

Terrorism Financing in Nigeria: Its Roots, Impacts, and Possible Reforms

Oluebube Christopher Offor¹

Abstract:

The threat of terrorism financing has left a trail of violence and conflict in Africa which prevents countries like Nigeria from meeting important goals such as the United Nations Sustainable Development Goals and the African Union Agenda 2063. There is an urgent need for action to address the challenges that this threat represents to the fragile stability of Nigeria. This paper uses data from local and international journals, investigative reports, online newspapers, government publications, and conference articles, to describe the problematic and endemic nature of terrorism financing in Nigeria. The paper further evaluates the magnitudes of terrorist funding and its impacts on people's socio-economic conditions. The research indicates that weak borders – particularly in the northern region of Nigeria – along with religious bigotry, poor governance, and high unemployment and poverty rates are some of the key enablers of terrorism financing. To bring the problem under control, the paper suggests that building close collaboration with neighboring countries, overhauling security intelligence, resolving people's socio-economic crises, embracing innovations informed by research and development, and strengthening counter-terrorism policies are central to curtailing the outrage of terrorism financing in Nigeria.

Keywords: terrorism, terrorism financing, illicit financial flows, Boko Haram, Nigeria

In several parts of Africa, terrorism continues to flourish in the wake of Islamic fundamentalism and religious conflict. About eleven years ago (when Prophet Yusuf Mohammed – the founder of the Boko Haram terrorist organization – was captured and killed by Nigerian security forces), a wave of sectarian violence enveloped Nigerian society, particularly the Northern region. In their anger at their founder's extrajudicial killing, Boko Haram moved into arms smuggling, drug trafficking, and illicit movement of funds to finance heinous crimes and cause interminable crises. Between 2006 and 2011, the terrorist organization secured approximately \$70 million in revenue through massive extortion, illicit taxation, abductions, armed robbery, foreign donations, and political patronage – all in a bid to create an independent Islamic state.² For more than a decade later, these activities – which many describe as terrorism financing – continue to inhibit Nigeria's socio-economic progress. This article provides a critical analysis of terrorism financing, which Global Financial Integrity (GFI), among many international organizations, categorizes as a major component of illicit financial flows (IFFs) in Nigeria.

¹ Oluebube Christopher Offor is an audit associate at PriceWaterhouseCoopers (PwC) Lagos, Nigeria. The first draft of this paper won second place in the 8th Amartya Sen Essay Prize and was presented at Yale University's 2021 annual Global Justice Program Conference. The author thanks Professor Thomas Pogge and Kieran Donaghue for their invaluable comments and revision suggestions. The author is deeply grateful to ASAP's (Academic Stand Against Poverty) generous fund in supporting the completion and revision of this piece. No conflict of interest is declared.

² Uche Igwe (2021, 3 August). "We must understand terrorist financing to defeat Boko Haram and Nigeria's insurgents." London School of Economics.

<https://blogs.lse.ac.uk/africaatlse/2021/08/03/terrorist-financing-economy-defeat-boko-haram-nigeria-insurgents/>

Boko Haram: “Beast of no Nation”

Boko Haram, which colloquially means “Western education is sin,” calls itself Jama’atu Ahlussuna Lidda’wati Waljihad, (Odo, 2015). The group is an extremist Islamic sect aimed at creating an Islamic state in Nigeria based on Sharia law. The group came into being in the mid-1990s near the city of Maiduguri in the northeastern state of Borno under the leadership of Abubakar Lawan (Copeland, 2001). The sect lacked any coherent identity until it came under the leadership of an Islamic cleric known as Muhammad Yusuf, who, in 2002, led it in a direction where it espoused a conservative theology that opposed the Nigerian secular state, which it labeled corrupt and “un-Islamic” (Odo, 2012). For years, the sect wreaked havoc on parts of Nigeria, especially the North-East region, but it was the Abuja United Nations building bombing of 2011 and the abduction of over 200 schoolgirls from their dormitory in the sleepy town of Chibok in 2014 that attracted global attention.^{3 4} Even today, the sect continues to terrorize several regions of the country.

Illicit Financial Flows – (IFFs)

IFFs are multidimensional and transnational. Dev Kar, an emeritus scholar at Global Financial Integrity (GFI), explains that IFFs differ from capital flight in that the former consist of capital that is exclusively illegal in nature, whereas the latter comprises a mix of both licit and illicit capital (Kar and Freitas, 2012). GFI defines IFFs as the illicit movement of funds, money or capital from one nation to another, where the funds are illegally earned and/or transferred through tax avoidance, political corruption, bribery and criminal activities such as terrorism financing and trade misinvoicing.⁵ IFFs undermine economic and political progress both by denying tax revenue to governments, facilitating bribery and corruption, and financing terrorism.

According to the OECD, IFFs range from something as simple as a private individual transfer of “dirty money” into private accounts abroad (without tax charges) to highly complex schemes involving criminal affiliations that set up multi-layered, multi-jurisdictional structures to hide ownership (OECD, 2014). If the movement of funds across borders breaks a law at any point (either through trade misinvoicing or arms smuggling), such flows are termed illicit because they contravene national and international laws. In what Musseli and Bürgi Bonanomi (2020, p. 17) term the Common Denominator Definition, IFFs are transnational movements or transfers of money connected with some illegal activities.

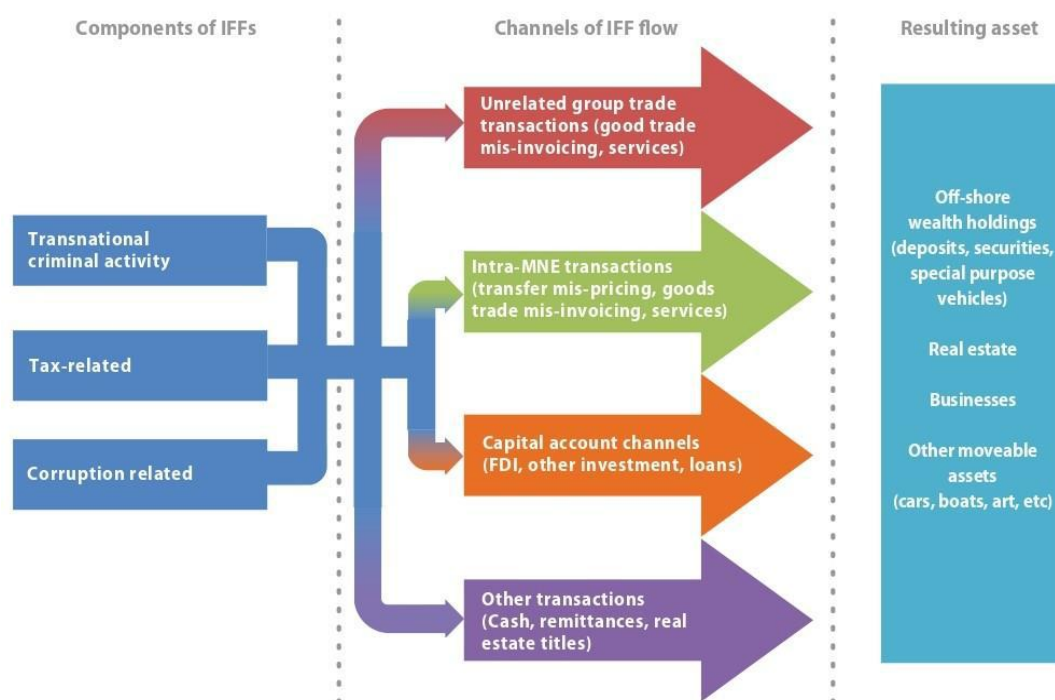
³ BBC (2011, 27 August). “Abuja attack: Car bomb hits Nigeria UN Building.”

