Illegal Ivory Trade in East Africa

Tom Maguire and Cathy Haenlein



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Occasional Paper, September 2015



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# Foreword

**T**HE ILLEGAL WILDLIFE trade is estimated to be worth between \$7 billion and \$23 billion annually. In East Africa, the poaching of iconic species such as elephants, and the sale of their ivory represent a significant part of this illicit trade. Tens of thousands of animals are slaughtered and trafficked out of the region for sale in East Asian markets every year. This provides a major source of income for organised crime networks across East Africa and beyond.

Despite our international efforts, this illicit trade continues to represent a highly lucrative industry, especially for those criminal cartels at the heart of it. In East Africa, the illegal ivory trade is both lining the pockets of organised criminals and having a devastating environmental impact. It damages livelihoods and sustainable development and exacerbates corruption. This in turn has an adverse impact on governance, the rule of law and security in the region.

National and transnational organised criminal networks are the most serious threat to East Africa's wildlife. Furthermore, many are concerned by the prospect that terrorists in the region could also be participating in this trade for financial gain – enhancing their ability to use violence to terrorise civilians and governments alike. This dangerous fusion presents us with an even greater potential threat. But it is important that we focus on the evidence available to us. A false assumption or mistaken conclusion could lead us to focus on policy areas and capabilities which do not have the impact on the illegal ivory trade that we so urgently need.

This new RUSI Occasional Paper offers a sober analysis of the situation and provides us with compelling analysis of who is and who is not involved. In particular, the authors explore whether or not Al-Shabaab, the Somali Islamist terrorist group, is involved in the illegal ivory trade and to what extent.

These questions have received much international attention from governments, NGOs and the media. However, much of this focus has been characterised by reporting that is either lacking in sufficient objectivity, or based on shallow evidence. Better understanding of whether Al-Shabaab is in fact a beneficiary of this trade has implications for both international responses in a region that has become the epicentre of poaching and ivory trafficking, and for government efforts to counter Al-Shabaab's ability to finance its deadly actions.

This report, backed by rigorous research, provides a more nuanced examination of both these areas. Monitoring whether militant or terrorist networks are benefiting from the illegal ivory trade is certainly important to ensure that the trade's illicit proceeds are not having even more deadly effects. But this should not distract from its primary drivers and beneficiaries, and the measures needed to protect endangered species from further harm. These include strengthened international co-operation, improved investigations and prosecutions of traffickers, and the political will to tackle corruption. If co-ordinated with efforts to reduce demand and promote



sustainable development in source areas, there is every chance these measures can reverse the damaging consequences of this debilitating trade.

The challenge we face is significant; the criminals involved in trafficking ivory are highly organised and their rewards are potentially lucrative. But they can be defeated if the international community works together to reduce demand, enforce current laws and provide sustainable economic alternatives. This report provides a major boost to the UK's plan to tackle the illegal wildlife trade, and highlights where the international community should focus its efforts and resources to ensure that they are doing all they can to disrupt and prevent this destabilising industry.

**Rt Hon William Hague**

Chairman of RUSI

September 2015

# Executive Summary

**T**HE ILLEGAL IVORY trade is no longer purely a conservation issue. As the trade has surged over the last ten years, a range of actors have profited, decimating wildlife, destabilising communities and threatening national, regional and international security. A number of myths and misperceptions have grown alongside the illegal ivory trade – none more troubling than the alleged participation of terrorist groups. In East Africa, the Somali terror group Al-Shabaab has supposedly received up to 40 per cent of its running costs through the illegal ivory trade alone.

This is a powerful narrative, espoused by some politicians, policy-makers and practitioners. But it is largely wrong. Evidence for Al-Shabaab involvement in poaching and trafficking remains extremely limited and controversial. Briefings given to policy-makers on terrorism and the illegal ivory trade continue to refer to unverified sources. This is a cause for concern: such a narrative risks diverting attention from the trade's main facilitators and, counter-intuitively, from Al-Shabaab's known funding sources.

To address these misconceptions, this report explores the complex ecosystems of terrorism, poaching and ivory trafficking in East Africa. Its key findings are that:

- Highly networked organised crime groups (OCGs), brokers and corrupt government officials continue to drive the illegal ivory trade across East Africa. Weak legislation and enforcement by security agencies provides a benign environment for their activities
- The OCGs, brokers and corrupt officials involved – and the routes and methods used – likely overlap with other forms of organised crime (such as the trafficking of drugs, humans and small arms)
- The majority of ivory that transits East Africa comes from source areas on the Tanzania-Mozambique border and in central Tanzania. These are far removed from Al-Shabaab territory
- Few, if any, elephants are present directly within Al-Shabaab's area of influence in south-central Somalia and northeastern Kenya. The majority of elephants in Kenya roam at significant distances from the border
- There is little evidence of large ivory flows transiting Somalia; established Kenyan and Tanzanian ports remain the primary points for export. This makes the assertion that Al-Shabaab's monthly ivory revenues total \$200,000–\$600,000 highly unlikely
- Estimates of the proportion of Al-Shabaab funds raised from ivory trafficking rely on flawed sums. A range of other sources (including the taxation of charcoal and sugar) are more important to the terrorist organisation
- Any Al-Shabaab involvement in the ivory trade to date is likely to have been opportunistic, ad hoc and small-scale.

These findings suggest that the illusion of a terrorism–ivory trade nexus distracts policy-makers and law-enforcement agencies from effectively managing limited resources to tackle both terrorist financing and the illegal ivory trade. Following extensive research, including fieldwork in Kenya and interviews with a range of policy-makers and practitioners in East Africa, the authors make the following recommendations.

## Recommendations

### Restricting Al-Shabaab Financing

- Concerted efforts are required to re-establish formal mechanisms to allow the secure flow of remittances to Somalia. These could include ‘safe corridors’ through which funds can be more safely remitted
- Support to Kenya – a key player in the fight against Al-Shabaab financing – must expand. It should cover assistance to domestic agencies in the implementation of appropriate legislation to restrict terrorist financing, and building the capacity of law-enforcement agencies. In this regard, the European Commission’s ongoing work in East Africa is of critical importance
- Efforts to tackle Al-Shabaab’s trade-based financing must continue. Greater engagement with the UAE and Saudi Arabia as the primary regional trading hubs for charcoal and sugar should be prioritised.

### Countering the Illegal Ivory Trade

- The lack of intelligence and investigative capacity in the fight against the illegal ivory trade in East Africa must be addressed. Priorities for capacity-building should include improved training in tools and methods for collecting and analysing intelligence, gathering evidence on organised criminal suspects and using this evidence in arrests and prosecutions
- Greater co-operation between agencies is required, in the form of cross-border and inter-agency information sharing across the region and beyond. This is vital to collecting actionable intelligence and conducting credible investigations into transnational OCGs. Given an ongoing lack of trust, national governments and international organisations should focus on confidence-building initiatives both within and across borders.
- In the long-term, the illegal trade in ivory can only be defeated through a concerted effort by regional actors to root out corruption. This will require concerted will from the president down to the police officer
- The illegal wildlife trade (IWT) – and the ivory trade within this – must be treated as a major form of organised crime. Overlaps between the IWT and other forms of organised crime must be investigated. Recent initiatives, such as the UN Office on Drugs and Crime (UNODC)’s Indian Ocean Forum on Maritime Crime and the extension of its Container Control Programme must be built on. Plans for multi-commodity Transnational Organised Crime Units in Kenya and Tanzania must be similarly supported – and potentially expanded

- The sophisticated OCGs that drive the ivory trade mean that East African governments must move beyond a focus on seizures. To have real impact, investigations should focus upwards, on the high-level individuals and networks directing the trade. Such a focus will require broader evidence gathering in investigations, proactive intelligence-sharing along the value chain and the strengthening of anti-money-laundering and anti-corruption legislation. This could be facilitated by the creation of a new, dedicated regional wildlife-crime cell
- The current bias towards militarised anti-poaching operations in source areas in East Africa needs to be addressed. Community-engagement and development programmes must complement aggressive front-line activities by increasingly well-equipped rangers and other actors
- Beyond East Africa, broader measures must continue to target the onward transit and destination stages of the supply chain. Efforts to map the financial and logistics networks that support the trade should be prioritised. In so doing, these efforts should engage the private sector, with all its resources, in disrupting the illegal trade. In consumer states, vital demand reduction and public awareness campaigns must be further supported.

### **UK-Specific Actions**

The UK government has established itself as a policy leader on the IWT – and the illegal ivory trade as an important component of this. The government now has an opportunity to deepen this engagement. The report makes the following specific recommendations for how it could do so:

- The UK government can maintain its leadership on the IWT by building on its broader National Security Strategy to counter threats such as organised crime and corruption overseas
- The UK government should capitalise on its position as a permanent member of the Security Council, its strong bilateral relationships and its longstanding support to governments in East Africa, to drive forward the international agenda in the fight against the IWT
- At the early stages of the trade, the UK government should continue to address the bias towards militarised approaches by also promoting soft-security and development activities. The London Conference on Illegal Wildlife Trade promisingly featured community engagement as one of its four core strands. This must now translate into action; the UK must ensure that innovative community-focused projects are supported through the Challenge Fund
- The UK government should support a focus on the transit and end stages of the value chain. Positive British initiatives include work with the transport industry and high-level engagement with the Chinese government – feeding into the latter's landmark commitment to phase out its legal ivory market. The UK government must support these initiatives – and apply pressure to ensure that China's commitment is met in the near future.



# Introduction

**I**N 2014, US Congressman Ted Poe stated that ‘The world cannot allow radical Islamists to continue the wholesale slaughter of rhinos and elephants to fund a reign of terror’, adding that ‘The collusion of these two evils – the killing of endangered species and innocent civilians to further terrorism – is an international issue’.<sup>1</sup> Evidence for Poe’s outspoken comments remains limited – in some cases non-existent. An illusion of complicity between terrorists and traffickers has been created in the public’s mind. It is misleading – and worst of all, it risks diverting limited resources away from where they could have most impact on the illegal ivory trade.

The last ten years have seen a surge in the poaching of African elephants and the emergence of industrial-scale trafficking. This has occurred alongside booming demand from East Asia’s middle classes: globally, the illegal wildlife trade (IWT) is now valued at \$7–23 billion per year – and wider environmental crime at \$70–213 billion. This represents the fourth-highest global form of illicit activity after drug trafficking, people trafficking and counterfeiting.<sup>2</sup> In terms of ivory specifically, estimates suggest that over 200,000 elephants have been slaughtered to feed the trade since 2009, a large proportion in East Africa.<sup>3</sup>

Numerous governments and international bodies have recognised this as a major concern on environmental but also economic, political and security grounds. The UK, in particular, has taken a global policy lead in the past eighteen months as the IWT has become a major foreign-policy concern. This was highlighted by the forty-four-point declaration signed by forty-six countries and eleven international organisations at the London Conference in February 2014.<sup>4</sup> This landmark declaration was followed by major conferences in Dar-es-Salaam (May 2014) and Kasane (March 2015) to co-ordinate plans to tackle the deadly trade.

Two factors have driven this high-level political engagement. The first relates to mounting evidence of links between the IWT and transnational organised crime and corruption; the second to growing alarm over the involvement of armed non-state actors.<sup>5</sup> In the case of the latter, greatest concern has centred on the alleged participation of terrorist groups, rooted in wider

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1. Ted Poe, ‘How Poaching Fuels Terrorism Funding’, *CNN*, 22 October 2014.
  2. Christian Nellemann et al., ‘The Environmental Crime Crisis: Threats to Sustainable Development From Illegal Exploitation and Trade in Wildlife and Forest Resources’, UNEP & INTERPOL Rapid Response Assessment, United Nations Environment Programme and GRID-Arendal, 2014, p. 13.
  3. Varun Vira, Thomas Ewing and Jackson Miller, ‘Out of Africa: Mapping the Global Trade in Illicit Elephant Ivory’, *Born Free USA/C4ADS*, August 2014, p. 3.
  4. ‘London Conference on the Illegal Wildlife Trade, 12–13 February 2014: Declaration’, <<https://www.gov.uk/government/publications/declaration-london-conference-on-the-illegal-wildlife-trade>>, accessed 12 August 2015.
  5. See, for example, Jasper Humphreys and M L R Smith, ‘War and Wildlife: The Clausewitz Connection’, *International Affairs* (Vol. 87, No. 1, 2011); International Federation for Animal Welfare (IFAW), ‘Criminal Nature: The Global Security Implications of the Illegal Wildlife Trade’.

fears over a deepening 'crime-conflict-terror nexus'.<sup>6</sup> In East Africa, the group that has captured attention on these grounds is the Somali-based, Islamist violent-extremist group Al-Shabaab.

Al-Shabaab emerged from the remnants of extreme elements of the Islamic Courts Union's military wing in 2006. By 2011, the group controlled an area the size of Denmark, with a fighting force of around 5,000.<sup>7</sup> Its direct security impact has largely been restricted to Somalia, though the group has increasingly conducted attacks beyond Somali borders, most notably in Kenya. It has done so despite growing pressure from the Somali National Army and the African Union Mission in Somalia (AMISOM) since 2011.

The group's resilience is attributable to a sophisticated recruitment strategy, an ability to adjust to a shifting operational environment and a multi-faceted and adaptive financing capability. Al-Shabaab's financing capability and its location in a region that is a centre of poaching and trafficking have attracted growing interest in this context. These factors have encouraged speculation that the group has earned significant profits from ivory. Such speculation has extended to claims that the group has become a major player in the wider East African ivory trade.

This is a potent narrative. As noted by Kenya-based journalist Tristan McConnell, 'Terrorists killing elephants to fund their atrocities is a powerful, troubling story that deftly taps two hot-button issues'.<sup>8</sup> Yet evidence for such claims remains highly limited. No detailed research has been undertaken to examine its veracity, and briefings continue to rely on a small evidence base.<sup>9</sup> In the absence of new evidence and analysis, there is a danger that this narrative could adversely affect measures to counter both Al-Shabaab and the illegal ivory trade.

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June 2013; US Office of the Director of National Intelligence, 'Wildlife Poaching Threatens Economic, Security Priorities in Africa', 6 September 2013.

6. See, for example, Chris Dishman, 'The Leaderless Nexus: When Crime and Terror Converge', *Studies in Conflict and Terrorism* (Vol. 28, No. 3, 2005); John T Picarelli, 'The Turbulent Nexus Of Transnational Organised Crime and Terrorism: A Theory of Malevolent International Relations', *Global Crime* (Vol. 7, No. 1, 2006); Peng Wang, 'The Crime Terror Nexus: Transformation, Alliance, Convergence', *Asian Social Science* (Vol. 6, No. 6, June 2010).
7. Jarat Chopra et al., 'Report of the Monitoring Group on Somalia and Eritrea Pursuant to Security Council Resolution 2060 (2012): Somalia', S/2013/413, 12 July 2013, p. 7; Stig Jarle Hansen, *Al-Shabaab in Somalia: The History and Ideology of a Militant Islamist Group, 2005–2012* (Oxford: Oxford University Press, 2013), p. 72.
8. Tristan McConnell, 'Illegal Ivory May Not be Funding African Terror Group', *USA Today*, 14 November 2014.
9. Joshua Busby, 'Written Testimony of Joshua Busby, Associate Professor, LBJ School of Public Affairs, University Of Texas at Austin, Before the US House of Representatives, Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation, and Trade on Poaching and Terrorism: A National Security Challenge', 22 April 2015, <<https://sites.utexas.edu/wildlife/files/2015/05/Testimony.pdf>>, accessed 17 August 2015; Josh Busby, 'Security and Global Wildlife Conservation', Presentation of University of Texas Global Wildlife Conservation Group Research Findings, 7 May 2015, <[https://www.youtube.com/watch?list=PLC-FAeQQyr3VnVshArz0XihVL8v0OKPub&v=T\\_OGTOZooW4](https://www.youtube.com/watch?list=PLC-FAeQQyr3VnVshArz0XihVL8v0OKPub&v=T_OGTOZooW4)>, accessed 17 August 2015.

This report offers a new, objective and nuanced analysis to inform policy regarding these issues. In doing so, it seeks to frame debate on the Al-Shabaab–ivory nexus in a more context-sensitive manner than highly emotive public discussion. At the heart of the report is the question of whether – and how – Al-Shabaab has been involved in the ivory trade. Based on its findings, it assesses the consequences for, firstly, efforts to starve Al-Shabaab of funding and, secondly, attempts to stem the region’s substantial flows of illegal ivory.

## Methodology

A multi-method research approach was adopted, using predominantly, but not exclusively, open sources. First, an extensive Internet survey was conducted to assess the main components of the prevailing Al-Shabaab–ivory narrative and the evidence underpinning it. Through a range of search engines, English-language articles published by both Western and East African media containing the terms ‘Al-Shabaab’, ‘terrorist’, ‘poaching’ and ‘ivory’ were surveyed and analysed. The articles were then categorised according to the claimed strength of the connection, the evidence they presented or cited, variations in central narratives and statistics, and publication dates. A similar survey and analysis were conducted for publications and public statements by NGOs, research institutes and policy-makers. Following this, over sixty interviews were conducted with experts on both the IWT and Al-Shabaab from the US, UK and East African academic, policy, practitioner and research communities. Fieldwork in Nairobi and northern Kenya allowed the authors to access a range of views on the ground, including those of actors on the front lines of the Laikipia-Samburu ecosystem – one of Kenya’s two major source areas and the one closest to the Somali border. In all locations, as many angles as possible were sought to place the issue in perspective, especially from counter-terrorism experts whose voices have been largely absent from the public debate. The data acquired was then combined with extensive desk research using primary and secondary sources. From this, contextual and logic-based analysis of the most likely scenarios was applied, taking account of areas where little further evidence is available without an extensively resourced investigation.

## Structure

The report is divided into four main chapters. Chapter I examines the Al-Shabaab–ivory narrative, and the main variants of it that have emerged. Chapter II uses the authors’ research to challenge the main tenets of the arguments commonly put forth. The subsequent chapters consider the implications of the findings for the fight against Al-Shabaab on the one hand, and efforts to curb the IWT on the other. Chapter III asks the question, If Al-Shabaab is not earning substantially from ivory, where the focus on ongoing measures to stem its financing should lie? Chapter IV considers the main actors known to drive the illegal ivory trade and the measures required to counter them. The report concludes with a series of recommendations to strengthen the formulation of policy in both areas.





