The Nexus Between Transnational Organized Crime and Terrorism in the Horn of Africa: Challenges and Opportunities for Regional Security Responses

December 7, 2024

The intertwined relationship between transnational organized crime and terrorism in the Horn of Africa is a significant, and increasingly volatile, security threat to the region. At the crux of this resilient crime-terror nexus is the profit that terrorist groups reap from crime, and the mutual exacerbation of exploitable political instability and corruption. Given Somalia's ongoing integration into the East African Community (EAC) and the impending withdrawal of the African Union Transition Mission in Somalia (ATMIS), the coming months will prove pivotal for the region to either address the convergence of transnational organized crime and terrorism or allow the further devolution of governance and security.

The dominant insurgent group in the Horn of Africa, al-Shabaab ('the Youth'), is a Somalia-based organization that conducts terror attacks in Somalia, Kenya, and Ethiopia and advocates the establishment of an Islamic state under its version of sharia. The al-Qaeda-affiliated insurgency has a robust portfolio of financing channels, which experts say must be cut off if counter-insurgency efforts are to be successful. In addition to their extortion of 'taxes' from the Somali population, which allows them to run a significant financial surplus, al-Shabaab participates in, and taxes, transnational organized crime such as human trafficking, racketeering, and the illicit charcoal trade. Funds are used to pay combatants, increase and improve weaponry, pay middlemen and suppliers, bribe officials, secure safe houses, and finance attacks.

Attempts to cripple individual illicit markets generally have a limited effect on terrorism. To use just one example, al-Shabaab's primary source of income from organized crime is their export and taxation of illicit charcoal, from which the group derives anywhere between USD 10 and 56 million annually. Because of deforestation and erosion laws, which render charcoal illegal, there is consistently high demand for Somali charcoal from Gulf states; a 2018 Combined Maritime Forces conference estimated the total annual value of smuggled charcoal to be approximately USD 150 million. UNSC Resolution 2036, which was adopted in 2012, encourages UN member states to take steps to stop the import of charcoal from Somalia to disrupt this terrorism financing channel. However, sources report that the ban had a nominal impact on the trade. Additionally, without the provision of a viable alternative, a government campaign to eliminate the illicit

charcoal economy risks alienating those of the local population, particularly pastoralists, who are dependent on the production of charcoal as a reliable source of income in a setting of uncertainty. The introduction of alternative development or income sources presents its own challenges, from government funding and rollout efficacy, to climate-change and desertification, which cause mass displacement and limit what crops can be grown.

The crime-terror nexus could be addressed more effectively with a more comprehensive approach targeting that which facilitates both crime and terror: weak governance, and shared crime and terrorism trafficking routes. Somalia is lacking in strong governance and court systems, and so corruption and collusion, particularly involving customs authorities, border guards, and state officials, is rife. Terrorist organisations can exploit this vulnerability and employ the same established routes as cover for their own illicit activities, like attacks, crime, or the import of arms.

Somalia's recent membership in the EAC presents a tremendous opportunity for both Somalia and the broader region to tackle illicit channels, particularly at borders and maritime ports. In its integration plan, Somalia could identify an intention to emulate EAC migration policies which include cross-border surveillance, registration, and streamlined cross-border document checks in the form of One Stop Border Posts (OSBPs). While OSBPs were originally introduced in the EAC to facilitate free trade, by concentrating all border crossing services into a few key locations, they could also help curb human trafficking, the flow of illicit goods, including arms, and the frequency of attacks. As an EAC partner state, Kenya could employ its membership in the Combined Maritime Forces, a multinational naval partnership which combats illicit activity in international waters, to more effectively manage and track shared maritime trafficking and terrorism routes and reduce the porosity of the coastline.

There is also hope that Somalia's EAC membership will be a step towards economic development and integration. Both transnational organized crime and terrorism emerged from a setting of broader socio-political issues, which could be somewhat alleviated by the implementation of the EAC's four pillars: the Customs Union, Common Market, Monetary Union, and Political Federation. In particular, the free movement of people within the bloc, and a new market of 283.7 million people, will increase employment and business opportunities, which could conceivably relieve conditions conducive to radicalisation and participation in illicit economies. The challenge in this regard will be to ensure that criminals and terrorists do not take advantage of the exponentially larger licit common market and expand their reach. With the added incentive of preventing this potential outcome, EAC members can bring to the table their own strengths to ensure a secure integration which cannot be misused.

The impending transition in Somalia this month from ATMIS to a national force could also be cause for concern in the event of an exploitable security vacuum. The withdrawal of ATMIS (formerly AMISOM) forces, which have protected strategic areas like population centres, supply routes, and airports since 2007, could leave critical areas relatively open to attack and seizure by al-Shabaab, particularly if tensions between Somalia and Ethiopia grow and contribute to greater instability. If al-Shabaab were to gain more power, the consequences on the crime-terror nexus across the Horn of Africa would be disastrous, and the success of Somalia's integration into the EAC would be greatly jeopardized. As the EAC has a history of deploying regional forces, Somalia now has the opportunity to call upon EAC members for assistance if necessary to bolster security, which would be to the benefit of all member countries, particularly Kenya.

At such a critical juncture, leveraging effective regional security responses made possible through the EAC and bilateral cooperation is vital to prevent the deterioration of the crime-terror nexus and al-Shabaab's threat to the region.