<https://www.bbc.com/news/world-africa-14677957>

⁴ John Campbell (2018, 22 February). “Latest Boko Haram kidnapping recalls Chibok in 2014.” Council on Foreign Relations. <https://www.cfr.org/blog/latest-boko-haram-kidnapping-recalls-chibok-2014>

⁵ Global Financial Integrity (No date). “Illicit financial flows.” <https://gfin integrity.org/issue/illicit-financial-flows/>

Fig 1: Schematic Component of Illicit Financial Flows



Source: Inter-agency Task Force on Financing for Development (2020)⁶

In addition to the elements depicted in the diagram above, there are three major components of IFFs which the African Union (AU) and the Economic Commission for Africa (AU/ECA, 2015, p. 25) succinctly explain as follows:

1. **Criminal Activities** – the proceeds of criminal activities such as drug and human trafficking, racketeering, counterfeiting, contraband, and terrorist financing.
2. **Transnational Criminal Activity** – proceeds of activities intended to hide wealth, avoid taxes, and circumvent customs duties and levies. They include the proceeds of tax evasion and laundered commercial activities such as abusive transfer pricing, trade mispricing, misinvoicing of services and intangibles.

Corruption – the proceeds of bribery and embezzlement of national wealth or abuse of power.

What is Terrorism Financing?

Terrorism financing occurs when a person by any means, directly or indirectly, unlawfully and willfully provides or collects funds with the intention that such funds will be used, in full or part, to carry out terrorist operations (FATF, 2016, p. 2). The Financial Transactions and Reports Analysis Centre of Canada suggests that terrorism financing includes the provision of financial support from both legitimate sources, such as personal donations and profits from businesses and charitable organizations; and from criminal sources such as human trafficking and drug peddling, illicit taxation, kidnapping, and extortion.⁷ These funds are moved across borders through bank transactions, human couriers, arms smuggling, and financial digital platforms.

⁶ Inter-agency Task Force on Financing for Development (No date). "Illicit financial flows." United Nations. <https://developmentfinance.un.org/illicit-financial-flows>

⁷ FINTRAC (2022, 12 March). "Financial Transactions and Reports Analysis Centre of Canada: Mandate" <https://www.fintrac-canafe.gc.ca/fintrac-canafe/definitions/terrorist-terroriste-eng>

The Scandalous Nature of Terrorism Financing: A Case Study of Boko Haram's Funding Strategy

The extrajudicial killing of Prophet Yusuf Mohammed and his suspected financier, Alhaji Buji, in 2012 heralded a new dawn of sectarian violence and bloody uprisings in Nigeria. Boko Haram devised criminal means to expand its operations, which can be grouped into seven principal categories.

A. Kidnapping for Ransom

To gain wealth and invigorate its operational capacity, Boko Haram abducts women and school children residing in remote areas, predominantly in the Northern region. For example, 300 schoolboys were abducted on the night of December 2020, on the outskirts of Kankara boarding school in Kastina State. They were released after the government paid a ransom of \$76,000.⁸

In February 2013, Boko Haram made a huge windfall after abducting a family of seven in the northern part of Cameroon. According to the BBC, the French family living in Yaounde was returning from a holiday in the Waza National Park in northern Cameroon when they were kidnapped by gunmen on motorbikes.⁹ A ransom of \$3 million was paid for their release.¹⁰ A few years later – in March 2018 – the federal government was alleged to have paid a ransom of unknown size for the release of 110 Dapchi school girls who were abducted from the Government Girls' Science and Technical College, Yobe State. Despite several denials of this claim, the United Nations revealed that a splinter group of Boko Haram was allegedly paid a ransom.¹¹ With deteriorating security in Nigeria, kidnapping constitutes a major source of terrorism financing. Depending on one's profile, Boko Haram usually demands a ransom ranging from \$10,000 to \$1,000,000.¹²

B. Arms Smuggling

The proliferation of arms smuggling, which is deeply entrenched in a conflict-ridden nation with porous borders, unquestionably remains one of the critical components of terrorism financing. Nigeria is facing accelerated threats posed by weak borders, which have metamorphosed into breeding grounds for the infiltration of arms and ammunition. Border towns, particularly in north-eastern Nigeria, are epicenters for trafficking of small and light weapons.¹³ In most cases, criminal organizations employ underhand techniques to move illegal weapons across borders. For instance, Boko Haram conceals small arms and light weapons "in bags filled with grain

⁸ John Campbell (2021, 18 February). "Kidnapping and Ransom Payments in Nigeria." Council on Foreign Relations. <https://www.cfr.org/blog/kidnapping-and-ransom-payments-nigeria>

⁹ BBC News (2013, 27 April). Nigeria's Boko Haram 'got \$3m ransom to free hostage'. <https://www.bbc.com/news/world-africa-22320077>

¹⁰ Ibid.

¹¹ Sahara Reporters (2018, 16 August). "Lai Mohammed lied – UN Report Reveals FG Made 'Large Ransom Payment' to Boko Haram for Dapchi Girls." <http://saharareporters.com/2018/08/16/lai-mohammed-lied-%E2%80%94-un-report-reveals-fg-made-%E2%80%99large-ransom-payment%E2%80%99-boko-haram-dapchi>

¹² Terrorism Research and Analysis Consortium. (2016). "Boko Haram: Coffers and coffins; A pandora's box—The vast financing options for Boko Haram." <https://www.trackingterrorism.org/article/boko-haram-coffers-and-coffins-pandoras-box-vast-financing-options-boko-haram>

¹³ Sagir Musa (2013, 20 April). "Border Security, Arms Proliferation and Terrorism in Nigeria." Sahara Reporters. <http://saharareporters.com/2013/04/20/border-security-arms-proliferation-and-terrorism-nigeria-lt-col-sagir-musa>

and/or cartons of goods which are often loaded on heavy-duty vehicles like trucks, trailers, and lorries.”¹⁴ The possession of high-caliber weapons continues to foster violent uprisings in many Nigerian communities. The sophistication of the weapons available to Boko Haram is demonstrated by details of weapons seized from the organization.¹⁵

C. Foreign and Local Donors/Money Laundering Schemes

Like most criminal organizations elsewhere in the world, Boko Haram receives funds from different donors. An international NGO, whose headquarters is in the Middle East, sought to open an account with one of the banks in Nigeria (FATF, 2013). While carrying out cash transactions, the bank discovered frequent transfers of funds from the NGO's account into the accounts of individuals who had no affiliation with the NGO.¹⁶ Subsequent investigations established that the NGO was connected with another NGO known to have supported terrorist groups including Al-Qaeda, Boko Haram, and even Hamas – a foreign terrorist organization.

In 2019, six Nigerians were convicted by the Abu Dhabi Federal Court of Appeal in the United Arab Emirates (UAE) for sending funds to Boko Haram. Those convicted were involved in cash transfers of \$782,000 in favor of Boko Haram.¹⁷ One of those convicted, Alhaji Sa'idu, was said to be a Nigerian government official and senior undercover officer responsible for facilitating the transfer of \$782,000 into the terrorist organization's account. According to the report, these transactions happened between 2015 and 2016. In a revelation made by the former head of the French intelligence service Direction Générale de la Sécurité Extérieure (DGSE), Alain Chouet, multinational companies in Qatar and Saudi Arabia have also participated in funding the activities of Boko Haram.¹⁸

D. Human and Drug Trafficking

Human trafficking and peddling of drugs such as cocaine, cannabis as well as tramadol and cigarettes, remain a flourishing source of terrorism financing. Soumeylou Boubèye Maïga, a former Malian Prime Minister, estimated that Boko Haram controls some of the \$800 million per year cigarette smuggling routes that run through the Sahel region.¹⁹ The United States Drug Enforcement Agency believes Boko Haram has been frequently involved in aggressive cocaine trafficking,²⁰ while the Inter-University Center for Terrorism Studies in 2012 claimed that Boko Haram is being financed by wealthy drug cartels from Latin America (Kingsley et al., 2015).