# I. The Collusion of Two Evils?

**T**HE IDEA THAT terrorist groups benefit from the illegal ivory trade has become an increasingly common assertion in public discourse. This narrative has circulated since at least 2010, gaining increasing traction since 2013. It is rooted in wider discourses around the growing national and international security implications of the IWT and concern over a growing crime-conflict-terror nexus. Several armed non-state groups are frequently referenced in this context, the most common being the Sudanese Janjaweed, Joseph Kony's Lord's Resistance Army (LRA) and Al-Shabaab.

Al-Shabaab is the only one of these to have been designated a Foreign Terrorist Organization by the US State Department, despite the fact that the 'terrorist' label is frequently used to reference all three.<sup>1</sup> Al-Shabaab's links to the illegal ivory trade have also attracted particularly widespread attention. The core narrative advocated by proponents of this view is that ivory has been a major source of funding for Al-Shabaab and, in turn, that Al-Shabaab has been a major player in the East African ivory trade.

This assertion rests on two main claims. Firstly, that Al-Shabaab and linked Somali gangs source ivory by poaching Kenyan elephants directly. Secondly, that Al-Shabaab acts as a key middleman, trafficking vast quantities of ivory in a chain running through Somalia. Three sets of actors have been at the forefront of propagating both narratives: NGOs and research institutes; the media; and politicians. This chapter will consider each in turn.

## NGOs and Research Institutes

The single most influential proponent of the Al-Shabaab–ivory trade nexus has been the California-based Elephant Action League (EAL). A brief report by the organisation published in January 2013 claimed to detail Al-Shabaab's involvement in trafficking vast ivory flows through Somalia. Titled 'Africa's White Gold of Jihad', its assertions were based on an eighteen-month undercover investigation in East Africa. Its headline contention was that Al-Shabaab's income, from a monthly export of 1–3 tonnes of ivory, amounted to as much as \$200,000–\$600,000 a month. This, it was argued, contributed as much as 40 per cent of the group's running costs.<sup>2</sup>

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1. US Department of State, Bureau of Counterterrorism, 'Foreign Terrorist Organizations', <<http://www.state.gov/j/ct/rls/other/des/123085.htm>>, accessed 17 August 2015. Both the Janjaweed and Lord's Resistance Army (LRA) appear on the Terrorism Research and Analysis Consortium's database (<http://www.trackingterrorism.org>), the University of Maryland's Study of Terrorism and Responses to Terrorism Global Terrorism Database (<http://www.start.umd.edu/gtd>) and the National Counterterrorism Center's Counterterrorism Guide (<http://www.nctc.gov/site/index.html>), amongst others.
  2. Nir Kalron and Andrea Crosta, 'Africa's White Gold of Jihad: Al-Shabaab and Conflict Ivory', Elephant Action League, January 2013, <<http://elephantleague.org/project/africas-white-gold-of-jihad-al-shabaab-and-conflict-ivory/>>, accessed 17 August 2015.

It boldly asserted that ‘Dangerous and unpredictable, al-Shabaab’s involvement in [the] ivory trade brings with it an alarming dimension, a dimension the world cannot afford to ignore’.<sup>3</sup>

The list of NGOs and research institutes that have taken up the EAL’s mantle is long. It includes the Clinton Global Initiative, the International Fund for Animal Welfare (IFAW), National Geographic, Conservation International, the Wildlife Conservation Society, the Enough Project, Save the Rhino, Justice Africa and the African Environmental Film Foundation (AEFF), amongst others.<sup>4</sup> Some have promoted the narrative through films in which the Al-Shabaab–ivory nexus is a central tenet. In 2013, the AEFF launched the documentary *White Gold*, narrated by Hillary Clinton, with a supporting short film declaring that ‘terrorist organizations in countries like Somalia use illegal ivory to fund operations’.<sup>5</sup>

End Ivory-Funded Terrorism is a more recent initiative led by US film director Kathryn Bigelow, whose animated short film *Last Days* argued that Westgate’s attackers had sold ivory to fund the operation. Bigelow explains that the initiative seeks to redress ‘the diabolical intersection of two problems ... of great concern – species extinction and global terrorism’.<sup>6</sup> WildAid provided strong support for the film and wider initiative.<sup>7</sup> Save the Rhino has dedicated a funding appeal specifically to the matter. Meanwhile, a prominent 2013 IFAW report devoted a full section to demonstrating Al-Shabaab involvement, alongside the LRA and Janjaweed.<sup>8</sup>

Several policy and research institutes have sought to deepen these assertions. A 2014 report by the US-based Stimson Center drew on the EAL report to note that ‘the Lord’s Resistance Army and Al Shabab ... make hundreds of thousands of dollars every month by partaking, directly or indirectly, in the killing and sale of animal parts’.<sup>9</sup> The same year, the Africa Center for Strategic Studies reported that Al-Shabaab was earning these sums by ‘encouraging villagers in Kenya to poach ivory’ and then selling it out of Somali ports.<sup>10</sup> A range of conservation scientists

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3. *Ibid.*

4. See, for example, Save the Rhino, ‘Is Elephant and Rhino Poaching Funding Terrorism?’, <[https://www.savetherhino.org/rhino\\_info/thorny\\_issues/is\\_elephant\\_and\\_rhino\\_poaching\\_funding\\_terrorism](https://www.savetherhino.org/rhino_info/thorny_issues/is_elephant_and_rhino_poaching_funding_terrorism)>, accessed 17 August 2015; International Fund for Animal Welfare (IFAW), ‘Criminal Nature’, pp. 12–13.

5. Simon Trever (director), *White Gold* (Kenya: African Environmental Film Foundation, 2013). For the trailer, see African Environmental Film Foundation (AEFF), ‘Ivory and Terrorism’, *YouTube*, 14 February 2013, <<https://www.youtube.com/watch?v=8FB5mvLKKI>>, accessed 17 August 2015.

6. For both the initiative and film, see <<http://www.lastdaysofivory.com>>, accessed 17 August 2015. For Kathryn Bigelow’s interview, see Nolan Feeney, ‘Premiere: Watch Kathryn Bigelow’s Short Film about Elephant Poaching, *Last Days*’, *Time*, 4 December 2014.

7. Perry Chiaramonte, ‘Terrorist Groups Fuel Rise in Violent Elephant Poaching in Central Africa’, *Fox News*, 8 February 2015.

8. Save the Rhino, ‘Is Elephant and Rhino Poaching Funding Terrorism?’; IFAW, *Criminal Nature*, pp. 12–13.

9. Johan Bergenas, ‘Killing Animals Buying Arms: Setting the Stage for Collaborative Solutions to Poaching + Wildlife Crime’, Stimson Center, January 2014, p. 3.

10. Bradley Anderson and Johan Jooste, ‘Wildlife Poaching: Africa’s Surging Trafficking Threat’, Africa Security Brief No. 28, Africa Center for Strategic Studies, May 2014, p. 2. For a similar argument by another policy institute, see Carla Sterley, ‘Elephants and Rhinos Fund Terror Networks: Illegal

have included this narrative in studies of the ivory trade and broader IWT.<sup>11</sup> In framing his DNA testing of seized ivory, Sam Wasser of the University of Washington touched on these linkages to emphasize the counter-terrorism benefits of his research:<sup>12</sup> 'if you can track poached ivory, you can also trace hot beds of terrorist activity'.<sup>13</sup>

## The Media

These NGO and research advocates have had a strong influence on the media. The prevailing narrative has largely cancelled out dissenting voices.<sup>14</sup> The media, for example, has largely ignored a 2014 United Nations Environmental Programme/INTERPOL report that concludes Al-Shabaab's charcoal revenues likely dwarf those potentially deriving from ivory.<sup>15</sup> The fact that no East African security-studies experts have lent their support has been similarly disregarded. Ivory does not feature in the work of eminent scholars Stig Jarle Hansen, Christopher Anzalone, Ken Menkhaus, Pater Gastrow or Matt Bryden.<sup>16</sup>

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Poaching in Sub-Saharan Africa Funds Islamic Fundamentalism', Consultancy Africa Intelligence, 1 September 2014.

11. Leo Douglas and Kelvin Alie, 'High-Value Natural Resources: Linking Wildlife Conservation to International Conflict, Insecurity, and Development Concerns', *Biological Conservation* (Vol. 171, March 2014), p. 273; Justin S Brashares et al., 'Wildlife Decline and Social Conflict: Policies Aimed at Reducing Wildlife-Related Conflict Must Address the Underlying Causes', *Science* (Vol. 345, No. 6195, July 2014), p. 377.
12. For the most recent publication detailing Sam Wasser's DNA work, see S K Wasser et al., 'Genetic Assignment of Large Seizures of Elephant Ivory Reveals Africa's Major Poaching Hotspots', *Science* (Vol. 349, No. 6243, July 2015), pp. 84–87.
13. *Seattle Channel*, 'CityStream: UW Elephant Tracking', 12 December 2013, <<http://www.seattlechannel.org/videos?videoid=x21192>>, accessed 17 August 2015. See also Steve Connor, 'Two Geographical "Hotspots" in Africa Account for 85 Per Cent of Illegal Elephant Poaching, DNA Study Finds', *Independent*, 18 June 2015.
14. Tristan McConnell, 'The Claim that Illegal Ivory is Funding a Major Terror Group in Africa May Not Be True', *Global Post*, 14 November 2014; Diogo Veríssimo, 'Kathryn Bigelow and the Bogus Link Between Ivory and Terrorism', *Conversation*, 16 January 2015; Jessica L Anderson, 'The Danger of False Narratives: Al-Shabaab's Faux Ivory Trade', Council on Foreign Relations, 5 June 2015, <<http://blogs.cfr.org/campbell/2015/06/05/the-danger-of-false-narratives-al-shabaabs-faux-ivory-trade>>, accessed 17 August 2015; Vanda Felbab-Brown, 'It's Corruption, Stupid: Terrorism, Wildlife Trafficking, and Obama's Africa Trip', *Up Front* (Brookings), 22 July 2015, <<http://www.brookings.edu/blogs/up-front/posts/2015/07/22-obama-africa-wildlife-felbabbrown>>, accessed 17 August 2015.
15. Christian Nellemann et al., 'The Environmental Crime Crisis', pp. 13, 75–86. Exceptions include Olive Burrows, 'Charcoal Trade Poses Greater Risks than Poaching', *Capital News*, 24 June 2014; Ryan Lenora Brown, 'Terror Group Al Shabab Doesn't Smuggle Ivory for Cash. It Sells Charcoal', *Christian Science Monitor*, 25 June 2014; Cameron Lagrone and Josh Busby, 'Is Wildlife Trafficking a National Security Threat?', *New Security Beat* (Wilson Center), 10 June 2015, <<http://www.newsecuritybeat.org/2015/06/wildlife-trafficking-national-security-threat>>, accessed 17 August 2015.
16. Peter Gastrow, 'Termites at Work: A Report on Transnational Organized Crime and State Erosion in Kenya—Comprehensive Research Findings', International Peace Institute, 2011; Stig Jarle Hansen, *Al-Shabaab in Somalia: The History and Ideology of a Militant Islamist Group, 2005–2012* (Oxford: Oxford University Press, 2013); Matt Bryden, 'The Reinvention of Al-Shabaab: A Strategy of Choice

Instead, a survey by the authors of online English-language media stories published between 2011 and August 2015 by Western and African outlets highlights 115 articles citing the involvement of Al-Shabaab and other groups in the ivory trade. Only eight provide any critical commentary on the claim, demonstrating the extent of the narrative's acceptance. The remainder repeat – and to greater or lesser degrees embellish – the claims. Many articles promote additional variant claims of undisclosed origin.<sup>17</sup>

Some of the narrative's earliest manifestations in the media allude to Al-Shabaab's direct involvement in poaching. Amongst the first are investigative pieces from 2011 by the *Independent* newspaper and *Vanity Fair* magazine. The *Vanity Fair* piece, by Alex Shoumatoff, argues that Al-Shabaab was earning significantly by engaging in poaching in Kenya. Maryrose Fison in the *Independent* similarly declares poaching to be 'a major source of funding for terrorist ... groups' like Al-Shabaab.<sup>18</sup>

More influential was a 2012 investigative story by Pulitzer Prize-winner Jeffrey Gettleman in the *New York Times*. This article notes that Al-Shabaab, the LRA and Janjaweed were 'hunting down elephants and using the tusks to buy weapons and sustain their mayhem'.<sup>19</sup> On Al-Shabaab, Gettleman cites claims by several Somali residents that the group was both training poachers and encouraging Kenyan villagers to source tusks for onward sale.<sup>20</sup> This argument was reinforced the same year when the then-director of the Kenya Wildlife Service (KWS), Julius Kipng'etich, affirmed that Al-Shabaab was sending poaching gangs into Kenya.<sup>21</sup>

Alongside the EAL report, these brief references have formed the evidence-base for most subsequent reporting. This has led to often confused accounts that fail to distinguish between participation in poaching and involvement in trafficking. Such reporting nonetheless took off after Al-Shabaab's deadly attack on Nairobi's Westgate Mall in September 2013. In its wake, local and international media seized on the ivory–terrorism narrative, explaining the group's capacity with reference to East Africa's poaching crisis.

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of Necessity?', CSIS, February 2014; Christopher Anzalone, 'The Rise and Decline of Al-Shabaab', *Turkish Review* (Vol. 4, No. 4, 2014); Ken Menkhaus, 'Conflict Assessment 2014: Northern Kenya and Somaliland', Danish Demining Group, March 2015.

17. For example, five stories imply that Al-Qa'ida is profiting from Al-Shabaab's affiliation to the group; twenty-three claim that Al-Shabaab is gaining 40 per cent of its *total* funding from ivory, as opposed to 40 per cent of fighters' salaries as the original Elephant Action League (EAL) report posits; twelve articles cite different monthly ivory revenues from those described in the EAL report; and ten argue ivory helped to finance the Westgate Mall attack specifically. None of these variants is based on clearly identified sources.

18. Alex Shoumatoff, 'Agony and Ivory', *Vanity Fair*, August 2011; Maryrose Fison, 'The £6bn Trade in Animal Smuggling', *Independent*, 6 March 2011.

19. Jeffrey Gettleman, 'Elephants Dying in Epic Frenzy as Ivory Fuels Wars and Profits', *New York Times*, 3 September 2012.

20. *Ibid.*

21. Horand Knaup and Jan Puhl, "'Blood Ivory": Brutal Elephant Slaughter Funds African Conflicts', *Der Spiegel*, 13 September 2012.

The spike in media reporting was pronounced. Only seven of the surveyed stories were published prior to 2013. Fifty-five were published that year – and 80 per cent of those in the two months following Westgate. Ten of these concluded that Al-Shabaab had used ivory specifically to fund the attack.

These narratives have since become self-perpetuating. High-profile outlets have disseminated the arguments largely uncontested, including the *New York Times*, *Washington Post*, *Wall Street Journal*, *New Yorker*, *Financial Times* and *The Economist*. Yet stories are often based on unclear evidence, circular reporting and flawed logic.<sup>22</sup>

Indeed, across this coverage, varied explanations have emerged for Al-Shabaab's engagement with the ivory trade. These include the Somali heritage of an allegedly increasing number of poaching gangs; growing pressure from law-enforcement agencies in Kenyan ports displacing ivory trafficking to Somalia; and Al-Shabaab's loss of the strategically vital port of Kismaayo and consequent need to diversify into ivory.

At the heart of all of these accounts is the claim that the group has been selling ivory out of Somali ports. This remains constant whether ivory is reported to be acquired through active poaching or through purchase from Kenyan poachers or brokers. Whichever variant of the story is proffered, the EAL report's footprint is clear. Over 40 per cent of the articles surveyed quote the report as their only source.

The lack of clarity extends to the figures involved.<sup>23</sup> The majority of articles addressing this posit monthly ivory revenues of \$200,000–\$600,000, as the EAL asserts. Some claim \$400,000. Other reports put Al-Shabaab's earnings in the billions: the *Daily Mirror* claims \$4.5 billion, and the *Guardian* claims \$19 billion for a range of 'terrorist groups'.<sup>24</sup> Despite these variations, these figures have influenced a number of politicians.

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22. See, for example, Philip Mansbridge, 'Blood on Your Hands, China: The Link Between Ivory Consumption and Al Shabaab', *Huffington Post UK*, 25 September 2013; Andy Lines, 'Nairobi Attack "Funded by Rhino and Elephant Poaching"', *Daily Mirror*, 26 September 2013; Catrina Stewart, 'Illegal Ivory Trade Funds Al-Shabaab's Terrorist Attacks', *Independent*, 6 October 2013. For the EAL's post-Westgate op-eds to reinforce this interpretation, see Laurel Neme, Andrea Crosta and Nir Calron, 'Al Shabaab and the Human Toll of the Illegal Ivory Trade', *National Geographic*, 3 October 2013; Laurel Neme, Andrea Crosta and NirCalron, 'Terrorism and the Ivory Trade', *LA Times*, 14 October 2013.

23. For an estimate of 'almost half of all funding for Shabab's terrorist activities', see the former special assistant to defense secretaries Leon Panetta and Chuck Hagel in Monica Medina, 'The White Gold of Jihad', *New York Times*, 30 September 2013.

24. Tom Parry, 'The Elephant Slayer: Butchery of Poacher Who Killed More than SEVENTY Elephants and Inadvertently Helped Terrorism', *Mirror*, 5 June 2014 Brandon Keim and Emma Howard, 'African "Blood Ivory" Destroyed in New York to Signal Crackdown on Illegal Trade', *Guardian*, 19 June 2015; Nellemann et al., *The Environmental Crime Crisis*, p. 13.