¹⁴ Freedom Onuoha (2013, 8 September). “Porous Borders and Boko Haram's Arms Smuggling Operations in Nigeria.” Aljazeera Centre for Studies. <https://studies.aljazeera.net/en/reports/2013/09/201398104245877469.html>

¹⁵ Ibid

¹⁶ Ibid.

¹⁷ Daily Trust (2020, 8 November). “6 Nigerians Convicted in UAE Over ‘B/Haram funding’.” <https://dailytrust.com/6-nigerians-convicted-in-uae-over-b-haram-funding>

¹⁸ Federic Schneider (2014, 15 June). “Nigeria-Révélation : Boko Haram « sert les intérêts de l'OTAN” Afrik.com. <https://www.afrik.com/nigeria-revelations-boko-haram-sert-les-interets-de-l-otan>

¹⁹ Action on Armed Violence (2017, 25 May). “Sources of funding (including self-funding) for the major groupings that perpetrate IED incidents – Boko Haram.” <https://aoav.org.uk/2017/sources-funding-including-self-funding-major-groupings-perpetrate-ied-incidents-boko-haram/>

²⁰ Committee on Financial Services (2015, 22 April). Task Force to Investigate Terrorism Financing, Hearing “A Survey of Global Terrorism and Terrorist Financing.” Washington, DC: House of Representatives. <https://www.govinfo.gov/content/pkg/CHRG-114hhrg95059/html/CHRG-114hhrg95059.htm>

Human trafficking has also become common. In the aftermath of the abduction of over 200 Chibok schoolgirls in 2014, which prompted indignation all over the world, Boko Haram's current leader, Abubakar Shekau, threatened in a press release to sell the girls as slaves to Nigeria's neighboring countries. While some of the girls were forced into early marriage (with a bride price of \$12), others were sold in Cameroon as cheap labor and commercial sex workers. Abducted male children are often sold for between \$1,500 and \$2,000, while their female counterparts are being sold for between \$1,000 and \$1,500.²¹

E. Alliances with Other Terrorist Networks

Under the leadership of Yusuf Mohammed, the Boko Haram syndicate received early seed money of \$3 million from Al-Qaida after forming a global alliance in 2002.²² Later on, a Boko Haram spokesman affirmed that: "Al-Qaeda are our elder brothers. We enjoy financial and technical support from them. Anything we want from them we ask them."²³ Reports also disclosed that Boko Haram received over \$40 million from the Islamic State of Iraq and Syria (ISIS) to fund its operations across north-eastern Nigeria and the Lake Chad region (Comolli, 2015).

F. Corruption, Political Patronage, and Paid Election Interference and Intimidation

Political ambitions continue to fan the embers of money laundering and terrorism financing in Nigeria. Sometime in 2002, a former Borno State governor, Ali Modu Sheriff, employed members of Boko Haram and made a pledge of \$116,442 in exchange for their support in his gubernatorial election.²⁴ After he defeated his political opponents with Boko Haram's assistance, Ali Modu went further to divert more public funds into the account of the terrorist group – in a bid to retain their loyalty and consolidate his political power in Borno state.²⁵

Years later, Nigerian security operatives apprehended Ali Sanda Konduga, an infamous Boko Haram spokesman in Borno state. In a series of interrogations and investigations, Ali Sanda admitted having received orders and financial support from northern political elites under the code name al-Zawahiri, derived from al-Qaida leader Ayman al-Zawahiri.²⁶ Among the culprits was Senator Ali Ndume, a high-profile politician who allegedly paid the group to intimidate his political rivals in Borno State. From the pool of investigative reports, many accusing fingers have been pointed at several political officials who have financially assisted the terrorist organization in carrying out its operations.²⁷

²¹ Philip Obaji (2020, 3 May). "Survivors of Nigeria's baby factories share their stories." Aljazeera. <https://www.google.com/amp/s/www.aljazeera.com/amp/features/2020/5/3/survivors-of-nigerias-baby-factories-share-their-stories>

²² Terrence McCoy (2014, 6 June). "This is how Boko Haram funds its evil." The Washington Post. <https://www.google.com/amp/s/www.washingtonpost.com/news/morning-mix/wp/2014/06/06/this-is-how-boko-haram-funds-its-evil>

²³ Ibid.

²⁴ Action on Armed Violence (2017, 25 May). "Sources of funding (including self-funding) for the major groupings that perpetrate IED incidents – Boko Haram." <https://aoav.org.uk/2017/sources-funding-including-self-funding-major-groupings-perpetrate-ied-incidents-boko-haram/>

²⁵ Ibid.

²⁶ BBC News (2011, 22 November). "Nigeria senator Ali Ndume 'linked to Boko Haram'." <https://www.google.com/amp/s/www.bbc.com/news/world-africa-15829203.amp>

²⁷ Action on Armed Violence (2017, 25 May). "Sources of funding (including self-funding) for the major groupings that perpetrate IED incidents – Boko Haram." <https://aoav.org.uk/2017/sources-funding-including-self-funding-major-groupings-perpetrate-ied-incidents-boko-haram/>

G. Illicit Taxation, Street Begging, Armed Robberies, and Street Muggings

The United Nations Environment Programme (UNEP) estimates that about five million persons live under Boko Haram control, with three-quarters of affected households compelled to pay taxes to Boko Haram.²⁸ The group imposes a tax known as Jizya – a tax on non-Muslims – in the areas it controls. Although little or nothing is known about the nature of this tax (for example whether it is progressive or regressive), the terrorist group had on several occasions killed residents that could not pay this so-called religious tax. In 2014, for instance, twenty villagers in the North-East zone (mostly occupied by Christians) were slaughtered by Boko Haram for failing to pay the \$1,500 Jizya tax.²⁹

That aside, the Almajiris (usually poor Islamic students who have been hoodwinked by material gains and false doctrines) often fall prey to the enticements of the terrorist organization. According to a confession made by a Boko Haram fighter, the group employs Almajiri children to beg alms in several places to raise funds for minor operations. These beggars are positioned at strategic locations in major towns to spy on security operatives and there is no end to the sight of young children of school age roaming about local streets in a quest to secure alms for terrorists.

Techniques of funds movement

A British-Australian hostage negotiator, Stephen Davis, revealed that Nigeria's Central Bank maintains a valid account through which terrorists send and receive illegally obtained funds.³⁰ In 2013, the State Security Service (SSS) detained senior banking personnel for alleged terrorism financing believed to have been orchestrated by Aminu Suleiman Lamido, son of Alhaji Sule Lamido, former Jigawa State governor (Eme, 2016). Although there have been several denials and insufficient evidence to remove all doubt, GFI has clearly stated that Nigeria's faulty financial system drains money from where it is needed and lets in funds to those it should not – which takes the form of money laundering and terrorism financing (Fletcher, 2014).

A criminal organization like Boko Haram would typically move cash, both local and foreign currencies, through hard-to-track human couriers. Since Islamic doctrine forbids men to have physical contact with women, Boko Haram terrorists frequently use women to deliver cash and stolen items across borders. In some cases, male couriers could disguise themselves as truck drivers. This was a case of a Nigerian national who was apprehended in Yassane, Niger by security operatives. He was found to be carrying €35,000 in cash in his underpants, two USB flash drives, and letters from the Emir of Al-Qa'ida in the Lands of Islamic Maghreb (AQIM) addressed to the leader of Boko Haram, Abubakar Shekau (FATF, 2013). Upon interrogation, he admitted that the funds were stolen and to be delivered to the terrorist group in the northern part of Nigeria. These couriers passed through borders, weak checkpoints, and many remote places under false pretenses.

Online digital platforms also advance quick movement of funds. With the emergence of online gift cards and cryptocurrency, Boko Haram members can convert illicit cash into cryptocurrencies such as bitcoin. A terrorist who was detained while conducting surveillance

²⁸ Ibid.

²⁹ Ibid.

³⁰ Sahara Reporters (2014, 31 August). "Australian Negotiator Insists Modu Sheriff, Iherijirika Sponsor Boko Haram, exonerates Buhari, El-Rufai." <http://saharareporters.com/2014/08/31/australian-negotiator-insists-modu-sheff-ihejirika-sponsor-boko-haram-exonerates-buhari>

on possible targets in Abuja in September 2012 revealed that Boko Haram funds its activities by purchasing and sending gift items/cards and/or bitcoin to its members in several locations (FATF, 2013). With the technical skills demonstrated by members of this sect, there are worries that cryptocurrency and other online payment platforms may become the new normal for terrorism financing in Nigeria.

Magnitude and Estimates of Terrorism Financing

Terrorism financing has led to heavy financial losses in Africa and Nigeria in particular. The ten years between 2007 and 2016 saw terrorism cost the African continent a minimum of US\$119 billion. This figure is much higher once estimates for GDP losses, lost informal economic activity, extra security spending, and refugee/IDP costs are included (UNDP, 2019). Driven by the large economic impacts of terrorist activity in Nigeria, the four countries considered to be epicenter countries for terrorist activities and violent extremism – Nigeria, Mali, Somalia, and Libya – have accounted for 94 percent of the total economic impact of terrorism since 2007. Spill-over countries have suffered US\$3.2 billion (3 percent), and at-risk countries US\$2.7 billion (2.8 percent) of the total economic impact of terrorism over the ten years between 2007 and 2016 (UNDP, 2019).

Like a grown baobab tree, Boko Haram has extended its roots into neighboring countries, inflicting huge economic losses in Niger and Cameroon. According to the Cameroon media authorities, Boko Haram funding operations have interrupted trade activities along the northern border, resulting in a financial loss of \$18 million in revenue.³¹ In July 2014, the Cameroon government lost \$600,000 in a bid to release the wife of Cameroon's deputy prime minister, along with the local leader of the town of Kolofata and his family, as well as 10 Chinese engineers who were abducted by the terrorist organization.³²

Adverse Impacts/Lethal Damage

(i) Exploitation and impoverishment of individuals and corporate organizations

A 2018 study showed that Boko Haram controls over 160 square kilometers – which harbors over five million persons – in the Northern region.³³ The sect imposes illegal taxes in areas they dominate. While livestock farmers and herders are taxed 2,500 naira (\$5.65) per cow and 1,500 naira (\$3.39) for smaller animals, Christians are required to pay Jiyza (a tax for non-Muslims) with strict compliance.³⁴ The vast extent of this exploitation usually results in economic hardship, especially in situations whereby the taxpayer is unable to pay the illegal tax.

Additionally, armed robberies have forced wealthy traders and corporate organizations into bankruptcy. The Postikum cattle market – the largest cattle market in Nigeria – was shut down in 2016 due to a Boko Haram attack. The sprawling market had been the main source

³¹ Mbom Sixtus (2017, 11 August). "Young guns: Cameroon's Boko Haram problem." The New Humanitarian. <https://www.thenewhumanitarian.org/analysis/2017/08/11/young-guns-cameroon-s-boko-haram-problem>

³² BBC (2014, 27 July). "Boko Haram' abducts Cameroon politician's wife." <https://www.bbc.com/news/world-africa-28509530>

³³ Samuel Ogundipe (2018, April 30). "Boko Haram now collecting taxes from Nigerians in Borno, Yobe – Report." *Premium Times Newspaper*. <https://www.premiumtimesng.com/news/headlines/266636-boko-haram-now-collecting-taxes-from-nigerians-in-borno-yobe-report.html>

³⁴ Ibid.

of livelihood and job creation for the populated regions of Maiduguri, until it was raided in early March of 2016, leading to inflation of cattle prices, job losses, and high poverty rates.³⁵

(ii) Substantial Loss of National Revenues

In a research study, titled: "Illicit Financial Flows from Africa: Hidden Resource for Development," Global Financial Integrity (GFI) documented that Nigeria lost \$165 billion, nearly 19 percent of the total \$854 billion outflows from Africa to the developed market-economy countries. The research study also highlighted that Nigeria was 7th out of the 20 largest exporters of illicit funds worldwide, with a total figure \$129 billion from 2001 to 2010 – a large portion of these accruable revenue losses was attributed to money laundering (ML) and terrorism financing (TF), among other factors, (Dev and Devon, 2010). The sad reality is that government takes out a lot of funds (from public coffers) to fight terrorism, while some govt officials steal from the same public coffers to finance terrorism, which leads to revenue shortage or increased public spending. Between 2010 and 2017, Nigeria spent over \$15.2 billion (about ₦6.7 trillion naira) on counter-terrorism operations.³⁶ This excludes the \$21 million approved for the Multinational Joint Task Force in June 2015.³⁷ This drastic revenue reduction plunged the nation into economic recession in 2016, with a drop in real GDP, employment, income, and manufacturing.

(iii) Increased National Debt

Nigeria's total debt currently stands at \$85.9 billion (approximately 31 trillion naira), according to the 2020 Debt Management Office's Report.³⁸ Ever since the evolution of terrorism and violent extremism in Nigeria, the nation has been beset by financial crises due to severe security challenges, among many other things. In 2014, for instance, the Jonathan presidential administration took a debt of \$1 billion from the country's excess oil account to the government to upgrade military equipment and curtail terrorist activities.³⁹ Subsequently, the Buhari administration took another \$2.1 billion loan from the World Bank to rebuild the North-East zone and repair the aftermath of insurgency financed through the illicit activities described above.⁴⁰ It is clear that Nigeria relies heavily on loans to finance her enormous counter-terrorism spending.

(iv) Impacts on Intra-African Trade Policy

Owing to the opportunistic nature of terrorism financing, Nigeria has, on several occasions, violated the African Union's free trade policy by shutting down its borders in a bid to restrain arms smuggling and drug trafficking. This runs counter to the objectives of the African Continental Free Trade Agreement Policy.

³⁵ Ulf Laessing (March, 15 2016). "Herders suffer as Nigeria army shuts cattle trade to fight Boko Haram." Reuters. <https://www.google.com/amp/s/mobile.reuters.com/article/amp/idUSKCN0WH0KN>

³⁶ Maurice Ogbonnaya (2020, 4 February). "Has counterterrorism become a profitable business in Nigeria?" Institute for Security Studies. <https://issafrica.org/iss-today/has-counter-terrorism-become-a-profitable-business-in-nigeria>

³⁷ Premium Times (2014, 25 September). "Jonathan gets approval to borrow \$1 billion to fight Boko Haram." <https://www.premiumtimesng.com/news/168645-jonathan-gets-approval-to-borrow-1-billion-to-fight-boko-haram.html>

³⁸ Emma Ujah (2020, 9 September). "Nigeria's debt rises 8.3% to N31trn in 3 months – DMO." Vanguard. <https://www.vanguardngr.com/2020/09/breaking-nigerias-debt-rises-8-3-to-n31trn-in-3-months/amp/>

³⁹ Ibanga Isine. (2015, 21 July). "Boko Haram: Nigeria borrows \$2.1bn from World Bank to rebuild North-East." Premium Times. <https://www.premiumtimesng.com/news/headlines/187051-boko-haram-nigeria-borrows-2-1-bn-from-world-bank-to-rebuild-north-east.html>

⁴⁰ Ibid.