## The Politics of Ivory

In November 2012, Hillary Clinton stated publicly that ‘we have good reason to believe that rebel militias are players in a worldwide ivory market worth millions and millions of dollars a year’.<sup>25</sup> This oft-cited statement reflected reports that some armed groups, such as the LRA, had profited from ivory – but said nothing of the involvement of terrorist groups.<sup>26</sup>

US officials have consistently been more wary of linking Al-Shabaab to ivory than Central African militant groups such as the LRA. In April 2015, Ambassador Judith Garber, acting assistant secretary for the Bureau of Oceans and International Environmental and Scientific Affairs, testified to Congress that ‘Some terrorist entities we believe are benefitting, but the details are very sketchy.’<sup>27</sup> Terrance Ford, national intelligence manager for Africa at the Office of the Director of National Intelligence, was similarly restrained in his testimony. He noted that, unlike for the LRA or Janjaweed, he could only posit ‘potential involvement’ by Al-Shabaab.<sup>28</sup>

At the same time, however, the US Congress has served as a pulpit for outside experts promoting the Al-Shabaab–ivory narrative. In May 2012, Tom Cardamone of Global Financial Integrity, a US non-profit, spoke before the Senate Foreign Affairs Committee about the ‘terrorism connection’, and the role played by Al-Shabaab.<sup>29</sup> In expert briefing sessions in 2012 and 2013 hosted by Congress’s International Conservation Caucus Foundation (ICCF), Ian Saunders, chief operations officer of Kenya’s Tsavo Trust, supported this stance. In his first briefing he stated that the sale of 1.6 tusks could fund the equivalent of the 1998 East African US embassy attacks.<sup>30</sup>

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25. Hillary Clinton, ‘Remarks at the Partnership Meeting on Wildlife Trafficking’, Department of State, Washington, DC, 8 November 2012.

26. See, for example, Liana Wyler and Pervaze A Sheikh, *International Illegal Trade in Wildlife: Threats and U.S. Policy* (Washington, DC: Congressional Research Service, 2010), pp. 24–25; Kasper Agger and Jonathan Hutson, ‘Kony’s Ivory: How Elephant Poaching in Congo Help’s Support the Lord’s Resistance Army’, Enough Project et al., June 2013; Kristof Titeca, ‘Out of Garamba, into Uganda: Poaching and Trade of Ivory in Garamba National Park and LRA-Affected Areas in Congo’, Analysis and Policy Brief No. 5, November 2013, Institute of Development Policy and Management, University of Antwerp.

27. ‘Poaching and Terrorism: A National Security Challenge’, Hearing Before the Subcommittee on Terrorism, Nonproliferation, and Trade of the Committee on Foreign Affairs House of Representatives, 114th Congress, 1st Session, 22 April 2015, p. 43.

28. *Ibid.*; ‘GEOINT Wildlife Security and Illicit Trafficking’, Prepared Remarks of Terrance M Ford, National Intelligence Manager, Africa, Working Group Presentation, 2015 GEOINT Symposium, 24 June 2015.

29. Tom Cardamone, ‘Ivory and Insecurity: The Global Implications of Poaching in Africa’, Global Financial Integrity, Hearing Before the US Senate Committee on Foreign Relations, 112th Congress, 2nd Session, 24 May 2012. See also Sharon Begley, ‘Extinction Trade: Endangered Animals Are the New Blood Diamonds as Militias and Warlords Use Poaching to Fund Death’, *Newsweek*, 1 March 2008; Fison, ‘The £6bn Trade in Animal Smuggling’; Shoumatoff, ‘Agony and Ivory’.

30. International Conservation Caucus (ICC) Foundation, ‘US International Conservation Caucus Hearing: The Global Poaching Crisis’, 15 November 2012; Ian J Saunders, ‘Congressional Staff Briefing: Applying the Lessons of Iraq and Afghanistan to the Poaching Crisis’, 8 April 2013, <[http://datab.us/qw3wLaIKfHc#Congressional Staff Briefing: Applying the Lessons from Iraq and Afghanistan to the Poaching Crisis](http://datab.us/qw3wLaIKfHc#Congressional%20Staff%20Briefing%20Applying%20the%20Lessons%20from%20Iraq%20and%20Afghanistan%20to%20the%20Poaching%20Crisis)>, accessed 17 August 2015; Varun Vira and Thomas Ewing,



These testimonies have combined with broader reporting to embed concern over the nexus in Congress. In October 2014, Congressman Ted Poe published the article ‘How Poaching Fuels Terrorism Funding’<sup>31</sup> – and continued to push the narrative at a dedicated 2015 Earth Day hearing.<sup>32</sup> This rhetoric may also be shaping new legislation in Washington – notably, supporting President Barack Obama’s National Strategy for Combating Wildlife Trafficking.<sup>33</sup> In May 2015, Congressmen Ed Royce and Eliot Engel introduced the Global Anti-Poaching Act by warning that Al-Shabaab, along with a range of other groups, ‘either participate in or draw funding from illicit wildlife trafficking networks’.<sup>34</sup>

The Kenyan government has also lent weight to this argument. In 2012, the director of the KWS stated that ‘Terrorist organisations like Al-Shabaab have been linked to poaching in Kenya’.<sup>35</sup> Post-Westgate, Kenyan President Uhuru Kenyatta observed that ‘the money gained from the callous business is usually directed into funding terrorism’. He went on to declare war on poaching ‘a double-edged sword, which decimates two evils at once’.<sup>36</sup>

These mutually reinforcing NGO, media and policy voices have not shown the caution that might be expected given the limited evidence base. Indeed, the view put forward by some NGOs of an Al-Shabaab–ivory nexus is appealing: the image of ‘poacher-terrorists’ in cahoots across the global South has fit well with ongoing priorities in the post-9/11 War-on-Terror mindset. Such rhetoric appeals readily to those who view Africa’s ‘fragile’ states as a broader source of global instability.<sup>37</sup>

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‘Ivory’s Curse: The Militarization and Professionalization of Poaching in Africa’, *Born Free USA/C4ADS*, April 2014, pp. 18–20.

31. Ted Poe, ‘How Poaching Fuels Terrorism Funding’, *CNN*, 22 October 2014.

32. ‘Poaching and Terrorism: A National Security Challenge’, Hearing Before Subcommittee on Terrorism, Nonproliferation, and Trade of the Committee on Foreign Affairs, House of Representatives, 114<sup>th</sup> Congress, 1<sup>st</sup> Session, 22 April 2015, pp. 2–3. The event saw Congressman Peter DeFazio referring to ‘Lord’s Resistance Army or ISIS ... financing their nefarious activities with this [ivory]’.

33. President’s Task Force on Combating Wildlife Trafficking, ‘National Strategy for Combating Wildlife Trafficking: Implementation Plan’, 11 February 2015.

34. Ed Royce, ‘A Bill to Support Global Anti-Poaching Efforts, Strengthen the Capacity of Partner Countries to Counter Wildlife Trafficking, Designate Major Wildlife Trafficking Countries, and for Other Purposes’, HR 2494, 21 May 2015, 114<sup>th</sup> Congress, 1<sup>st</sup> Session, p. 3; ICCF, ‘ICC Co-Chair, Chairman Ed Royce and ICC Member, Rep. Eliot Engel Introduce H.R. 2494, The Global Anti-Poaching Act’, 26 May 2015, <[http://iccfoundation.us/what-we-do/conservation\\_updates/may-26-2015.html](http://iccfoundation.us/what-we-do/conservation_updates/may-26-2015.html)>, accessed 17 August 2015.

35. Gatonye Gathura, ‘Poachers Funding Al-Shabaab, Reveals KWS’, *Daily Nation*, 17 June 2012.

36. Marc Nkwame, ‘Tanzania: Uhuru – Poaching, Terror Linked’, *Tanzania Daily News*, 26 March 2014; Uhuru Kenyatta, ‘The Path to Defeating the Al-Shabaab Terrorists: The Jihadists Who Struck My Country Should Be Fought Militarily but also Financially. Let’s Work Together’, *Wall Street Journal*, 6 October 2013.

37. For a current strong advocate of the crime-conflict-terror nexus narrative, see Louise I Shelley, *Dirty Entanglements* (Cambridge: Cambridge University Press, 2014); for debates over the concept of failing and fragile states and their security implications, see Liana Sun Wyler, ‘Weak and Failing States: Evolving Security Threats and U.S. Policy’, CRS Report for Congress, 28 August 2008; Aidan



As such, the narrative arguably provides a softer cloak for engagement by Western agencies concerned with countering the underlying drivers of violent extremism.<sup>38</sup> It does so, similarly, for private security contractors whose global presence has burgeoned with the post-9/11 outsourcing of security.<sup>39</sup> The ivory–terrorism narrative is also an easier call to arms against the illegal ivory trade than ‘corruption in Africa’, which lacks the same emotional resonance.<sup>40</sup> As the rest of this report will argue, this is unlikely to be a beneficial development.

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Hehir, ‘The Myth of the Failed State and the War on Terror: A Challenge to the Conventional Wisdom’, *Journal of Intervention and Statebuilding* (Vol. 1, No. 3, 2007), pp. 307–32.

38. Authors’ interview with Western diplomat 1, 26 January 2015; authors’ correspondence with Western diplomat 6, 17 March 2015.

39. For the neoliberalisation of security actors, see Sean McFate, *The Modern Mercenary: Private Armies and What They Mean for World Order* (Oxford: Oxford University Press, 2015); Allison Stanger, ‘How Private Military Contractors Undermine World Order’, *Foreign Affairs* (Vol. 94, No. 4, July/August 2015). For examples of those private security companies and non-profit organisations now engaged in supporting anti-poaching operations, see Maisha Consulting (<http://maisha-consulting.com/environmental-security/>) and VETPAW (<http://vetpaw.org/>).

40. Authors’ phone interview with senior conservation scientist, 3 February 2015; authors’ discussion with the chief executive of a UK conservation charity, 31 March 2015.

## II. A Flawed Narrative

**T**HE EVIDENCE PRESENTED in Chapter I outlines the widespread acceptance of the Al-Shabaab–ivory nexus. This narrative has been embraced by researchers, journalists and politicians, and has captured the public imagination. It is beginning to have an impact on policy-making. However, there are deep flaws with the two main components of the narrative that, firstly, Al-Shabaab participates directly in poaching, and, secondly, that it traffics vast flows of ivory through Somalia. Neither is supported by available evidence. This chapter challenges each position in turn.

### Al-Shabaab and Poaching

Somalia and ethnic Somalis loom large in public statements on poaching in Kenya. Senior Kenyan officials have for years labelled Somali gangs as the primary front-line culprits behind the current spike in poaching. The Kenyan media, similarly, has publicised both recent cases and the well-known history of Somali involvement in poaching in Kenya since the 1970s.<sup>1</sup> Beyond Kenya, in 2012 then-Chairman of the US Senate Foreign Relations Committee, Senator John Kerry, referenced ‘multiple reports’ of ‘armed men [crossing] ... from Somalia into Kenya to kill elephants’.<sup>2</sup> The following year, the UN Office on Drugs and Crime (UNODC) proffered a similar assessment.<sup>3</sup>

This profile of Somali poaching has often been advanced as supporting evidence of Al-Shabaab complicity. The EAL’s 2013 report, for instance, highlighted a 2007 case in which ‘Somali bandits’ were apprehended en route to Tsavo National Park to support a broader picture of Al-Shabaab involvement.<sup>4</sup>

Alone, such assessments run into a range of problems. What is often left unaddressed is whether these poachers hail from Somalia itself or from Kenya’s large Somali diaspora, and whether they are linked to Al-Shabaab or to one of the numerous other Somali militias and organised

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1. Jonathan Mwanyindo, Kenfrey Kiberenge and Edith Fortunate, ‘State Links Somali Gangs to Increased Wildlife Poaching’, *Daily Nation*, 20 January 2013; Kenfrey Kiberenge, ‘Six Elephants Killed in Dawida Ranch, Taita Taveta’, *Daily Nation*, 26 April 2014. For the historical context of Somali gangs poaching in Kenya, see Varun Vira and Thomas Ewing, ‘Ivory’s Curse: The Militarization and Professionalization of Poaching in Africa’, *Born Free USA/C4ADS*, April 2014, p. 63.
  2. See the opening statement of John F Kerry in ‘Ivory and Insecurity: The Global Implications of Poaching in Africa’, Hearing Before the US Senate Committee on Foreign Relations, 112th Congress, 2<sup>nd</sup> Session, 24 May 2012.
  3. UN Office on Drugs and Crime (UNODC), ‘Transnational Organized Crime in Eastern Africa: A Threat Assessment’, September 2013, p. 33.
  4. Nir Kalron and Andrea Crosta, ‘Africa’s White Gold of Jihad: Al-Shabaab and Conflict Ivory’, Elephant Action League (EAL), January 2013, <<http://elephantleague.org/project/africas-white-gold-of-jihad-al-shabaab-and-conflict-ivory/>>, accessed 17 August 2015.

crime groups (OCGs) active around the border.<sup>5</sup> Complicating the picture further, evidence acquired by the authors suggests a shift towards more of an ethnic mix of poachers.<sup>6</sup> In the 1990s, Somalis were the main source of poachers operating in northern Kenya, around the Samburu-Laikipia range. Yet with the recent spike in ivory prices, some members of the Borana Oromo, Turkana, Samburu, Meru and Kikuyu communities have increasingly turned to poaching to address their entrenched socioeconomic plight.<sup>7</sup> Collaboration between these groups has increased, with statements by frontline KWS officials reinforcing this diverse, localised picture.<sup>8</sup> Great caution must therefore be maintained towards claims of Al-Shabaab proxy involvement based on poachers' allegedly Somali profiles alone.

Meanwhile, the disappearance of Somalia's elephant populations casts doubt on claims of direct Al-Shabaab involvement in poaching. Even in proximate areas of northeast Kenya, few elephants remain. Near the border, Boni and Arawale National Reserves have been referenced multiple times by the KWS leadership in relation to Al-Shabaab activity.<sup>9</sup> Boni is widely reported to be a hideout for violent extremists and organised criminals operating across the Kenya-Somalia border.<sup>10</sup> Arawale was linked to a rare, small-scale seizure in 2010 in Al-Shabaab-held territory – fuelling these concerns.<sup>11</sup> However, conservation surveys show that poachers had largely wiped out elephants in both areas as long ago as the early 2000s.<sup>12</sup>

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5. Kiberenge, 'Six Elephants Killed in Dawida Ranch, Taita Taveta'; Wycliffe Ambetsa, '2009 Population and Housing Census Results', Ministry for Planning, National Development and Vision 2030, 31 August 2010; UNODC, 'Transnational Organized Crime in Eastern Africa', p. 33; authors' interview with Western diplomat 1, Nairobi, 26 January 2015; authors' interview with Western diplomat 2, Nairobi, 27 January 2015.
  6. Authors' interview with senior community conservancy manager, northern Kenya, 30 April 2015.
  7. Authors' interview with community conservancy security support officer, northern Kenya, 28 April 2015; authors' interview with senior community conservancy manager; authors' interview with community conservancy senior security officer, northern Kenya, 30 April 2015.
  8. KWS senior warden Kenneth ole Naisho in Maasai Mara National Reserve on the Tanzanian border emphasised in early 2012 that local organised crime groups (OCGs) were increasingly recruiting residents of local communities to both poach and transport tusks. See George Sayagie and David Macharia, 'Three Somalis Among Arrested Elephant Poachers', *Daily Nation*, 15 April 2012.
  9. Shoumatoff, 'Agony and Ivory'; Gatonye Gathura, 'Poachers Funding Al-Shabaab, Reveals KWS', *Daily Nation*, 17 June 2012.
  10. International Crisis Group (ICG), 'Kenya: Al-Shabaab – Closer to Home', Africa Briefing No. 102, 25 September 2014, p. 5; Maureen Mudi and Cheti Praxides, 'Al Shabaab Set Up Camp in Boni Forest', *Star*, 20 July 2015; authors' interview with Western diplomats 3 and 4, Nairobi, 27 January 2015; Jerome Starkey, 'Al-Shabaab Fighters Set up Home in Elephant Reserve', *Times*, 24 August 2015.
  11. *East African*, 'Militant Groups Fuel Poaching in East Africa', 14 October 2010; authors' interview with four wildlife crime law-enforcement officers, Nairobi, 6 May 2015.
  12. A survey in 2009 of Arawale could only detect the 'signs of presence' of elephants and the most recent survey of Boni and neighbouring Dodori, in 2000, estimated there to be around fifty elephants present. See Peter Njoroge et al., 'A Survey of the Large and Medium Sized Mammals of Arawale National Reserve, Kenya', *Journal of East African Natural History* (Vol. 98, No. 1, 2009), p. 123; for Boni and Dodori, see Elephant Database, 'Kenya: Provisional African Elephant Population Estimates'.

Slightly further south, the South Kitui National Reserve, bordering the Tsavo herd range, has also received attention. In 2013, a convicted Somali terrorist made a number of statements regarding his past operational use of the reserve. This led the MP for South Kitui, Rachael Nyamai, to warn that the area could now be home to 5,000 undocumented Somalis. This, she claimed, included Al-Shabaab 'agents' engaged in poaching and terrorism.<sup>13</sup> When questioned on these claims by the authors, one local source suggested it was plausible that there were potential 'cells' of pro-Al-Shabaab fighters acting as poachers in the area.<sup>14</sup> Similar support came from the Kenya Police following the 2014 arrest of a Somali national in South Kitui with twenty-three passports. Concern was expressed that the passports were destined 'to facilitate recruitment ... or poaching'.<sup>15</sup>

Yet, other interviewees told the authors of their scepticism.<sup>16</sup> Their doubts rest principally on the results of elephant population surveys in the reserve. The most recent, from 2011, showed South Kitui to be devoid of elephants.<sup>17</sup> In this context, it is unlikely that Al-Shabaab could now engage in poaching in South Kitui on the scale required to earn significant revenues.<sup>18</sup>

Reinforcing this picture, Al-Shabaab's operational base in south-central Somalia is far removed from the areas of Kenya in which most elephants have been poached in the last decade.<sup>19</sup> These include two core ecosystems: Samburu-Laikipia in the north and Tsavo in the southeast.<sup>20</sup> The group is based even further from the major sources of the ivory that transits East Africa: the Selous-Niassa ecosystem on the Tanzania-Mozambique border and the Ruaha-Rungwa ecosystem in central Tanzania. Research has shown that since 2006, a full 86–93 per cent of large seizures (500 kg or more) of savannah elephant ivory originated from herds in Selous-Niassa alone.<sup>21</sup> In

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13. Nation Correspondent, 'Kitui Reserves are Terrorist "Safe Havens"', *Daily Nation*, 23 September 2013, <<http://mobile.nation.co.ke/News/Kitui-reserves--are-terrorist-safe-havens/-/1950946/2004608/-/format/xhtml/-/91ckgez/-/index.html>>, accessed 23 August 2015.
  14. Authors' interview with senior conservation NGO manager, Nairobi, 29 January 2015.
  15. Kitvai Mutua, 'Man Found with 23 Passports, Held over Links with Al-Shabaab', *Daily Nation*, 28 August 2014.
  16. Authors' interview with Western diplomat 1; authors' interview with Western diplomat 2, 27 January 2015.
  17. A 2011 survey detected no elephants at all in South Kitui. See Elephant Database, 'Kenya: Provisional African Elephant Population Estimates', <[http://www.elephantdatabase.org/preview\\_report/2013\\_africa\\_final/Loxodonta\\_africana/2013/Africa/Eastern\\_Africa/Kenya](http://www.elephantdatabase.org/preview_report/2013_africa_final/Loxodonta_africana/2013/Africa/Eastern_Africa/Kenya)>, accessed 23 August 2015.
  18. This argument has also been made by Tom Milliken, TRAFFIC's Regional Director Africa, and in an internal investigation by the UNODC in 2015. See Tristan McConnell, 'The Claim that Illegal Ivory Is Funding a Major Terror Group in Africa May Not Be True', *Global Post*, 14 November 2014; confidential information provided to the authors by UNODC; authors' interview with UNODC officials 1 and 2, Nairobi, 24 April 2015; authors' interview with wildlife-crime research consultant, Dar es Salaam, 8 July 2015.
  19. KWS, 'Annual Report 2013', <[www.kws.go.ke/download/file/fid/1468](http://www.kws.go.ke/download/file/fid/1468)>, accessed 23 August 2015; Elephant Database, 'Kenya: Provisional African Elephant Population Estimates'.
  20. The elephant population of Samburu-Laikipia is estimated at around 7,000, and at 11,000 in Tsavo. See Elephant Database, 'Kenya: Provisional African Elephant Population Estimates'.
  21. S K Wasser et al., 'Genetic Assignment of Large Seizures of Elephant Ivory Reveals Africa's Major Poaching Hotspots', *Science* (Vol. 349, No. 6243, July 2015), p. 85, Figure 4.

total, Tanzania's elephant population fell from around 110,000 in 2009 to 43,500 in 2014 – a 60 per cent drop in five years.<sup>22</sup> The physical distance separating Al-Shabaab's core base from these ecosystems would appear to rule out engagement in these hotspots to any meaningful extent.