(v) Sexually Transmitted Infections

Boko Haram commanders/fighters subject female captives to repeated instances of unprotected sex, exposing the victims to sexually transmitted infections such as gonorrhea, syphilis, and HIV/AIDS. The UN confirmed that the Chibok girls who were repeatedly raped by the Boko Haram militias were left with a legacy of sexually transmitted diseases.⁴¹

(vi) Psychological Disorders and Untimely Death

Abubakar Alhassen, the head teacher of Islamiyya School in Niger State, narrated his ordeal on the day he lost 200 students to Boko Haram kidnappers. Speaking on the Arise television program, Abubakar reported that two parents of the abducted students lost their lives to cardiac arrest due to the unfortunate event.⁴² According to him:

I have witnessed the funeral prayer of one of the parents, very close to the school. She died. She has one child in school. She was not around when the incident happened. When she came back, they told her that this was what happened and within 10 to 30 minutes, she fainted and that is the end of her.⁴³

In some instances, the victims may end up living with dire stigmatization and unrelieved depression. This was the case of 14-year-old Fatima, who was held captive for 18 months before she escaped and was reunited with her family. She retreated into silence for days, only to lash out explosively at any slightest provocation.⁴⁴ Her mother, Fatsuma, complained that since her return Fatima was "different", "hard-hearted" and even scary, especially in the middle of the night.⁴⁵ With a lack of data in Nigeria, it is impossible to estimate the number of children who have been psychologically affected just like Fatima, but we are certain that young children often die of starvation, lack of clean water, and harsh treatment while in captivity.

(vii) Dent to National Pride

Nigeria has been the subject of negative reactions from many developed nations. In 2022, the United States embassy warned its citizens of the risks of traveling to Nigeria, recommending that U.S. citizens avoid Adamawa, Bauchi, Borno, Gombe, Kano, Rivers, and Yobe due to the risk of kidnapping, armed robbery, and exploitation by terrorists and bandits.⁴⁶

Key Enablers of Terrorism Financing

1. Weak Borders

Boko Haram takes advantage of Nigeria's fragile borders to traffic hard drugs, weapons and even condoms in large commercial quantities. The UN Office on Drugs and Crime (UNODC, 2017) found that border porosity contributes to 87% of pharmaceutical opioids smuggled by the sect across Lake Chad and Cameroon. As of today, many border communities have been

⁴¹ UN (2015, 27 May). "Condemning use of sexual violence, UN envoy warns Boko Haram aims to destroy family structures." UN News. <https://news.un.org/en/story/2015/05/499942>

⁴² Punch Newspaper (2021, 4 June). "How two parents of abducted students died of heart attack – Niger teacher." <https://punchng.com/how-two-parents-of-abducted-students-died-of-heart-attack-niger-teacher/>

⁴³ Ibid.

⁴⁴ Aryn Baker (2017, 27 June). "Boko Haram's other victims." TIME. <https://time.com/boko-harams-other-victims/>

⁴⁵ Ibid.

⁴⁶ U.S. Embassy and Consulate in Nigeria (2022, 22 April). Nigeria Travel Advisory. <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/nigeria-travel-advisory.html>

neglected by government authorities, which prompted the former Minister of the Interior, Patrick Abba Moro, to state that Nigeria has identified approximately 1,500 illegal entry routes which permit aggressive infiltration of arms and ammunition.⁴⁷ Nigeria's 1600-kilometer border with Niger, for example, stretches along four northern states including Sokoto, Katsina, Jigawa, and Yobe.⁴⁸ This serves as a dire threat to Nigeria, given the relative ease with which terrorists can move in and out of the country.

Nigeria's porous borders are often compounded by undisciplined and an acute shortage of well-trained immigration/customs officials. An investigation by Al Jazeera found that immigration officers are poorly trained and paid, which results in weak efforts to scrutinize cross-border activities.⁴⁹

2. High Unemployment and Poverty Rates

With an estimated 90 million persons (almost half the population) living below the extreme-poverty line, Nigeria has more poor people than any other country.⁵⁰ By 2030, the percentage of Nigeria's population living in extreme poverty is projected to increase further, from 44.2% to 45.5%.⁵¹ Currently, unemployment stands at 27.1%,⁵² which means that about 21.7 million young Nigerians are willing to work but unable to find a job.

FIG 2 UNEMPLOYMENT RATES (2014-2020)



Source: Proshare Research (2020)⁵³

⁴⁷ Vanguard Newspaper (2013, 19 June). Nigeria has over 1499 illegal entry routes – Interior Minister. <https://www.vanguardngr.com/2013/06/nigeria-has-over-1499-illegal-entry-routes-interior-minister/amp/>

⁴⁸ Institute of Security Studies (2021, 28 May). Uyo. The Nigerian militant Islamic movement, Boko Haram, poses a threat beyond Nigeria's borders. At greatest risk are Cameroon and Niger. <https://issafrica.org/iss-today/border-porosity-and-boko-haram-as-a-regional-threat>

⁴⁹ Freedom Onuoha (2013, 16 April). "Porous Borders and Boko Haram's Arms Smuggling Operations in Nigeria." Aljazeera. <https://studies.aljazeera.net/ar/node/1323>

⁵⁰ World Economic Forum (2019, 21 March). "Three things Nigerians must do to end extreme poverty." <https://www.weforum.org/agenda/2019/03/90-million-nigerians-live-in-extreme-poverty-here-are-3-ways-to-bring-them-out/>

⁵¹ Ibid.

⁵² Samuel Oyekanmi (2020). "Nigeria's unemployment rate jumps to 27.1% as at 2020 Q2." Nairametrics. <https://www.google.com/amp/s/nairametrics.com/2020/08/14/breaking-nigeria-unemployment-rate-jumps-to-27-1-%3famp>

⁵³ Proshare (2020, 14 August). "Nigeria's Unemployment Rate Grows By 27.1% As Economy Stutters." <https://www.proshareng.com/news/Nigeria%20Economy/Nigeria-s-Unemployment-Rate-Grows-By-27.1Percent-As-Economy-Stutters/52786>

With the struggle to make ends meet, poor masses become susceptible to social crimes. In an interview, Idi, a 34-year-old Cameroonian and IT specialist revealed that Boko Haram members usually attract unemployed youths with financial promises and salaries worth \$600-\$800 per month.⁵⁴ Similarly, Moustapha Alidu, who fled his home after declining Boko Haram's offer, told the Integrated Regional Information Network (IRIN) that since 2015 Boko Haram offers monetary benefits about ten times Nigeria's minimum wage (which is about \$72) to anyone who agrees to join the group.⁵⁵ The sect also pays unemployed youths to steal expensive cars and sell them to international businessmen and government officials.⁵⁶

3. Bad Leadership

Grand corruption (in the form of political patronage), greed and lack of accountability are problems that define Nigeria's leadership. Anton Du Plessis, the Managing Director of the Institute for Security Studies, stresses that bad leadership doesn't just undermine development, but also drives violence.⁵⁷ This is to say that bad leadership arguably increases the risk factors for a permissive terrorism financing environment. The 2019 Transparency International report shows that Nigeria ranks 146th out of 180 countries in the Corruption Perception Index (Transparency International, 2020). At the same time, the nation is the 14th most vulnerable on the Anti-Money Laundering Index.⁵⁸ In 2015, a retired Nigerian army officer and ex-national security official to President Jonathan's administration, Dasuki Sambo, was apprehended for embezzling the sum of \$2.1 billion from the security budget, which was designed to combat terrorism operations in Nigeria.⁵⁹