This is not to deny that Somalis – and perhaps even some Al-Shabaab sympathisers – have played some front-line role in the region's current poaching crisis. Yet narrowly focusing on Somali involvement for hints of – currently spurious – large-scale links to Al-Shabaab distracts from larger, more disturbing poaching trends in East Africa. This selective focus may also reflect the entrenched ethnic politics underpinning Kenya's security problems. The spillover of instability from Somalia and its interplay with radicalisation in Kenya has seen the scapegoating of Somalis and externalisation of threats by Kenyan politicians.<sup>23</sup> This broader context must be borne in mind when engaging with the Al-Shabaab-poaching narrative.

## Al-Shabaab and Trafficking

A more *indirect* Al-Shabaab role in East Africa's ivory trade is perhaps more likely than any direct engagement in poaching given the group's distance from major herds. Yet here again evidence is severely limited, and what there is remains highly questionable. Nearly every expert the authors spoke to, whether from a conservation or a security background, was sceptical – if not completely dismissive – of the argument that the group engaged significantly in the trade in this way.<sup>24</sup>

There are certainly reasons why Al-Shabaab *might* seek to tap into an ivory trade running through Somalia.<sup>25</sup> As Chapter III demonstrates, the group has exploited similar low-risk, high-reward

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22. Environmental Investigation Agency (EIA), 'Vanishing Point: Criminality, Corruption and the Devastation of Tanzania's Elephants', November 2014, p. 2; Paul Tyson, 'Tanzania Pledges Action on Elephant "Slaughterhouse" as Numbers Fall Again', *ITV News*, 1 June 2015; Aislinn Laing, 'Tanzania's Elephant Catastrophe: "We Recalculated About 1,000 Times Because We Didn't Believe What We Were Seeing"', *Daily Telegraph*, 19 July 2015.

23. Ally Jamah, 'Report: Al-Shabaab Targets Historical Grievances to Advance Agenda in Kenya', *Standard*, 27 September 2014; ICG, 'Kenyan Somali Islamist Radicalisation', Policy Briefing: Africa Briefing No. 85, 25 January 2012; Anneli Botha, 'Assessing the Vulnerability of Kenyan Youths to Radicalisation and Extremism', Institute for Security Studies Paper 245, April 2013; ICG, 'Kenya: Al-Shabaab – Closer to Home', *passim*; Anneli Botha, 'Radicalisation in Kenya: Recruitment to Al-Shabaab and the Mombasa Republican Council', ISS Paper 265, September 2014; Human Rights Watch, 'Insult to Injury: The 2014 Lamu and Tana River Attacks and Kenya's Abusive Response', June 2015, pp. 12–13, 33–46; authors' interview with director of research institute, Nairobi, 28 January 2015.

24. Authors' interview with director of private security firm, 29 January 2015; authors' correspondence with Western diplomat 6, Nairobi, 17 March 2015; authors' correspondence with senior adviser at research institute, 1 April 2015; authors' conversation with head of training, private security firm, northern Kenya, 24 April 2015; authors' interview with INTERPOL officers 1 and 2, Nairobi, 1 May 2015; authors' interview with senior illegal wildlife trade (IWT) monitoring official, 14 May 2015.

25. Authors' interview with senior conservation NGO manager.

criminal activities to diversify its funding portfolio.<sup>26</sup> Applying this logic, however, runs the risk of confirmation bias. Caution should be maintained when extrapolating trends in behaviour to areas with significantly less evidence.

This caution should be heightened by questions over the very viability of an ivory trade through Somalia. The main argument put forth in favour of an Al-Shabaab-trafficking link revolves around Somalia's less-regulated ports. These are held to offer an attractive alternative to enhanced pressure from security forces at established Kenyan and Tanzanian points of export like Mombasa and Dar es Salaam.<sup>27</sup> This, combined with less-cited claims of the relatively high prices relative to other buyers of fresh ivory offered by Al-Shabaab to low-level Kenyan brokers, is held as sufficient cause to incentivise a Somali route. Somalia certainly remains less regulated than Kenya given its weak central government. It is partly for this reason that much contraband is smuggled by OCGs into East Africa via Somalia.<sup>28</sup> Monitoring by the naval Combined Task Force (CTF) off the Horn of Africa has focused on ships moving into Somali ports.<sup>29</sup> There continues to be little oversight of dhows and other vessels transporting goods *out of* Somalia.

Yet, in other ways, selling ivory through Somalia to groups like Al-Shabaab is likely an unappealing option for Kenyan brokers. Certainly, the early stages of the value chain in Kenya appear relatively fluid and unregulated compared to more hierarchical chains in Tanzania, for example. This likely grants some agency to low-level brokers in possession of ivory, allowing them to switch between customers – including Somali buyers offering attractive rates.<sup>30</sup> However, established crime bosses at the top of the East-African chain maintain significant top-down influence. They – and their representatives – regularly contract these brokers through well-insulated means. They demand specific quotas of ivory. They would expect these quotas to be fulfilled rather than missed due to brokers switching to a competitor like Al-Shabaab.<sup>31</sup>

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26. In addition to the crime-conflict-terror nexus literature cited in Chapter I, see Timothy Wittig, *Understanding Terrorist Finance* (Basingstoke: Palgrave Macmillan, 2011); Matthew Levitt, *Hezbollah: The Global Footprint of Lebanon's Party of God* (London: C Hurst & Co, 2013), pp. 246–84; Louise I Shelley, *Dirty Entanglements* (Cambridge: Cambridge University Press, 2014); The Global Initiative Against Transnational Organized Crime, 'Libya: A Growing Hub for Criminal Economies and Terrorist Financing in the Trans-Sahara', Policy Brief, 11 May 2015.

27. Kalron and Crosta, 'Africa's White Gold of Jihad'.

28. Tom Keatinge, 'The Role of Finance in Defeating Al-Shabaab', RUSI Whitehall Report 2-14, December 2014, p. 20; Jarat Chopra et al., 'Report of the Monitoring Group on Somalia and Eritrea Pursuant to Security Council Resolution 2111 (2013): Somalia' (henceforth UNMGSE Report), S/2014/726, 13 October 2014, pp. 43–49, 331–461; authors' interview with Western diplomat 5, London, 12 January 2015.

29. Authors' interview with Western diplomat 2; authors' interview with UNODC officials 1 and 2.

30. Born Free USA and C4ADS have found the initial poaching and consolidation stages in Kenya to involve relatively disaggregated networks – akin to a 'distributor model' – compared to the more hierarchical control exercised all the way from the top – akin to a 'landlord model' – in Tanzania and Zimbabwe. See Vira and Ewing, 'Ivory's Curse', pp. 15–17. The EAL and Global Eye have also advocated this ground-up 'push model' for Kenya to some extent in a more recent brief. See EAL and Global Eye, 'Pushing Ivory Out of Africa: A Criminal Intelligence Analysis of Elephant Poaching & Ivory Trafficking in East Africa', July 2015.

31. Vira and Ewing, 'Ivory's Curse', pp. 64–66; Varun Vira, Thomas Ewing and Jackson Miller, 'Out of Africa: Mapping the Global Trade in Illicit Elephant Ivory', Born Free USA/C4ADS, August 2014, pp.



Meanwhile, it is not clear that pressure from security forces on exit points in Kenya, like Mombasa, was great enough in 2010–12 – as the original advocates attest<sup>32</sup> – for high-level traffickers to seek alternative routes through Somalia. Weak legislation and enforcement by Kenyan security agencies and corruption have long produced a low-risk environment for poachers and traffickers.<sup>33</sup> 2010–12 was when Mombasa became the world's leading ivory-trafficking port, not when its role in the trade began to decline and shift.<sup>34</sup> Kenya's Wildlife Conservation and Management Act, which significantly increased sentences for convicted criminals, only became operational in 2014.<sup>35</sup>

Even today, pressure from Kenyan authorities is unlikely to have grown strong enough to justify a new route through war-torn Somalia. Kenyan and Tanzanian ports remain far more attractive options, given their proximity to poaching sites, better infrastructure for bulk shipping and access to major shipping routes, and control by officials versed in seeing illicit cargo out unhindered.<sup>36</sup> Moreover, established East African crime bosses can reasonably be assumed to wish to maximise profit by selling directly to established East Asian syndicate buyers in order to maintain good relations and ensure that orders are met. Transiting ivory through Somalia would introduce a further middleman, such as Al-Shabaab, into the chain – reducing profits and constituting a less reliable means of fulfilling orders.<sup>37</sup>

With these factors in mind, the actual evidence proffered for large quantities of ivory transiting Somalia – and Al-Shabaab's control over these flows – needs to be examined. The 2013 EAL report provides the only source to date. Specifically, the report cites a 'source' within Al-Shabaab who claimed that in 2010–12, Al-Shabaab was moving 1–3 tonnes of ivory a month out of Somali ports. Based on this single source, the report extrapolates profits for the group of \$200,000–600,000 per month – equivalent to 40 per cent of the group's operating costs.<sup>38</sup>

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15–16; authors' interview with community conservancy senior security officer; authors' interview with wildlife crime research consultant, 8 July 2015.

32. Kalron and Crosta, 'Africa's White Gold'.

33. Paula Kuhumbu, 'Kenya: New Wildlife Law Makes Catching Poachers Easier', *Star*, 30 January 2014; Paula Kuhumbu et al., 'Scoping Study on the Prosecution of Wildlife-Related Crimes in Kenyan Courts', Wildlife Direct, 2014, <<http://baraza.wildlifedirect.org/files/2014/01/WILDLIFEDIRECT-court-study-26.1.14.pdf>>, accessed 23 August 2015; Vira and Ewing, 'Ivory's Curse', p. 65.

34. Tom Milliken, 'Illegal Trade in Ivory and Rhino Horn: An Assessment Report to Improve Law Enforcement under the Wildlife TRAPS Project', USAID and TRAFFIC, 2014, pp. 5–12; EAL and Wildleaks, 'Flash Mission Report: Port of Mombasa, Kenya', 28 May 2015; Wasser et al., 'Genetic Assignment of Large Seizures of Elephant Ivory Reveals Africa's Major Poaching Hotspots', p. 85.

35. 'The Wildlife Management and Conservation Act, 2013', *Kenya Gazette Supplement No. 181 (Acts No. 47)*, Nairobi, 27 December 2013, pp. 1235–49.

36. Vira, Ewing and Miller, 'Out of Africa', pp. 22–23.

37. Confidential information provided by UNODC; authors' interview with UNODC officials 1 and 2; authors' interview with wildlife crime research consultant.

38. The EAL has asserted that additional video and audio evidence from its original investigation will be released in 2016, although it is unclear what new information this may provide for analysing Al-Shabaab's role. See EAL comment on web post, 7 June 2015, on Jessica L Anderson, 'The Danger of False Narratives: Al-Shabaab's Faux Ivory Trade', Council on Foreign Relations, 5 June 2015, <<http://blogs.cfr.org/campbell/2015/06/05/the-danger-of-false-narratives-al-shabaabs-faux-ivory-trade>>, accessed 17 August 2015; Andrea Crosta, 'Al-Shabaab's Ivory Trade, Continued',

Single-source reporting alone should give pause to policy-makers and analysts.<sup>39</sup> In this case, details around the source's position remain uncertain. Most notably, it is unclear where the individual stood within Al-Shabaab's nebulous structure: whether the source was only loosely affiliated with the group, and thus reliant on hearsay, or whether the individual had direct knowledge through a more high-level position, for example in the Maktabatu Maaliya – Al-Shabaab's ministry of finance.<sup>40</sup>

Doubtless, data collection on ivory flows in Somalia is difficult given the country's longstanding instability. Yet, even factoring this in, the lack of any substantiating evidence of such large flows is striking. It is all the more surprising when compared to detailed evidence of other illicit or smuggled goods – such as charcoal and sugar – crossing Somalia in large quantities, as documented by the UN Monitoring Group on Somalia and Eritrea. This group has never found evidence of ivory crossing Somalia, despite monitoring the smuggling routes most likely to be used.<sup>41</sup>

Similarly, not one ivory seizure made in destination or transit ports, from the Gulf to East Asia, has been traced back to Somalia. This is inconclusive, some might argue, pointing to substantial gaps in international interdiction efforts. Indeed, the managers of the Elephant Trade Information System (ETIS), the world's most comprehensive seizure database, acknowledge that the system is incomplete (given an estimated 10–17 per cent seizure rate and imperfect reporting). Nevertheless, ETIS Director Tom Milliken has emphasised that, in this database at least, 'Somalia is noticeably absent from any hint of trade'. This absence contrasts strikingly with the frequent large seizures linked to Mombasa, Dar es Salaam and Zanzibar.<sup>42</sup>

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Council on Foreign Relations Africa in Transition Blog, 8 July 2015, <<http://blogs.cfr.org/campbell/2015/07/08/al-shabaabs-ivory-trade-continued/>>, accessed 17 August 2015.

39. McConnell, 'The Claim that Illegal Ivory is Funding a Major Terror Group in Africa May Not Be True'; Diogo Veríssimo, 'Kathryn Bigelow and the Bogus Link Between Ivory and Terrorism', *Conversation*, 16 January 2015; Anderson, 'The Danger of False Narratives'; authors' interview with director of research institute, 28 January 2015.
40. For the role of Al-Shabaab's Ministry of Finance in developing and maintaining financing strategies, see Keatinge, 'The Role of Finance in Defeating Al-Shabaab', pp. 9–10.
41. Matt Bryden et al., 'Report of the Monitoring Group on Somalia and Eritrea Pursuant to Security Council Resolution 1916 (2010)' [henceforth UNMGSE Report], S/2011/433, 18 July 2011, pp. 27–31, 181–87; Matt Bryden et al., 'Report of the Monitoring Group on Somalia and Eritrea Pursuant to Security Council Resolution 2002 (2011)', S/2012/544, 13 July 2012, pp. 147–61; Jarat Chopra et al., 'Report of the Monitoring Group on Somalia and Eritrea Pursuant to Security Council Resolution 2060 (2012): Somalia', S/2013/413, 12 July 2013, pp. 420–87; UNMGSE Report, 13 October 2014, pp. 43–49, 331–461; authors' interview with director of research institute.
42. Fiona M Underwood, Robert W Burn and Tom Milliken, 'Dissecting the Illegal Ivory Trade: An Analysis of Ivory Seizures Data', *PLOS One* (Vol. 8, No. 10, October 2013), pp. 1–12; 'Status of Elephant Populations, Levels of Illegal Killing and the Trade in Ivory: A Report to the CITES Standing Committee', Annex 1 to Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), 'Interpretation and Implementation of the Convention: Species Trade and Conservation: Elephant Conservation, Illegal Killing and Ivory Trade', Sixty-Fifth Meeting of the Standing Committee Geneva (Switzerland), 7–11 July 2014, pp. 30–32; McConnell, 'The Claim that Illegal Ivory is Funding a Major Terror Group in Africa May Not Be True'; authors' interview with senior IWT monitoring official.



A further factor casting doubt on claims of large-scale ivory flows transiting Somalia relates to the region's elephant populations. Indeed, a monthly flow of 1–3 tonnes would equate to between 12,000 and 36,000 kg of ivory per year. This would require the ivory of 1,200–4,700 poached elephants to move through Somalia yearly, based on an average tusk weight of between 3.8 and 5 kg.<sup>43</sup> Yet official KWS poaching figures range from 178 to 384 elephants killed per year in Kenya between 2010 and 2014 (albeit likely with some degree of underreporting).<sup>44</sup> To take 2012 – the peak of Kenya's poaching crisis – the recorded slaughter of 384 elephants that year produced roughly between 2,900 and 3,800 kg of ivory. This is substantially less than the 12,000–36,000 kg required to make up EAL figures of ivory transiting Somalia. Such huge flows would require Al-Shabaab to control the trafficking of tusks from *all* poached Kenyan elephants – as well as a sizeable proportion of those poached in Tanzania or the Democratic Republic of the Congo (DRC). Gaining such control would involve the highly unlikely scenario by which Al-Shabaab would take significant market share from established crime bosses using Kenyan and Tanzanian ports.<sup>45</sup>

Meanwhile, the estimated revenues derived from the 1–3 tonnes allegedly transiting Somalia are misleading. Estimates of \$200,000–600,000 earned per month (\$2.4–7.2 million per year) are based on an average sale price at Somali ports of \$200 per kg.<sup>46</sup> This price *does* fall within the typical range of East African market wholesale rates per kilo of rough ivory, as recorded by other researchers.<sup>47</sup> Yet this measures revenue rather than profit, and does not consider the price Al-Shabaab would have had to *pay* to acquire ivory in Kenya. According to the EAL report's own argument, the group would have likely had to offer prices to low-level Kenyan brokers that beat those offered by high-level OCGs. These prices would have to be over \$100 per kg<sup>48</sup> – over half the sale price, and thus significantly diminishing total profit relative to the quoted figures.

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43. The CITES-agreed average weight for elephant tusks is 3.8 kg, others use 5 kg: see Vira and Ewing, 'Ivory's Curse', p. 18.

44. KWS, 'Annual Report 2013'; Taroon Hira, 'Kenya Wildlife Service Rangers Kill Suspected Poacher In Taita-Taveta', *African Journalist*, 11 February 2015; authors' interview with UNEP official 1, Nairobi, 5 May 2015.

45. Christian Nellemann and his Rapid Response team came to very similar conclusions. See Nellemann et al., 'Environmental Crime Crisis', p. 78; McConnell, 'The Claim that Illegal Ivory is Funding a Major Terror Group in Africa May Not Be True'; authors' interview with director of research institute; authors' interview with senior officer of research institute, 28 May 2015; authors' interview with wildlife crime research consultant.

46. Kalron and Crosta, 'Africa's White Gold of Jihad'.

47. Born Free USA and C4ADS estimated average prices at initial waypoint towns like Isiolo and Nanyuki in central-northern Kenya to be around \$100, rising to around \$400 in major international transport hubs like Mombasa or Dar es Salaam, or \$200–75 in lesser international hubs like Kampala or Addis Ababa. See Vira and Ewing, 'Ivory's Curse', p. 20. The UNEP-INTERPOL report also put this figure in the \$150–400 range, based on research in Kenya, Tanzania, Uganda, Mozambique and Zambia. See Nellemann et al., 'Environmental Crime Crisis', p. 78.

48. Based on Born Free USA and C4ADS research and this report's own fieldwork, local OCG brokers in Isiolo could typically gain around \$100 per kg. See Vira and Ewing, 'Ivory's Curse', pp. 20, 66; authors' interview with community conservancy senior security officer.

The argument that these revenues amount to 40 per cent of the group's total operating costs runs into further difficulty. No attempt is made to place this figure into a broader context. To be meaningful, any such estimates would require, at a minimum, an in-depth analysis of Al-Shabaab's wider funding portfolio – and the potential significance of ivory *within* this. Given this lack of contextualisation, any such estimate must be treated with extreme caution. When compared with estimates of the group's total annual income – placed at \$70–100 million by the UN in 2011<sup>49</sup> – this high-end figure clearly constitutes a far smaller proportion than other known income streams.<sup>50</sup> Charcoal revenue estimates of \$25 million<sup>51</sup> the same year – up to estimates of \$38–56 million per year in 2013 –<sup>52</sup> alone dwarf Al-Shabaab's most optimistic ivory revenues.

Flaws in the estimation of Al-Shabaab's total overheads further discredit the 40 per cent figure. This estimate ultimately relies on a rough calculation of the cost of paying 5,000 fighters \$300 per month – equating to \$1.5 million per month, or \$18 million per year.<sup>53</sup> Yet a focus on fighters' salaries ignores the range of other costs required to create what the Financial Action Task Force describes as the 'enabling environment necessary to sustain activities'.<sup>54</sup> Annual costs for the sustenance, training and education of members; the production of propaganda; governance; and the sourcing and maintenance of military equipment are, significantly, omitted.

Indeed, keeping Al-Shabaab 'in business' likely costs much more year-on-year than the \$18 million figure suggests. This, in turn, means that ivory would cover much less than 40 per cent of the group's running costs, even if Al-Shabaab *were* earning the high-end figure of \$600,000 a month, or \$7.2 million per year.

All of these figures, moreover, assume Al-Shabaab's *direct* control of the supply chain. This would be highly unusual for a group that, like many other armed non-state actors, has typically profited from organised crime through taxation and protection rackets.<sup>55</sup> A number of interviewees concurred that if Al-Shabaab were profiting from ivory, it would most likely be by taxing what limited ivory flows traversed Somalia.<sup>56</sup> In this case, again, potential ivory revenues would likely be significantly lower than the above figures would suggest.

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49. UNMGSE Report, 13 July 2012, p. 27.

50. UNMGSE Report, 18 July 2011, p. 27; Nelleman et al., 'Environmental Crime Crisis', p. 81.

51. UNMGSE Report, 18 July 2011.

52. Nelleman et al., 'Environmental Crime Crisis', p. 81.

53. Kalron and Crosta, 'Africa's White Gold of Jihad'.

54. Financial Action Task Force (FATF), 'Terrorist Financing', 2008, p. 27. Since 9/11, the FATF, previously focused on countering money laundering associated with drugs trafficking, has increasingly moved to the heart of the global counter-terrorist finance regime.

55. Research has shown that such groups are rarely directly involved in trafficking themselves, but rather license or tax trafficking through the areas they control. See, for example, UNODC, 'Transnational Organized Crime in Central America: A Threat Assessment', 2012, pp. 21–22.

56. McConnell, 'The Claim that Illegal Ivory is Funding a Major Terror Group in Africa May Not Be True'; authors' interview with Western diplomat 2; authors' interview with director of research institute; authors' interview with UNODC officials 1 and 2; authors' interview with wildlife crime research consultant.

Even so, as a number of security experts acknowledged to the authors, it cannot be ruled out that *some* actors linked to Al-Shabaab (or, equally, to Somalia-based militias or OCGs) may have had *some* involvement in moving ivory through Somalia on a small scale. A degree of leakage of goods or revenues along trafficking chains in Kenya may also have occurred: these are informal practices taking place within informal economic networks. Al-Shabaab may have been able to benefit to a limited degree from any such leakage. Indeed, during the current poaching crisis, occasional confidential conversations with officials have alluded to the infrequent appearance of small amounts of ivory in Kismaayo.<sup>57</sup> A few interviewees reported knowledge of very small quantities crossing the border from their own monitoring.<sup>58</sup> Yet this is nothing more than piecemeal evidence of potential small-scale movement of ivory at the very most. Its existence merely casts further doubt on any sizeable – and yet undetected – volumes that may have either transited Somalia or benefited Al-Shabaab.

One final argument sometimes advocated relates specifically to the group's ability to conduct terrorist attacks. The implication here is that even the small sums Al-Shabaab may make from trafficking ivory would be all it might need to launch another major attack.<sup>59</sup> Such observations reflect the relatively low cost of carrying out bombings like those on the US embassies in Nairobi and Dar es Salaam in 1998. They also reflect the cheap cost of mass-casualty, small-arms attacks – an increasingly common Al-Shabaab modus operandi, as seen at Westgate.<sup>60</sup> However, this analysis ignores the group's wider funding portfolio, including revenues from charcoal and sugar, which are more significant in allowing Al-Shabaab to operate.

Taken together, this all suggests Al-Shabaab has not benefited from ivory on the scale alleged, either through poaching or trafficking. Any such benefits from small-scale, ad hoc ivory flows through Somalia remain peripheral to the far greater trafficking taking place through Mombasa and other major ports, orchestrated by high-level OCGs. Moreover, Al-Shabaab has for some time enjoyed reliable access to highly lucrative and more accessible alternative sources of income, as the next chapter shows.

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57. Authors' interview with Western diplomat 5.

58. Authors' interview with director of private security firm, Nairobi, 29 January 2015; authors' interview with wildlife crime research consultant; authors' interview with senior environmental crime analyst, Washington, 13 July 2015; *The East African*, 'Militant Groups Fuel Poaching in East Africa', 14 October 2010; US International Conservation Caucus Hearing, 'The Global Poaching Crisis', 15 November 2012.

59. US International Conservation Caucus Hearing, 'The Global Poaching Crisis', 15 November 2012; Monica Medina, 'The White Gold of Jihad', *New York Times*, 30 September 2013; Catrina Stewart, 'Illegal Ivory Trade Funds Al-Shabaab's Terrorist Attacks', *Independent*, 6 October 2013.

60. Or, for example, in the attack on Garissa University in April 2015.

# III. Fighting Terrorist Funding in East Africa

**A**L-SHABAAB HAS PROVEN itself a flexible and sophisticated organisation. This has allowed it to effectively adapt in the face of adversity. Its flexibility rests on an ability to grow new revenue streams when others are cut off in order to support its objectives. Chapter II argues that ivory is highly unlikely to have become a major component of the group's total income – estimated in 2011 to be \$70–100 million per annum.<sup>1</sup>

This chapter takes this finding further, and considers which sources of funding the international community should prioritise targeting to disrupt Al-Shabaab's financing. Part of the answer lies in a more detailed examination of the group's funding portfolio – and its evolution as international pressure on the organisation has increased. This evolution has seen the group prioritise funding streams less exposed to interception.<sup>2</sup> Its emphasis has shifted from long-distance sources – such as diaspora support and external assistance – to more localised sources, such as taxation, extortion and illicit trade, with significant implications for international responses.<sup>3</sup>

## Diaspora Support and External Assistance

The 1.5 million-strong Somali diaspora – a full 14 per cent of all Somalis – has for decades sent remittances to relatives and institutions back home. These flows were estimated to be a minimum of \$1.2 billion in 2013,<sup>4</sup> but could be as high as \$2.3 billion according to the UN Development Programme.<sup>5</sup> They have typically been facilitated by transnational and domestic money service businesses (MSBs) that form part of the informal and near-untraceable banking system known as *hawala*. These companies have weak compliance and supervisory anti-money laundering/combating the financing of terrorism (AML/CTF) records, increasing their risk of inadvertently facilitating illicit financial flows in the region.<sup>6</sup>

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1. UNMGSE Report, 18 July 2013, p. 38.
  2. Tom Keatinge, 'The Role of Finance in Defeating Al-Shabaab', RUSI Whitehall Report 2-14, December 2014.
  3. Valter Vilkkö, 'Al-Shabaab: From External Support to Internal Extraction: A Minor Field Study on the Financial Support from the Somali Diaspora to Al-Shabaab', March 2011.
  4. Laura Hammond, 'Family Ties: Remittances and Livelihoods Support in Puntland and Somaliland', Food Security and Nutrition Analysis Unit – Somalia', 5 June 2013, p. 1.
  5. Hassan Sheikh and Sally Healy, 'Somalia's Missing Millions: The Somali Diaspora and its Role in Development', UN Development Programme (UNDP) Somalia, March 2009, p. 1; UNDP, 'Somalia Human Development Report 2012: Empowering Youth for Peace and Development', 2012, p. 25.
  6. HM Government and Beechwood International, 'Safer Corridors Rapid Assessment: Case Study: Somalia and UK Banking', September 2013; Financial Action Task Force (FATF), 'The Role of Hawala and Other Similar Service Providers in Money Laundering and Terrorist Financing', FATF/OECD, 2013, p. 9.

The majority of transactions made by the diaspora in Europe and North America are lawfully motivated. Nonetheless, Al-Shabaab is believed to have exploited these flows upon their receipt by MSBs in its territory through taxation and extortion.<sup>7</sup> At the same time, a significant minority of remitters has actively supported Al-Shabaab through fraudulent charity drives and international wire transfers. This assistance dates back to the group's very emergence, and a desire to support what was soon judged the body most able to resist the 2006 Ethiopian invasion.<sup>8</sup>

Yet this funding source has proven reactive to domestic and regional shifts. Diaspora support has waned with the end of the Ethiopian occupation and growing opposition to Al-Shabaab's hard-line ideology.<sup>9</sup> International pressure has also depleted these financial flows. Most notably, funds accruing to Al-Shabaab by *hawala* have dropped sharply as international agencies and regulators have ratcheted up AML/CTF pressure.

In the face of harsher regulations, a number of international banks have felt compelled to withdraw services to MSBs. Barclays shut down MSBs accounts in 2013.<sup>10</sup> Merchants Bank of California followed suit in February 2015<sup>11</sup> – the bank had handled as much as 80 per cent of Somali remittances from the US. In North America and Europe, greater emphasis has also been placed on prosecuting individuals knowingly remitting funds to Al-Shabaab.<sup>12</sup>

Growing international pressure has similarly affected funds transmitted by transnational terrorist supporters. In particular, significant alleged financial assistance from wealthy Persian Gulf Salafist networks appears increasingly to have been disrupted. A case in point is the application in 2013 of US Treasury Designation Order on the Qatar-based Abd al-Rahman bin Umayr Al-Nu'aymi, who was alleged to have sent as much as \$250,000 to Al-Shabaab.<sup>13</sup>

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7. FATF, 'The Role of Hawala and Other Similar Service Providers in Money Laundering and Terrorist Financing', p. 9; James Fergusson, *The World's Most Dangerous Place: Inside the Outlaw State of Somalia* (London: Bantam Press, 2013), p. 321; World Bank, 'The Pirates of Somalia: Ending the Threat, Rebuilding a Nation', 2013, p. 77.

8. This has been shown by investigations by the US Department of Justice and European authorities over the past five years. See Matt Bryden et al., UNMGSE Report, 10 March 2010, pp. 25–30.

9. Vilkkko, 'Al-Shabaab', p. 8; authors' interview with Western diplomat 5, 12 January 2015; authors' interview with director of research institute, 28 January 2015.

10. Peter Popham, 'Why Barclays Wants to Cut Somalia's "Money Transfer" Lifeline', *Independent*, 15 September 2013.

11. *BBC News*, 'Somalia Criticises US Bank's Move to Halt Remittances', 6 February 2015.

12. 'Report of the Monitoring Group on Somalia and Eritrea Pursuant to Security Council Resolution 1916 (2010)', p. 31; Peter Bergen and David Stermann, 'Al-Shabaab Backed by Money from U.S.', *CNN*, 29 September 2013; B Todd Jones, 'Operation Rhino', US Department of Justice, <<http://www.justice.gov/usao/priority-areas/national-security/operation-rhino>>, accessed 23 August 2015.

13. Rob Wise, 'Al Shabaab', Centre for Strategic and International Studies brief, July 2011; US Treasury Press Center, 'Treasury Designates Al-Qa'ida Supporters in Qatar and Yemen', 18 December 2013, <<http://www.treasury.gov/press-center/press-releases/Pages/jl2249.aspx>>, accessed 23 August 2015.

Beyond this, global CTF measures aimed at Al-Qa'ida Core have reduced the assistance available to affiliates such as Al-Shabaab.<sup>14</sup> International pressure has similarly restricted a further form of external support from Eritrea in its rivalry with Ethiopia.<sup>15</sup> Together, these shifts have revealed the fragility of off-shore financial sources. This, in turn, has encouraged a shift in the group's focus from external towards more localised revenue generation.

## Cross-Border Transfers and Localised Remittances

The decline in long-distance support has led to a growing emphasis on cross-border community remittances and transfers from Kenya.<sup>16</sup> Indeed, informal financial flows from Islamist extremists have long crossed the border from Kenyan-Somali communities. Some violent Somali Islamist groups, such as the now defunct Al-Ittihaad Al-Islami, have raised funds for jihad from mosques in Kenya's northeast since the 1990s.<sup>17</sup> Yet as Al-Shabaab's influence within Kenya has expanded, its representatives have collaborated more intensively with local affiliates, like Al-Hijra, to enhance these flows. This has involved the redirection to Al-Shabaab of mosque donations, most prominently in Eldoret, Garissa and Mombasa.<sup>18</sup>

These growing financial ties link in with Al-Shabaab's attempts to present itself as 'the voice of the marginalised' to disaffected Somali-Kenyan and coastal Muslim communities.<sup>19</sup> Al-Hijra's predecessor, the Muslim Youth Centre (MYC), gained much of its funding through the community work of the Pumwani Riyadhha Mosque Committee and nearby Gikomba market in Majengo, Nairobi. The UN Monitoring Group on Somalia and Eritrea's (UNMGSE) 2011 report in particular highlighted the ongoing ties between these existing funding networks and Al-Shabaab.<sup>20</sup> Nairobi's restive, predominantly Somali Eastleigh district is believed to be a further

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14. Bruce Hoffman et al., 'Is Al-Qaeda Central Still Relevant?', The Washington Institute: Policy Analysis, September 2012; Clare Ellis and Sasha Jespersen, 'Fending For Themselves: Al-Qa'ida Affiliates and the Crime-Terror Nexus', *RUSI Newsbrief* (Vol. 35, No. 1, January 2015).
  15. UN News Service, 'Security Council Imposes Sanctions on Eritrea over Its Role in Somalia, Refusal to Withdraw Troops Following Conflict with Djibouti, Security Council, 6254th Meeting', 23 December 2009; UNMGSE Report, 13 July 2012, p. 8.
  16. Vilkkko, 'Al-Shabaab', pp. 11–16; authors' interview with Western diplomat 5; authors' interview with director of research institute, 28 January 2015.
  17. International Crisis Group (ICG), 'Kenyan Somali Islamist Radicalisation', Africa Briefing No. 85, 25 January 2012, p. 6; ICG, 'Kenya: Al-Shabaab – Closer to Home', Africa Briefing No. 102, 25 September 2014, pp. 8–9.
  18. UNMGSE Report, 18 July 2011, pp. 140–48; UNMGSE Report, 13 July 2012, p. 16; UNMGSE Report, 12 July 2013, pp. 14–16. See US Treasury, 'Treasury Targets Regional Actors Fueling Violence and Instability in Somalia', 5 July 2012; authors' interview with Western diplomat 5, 12 January 2015; authors' interview with Western diplomat 2, 27 January 2015; authors' interview with director of research institute, 28 January 2015.
  19. ICG, 'Kenyan Somali Islamist Radicalisation'; Anneli Botha, 'Assessing the Vulnerability of Kenyan Youths to Radicalisation and Extremism', Institute for Security Studies Paper 245, April 2013; Anneli Botha, 'Radicalisation in Kenya: Recruitment to Al-Shabaab and the Mombasa Republican Council', ISS Paper 265, September 2014.
  20. UNMGSE Report, 18 July 2011, pp. 146–48.



major financial hub for both organised crime and Somali businesses moving funds to Somalia through *hawala*.<sup>21</sup>

Following the Westgate and Garissa attacks of 2013 and 2015, the Kenyan state has initiated severe crackdowns on businesses, mosques and MSBs supporting *hawala* transfers thought to be funnelling money to Al-Shabaab – and to radical Islamist schools in Kenya.<sup>22</sup> It remains to be seen what impact such measures will have on these pervasive income streams.