4. Impunity

Boko Haram can be likened to what the African Nobel Laureate, Professor Wole Soyinka, described as a fowl hatched from the egg of impunity⁶⁰ – and this egg of impunity emanates from Nigeria's ineffective judicial system. As it is today, members of the terrorist organization who have been found guilty of severe crimes such as drug trafficking, murder, gang rape and armed robbery typically get minimal or no punishment in the courts of law. In fact, there is an ongoing legislative bill titled "National Agency for Education, Rehabilitation, De-Radicalization and Integration of Repentant Insurgents in Nigeria 2020, SB, 340,"⁶¹ the objective of which is

⁵⁴ The New Humanitarian (2015, 5 March). "No shortage of recruits for Boko Haram in Cameroon's Far North." <https://www.thenewhumanitarian.org/feature/2015/03/05/no-shortage-recruits-boko-haram-cameroon-s-far-north>

⁵⁵ Ibid

⁵⁶ Jacob Zenn (2013, 16 April). "Boko Haram Recruitment Strategies." Council on Foreign Relations. Blog post. <https://www.cfr.org/blog/boko-haram-recruitment-strategies>

⁵⁷ Anton Du Plessis (2015, 5 June). "The most important driver of underdevelopment, violence and conflict in Africa today is weak and unconsolidated governance." Institute for Security Studies. First published by Business Day, 4 June 2015. <https://issafrica.org/iss-today/poor-governance-a-greater-threat-than-terror>

⁵⁸ Ibid.

⁵⁹ BBC News (2015, 1 December). "Nigeria's Dasuki 'arrested over \$2bn arms fraud'." <https://www.google.com/amp/s/www.bbc.com/news/world-africa-34973872.amp>

⁶⁰ Wole Soyinka (2014, 8 October). "Hatched from the egg of impunity: A FOWL CALLED BOKO HARAM." Watson Institute for International and Public Affairs. YouTube video. https://youtu.be/bT5_k9bnpF4

⁶¹ Henry Umoru (2020, 20 February). "Senate moves to establish national agency for ex-Boko Haram members." Vanguard. <https://www.vanguardngr.com/2020/02/senate-moves-to-establish-national-agency-for-ex-boko-haram-insurgents/amp/>

to ensure that Boko Haram felons enjoy the prerogatives/benefits of presidential pardons and financial advantages that may likely come with them. Prominent Nigerians like Alhaji Abubakar (then Sultan of Sokoto), Nuhu Ribadu (a former ranking official in the Nigeria's Anti-corruption Agency) and Human Rights Activist Shehu Sani, had earlier advised the president to declare a presidential amnesty for Boko Haram combatants, claiming that the Niger-Delta militants had enjoyed such privilege during the Yar'Adua Presidential Regime.⁶²

This level of impunity is highly likely to lure more people into perpetrating more heinous crimes. As Fr. Atta Barkindo, a research fellow at Florida University, has noted, rewarding Boko Haram for surrendering their arms is most likely to attract other young people to the sect which will in turn inflame terrorism in Nigeria.⁶³

5. Poor Military Capacity

Between 2019 and 2020, Nigeria's military budget increased from \$1,860 million to \$2,403 million,⁶⁴ but the key question (which has bedeviled many research policy analysts) is: has the recent defense expenditure increase improved the deplorable state of Nigeria's security forces? Tales of Nigerian soldiers running away from Boko Haram militants as a result of low ammunition and substandard armed vehicles have been documented by the BBC.⁶⁵ Moreover, there are cases of money laundering and mass embezzlement of military funds which lead to a shortage of arms and ammunition. A report from Transparency International asserts that military officers, politicians, and dubious elites usually enrich themselves by diverting military funds meant to fight terrorism.⁶⁶

6. Widespread Illiteracy

An idle mind, they say, is the devil's workshop, but a mind that is both idle and empty (devoid of learning and human empathy) is the devil's headquarters. And "such a mind will soon be filled with religious stereotypes, hatred, tribalism and one dogma or the other."⁶⁷ Some time ago, the former Permanent Secretary of the Federal Ministry of Education, Adamu Hussaini, disclosed that Nigeria has the highest number of school drop-outs in the world; according to him, the number is 10.5 million out of the cumulative 20 million school children.⁶⁸ Of the 10.5 million children out of school, about 60% come from the northern region.⁶⁹ Given that the north-east has far poorer educational outcomes than the south, according to Afzal (2020, p.15), the conventional wisdom that poverty and a lack of education explain terrorism is a popular Nigerian explanation for the rise of Boko Haram.

⁶² Fr. Atta Barkindo (2013, 2 October). "Could offering an amnesty to Boko Haram stop violence in Nigeria?" Peace Insight. <https://www.peaceinsight.org/en/articles/amnesty-boko-haram-nigeria/?location=nigeria&theme=human-rights>

⁶³ Ibid.

⁶⁴ Trading economics (2021). "Nigeria Military Expenditure." <https://tradingeconomics.com/nigeria/military-expenditure>

⁶⁵ Will Ross (2015, 22 January). "The soldiers without enough weapons to fight Jihadists." BBC News. <https://www.bbc.com/news/magazine-30930767>

⁶⁶ Transparency International (2014, 21 May). "Nigeria: Corruption and Insecurity." <https://www.transparency.org/en/news/nigeria-corruption-and-insecurity>

⁶⁷ F. A Adekunle (2017). "Stemming the surge of security challenges in Nigeria: Need for Collective effort." First Prize Essay. Chartered Institute of Personnel Management Nigeria (CIPMN). Unpublished Essay.

⁶⁸ BBC News. (2017, 25 July). "Nigeria has 'largest number of children out-of-school' in the world." <https://www.bbc.com/news/world-africa-40715305>

⁶⁹ Ibid.

Other challenges may include:

- Insufficient funds to advance counter-terrorism operations;
- Poor implementation of policies on Combating Terrorism Financing (CTF);
- Absence of strong collaboration between political actors and government security agencies;
- Poor intelligence and information sharing; and
- Poor tech innovation and lack of attention to Research and Development (R&D).

Efforts made so far

At the national level, the Nigerian government has introduced numerous administrative and legislative measures to regulate, monitor, and combat terrorism. The passage of the National Assembly 2011 Act is a good example. The Act includes a component known as the Nigeria Financial Intelligence Unit (NFIU), which was established by the Financial Action Task Force (FATF – a global watchdog against money laundering and terrorism financing) to avoid Nigeria being blacklisted and to help FATF to invigorate her legal and regulatory framework against money laundering and the financing of terrorism.⁷⁰ As posited by the Economic and Financial Crimes Commission (EFCC – a law agency that scrutinizes financial crimes like fee fraud and drug trafficking in Nigeria) in March 2022:

Apart from being the coordinating entity for the receipt and analysis of financial disclosure of Currency Transaction Reports and Suspicious Transaction Reports in line with Nigeria's anti-money laundering and combating the financing terrorism (AML/CFT) regime, NFIU also disseminates intelligence gathered thus to competent authorities.⁷¹

Under the NFIU Act of 2018, Nigerian financial institutions are to report local transactions exceeding \$10,000 and \$20,000 for private accounts and corporate accounts respectively.⁷² These laws are in line with global best practices to eliminate money laundering and terrorism financing.

Further, the government has charged the EFCC and the NFIU to monitor and investigate the activities of NGOs to ensure full compliance. As a member of the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), a body established by the Economic Community of West African States, Nigeria shows strong commitment as one of the key compliant states in monitoring, detecting, reporting, and sharing key information regarding the sponsorship of terrorism finance activities and illicit movement of funds across African borders.⁷³

The Nigerian government has shown relentless efforts in apprehending grand patrons of terrorism financing in the country. The arrest and subsequent trials of prominent Nigerians like Mallam Saidu Pindar (Ambassador to Sao Tome and Principe), Alhaji Buji Foi and Alhaji Bunu Wakil (who were suspected of sharing ties with terrorists) not only affected the operational

⁷⁰Nigerian Financial Intelligence Unit Act (2018).