## Taxation and Extortion

Various forms of local revenue generation in Somalia itself are also known to be significant. These include, in particular, Al-Shabaab's ability to exploit commercial activities in the areas it controls.<sup>23</sup> Taxation and the imposition of *zakat* (an Islamic charitable tax), extortion and 'protection' of trade operating through its (albeit declining) territory comprise a highly effective system through which the group can generate significant and broad-based revenue.<sup>24</sup> Research by the UNMGSE suggests that Al-Shabaab regularly assesses legitimate businesses within its territory and imposes a proportional tax.<sup>25</sup> In 2011, the UNMGSE reported that \$10 per cultivable acre of land was levied on farmers every year and a consumer tax enforced at general stores. In 2013, Gettleman and Kulish reported that a \$2 'customs duty' was imposed per bag of rice, collected at designated checkpoints.<sup>26</sup>

Meanwhile, the group has made an art of road taxation and protection racketeering. In 2011, Roland Marchal assessed 'protection money' to represent Al-Shabaab's principal funding source.<sup>27</sup> In some cases, the lower fees the group allegedly charges on licit trades compared to Kenyan and Somali customs appear to have actively *encouraged* local businessmen to move their

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21. Authors' interview with Western diplomat 2; authors' interview with Western law-enforcement liaison officer, 24 April 2015; ICG, 'Kenyan Somali Islamist Radicalisation', p. 9; Vilkko, 'Al-Shabaab', pp. 11–15.
  22. Jambonewspot.com, '12 Shops in Nairobi City Center "Funding Terrorists"', 10 April 2014, <<http://www.jambonewspot.com/12-shops-in-nairobi-city-center-funding-terrorists/>>, accessed 23 August 2015; Joseph Netto and Faith Karimi, 'Kenya Attack: Accounts Suspected of Funding Terrorism Frozen after Massacre', *CNN*, 9 April 2015; *Star*, 'List of 86 People, Entities Whose Accounts Were Frozen by Kenya for Allegedly Funding Terror', 10 April 2015.
  23. Roland Marchal, 'The Rise of a Jihadi Movement in a Country at War: Harakat Al-Shabaab Al Mujaheddin in Somalia', Sciences Po, Paris, March 2011, p. 73, <<http://www.sciencespo.fr/ceri/en/content/rise-jihadi-movement-country-war-harakat-al-shabaab-al-mujaheddin-somalia>>, accessed 23 August 2015.
  24. Authors' interview with Western diplomat 5; authors' interview with director of research institute; Keatinge, 'The Role of Finance in Defeating Al-Shabaab', p. 17.
  25. UNMGSE Report, 18 July 2011, p. 28.
  26. *Ibid.*; Jeffrey Gettleman and Nicholas Kulish, 'Somalia Militants Mixing Business and Terror', *New York Times*, 30 September 2013.
  27. Marchal, 'The Rise of a Jihadi Movement in a Country at War', pp. 67–68. Refusal to pay risks harsh reprisal: in February 2014, Al-Shabaab arrested fifteen members of the telecoms company Hormud in Jilib for refusing to pay \$50,000 in protection money to the group. See Ken Menkhaus, 'Al-Shabab's Capabilities Post-Westgate', CTC Sentinel, 24 February 2014.

goods through Al-Shabaab-controlled territory and ports.<sup>28</sup> At the same time, a major source of income from Al-Shabaab's protection racketeering derives from international humanitarian agencies and local NGOs, which are thought to have paid tens of thousands of dollars to reach recipients, particularly during Somalia's 2010–11 drought.<sup>29</sup>

Yet recent strategic and territorial setbacks may have impacted Al-Shabaab's ability to generate revenue through these mechanisms. The loss of Bakara Market in Mogadishu and its tax base of 4,000 businesses in mid-2011 reportedly deprived the group of an estimated \$30–60 million per year.<sup>30</sup> The losses of the ports of Kismaayo in September 2012 and Baraawe in October 2014 may have further impacted the group's ability to generate funds through these means. However, Al-Shabaab has seemingly remained able to tax goods passing through road checkpoints at their approaches.<sup>31</sup>

## Illicit Trade and Contraband

Alongside exploiting a range of legal activities within its territory, Al-Shabaab has benefited from illicit forms of trade and commerce.<sup>32</sup> It has done so both directly and indirectly, through third-party networks. Here the focus remains on the taxation of charcoal – the 'black gold' to ivory's alleged 'white gold'. The charcoal produced from Somalia's acacia forests is highly profitable, retailing in the Arabian Peninsula at around \$1.85/lb. Al-Shabaab has profited from this trade through transport and export duties.<sup>33</sup> In 2011, the UNMGSE estimated Al-Shabaab's taxation of an annual export of 9–11 million sacks at road and port checkpoints to be worth \$25 million, of an total income of \$70–100 million.<sup>34</sup>

Concern over the scale of these earnings prompted the UN Security Council to pass Resolution 2036, banning the export of charcoal from Somalia in 2012.<sup>35</sup> However, rather than declining, and despite AMISOM's recapture of Kismaayo, charcoal smuggling has emerged as a lucrative form of organised criminality. Despite initial hopes following Kismaayo's recapture, UNMGSE

28. Authors' interview with Western diplomat 2; Gettleman and Kulish, 'Somalia Militants Mixing Business and Terror'; UNMGSE Report, 13 October 2014, p. 11.

29. Vilko, 'Al-Shabaab', p. 21; Ashley Jackson and Abdi Aynte, *Talking to the Other Side: Humanitarian Negotiations with Al-Shabaab in Somalia* (London: Overseas Development Institute, 2013).

30. UNMGSE Report, 18 July 2011, p. 28; Afyare Abdi Elmi and Abdi Aynte, 'Somalia: The Case for Negotiating with Al-Shabaab', Al-Jazeera Centre for Studies, 16 January 2012.

31. Authors' interview with Western diplomat 5; authors' interview with Western diplomat 2; authors' interview with director of research institute; UNMGSE Report, 12 July 2013, pp. 39, 44.

32. UNMGSE Report, 13 July 2011, p. 27.

33. UNMGSE Report, 12 July 2013, p. 44; authors' interview with director of research institute; authors' interview with UNODC officials 1 and 2, Nairobi, 24 April 2015. The trade has led to substantial environmental degradation and desertification in south-central Somalia. See Muhyadin Ahmed Roble, 'Al-Shabaab Razes Somali Forests to Finance Jihad', *Jamestown Foundation Terrorism Monitor* (Vol. 8, No. 42, November 2010).

34. UNMGSE Report, 18 July 2012, p. 38.

35. UN News Centre, 'Security Council Requests African Union to Increase Troop Level of Somalia Mission to 17,700, Establish Expanded Presence in Keeping with Strategic Concept', 22 February 2012, <<https://www.un.org/News/Press/docs/2012/sc10550.doc.htm>>, accessed 23 August 2015.



reports from 2013 indicate that Al-Shabaab still controls many production areas and can charge fees at checkpoints at the port's approaches, as in other trade.<sup>36</sup> Facilitating this are reports that stationed Kenya Defence Forces have permitted the trade in charcoal through Kismaayo to recommence. They are believed to have done so through established networks comprising the local business community and Ras Kamboni militia.<sup>37</sup>

In fact, the UNMGSE asserts that Al-Shabaab may now be earning *more* from charcoal than when it controlled Kismaayo directly.<sup>38</sup> A 2014 UNEP–INTERPOL assessment supports this, estimating earnings to have increased from a UNMGSE estimate of \$25 million in 2011 to \$38–56 million per year by 2013, out of a wider illicit Somali charcoal trade worth \$360–84 million annually.<sup>39</sup> To tackle the problem, in October 2014 the UN Security Council authorised wider-ranging terms of reference for interdictions by Combined Task Forces 150 and 151 operating off the Horn of Africa, including of suspected charcoal traffickers. Given the complications of inspections and seizures on the high seas, however, the impact remains to be seen.<sup>40</sup>

Alongside charcoal, Al-Shabaab has diversified into other low-risk/high-reward trafficking activities. These have allegedly included growing involvement in Kenya's decades-old sugar-smuggling industry.<sup>41</sup> Kenyans consume around 800,000 tonnes of sugar per year – but only produce around 500,000 tonnes domestically.<sup>42</sup> Taking advantage of the high protectionist prices at which Kenyan sugar is sold, more than \$1.2 billion of sugar arriving in Somali ports is thought to be smuggled across the border every year, with the connivance of local officials.

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36. UNMGSE Report, 18 July 2012, pp. 147, 427; UNMGSE Report, 12 July 2013, p. 44.

37. UNMGSE Report, 12 July 2013, p. 44; authors' interview with Western diplomat 2; authors' interview with director of research institute. The Kenyan government, however, has strongly denied these suggestions. See *Reuters*, 'Exclusive – Kenyan Peacekeepers Aided Illegal Somalia Charcoal Export', 14 July 2013; *BBC News*, 'Kenya Denies Defying UN Ban on Somalia Charcoal Trade', 15 July 2013.

38. UNMGSE Report, 12 July 2013, pp. 39, 44; UNMGSE Report, 18 July 2012, pp. 38–39, 422–23; UN, 'Implementation Assistance Notice No. 1: Recommendations on Interdictions of Charcoal from Somalia by Member States Pursuant to Security Council Resolutions 2036 (2012), 2060 (2012) and 2111 (2013)', 7 May 2014.

39. Christian Nellemann et al., 'The Environmental Crime Crisis: Threats to Sustainable Development From Illegal Exploitation and Trade in Wildlife and Forest Resources', UNEP & INTERPOL Rapid Response Assessment, United Nations Environment Programme and GRID-Arendal, 2014, p. 81.

40. UN Security Council, 'Adopting Resolution 2182 (2014), Security Council Extends Mandate of African Union Mission in Somalia for One Year, Amends Sanctions Regime', 7286<sup>th</sup> Meeting, SC/11613, 24 October 2014, <<http://www.un.org/press/en/2014/sc11613.doc.htm>>, accessed 23 August 2015; authors' interview with UNODC officials 1 and 2.

41. UNMGSE Report, 13 July 2011, p. 29; UNMGSE Report, 18 July 2012, p. 427; Bosire Boniface, 'Kenya: Sugar Imports from Somalia Fund Al-Shabaab, Kenyan Officials Say', *Sabahi*, 25 April 2013.

42. Wolfgang Fengler, 'Sweetening Kenya's Future – The Challenges of the Sugar Industry', Africa Can End Poverty Blog (World Bank), 18 September 2012, <<http://blogs.worldbank.org/africacan/sweetening-kenya-s-future-the-challenges-of-the-sugar-industry>>, accessed 23 August 2015.

This sugar is believed to be sold by OCGs from warehouses in Garissa, Dadaab, Wajir and Mandera at rates that undercut legal, taxed sugar – generating large proceeds.<sup>43</sup> Since 2013, officials in northern Kenya have claimed to have evidence that Al-Shabaab is profiting from the trade by charging the OCGs involved protection fees.<sup>44</sup> There is little knowledge about the precise dynamics of this activity, with the extent to which Al-Shabaab profits as yet unclear. Estimates, however, value this income source in the low millions of dollars, signifying a potentially substantial additional revenue stream.<sup>45</sup>

## Restricting Al-Shabaab Financing

Targeting the finances of terrorist groups has become a cornerstone of global efforts to disrupt these organisations.<sup>46</sup> The evolving nature of Al-Shabaab's funding capability speaks to the need to maintain pressure on all of its income streams simultaneously. As noted above, efforts on multiple fronts – from AML/CTF pressure, to enforcement of the ban on charcoal, and strengthened powers of naval interdiction<sup>47</sup> – have been a feature of the international response.<sup>48</sup> Yet more still needs to be done to restrict the group's ongoing revenue generation. Here, attention must be paid to weaknesses in the current response, which Al-Shabaab could exploit as it continues to adapt and evolve.

The first of these weaknesses relates to the current international response to diaspora remittances. As detailed above, greater efforts to prosecute those knowingly remitting funds to Al-Shabaab<sup>49</sup> and a ratcheting up of AML/CTF pressure, amongst other factors, have had a marked impact on the funding wired directly by sympathetic Somalis abroad.<sup>50</sup> However, Al-Shabaab has continued to find ways to benefit from funds innocently sent home by diaspora members – intercepting funds through taxation and extortion of recipients. The closure of MSB accounts by key international banks may now reduce the scope for this form of intervention.<sup>51</sup>

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43. Bonface Onger, 'Al-Shabaab Joins Illicit Sugar Trade', *Daily Nation*, 12 July 2014; *International Business Times*, 'Al-Shabab's Finances: The Militant Group Gets Funding From Local Businesses, Sources Abroad', 4 September 2014; Nation Team, 'Al-Shabaab-Linked Sugar Smugglers Still in Business After Attack', *Daily Nation*, 24 April 2015; Drazen Jorgic, 'Kenya Wages War on Smugglers who Fund Somali Militants', *Reuters*, 21 June 2015.

44. Onger, 'Al-Shabaab Joins Illicit Sugar Trade'.

45. Jorgic, 'Kenya Wages War on Smugglers Who Fund Somali Militants'.

46. This came particularly with George W Bush's Executive Order 13224 of 23 September 2001 aimed at starving terrorists of funding. See US Treasury Department, 'Contributions by the Department of the Treasury to the Financial War on Terrorism: Fact Sheet', 2002, p. 2.

47. UN Security Council, 'Adopting Resolution 2182 (2014), Security Council Extends Mandate of African Union Mission in Somalia for One Year, Amends Sanctions Regime'.

48. Authors' interview with UNODC officials 1 and 2.

49. Jones, 'Operation Rhino'.

50. Keatinge, 'The Role of Finance in Defeating Al-Shabaab', p. 12.

51. Armin Rosen, 'A California Bank's Decision Could Have Huge Ramifications in Somalia', *Business Insider UK*, 31 January 2015.

Yet the withdrawal of these services is not a sustainable solution. Remittances provide much-needed welfare to Somali citizens, and are often vital to the survival strategies of recipients.<sup>52</sup> With no functioning banking system, there is now no formal or transparent channel through which members of the diaspora can wire money to Somalia. Beyond considerable humanitarian implications, the obvious risk here is that enhanced AML/CTF pressure is counterproductive, forcing innocently motivated transfers underground.<sup>53</sup>

Underground transfers are potentially *more* vulnerable to Al-Shabaab diversion. They are also less traceable by international agencies. The only option remaining to many will be the use of cash couriers. These facilitate the physical transportation of small amounts of cash – up to the \$10,000 required to be declared in most jurisdictions. These can be easily intercepted – as can larger amounts which are easily smuggled in – potentially enhancing leakage to Al-Shabaab. As such, the risk is that of creating a system that regulatory and law-enforcement agencies cannot penetrate, enhancing its potential for abuse.

In this context, there is an urgent need for alternative mechanisms through which funds can be safely remitted. The UK government's establishment in 2014 of the UK Action Group on Cross-Border Remittances was a promising step.<sup>54</sup> Comprised of representatives from the private sector, government, civil society and international organisations, the group aims to explore ways to ensure the continued flow of remittances – including ways in which MSBs could comply with AML/CTF laws. Now, more than a year later, the group's progress appears to have stalled.<sup>55</sup> It is vital that these and complementary efforts to tackle the key challenges around remittance processes are promptly reinvigorated.

At the same time, greater attention must be paid to more localised resource flows. The focus here must be on Kenya as an increasingly pivotal financial conduit and source of ideological support. International assistance to this country is vital and must take a range of forms. These should include assistance to domestic agencies in the design and implementation of appropriate legislation to restrict terrorist financing activity; training and capacity-building of law-enforcement agencies; and long-term assistance in the design and implementation of measures to counter violent extremism in vulnerable communities.<sup>56</sup> With potential further shifts in Al-Shabaab's influence, these measures must be prioritised across the broader region.

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52. Scott Paul et al., 'Hanging by a Thread: The Ongoing Threat to Somalia's Remittance Lifeline', Oxfam, 19 February 2015, <<http://policy-practice.oxfam.org.uk/publications/hanging-by-a-thread-the-ongoing-threat-to-somalias-remittance-lifeline-344616>>, accessed 17 August 2015.

53. Mary Harper, 'Somalia's Lifeline Under Threat', 28 February 2015, <<http://mary-harper.blogspot.co.uk/2013/06/somalias-lifeline-under-threat.html>>, accessed 17 August 2015.

54. Department for International Development (DfID) and HM Treasury, '2010 to 2015 Government Policy: Economic Growth in Developing Countries', Appendix 11: Enabling the Continued Flow of Remittances, updated 8 May 2015; HM government, 'UK-Somalia Remittance Factsheet', March 2015.

55. Tom Keatinge, 'Don't Blame the Banks', *Foreign Affairs*, 18 March 2015.

56. Botha, 'Assessing the Vulnerability of Kenyan Youths to Radicalisation and Extremism'.

Alongside this, the relevance of the import/export trade to Al-Shabaab cannot be ignored. Here, greater engagement with the UAE and Saudi Arabia, as the primary regional trading hubs for charcoal and sugar, should be prioritised.<sup>57</sup> The UN's Implementation Assistance Notice, as well as UN Security Council Resolution 2182, reiterate the need for the international community and the Federal Government of Somalia to pursue the genuine commitment of the UAE and Saudi Arabia in supporting the restriction of Al-Shabaab's trade-based financing. Concerted efforts to do so must continue. These must be accompanied by support for the implementation of Resolution 2182's widened terms of reference for Combined Task Forces 150 and 151. To ensure success, ongoing efforts to resolve legal and jurisdictional issues with regard to inspections and seizures on the high seas must be similarly prioritised.

Addressing these challenges entails concerted effort by international organisations and governments in East Africa and beyond. Constructive engagement will require all stakeholders to provide the long-term commitment required to address the complexity of Al-Shabaab's financial strategy. With attention required on so many fronts, the ivory–terrorism narrative serves as nothing more than a distraction from the urgency of the core tasks at hand in the fight against Al-Shabaab financing.

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57. Keatinge, 'The Role of Finance in Defeating Al-Shabaab'.



## IV. Organised Crime and the Illegal Ivory Trade

**O**RGANISED CRIME AND corruption in East Africa represents a true collusion of evils. Both have served to push the illegal ivory trade to its current industrial scale. As Chapter II argues, Al-Shabaab is highly unlikely to be a major player in this trade; its potential involvement pales in comparison to these far more pervasive influences.

This chapter addresses the implications of this finding. It examines the prevalence of organised crime in the region, and the existence of potential overlaps between ivory and other forms of illicit trafficking. The nuanced picture this provides has implications for the design of counter-measures. Here, concerted efforts must be made to strengthen law enforcement and ensure more effective legal frameworks and deterrent. To achieve this, urgent attention must be paid to the capacity gaps that plague local wildlife and security agencies in their efforts to tackle sophisticated and complex criminal networks.

### The Heart of the Matter

The impact of transnational organised crime and corruption on East Africa is well known.<sup>1</sup> Though long overshadowed by West Africa, the region's exposure to the expansion of transnational illicit trade is now widely recognised.<sup>2</sup> In particular, research has shown the vulnerability of Kenya and Tanzania, as countries with significant growth potential, to the corroding expansion of sophisticated criminal networks. This is enabled by their strategic coastal positions and the opportunities provided by their major container ports for interaction with foreign markets. It is further facilitated by their governments' limited capacity to deter cross-border criminality, by poverty and weak governance, and by the corruption that frequently accompanies these weaknesses.<sup>3</sup>

All this has seen the region grow as a major source of and transit hub for a range of illicit activities. In particular, these include drugs trafficking, human smuggling and trafficking, the small arms trade, the illicit trade in counterfeit goods, money laundering and the illegal wildlife trade.<sup>4</sup> As increasingly powerful national and transnational criminal networks have grown up

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1. UN Office on Drugs and Crime (UNODC), 'Transnational Organized Crime in Eastern Africa: A Threat Assessment', September 2013.
  2. Peter Gastrow, 'Termites at Work: A Report on Transnational Organized Crime and State Erosion in Kenya—Comprehensive Research Findings', International Peace Institute, 2011, p. 1; Mark Shaw and Tuesday Reitano, 'The Evolution of Organised Crime in Africa: Towards a New Response', ISS Paper 244, April 2013.
  3. Gastrow, 'Termites at Work'; UNODC, 'Transnational Organized Crime in Eastern Africa', p. 3.
  4. Gastrow, 'Termites at Work', p. 3.

around these industries, these have posed a direct threat to the state itself. They have thrived on corruption within institutions like the police and judiciary.<sup>5</sup>

The state of governance supports this picture. Kenya ranks 145th, and Tanzania 119th, of 174 countries in Transparency International's 2014 Corruption Perceptions Index.<sup>6</sup> The World Bank's Worldwide Governance Indicator on Control of Corruption – where a higher percentile means better governance – makes for equally concerning reading. From reaching the 51st percentile in 2006 (up from a low of 14th in 2000), Tanzania has slipped back to the 22nd in 2013.<sup>7</sup> The Kenyan state has fared consistently worse on this World Bank indicator. Since 1996, it has not rated higher than the 22nd percentile, falling as low as the 12th in 2012.<sup>8</sup>

These issues have been acknowledged by governments around the world. British Prime Minister David Cameron gave a major speech on the subject of corruption as an enabler of organised crime in Singapore in July 2015. In it, he declared corruption to be 'one of the greatest enemies of progress in our time' and called for greater international co-operation in mitigating it.<sup>9</sup> With regard to Kenya and Tanzania specifically, the UK's Department for International Development, amongst other bodies, has noted that entrenched corruption amongst political and business leaders 'remains a brake on development', with a culture of impunity impeding high-level convictions.<sup>10</sup>

This enabling environment and the presence of powerful national and transnational criminal networks has sustained the illegal ivory trade to a much greater extent than has Al-Shabaab. Indeed, it is widely accepted that both OCGs and corrupt officials are the main facilitators of ivory trafficking through Kenya and Tanzania to East Asian criminal-syndicate buyers. Both play a prominent role at both low and high levels of the trafficking chain from orchestrating poaching gangs and consolidating fresh ivory to containerising ivory in bulk and arranging industrial-scale international shipments.<sup>11</sup> This, like other forms of organised criminal activity in the region, poses major challenges for governance, development, prosperity and broader national, regional and international security.<sup>12</sup>

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5. *Ibid.*; UNODC, 'Transnational Organized Crime in Eastern Africa', pp. 3–5; Environmental Investigation Agency (EIA), 'Vanishing Point: Criminality, Corruption and the Devastation of Tanzania's Elephants', November 2014.
  6. Transparency International, 'Corruption Perceptions Index 2014', <<https://www.transparency.org/cpi2014/results>>, accessed 10 August 2015.
  7. World Bank, 'Worldwide Governance Indicators: Country Data Report for Tanzania, 1996–2013', <[info.worldbank.org/governance/wgi/pdf/c224.pdf](http://info.worldbank.org/governance/wgi/pdf/c224.pdf)>, accessed 10 August 2015.
  8. World Bank, 'Worldwide Governance Indicators: Country Data Report for Kenya, 1996–2013', <[info.worldbank.org/governance/wgi/pdf/c116.pdf](http://info.worldbank.org/governance/wgi/pdf/c116.pdf)>, accessed 10 August 2015.
  9. David Cameron, 'Tackling Corruption: PM Speech in Singapore', Singapore, 28 July 2015.
  10. Department for International Development (DfID), 'Operational Plan 2011–2016 DFID Kenya – Updated December 2014', 2014; DfID, 'Operational Plan 2011–2016 DFID Tanzania – Updated December 2014', 2014.
  11. Varun Vira, Thomas Ewing and Jackson Miller, 'Out of Africa: Mapping the Global Trade in Illicit Elephant Ivory', C4ADS/Born Free, August 2014; EIA, 'Vanishing Point'.
  12. Tom Burgis, *The Looting Machine: Warlords, Tycoons, Smugglers, and the Systematic Theft of Africa's Wealth* (London: William Collins, 2015).

Supporting this, all those interviewed by the authors stressed the paramount role of organised crime and corruption in the illegal ivory trade. All confirmed that both had been key to enabling the contemporary level of sophistication of poaching and trafficking. Indeed, the immense scale and complexity of the trade in its current manifestation are two of the clearest indicators of organised-criminal involvement, enabled by high- and low-level corruption.<sup>13</sup> This relates to the difficulties of consolidating the hundreds of tusks necessary to make up the large volumes involved; the challenges of their movement across multiple borders along a complex supply chain often involving long air, land, and sea routes; and the vulnerability of such large volumes to interdiction at each stage of these lengthy chains.

All trends point to such an increasingly sophisticated trade.<sup>14</sup> Today's poaching crisis has witnessed a growing proportion of ivory seized in 'large' shipments of over 500 kg – the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)-approved determinant of organised-criminal facilitation. According to CITES, the frequency of such seizures has increased greatly since 2000, and particularly this decade. Prior to 2009, an average of five such events occurred annually; between 2009 and 2013 this rose to an average of fifteen, according to 2014 ETIS data. The eighteen seizures made in 2013 collectively constitute the greatest quantity of ivory taken in large-scale seizure events in records going back to 1989.<sup>15</sup> Between 2012 and 2014, such seizures accounted for as much as 61 per cent of all ivory confiscated worldwide, demonstrating the prevalent role of powerful OCGs in arranging such consignments.<sup>16</sup>

East Africa has been at the centre of this trend. In 2013, around 80 per cent of large seizures were connected to Kenyan, Tanzanian or Ugandan ports.<sup>17</sup> Between 2009 and 2014, the highest volume of seizures globally (18.8 tonnes) transited Mombasa.<sup>18</sup> The potential volumes this represents become all the more striking when factoring in the ETIS assessment that only 10–17 per cent of shipments are intercepted.

DNA testing of seized ivory has reinforced this picture of OCG involvement. Twenty-three of the twenty-eight large ivory seizures analysed in Sam Wasser's recent study were shipped, or about to be shipped, from a country other than that of the contributing elephant herd.<sup>19</sup> This points to increasingly complex international movements of ivory that only sophisticated OCGs could facilitate. Within East Africa, large seizures in either East African or East Asian ports since 2010

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13. Vira, Ewing and Miller, 'Out of Africa', pp. 10–11.

14. *Ibid.*

15. CITES, '65<sup>th</sup> Meeting of the Standing Committee, Geneva (Switzerland), 7–11 July 2014: Elephant Conservation, Illegal Killing and Ivory Trade', secretariat report, SC65 Doc. 42.1, CITES CoPS16, 2013, p. 28.

16. S K Wasser et al., 'Genetic Assignment of Large Seizures of Elephant Ivory Reveals Africa's Major Poaching Hotspots', *Science* (Vol. 349, No. 6243, July 2015), p. 85.

17. Vira, Ewing and Miller, 'Out of Africa', pp. 19–23.

18. *Ibid.*, p. 19.

19. Wasser et al., 'Genetic Assignment of Large Seizures'.



have uncovered a *mixture* of Tanzanian and Kenyan ivory. This highlights a further degree of sophistication – the ability to source, collate and containerise ivory across national boundaries.<sup>20</sup>

Adding further complexity to these patterns, Uganda has emerged as an indirect transit route for Tanzanian tusks destined for Kenyan ports. A perception of lower penalties in Uganda, greater scrutiny along Tanzania–Kenya crossings, and Kenyan–Ugandan customs agreements to reduce goods inspections are thought to have influenced this.<sup>21</sup> Entebbe and Addis Ababa are thought to be growing, alternative air routes for moving ivory directly to East Asia or to the Gulf of Guinea – and out of its less-regulated ports.<sup>22</sup> These trends again suggest the operation of well-connected and resourced OCGs able to span vast distances.

Yet gaps remain in the published literature and public reporting on further elements of the OCG dynamics involved, including understanding of the reasons these different routes are used. Most investigations of trafficking networks and corruption in Kenya and Tanzania treat each as a unit case study, impeding a better understanding of the dynamics between them. The EIA, for example, has undertaken detailed analysis of high-level OCG networks and corruption in Tanzania since the mid-2000s. However, understanding of the concurrent influence of these networks in Kenya remains elusive.<sup>23</sup>

In this context, it is hoped that additional information can be gleaned on the details of high-level organised criminal dynamics as specific cases are uncovered. Here, two ongoing episodes are of interest. The first concerns the arrest of Mombasa-based businessman Feisal Mohamed Ali in December 2014 in connection with the seizure of 2 tonnes of ivory in a Mombasa warehouse.<sup>24</sup> The second saw the arrest of fourteen suspects in Mombasa – including a Kenya Revenue Authority officer (highlighting corruption's facilitating role) in connection with large seizures made in Bangkok and Singapore in spring 2015 that were traced back to the Kenyan port.<sup>25</sup>

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20. *Ibid.*, p. 85: see, for example, Figures 4F, 4H, 4K and 4O (the 2010 and 2011 seizures at Jomo Kenyatta International Airport, the 2013 seizure in Singapore and the 2013 seizure at Entebbe); authors' interview with senior illegal wildlife trade (IWT) monitoring official, 14 May 2015.
  21. Vira, Ewing and Miller, 'Out of Africa', p. 23; confidential information provided to the authors by UNODC; authors' interview with senior IWT monitoring official; authors' interview with wildlife crime research consultant, 8 July 2015. For example, the forensic evidence on a large seizure in Sri Lanka showed that the ivory had been sourced from Tanzania, but was consolidated in Uganda, and exported from Mombasa. See Tom Milliken, 'Progress in Implementing the Elephant Trade Information System (ETIS)', *Pachyderm* (No. 54, July–December 2013), pp. 85–90.
  22. Authors' interview with senior IWT monitoring official; authors' interview with wildlife crime research consultant.
  23. EIA, 'Vanishing Point', pp. 15–25.
  24. Authors' interview with Western law-enforcement liaison officer, Nairobi, 24 April 2015; authors' interview with INTERPOL officers 1 and 2, Nairobi, 1 May 2015; authors' interview with freelance journalist, 4 May 2015; authors' interview with four wildlife-crime law-enforcement officers, 6 May 2015; authors' interview with senior IWT monitoring official; authors' interview with senior environmental crime analyst, 13 July 2015.
  25. *Agence France-Presse (AFP)*, 'Mombasa Container with 3,000kg of Ivory Seized in Thailand', *Daily Nation*, 27 April 2015; *AFP*, 'Singapore Nets "Biggest Haul" Including Sh500m Worth of Kenyan Ivory', *Daily Nation*, 19 May 2015; *Xinhua*, 'Mombasa Police Hold Six Suspects over Ivory Seizures

Knowledge gaps remain at the lower levels too. Here, OCGs are thought to act as middlemen and brokers – receiving orders from higher-level traffickers, tasking poaching gangs, facilitating consolidation and arranging onward transportation.<sup>26</sup> Here, similarly, it is hoped that additional understanding of the specific mechanisms involved can be gleaned from specific cases. The Kenyan trading hub of Isiolo is a source of many such cases as they surface, with numerous Kenyan and Somali brokers maintaining warehouses here to consolidate ivory sourced from Samburu-Laikipia.<sup>27</sup>

Further uncertainty relates to potential overlaps in the portfolios of the OCGs involved with other forms of organised criminality. There is, however, a growing corpus of evidence in this area. At the higher levels, Mombasa and Dar es Salaam have emerged as important entry ports – a ‘Southern Route’ – for heroin traffickers from Pakistan and Iran seeking less direct pathways into Europe. Noting the region’s linkage to UK heroin inflows, the National Crime Agency has dedicated increasing resources, through regionally based liaison officers, to supporting local responses to this threat – and to monitoring the extent of overlaps with other forms of illicit trade.<sup>28</sup> There are unconfirmed suspicions of links between Feisal Mohamed Ali and the Akasha network, which is thought to be deeply involved in this Southern Route.<sup>29</sup> At the lower levels, the authors’ fieldwork has pointed to similar overlaps. These relate to the activities of ivory

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in Thailand’, 26 May 2015; International Fund for Animal Welfare (IFAW), ‘Kenya Ivory Arrests: IFAW Lauds Inter-Agency Collaboration to Arrest Suspects’, 8 June 2015, <<http://www.ifaw.org/united-kingdom/news/kenya-ivory-arrests-ifaw-lauds-inter-agency-collaboration-arrest-suspects>>, accessed 23 August 2015; Philip Muyanga, ‘KRA Official Charged over Illegal Ivory Trafficking’, *Daily Nation*, 23 June 2015.

26. Varun Vira and Thomas Ewing, ‘Ivory’s Curse: The Militarization and Professionalization of Poaching in Africa’, *Born Free/C4ADS*, April 2014, pp. 15–17; Vira, Ewing and Miller, ‘Out of Africa’, pp. 15–18; authors’ interview with community conservancy senior security officer, northern Kenya, 30 April 2015.
27. Kibiwott Koross, ‘Kenya: Untouchable Lords of Poaching in Samburu’, *Star*, 29 January 2013; Glen Johnson, ‘Kenyan Poachers Make a Killing in Ivory’, *Al-Jazeera*, 29 June 2013; authors’ interview with Western diplomats 3 and 4, Nairobi, 27 January 2015; authors’ interview with community conservancy head of monitoring, northern Kenya, 29 April 2015; authors’ interview with senior community conservancy manager, northern Kenya, 30 April 2015; authors’ interview with community conservancy senior security officer.
28. National Crime Agency (NCA), ‘National Strategic Assessment of Serious and Organised Crime 2015’, 23 June 2015, p. 23; NCA, ‘Making Life Harder for Drug Traffickers in East Africa’, 18 November 2014, <<http://national-crime-agency.tumblr.com/post/102961313542/making-life-harder-for-drug-traffickers-in-east>>, accessed 17 August 2015; Gastrow, ‘Termites at Work’, pp. 8–36; *The Economist*, ‘The Smack Track: East African States are Being Undermined by Heroin Smuggling’, 17 January 2015; *East African*, ‘Drug Bust Exposes the Kenyan Connection in Global Heroin Trafficking’, 4 June 2015; authors’ interview with Western law-enforcement liaison officer; authors’ interview with INTERPOL officers 1 and 2.
29. Members of the Akasha family network have been arrested in 2015 on charges of drug trafficking, with their trial ongoing. See Jorgic, ‘As Heroin Trade Grows, a Sting in Kenya’; Elkana Jacob, ‘Akasha Lawyer Cliff Ombeta Cries in Court over Bond Possibility for Drug Trafficking Suspects’, *Star*, 16 March 2015.

traffickers with those of cattle-rustling cartels in northern Kenya on the one hand,<sup>30</sup> and people-trafficking networks from Eritrea, Ethiopia and Somalia to southern Africa on the other.

A final gap in knowledge concerns the nature of the interface between high-level East African OCGs and East Asian syndicate buyers. Here, a particular lack of clarity surrounds whether or not East Asian syndicates are exerting greater control up the trafficking chain in range states. Analyses by TRAFFIC's Tom Milliken, C4ADS and the EIA paint a picture of syndicate representatives exerting greater influence upstream, placing orders with local kingpins and organising containerisation and transshipments. Given the importance of this interface to the global movement of wildlife contraband, this trend could have significant implications for domestic and international counter-measures.<sup>31</sup>

## Combating the Illegal Ivory Trade

A nuanced understanding of the main actors – and their relative importance – in the illegal ivory trade is key to the design of effective responses. Equally vital is awareness of the main areas in which knowledge gaps remain. In this context, the current exaggerated emphasis on Al-Shabaab may have contributed to skewing responses away from priority areas.<sup>32</sup> It is likely to have done so primarily by helping to perpetuate the current bias towards front-line, militarised anti-poaching programmes.<sup>33</sup>

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30. Authors' interview with Western diplomat 1, 26 January 2015. For interplays between cattle-rustling gangs, pastoralist violence, poaching and ivory trafficking in Kenya, see Vira and Ewing, 'Ivory's Curse', pp. 59–61; Juliet King and Ian Craig, 'Engaging Communities in Tackling Illegal Wildlife Trade: Case Study – Community Conservancies in Northern Kenya', Northern Rangelands Trust, n.d. [c. February 2015]; Ian Craig, 'Update on NRT Anti-Poaching & Security Operations For Period of May 2014 – March 2015', Northern Rangelands Trust, 27 February 2015; authors' interview with community conservancy manager, northern Kenya, 28 April 2015; authors' interview with community conservancy security support officer, 28 April 2015; authors' interview with community conservancy head of monitoring, 29 April 2015; authors' interview with community conservancy senior security officer; authors' interview with senior community conservancy manager.