<https://www.nfiu.gov.ng/images/Downloads/downloads/Nigerian-Financial-Intelligence-Unit-Act-2018.pdf>

⁷¹ Ibid.

⁷² Ibid.

⁷³ This Day (2018, 18 September). "FG, GIABA Call for Enhanced Collaboration to Combat Terrorism Financing." <https://www.thisdaylive.com/index.php/2018/09/18/fg-giaba-call-for-enhanced-collaboration-to-combat-terrorism-financing/>

capacity of Boko Haram, but also deterred prominent individuals from abetting similar criminal organizations.⁷⁴

At the regional level, the African Union (AU) continues to support Nigeria in the fight against Boko Haram financing through several counterterrorism initiatives such as the AU Plan of Action on the Prevention and Combating of Terrorism, which was enacted in 2002 and amended in 2010 with the overall aim of fostering regional cooperation and eliminating the enormous challenges presented by terrorist organizations.

In addition, Nigeria is also part of several counterterrorism initiatives such as the Global Counterterrorism Forum and the Trans-Sahara Counterterrorism Partnership. It is undeniable that Nigeria and other African nations have benefited from these initiatives in terms of training programs and integrating effective cross-border synergy with other neighboring countries to curtail illicit financial flows (Maza et al., 2020). Despite these efforts, however, the financing of terrorism has been on the increase.

Policy Recommendations

1. Investigating Bank Transactions

Financial institutions should partner with international banks in Europe and Asia to scrutinize the large-scale movement of funds across nations. Funds that may have been moved to unknown destinations or accounts should be frozen until further investigations are made. Financial institutions should work hand in hand with anti-corruption agencies such as the EFCC and the Independent Corrupt Practices and Other Related Offences Commission (ICPC) in tracking money laundering.

2. Regional Collaboration and Effective Implementation of Counter-terrorism Policies

The African Union must play a key role in ensuring that Member States pool resources – including financial and human resources and intelligence – to bolster effective implementation of existing policies against terrorism financing. There should be effective monitoring and strict monthly or at least annual reviews to ensure that national efforts align with regional efforts in terms of policy making and legislative reforms on terrorist financing to prevent possible loopholes. Any new policy should be broad enough to mitigate the outflow of terrorist funds, while reviews and amendments of existing policies should be carefully considered to prevent the enormous waste of funds that may be incurred in such processes.

3. Overhauling Nigerian Security Situation

To behead the monster that is “terrorism financing” we first need to sharpen the edge of our sword. The Nigerian security forces must find a way to use high-tech innovations, such as artificial intelligence, machine learning, and video surveillance, to monitor, detect, and investigate terrorism financing. This can be achieved by intensive training and retraining of security personnel in forensic crime-related technology. Further, to reinvigorate counter-

⁷⁴ Judit Barna (2014, July). “Insecurity in context: The rise of Boko Haram in Nigeria.” Directorate-General for External Policies: European Parliament.
[https://www.europarl.europa.eu/RegData/etudes/IDAN/2014/536393/EXPO-AFET_NT\(2014\)536393_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2014/536393/EXPO-AFET_NT(2014)536393_EN.pdf)

terrorism operations the Nigerian government should create an advanced counter-terrorism unit that would work closely with investigative journalists to gather credible data on crime-related issues such as money laundering and terrorism funding to head off terrorism operations. The unit should have at its disposal sufficient weapons to enable it to confront terrorist organizations should the need arise.

4. Research and Development

Substantial resources must go into Research and Development (R&D) institutions to enable policy analysts to carry out new research on the nature and techniques of terrorism financing. Public policy analysts should liaise with telecom research innovators and research institutions in monitoring and detecting the new techniques and tactics of funds movement. High-quality R&D in these areas has the potential to achieve important results in a cost-effective way.

Nigeria also needs to zero in on the challenges that confront the nation's R&D institutions, which range from deteriorating infrastructure to paucity of funds. Nigeria's Guardian newspaper documented that the country's R&D institutions received just 0.75% of the proposed 2019 national budget.⁷⁵ The government should allocate a substantial budget to the part of the R&D sector that deals with the financing of terrorism. Regular grants should be awarded to researchers who have shown proficiency in offering unique insights into the system of terrorism financing. Nigeria should take a lesson from Academics Stand Against Poverty, an international community that awards cash prizes to insightful research work on IFFs and poverty alleviation.

5. Intensive Ethical Reorientation

Fighting terrorism will not translate to enduring success without a total recalibration of Nigeria's value system. The National Orientation Agency (an agency responsible for value reorientation in Nigeria) should collaborate with Islamic scholars and clergy to strengthen the campaign on the need for religious tolerance and peaceful co-existence in the northern states. To be effective, colleges and institutions must impart the principles of conflict and peace management, with more concern given to Islamic students. This would help prevent protracted social crises that can arise from sheer ignorance and religious intolerance.

6. Whistle-Blowing Techniques

Nigerian investigative journalists and young citizens must act as whistle blowers against suspicious criminal cases. The whistle-blowing mechanism should be well institutionalized so that people can effectively report unlawful cases without fear of retaliation. The government must combine efforts with security operatives to ensure that whistle blowers are guaranteed not just their right to freedom of speech, but their right to freedom after speech.

7. Addressing Crime and Youth Unemployment

With the emergence of Nigeria as the world's "poverty capital" and the recent increase in the youth unemployment rates, the country's youth, confronted by the struggle to make ends meet, become susceptible to criminal tendencies. Against this background, different stakeholders such as the National Directorate of Employment (NDE), the Federal Ministry of Youth

⁷⁵ Chukwuma Muanya (2019, 28 February). "Poor budgetary allocation, redundant agencies kill science, technology development in Nigeria." The Guardian. <https://m.guardian.ng/features/poor-budgetary-allocation-redundant-agencies-kill-science-technology-development-in-nigeria/amp/>

Development, State Ministries and Local Government Departments in charge of Youth Affairs, and Small and Medium Scale Enterprises Development Agency in Nigeria (SMEDAN) should give much more attention to employment generation and expansion strategies directed towards self-employment while addressing the "inherent" business challenges (such as high transaction costs, protracted and cumbersome administrative procedures, multiple taxations, administrative bottlenecks, and poor physical and financial infrastructure) that frustrate youth entrepreneurship and employment creation.

8. Strict Enforcement of International Terrorist Financing Laws

It is the judiciary's responsibility to ensure that perpetrators of crime are brought to book, no matter who they are and whose interests are at stake. Punishment must be swift and effective, and must follow international best practices on crime and corruption. The Nigerian judiciary should critically review the "International Convention for the Suppression of the Financing of Terrorism" (adopted 9 December 1999) when dealing with cases of terrorist financing.⁷⁶ This Convention, in summary:

...entails reviews of domestic legislation to ensure proper criminalization of offenses related to the financing of terrorism and legislative drafting, developing the capacity of criminal justice and law enforcement officials to investigate, prosecute and adjudicate terrorist financing through the provision of specialized training on issues related to special investigation techniques, freezing, seizing and confiscating terrorist assets, and strengthening regional and international cooperation against the financing of terrorism.⁷⁷

To implement this Convention in the most effective manner, Nigeria's criminal justice system must be freed from its common weaknesses and challenges including political interference, delays in hearings, widespread corruption, and lack of independence.⁷⁸

9. Strong Political Will

Nigeria needs sincere and pragmatic leadership that can close the gap between policy formulation and effective implementation. This involves strengthening political institutions and ensuring that funds channeled towards anti-terrorism programs are utilized most effectively. Public officials must operate with high levels of integrity and accountability and show respect for the rule of law. To achieve this, the government should embrace regulatory technology developments, including automating and digitalizing Anti-Money Laundering (AML) rules which aim to reduce illegally obtained income. The Nigerian government can use this technology to track IFFs, monitor financing projects, and oversee spending in its political institutions.