31. Jeffrey Gettleman, 'Elephants Dying in Epic Frenzy as Ivory Fuels Wars and Profits', *New York Times*, 3 September 2012; Vira, Ewing and Miller, 'Out of Africa', p. 14; EIA, 'Vanishing Point', pp. 15–25.

32. For how similarly mischaracterised narratives by popular advocacy groups adversely impacted international engagement in the Democratic Republic of the Congo, see Séverine Autesserre, 'Dangerous Tales: Dominant Narratives on the Congo and Their Unintended Consequences', *African Affairs* (Vol. 111, No. 443, 2012), pp. 202–22.

33. Adam Vaughan, 'British Army Joins Fight against Elephant and Rhino Poaching', *Guardian*, 1 November 2013; USAID, 'Kenya and East Africa: Partnering with Kenya Wildlife Service', July 2015, <<https://www.usaid.gov/documents/1860/partnering-kenya-wildlife-service-fact-sheet>>, accessed 23 August 2015; Rosaleen Duffy, 'War, By Conservation', workshop presentation at 'Environmental Crime? Poaching, Security and the Illegal Wildlife Trade', SOAS, University of London, 18 May 2015.

The continued emphasis on such militarised approaches ignores growing consensus in academic, practitioner and research communities that more nuanced approaches are needed.<sup>34</sup> There is broad agreement that these should combine hard-security, community-engagement and development programmes.<sup>35</sup> Too dominant a front-line focus also means that responses barely touch the mid- and high-level crime bosses orchestrating the trade. Beyond this, they result in a failure to address the institutionalised complicity of a range of entities and individuals.

Decades of international experience in countering drug trafficking have shown the limited effects of low-level, militarised responses aimed at the supply side. Indeed, many have noted that lessons from the global fight against other forms of organised crime have been inadequately incorporated into the fight against the illegal ivory trade.<sup>36</sup> ‘Whack-a-mole’ strategies involving expensively equipped rangers targeting poachers from local communities will likely be as ineffective in the fight against ivory trafficking as in the fight against other forms of illicit trade.<sup>37</sup> Instead, approaches must aim higher, disrupting the relevant OCGs and tackling corruption higher up the chain.

In this sense, the prevalence of ivory–terrorism narratives is unlikely to have helped in the design of responses tailored to the actual operational dynamics of organised criminality. Yet responses to these organised criminal dynamics may be equally – and perhaps more fundamentally – affected by more deep-seated intelligence and investigative capacity problems on the ground. These issues affect wildlife, law-enforcement and customs agencies as well as national courts – resulting in weaknesses in collecting intelligence, developing cases and presenting them in court. East Africa-based law-enforcement officers have long stressed the debilitating impact of these capacity gaps. In 2010, Lusaka Agreement Task Force director, Bonaventure Ebayi, publicised the issue, stating that ‘We require improved capacity building in intelligence collection, investigations and making follow-ups to defeat the trade’.<sup>38</sup>

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34. Rosaleen Duffy, ‘Waging a War to Save Biodiversity: The Rise of Militarized Conservation’, *International Affairs* (Vol. 90, No. 4, 2014), pp. 819–34; Elizabeth Lunstrum, ‘Green Militarization: Anti-Poaching Efforts and the Spatial Contours of Kruger National Park’, *Annals of the Association of American Geographers* (Vol. 104, No. 4, 2014), pp. 816–32; Natasha White, ‘The “White Gold of Jihad”: Violence, Legitimation and Contestation in Anti-Poaching Strategies’, *Journal of Political Ecology* (Vol. 21, 2014), pp. 452–74; John Owens, ‘Infrastructure and Guns May Curb Wildlife Trafficking’, Global Wildlife Conservation Group Blog (University of Texas), 27 April 2015, <<https://sites.utexas.edu/wildlife/2015/04/27/infrastructure-and-guns-may-curb-wildlife-trafficking/>>, accessed 23 August 2015.

35. For a discussion of this, see Cathy Haenlein and Tom Maguire, ‘Countering Poaching and Wildlife Crime: Engaging from the Ground Up’, *RUSI Newsbrief* (Vol. 35, No. 4, July 2015), pp. 21–24.

36. EIA, ‘In Cold Blood: Combating Organised Wildlife Crime’, February 2014, p. 19.

37. Analysis by C4ADS and a team of researchers at the Wilson Center has come to similar conclusions. See Vira and Ewing, ‘Ivory’s Curse’, p. 14; Cameron Lagrone and Josh Busby, ‘Is Wildlife Trafficking a National Security Threat?’, *New Security Beat* (Wilson Center), 10 June 2015, <<http://www.newsecuritybeat.org/2015/06/wildlife-trafficking-national-security-threat>>, accessed 17 August 2015.

38. *East African*, ‘Militant Groups Fuel Poaching in East Africa’, 14 October 2010.

Indeed, tradecraft is often poor, affecting the ability of agencies to conduct detailed debriefings and interrogations, track the movements of suspects, and systematically collate and analyse multi-source intelligence.<sup>39</sup> The capabilities that do exist are rarely a match for these agencies' networked OCG targets. These maintain purposeful buffers and gaps between different phases in the ivory chain. A number of international initiatives have sought to address these problems, some of which offer positive experience and valuable lessons.

Strengthening law enforcement and ensuring more effective legal frameworks and deterrents to organised crime and corruption have been two of the key tenets of the London and Kasane conference declarations of 2014 and 2015.<sup>40</sup> The Obama administration's 2015 Strategy to Combat Wildlife Trafficking has similarly emphasised the need to support improvements in intelligence, law-enforcement investigations and analytical approaches to countering trafficking networks.<sup>41</sup>

The US has a track-record of ongoing work in this sphere. In an area largely devoid of state capacity, it recently began supporting the Northern Rangelands Trust (NRT) to develop its own security community and adjunct intelligence body. The project has been exemplary – allowing the NRT to build evidence on actors involved in the initial stages of the trafficking chain – to then inform investigations higher up. These efforts also provide a leading example of how intelligence sharing can work between community conservancies, a dedicated intelligence cell and the KWS on the one hand, and the Kenya Police and central government security community on the other.<sup>42</sup>

Other efforts have focused on bolstering inter-agency co-operation at a higher level, both domestically and internationally.<sup>43</sup> In recent years, INTERPOL, the UNODC and the World Customs

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39. INTERPOL, 'Elephant Poaching and Ivory Trafficking in East Africa – Assessment for an Effective Law Enforcement Response', February 2014, summary available at 'Response to Elephant Poaching and Ivory Trafficking Focus of New INTERPOL Report', 25 February 2014, <<http://www.interpol.int/News-and-media/News/2014/N2014-029>>, accessed 23 August 2015; authors' interview with Western diplomat 2, 27 January 2015; authors' interview with Western diplomats 3 and 4; authors' interview with UNODC officials 1 and 2, Nairobi, 24 April 2015; authors' interview with INTERPOL officers 1 and 2.

40. 'London Conference on the Illegal Wildlife Trade, 12–13 February 2014: Declaration', n.d. [c. February 2014]; 'Kasane Conference on the Illegal Wildlife Trade, 25 March 2015: London Declaration on the Illegal Wildlife Trade – Review of Progress', n.d. [c. March 2015], <<https://www.gov.uk/government/publications/declaration-london-conference-on-the-illegal-wildlife-trade>>, accessed 9 August 2015.

41. President's Task Force on Combating Wildlife Trafficking, 'National Strategy for Combating Wildlife Trafficking: Implementation Plan', 11 February 2015. Of the State Department Bureau of International Narcotics and Law Enforcement's \$3 million budget for Kenya under the Strategy's Implementation Plan, \$1.5 million is aimed at building investigative capacity and \$0.5 million at strengthening the judiciary and prosecutors in how to better handle IWT-related cases: authors' interview with senior diplomatic officer, US Embassy Nairobi, 26 January 2015.

42. Authors' interview with Western diplomats 3 and 4; authors' interview with director of private security firm; authors' interview with community conservancy senior security officer; authors' interview with senior community conservancy manager.

43. Authors' interview with Western diplomat 1; authors' interview with Western diplomat 2; authors' interview with INTERPOL officers 1 and 2.

Organisation have run workshops in Kenya to improve higher-level investigatory capacity by bolstering co-operation frameworks. This kind of training operates in a crowded space, however. A number of external parties are involved who do not necessarily share the same means and ends. This support needs to be better co-ordinated and harmonised to achieve its aims.<sup>44</sup>

Meanwhile, several international initiatives have responded to the perceived need for regional fora to allow information sharing across sectors. The UNODC's Indian Ocean Forum on Maritime Crime initiative was launched in February 2015, targeting four areas in which overlaps have been identified: wildlife and forestry crime; heroin trafficking; people trafficking and smuggling; and fisheries crime. The initiative aims to promote a shared understanding of the issues amongst Indian Ocean and East African states; develop more co-ordinated regional counter-strategies; and improve international and inter-agency information sharing.<sup>45</sup> The extension of the UNODC's Container Control Programme to East African ports and plans for inter-agency and multi-commodity Transnational Organised Crime Units in Kenya and Tanzania aim for similar effects in the long-term. By conducting vetting and due diligence checks with local security officials, it is hoped that more 'secure' units can be formed, with which intelligence and evidence can be shared on the basis of greater trust.<sup>46</sup>

Yet support for even the finest law-enforcement initiatives can be undermined by corruption and a lack of political will to use enhanced capacities to pursue well-connected kingpins. CITES, TRAFFIC and the UNODC have consistently highlighted the failure of investigators in East Africa to push beyond the point of detection or seizure, leaving higher-level networks in place.<sup>47</sup> No senior ivory traffickers in Kenya have been prosecuted, even since the introduction of more stringent legislation in 2014. Capacity-building cannot be divorced from initiatives aimed at rooting out corruption and fostering political will.

Embracing efforts to pursue higher-level criminals further up the chain presents more challenges. Indeed, making higher-level arrests, targeting syndicate profits, and concentrating on increasing seizures rates can induce higher operating cost and risk. Meanwhile, supply-chain disruption will always be inherently temporary unless actions are co-ordinated across multiple jurisdictions, targeting multiple commodities. There is already evidence of networks responding to higher-

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44. CITES, '65<sup>th</sup> Meeting of the Standing Committee, Geneva (Switzerland), 7–11 July 2014: Elephant Conservation, Illegal Killing and Ivory Trade', July 2014, p. 4; authors' interview with UNODC officials 1 and 2; authors' interview with INTERPOL officers 1 and 2.

45. UNODC, 'Indian Ocean Forum on Maritime Crime: Briefing Note', 24 March 2015; authors' interview with UNODC officials 1 and 2.

46. Jorgic, 'As Heroin Trade Grows, a Sting in Kenya'; authors' interview with UNODC officials 1 and 2; authors' interview with INTERPOL officers 1 and 2; authors' interview with UNODC official 3, 20 May 2015. The Transnational Organised Crime Units are being supported by the UK NCA, UNODC, INTERPOL and other international security agencies partnering with the Tanzanian and Kenyan governments.

47. See, for example, CITES, '65<sup>th</sup> Meeting of the Standing Committee, Geneva (Switzerland), 7–11 July 2014: Elephant Conservation, Illegal Killing and Ivory Trade', p. 4, and comments of UNODC Executive Director Yury Fedotov at the 2015 UN Crime Congress available at UN News Centre, 'UN Conference Stresses Brave Need to Combat Wildlife Crime', 19 April 2015, <<http://www.un.org/apps/news/story.asp?NewsID=50563#.VdJCavm6fIX>>, accessed 23 August 2015.

level pressure by shifting towards different routes or activities. National and international law-enforcement agencies must be willing and able to adapt to these challenges accordingly.

Addressing these issues will require collaborative efforts amongst a range of organisations. These must occur on national, regional and international levels. Success will require all stakeholders to fully accept the dominance of OCGs, brokers and corrupt officials in the illegal ivory trade. The ivory–terrorism narrative must not distract from the scale of the effort – and resources – needed to tackle these sophisticated and adaptive high- and low-level criminal and corrupt actors.



# Conclusions and Recommendations

**M**EDIA OUTLETS, CONSERVATION campaigners, researchers and policy-makers have strong incentives to accept the ivory–terrorism narrative. Many have gone even further and are actively advocating this position in capitals. Yet the range of variants to have emerged, particularly in relation to Al-Shabaab, has come to resemble a game of Chinese whispers – testimony to the lack of a firm evidence-base or of reasoned analyses behind such assertions. The single source that most advocates *have* drawn upon, moreover, contains deep flaws. This underscores the need to gather multi-source, corroborating evidence before drawing conclusions likely to have repercussions for a range of stakeholders.

A lack of supporting evidence, the greater importance of other sources of threat finance, and the far more pervasive influence on East Africa’s ivory trade of sophisticated OCGs all raise questions around assertions that ivory has generated substantial revenue for Al-Shabaab – or that the group has become a major player in this trade. Patchy evidence from local media reports and interviews indicates that small amounts of ivory – far smaller than the volumes transiting Kenyan and Tanzanian ports – may have moved through Somalia during the current poaching and trafficking crisis. If true, Al-Shabaab may have been one among several actors, including Somali OCGs and clan militias, to draw some small-scale benefit. On the basis of the current evidence available, this is all that can justifiably be posited.

Instead, other forms of income continue to represent far more significant components of Al-Shabaab’s wider financial portfolio. These range from traditional, long-distance income sources (albeit waning) to expanding, localised revenue streams. The organisation’s smart financial management and resilience to local and international efforts to disrupt these income streams poses ongoing challenges to the fight against Al-Shabaab funding. Sustained pressure is required on many fronts, as is ongoing co-operation with a range of partners.

With regards to East Africa’s illegal ivory trade, multi-layered organised crime remains the most significant driver. In particular, a well-connected and protected few appear to provide the means to move ivory on a vast scale to East Asian syndicate buyers for onward sale. Demand reduction will be crucial to the long-term diminution of the trade. Drying up OCGs’ access to poachers, through a nuanced combination of community engagement and ranger patrols, is needed too. But the key to undermining the illegal ivory trade, in East Africa and beyond, will lie in disrupting those criminal networks involved, especially at a high level – to the point at which the risk of ongoing involvement becomes too great. This, however, is where capacity and political will have been most lacking.



This report makes a number of recommendations for tackling the illegal ivory trade in East Africa and restricting Al-Shabaab's financing. These are made whilst acknowledging that evidence on many elements of the trade – and of Al-Shabaab's income streams – remains poor. The international security implications of the illegal ivory trade remain characterised by a lack of understanding, as the alleged Al-Shabaab connection highlights.

## Recommendations

### Restricting Al-Shabaab Financing

- Concerted efforts are required to re-establish formal mechanisms to allow the secure flow of remittances to Somalia. These could include 'safe corridors' through which funds can be more safely remitted
- Support to Kenya – a key player in the fight against Al-Shabaab financing – must expand. It should cover assistance to domestic agencies in the implementation of appropriate legislation to restrict terrorist financing, and building the capacity of law-enforcement agencies. In this regard, the European Commission's ongoing work in East Africa is of critical importance
- Efforts to tackle Al-Shabaab's trade-based financing must continue. Greater engagement with the UAE and Saudi Arabia as the primary regional trading hubs for charcoal and sugar should be prioritised.

### Countering the Illegal Ivory Trade

- The lack of intelligence and investigative capacity in the fight against the illegal ivory trade in East Africa must be addressed. Priorities for capacity-building should include improved training in tools and methods for collecting and analysing intelligence, gathering evidence on organised criminal suspects and using this evidence in arrests and prosecutions
- Greater co-operation between agencies is required, in the form of cross-border and inter-agency information sharing across the region and beyond. This is vital to collecting actionable intelligence and conducting credible investigations into transnational OCGs. Given an ongoing lack of trust, national governments and international organisations should focus on confidence-building initiatives both within and across borders.
- In the long-term, the illegal trade in ivory can only be defeated through a concerted effort by regional actors to root out corruption. This will require concerted will from the president down to the police officer
- The illegal wildlife trade (IWT) – and the ivory trade within this – must be treated as a major form of organised crime. Overlaps between the IWT and other forms of organised crime must be investigated. Recent initiatives, such as the UN Office on Drugs and Crime (UNODC)'s Indian Ocean Forum on Maritime Crime and the extension of its Container Control Programme must be built on. Plans for multi-commodity Transnational Organised Crime Units in Kenya and Tanzania must be similarly supported – and potentially expanded

- The sophisticated OCGs that drive the ivory trade mean that East African governments must move beyond a focus on seizures. To have real impact, investigations should focus upwards, on the high-level individuals and networks directing the trade. Such a focus will require broader evidence gathering in investigations, proactive intelligence-sharing along the value chain and the strengthening of anti-money-laundering and anti-corruption legislation. This could be facilitated by the creation of a new, dedicated regional wildlife-crime cell
- The current bias towards militarised anti-poaching operations in source areas in East Africa needs to be addressed. Community-engagement and development programmes must complement aggressive front-line activities by increasingly well-equipped rangers and other actors
- Beyond East Africa, broader measures must continue to target the onward transit and destination stages of the supply chain. Efforts to map the financial and logistics networks that support the trade should be prioritised. In so doing, these efforts should engage the private sector, with all its resources, in disrupting the illegal trade. In consumer states, vital demand reduction and public awareness campaigns must be further supported.

### **UK-Specific Actions**

The UK government has established itself as a policy leader on the IWT – and the illegal ivory trade as an important component of this. The government now has an opportunity to deepen this engagement. The report makes the following specific recommendations for how it could do so:

- The UK government can maintain its leadership on the IWT by building on its broader National Security Strategy to counter threats such as organised crime and corruption overseas
- The UK government should capitalise on its position as a permanent member of the Security Council, its strong bilateral relationships and its longstanding support to governments in East Africa, to drive forward the international agenda in the fight against the IWT
- At the early stages of the trade, the UK government should continue to address the bias towards militarised approaches by also promoting soft-security and development activities. The London Conference on Illegal Wildlife Trade promisingly featured community engagement as one of its four core strands. This must now translate into action; the UK must ensure that innovative community-focused projects are supported through the Challenge Fund
- The UK government should support a focus on the transit and end stages of the value chain. Positive British initiatives include work with the transport industry and high-level engagement with the Chinese government – feeding into the latter's landmark commitment to phase out its legal ivory market. The UK government must support these initiatives – and apply pressure to ensure that China's commitment is met in the near future.