10. Strengthening Border Security

The federal government must develop strategic action plans to combat arms smuggling, trafficking of persons, and the movement of illicitly earned funds. A good take-off point is to embark on extensive training and retraining of border security officials, including immigration and custom service officials, to improve intelligence gathering and analysis, internal security,

⁷⁶ <https://www.un.org/law/cod/finterr.htm>

⁷⁷ UNODC (no date). "Combating Terrorist Financing." United Nations Office on Drugs and Crime. <https://www.unodc.org/unodc/en/terrorism/expertise/combating-terrorist-financing.html>

⁷⁸ Oludara Akanmidu (2018, 6 July). "Op-Ed: Here's why Nigeria's justice system isn't working." CNBC Africa. <https://www.cnbc africa.com/2018/op-ed-heres-why-nigerias-justice-system-isnt-working/>

and policing. Border officials should cooperate with the Multinational Joint Task Force (from military units from Nigeria, Chad, Niger, and Cameroon) and local soldiers to tighten security levels. With the help of government, border officials can use disruptive tech infrastructure (such as artificial intelligence, facial recognition, drones, and humanoid robotics) to improve security.

Concluding remarks

In the words of the UN Secretary-General, Antonio Guterres, terrorism financing is a substantial threat that undermines global security, peace, and sustainable development.⁷⁹ Large-scale financing of terrorism not only undermines peace and security, but also threatens the fragile socio-economic system of many developing nations. In developing countries like Nigeria, a criminal organization such as Boko Haram often finances itself illegally (through human and drug trafficking, inter alia), acquiring great wealth and causing enormous suffering. Owing to Nigeria's destabilized borders, poor governance, and high unemployment rates (among other key enablers), tackling terrorism financing requires strategic and robust action plans. This essay has presented recommendations for necessary actions to address the problem. The onus lies on all Nigerians, citizens and civil society as well as governments, to act.

References

- Afzal, M. (2020). *From "western education is forbidden" to the world's deadliest terrorist group: Education and Boko Haram in Nigeria*. Foreign Policy at Brookings. https://www.brookings.edu/wp-content/uploads/2020/04/FP_20200507_nigeria_boko_haram_afzal.pdf
- AU/ECA (2015). *Track it, Stop It, Get it! Illicit Financial Flows. Report of the High-Level Panel on Illicit Financial Flows from Africa*. Commissioned by the African Union and Economic Commission for Africa Conference of Ministers of Finance, Planning and Economic Development. https://www.unodc.org/documents/NGO/AU_ECA_Illicit_Financial_Flows_report_EN.pdf
- Comolli, V. (2015). *Boko Haram Nigeria's Islamist Insurgency London*. Hurst & Company.
- Copeland, T. (2001). Is the "New Terrorism" Really New?: An analysis of the New Paradigm for Terrorism. *Journal of Conflict Studies*, 21(2), 91-105. https://www.erudit.org/en/journals/jcs/2001-v21-n2-jcs_21_2/jcs21_2art01/
- Dev K. and Devon C.S. (March 26, 2010). Illicit Financial Flows from Africa: Hidden Resource for Development. Retrieved from [https://gfintegrity.org/report/briefing-paper-illicit-flows-from-africa/#:~:text=Illicit%20Financial%20Flows%20from%20Africa%3A%20Hidden%20Resource%20for%20Development,-By%20Dev%20Kar&text=Africa%20lost%20%24854%20billion%20in,Global%20Financial%20Integrity%20\(GFI\).](https://gfintegrity.org/report/briefing-paper-illicit-flows-from-africa/#:~:text=Illicit%20Financial%20Flows%20from%20Africa%3A%20Hidden%20Resource%20for%20Development,-By%20Dev%20Kar&text=Africa%20lost%20%24854%20billion%20in,Global%20Financial%20Integrity%20(GFI).)

⁷⁹ Antonio Guterres (2021, 23 March). UN Secretary-General. "Vision statement: Restoring trust and inspiring hope: The next five years for the United Nations." <https://www.un.org/pga/75/wp-content/uploads/sites/100/2021/03/Letter-PGA-VS.pdf>

- Eme, O. (2016). Terrorist financing in Nigeria: A case of Boko Haram. *Specialty Journal of Psychology and Management*, 2(3), 41-52.
https://www.researchgate.net/publication/306094717_Terrorist_Financing_in_Nigeria_A_Case_of_Boko_Haram
- FATF. (2016). *Guidance: Criminalization Terrorist Financing (Recommendation 5)*. Financial Action Task Force. Paris.
<https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-Criminalising-Terrorist-Financing.pdf>
- FATF. (2013). *Terrorist Financing in West Africa*. Financial Action Task Force. Paris.
<https://www.fatf-gafi.org/media/fatf/documents/reports/TF-in-West-Africa.pdf>
- Fletcher, M. (2014). *Stopping Boko Haram by Curtailing Illicit Finance*. Global Financial Integrity. <https://gfintegrity.org/boko-haram-illicit-finance/>
- Kar, D., & Freitas, S. (2012). *Illicit Financial Flows from Developing Countries 2001-2010*. Global Financial Integrity. Washington, DC. https://www.gfintegrity.org/wp-content/uploads/2014/05/Illicit_Financial_Flows_from_Developing_Countries_2001-2010-HighRes.pdf
- Kingsley, K. M., Johnson-Rokosu, S. F., & Olanrewaju, R. A. (2015). Combating Boko Haram terrorism financing: the case of Nigeria and Lake-Chad Basin. *International Journal of Current Research* 7(11), 22849–22861. <https://www.journalcra.com/article/combating-boko-haram-terrorism-financing-case-nigeriaand-lake-chad-basin>
- Maza, K. D., Koldas, U., & Aksit, S. (2020). Challenges of Combating Terrorist Financing in the Lake Chad Region: A Case of Boko Haram. *SAGE Open*, April-June, 1-17.
<https://journals.sagepub.com/doi/full/10.1177/2158244020934494>
- Musselli, I. and Bürgi Bonanomi, E. (2020). Illicit Financial Flows: Concepts and Definition. *International Development Policy*, (12)1. DOI: 10.4000/poldev.3296
- Odo, L. U. (2015). Boko Haram and Insecurity in Nigeria: The Quest for a Permanent Solution. *African Research Review*, 9 (1), 47-61. DOI: 10.4314/afrrrev.v9i1.5
- Odo, L.U. (2012). The challenges of Boko Haram insurgency to National Security in Nigeria. *Lapai International Journal of Management and Social Sciences*, Vol. I & II.
- OECD. (2014). *Illicit Financial Flows from Developing Countries: Measuring OECD Responses*.
https://www.oecd.org/corruption/illicit_financial_flows_from_developing_countries.pdf
- Transparency International (2020). *Corruption Perception Index*.
<https://www.transparency.org/en/cpi/2020/index/nga#>
- UNODC. (2017). “The drug problem and organized crime, illicit financial flows, corruption, and terrorism.” UN Office on Drugs and Crime. World Drug Report Part 5.
https://www.unodc.org/wdr2017/field/Booklet_5_NEXUS.pdf
- UNDP. (2019). *Measuring the Economic Impact of Violent Extremism Leading to Terrorism in Africa*. https://www.undp.org/sites/g/files/zskgke326/files/publications/undp-rh-addis_Measuring_the_Economic_Impact_of_Violent_Extremism_Leading_to_Terrorism_in_Africa.pdf