



**AFRICA CENTER**  
**FOR STRATEGIC STUDIES**

# **Combating Illicit Trafficking and Terrorist Financing in Eastern Africa and the Great Lakes Region**

## **WORKSHOP GUIDE**

**July 29 - August 1, 2025**



# AFRICA CENTER FOR STRATEGIC STUDIES

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## ABOUT THE AFRICA CENTER

Since its inception in 1999, the Africa Center has served as a forum for research, academic programs, and the exchange of ideas with the aim of enhancing citizen security by strengthening the effectiveness and accountability of African institutions, in support of U.S.-Africa policy.

### VISION

*Security for all Africans championed by effective institutions accountable to their citizens.*

Realizing the vision of an Africa free from organized armed violence guaranteed by African institutions that are committed to protecting African citizens is the driving motivation of the Africa Center. This aim underscores the Center's commitment to contributing to tangible impacts by working with our African partners – military and civilian, governmental and civil society, as well as national and regional. All have valuable roles to play in mitigating the complex drivers of conflict on the continent today. Accountability to citizens is an important element of our vision as it reinforces the point that in order to be effective, security institutions must not just be “strong,” but also be responsive to and protective of the rights of citizens.

### MISSION

*To advance African security by expanding understanding, providing a trusted platform for dialogue, building enduring partnerships, and catalyzing strategic solutions.*

The Africa Center's mission revolves around the generation and dissemination of knowledge through our research, academic programs, strategic communications, and community chapters. Drawing on the practical experiences and lessons learned from security efforts on the continent, we aim to generate relevant insight and analysis that can inform practitioners and policymakers on the pressing security challenges that they face. Recognizing that addressing serious challenges can only come about through candid and thoughtful exchanges, the Center provides face-to-face and virtual platforms where partners can exchange views on priorities and sound practices. These exchanges foster relationships that, in turn, are maintained over time through the Center's community chapters, communities of interest, follow-on programs, and ongoing dialogue between participants and staff. This dialogue – infused with real world experiences and fresh analysis – provides an opportunity for continued learning and catalyzes concrete actions.

### MANDATE

The Africa Center is a U.S. Department of Defense institution established and funded by Congress for the study of security issues relating to Africa and serving as a forum for bilateral and multilateral research, communication, exchange of ideas, and training involving military and civilian participants. (10 U.S.C 342)

## OVERVIEW

Terrorist groups like al-Shabaab, Islamic State in Somalia (IS-Somalia), Islamic State in Mozambique (IS-Mozambique), and Islamic State Central Africa Province (ISCAP)/Allied Democratic Forces (ADF) pose a serious and persistent threat to national and regional security in East Africa and the Great Lakes Region. However, their reach extends far beyond these borders. Through increasingly sophisticated and transnational facilitation networks, these groups have the potential to further destabilize fragile states, disrupt international trade routes (particularly through al-Shabaab's ties to the Houthis), and create safe havens for global terrorist operations.

These organizations rely heavily on financial resources to plan and carry out their operations. Understanding how and why they generate, manage, and move funds is critical to informing effective counterterrorism strategies. For instance, groups like al-Shabaab – which has been linked to significant attacks in Somalia and neighboring countries, as well as plots to conduct attacks against the U.S. homeland<sup>1</sup> – is estimated to generate over US\$100 million annually in domestic revenue.<sup>2</sup> In East Africa and the Great Lakes Region, terrorist financing is drawn from a wide range of sources—both licit and illicit. Analyzing the conditions under which a group selects certain funding streams, or combines multiple sources, is essential for conducting accurate risk and vulnerability assessments and designing targeted financial disruption efforts.

Effectively disrupting the financial networks of terrorist groups like al-Shabaab, IS-Somalia, IS-Mozambique, and ISCAP/ADF requires sustained and coordinated interagency efforts at the national, regional, and international levels. These groups often engage in transnational organized crime to generate funds and exploit informal economies, porous borders, and under-resourced enforcement institutions to move these funds.

At the national level, closer cooperation between financial intelligence units (FIUs), law enforcement, prosecutors, and regulatory agencies is essential. Many countries in East Africa and the Great Lakes Region have made important strides by formalizing information-sharing arrangements, strengthening suspicious transaction reporting systems, and improving investigative capacity. However, challenges persist in institutional coordination, resource allocation, and legal frameworks needed to support joint operations and effective prosecution.

Regionally, organizations such as the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Eastern Africa Police Chiefs Cooperation (EAPCCO), the Southern African Regional Police Chiefs Cooperation Organization (SARPCCO), and the African Union Mechanism for Police Cooperation (AFRIPOL), facilitate dialogue, training, and operational coordination across borders. Regional task forces and intelligence sharing arrangements have improved joint investigations, though integration remains uneven, particularly in high-risk border regions like northern Mozambique-Tanzania and Somalia-Kenya.

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<sup>1</sup> "Cholo Abdi Abdullah Convicted for Conspiring to Commit 9/11-Style Attack at the Direction of Al Shabaab," *U.S. Department of Justice*, November 04, 2024, <https://www.justice.gov/archives/opa/pr/cholo-abdi-abdullah-convicted-conspiring-commit-911-style-attack-direction-al-shabaab>

<sup>2</sup> Wendy Williams, "Reclaiming Al Shabaab's Revenue," *Africa Center for Strategic Studies Spotlight*, March 27, 2023, <https://africacenter.org/spotlight/reclaiming-al-shabaabs-revenue/#:~:text=By%20Wendy%20Williams,operatives%20on%20the%20group's%20payroll>

Internationally, cooperation through mutual legal assistance, cross-border investigations, and participation in global financial oversight mechanisms helps reinforce national efforts. Yet concerns remain about the limits of technical compliance with international standards, such as those set by the Financial Action Task Force (FATF) and ESAAMLG. Without addressing structural gaps in enforcement and interagency coordination, these standards alone may be insufficient to curtail illicit financial flows.

This workshop provides a trusted platform for subject matter experts to reflect on how best to align their distinct but complementary roles – across FIUs, law enforcement, military, prosecutors and justices, as well as regional and international partners – to disrupt the financial lifelines that sustain terrorist groups.

This workshop is organized into the following eight sessions:

- The first explores the diverse ways terrorist groups in the region fund themselves.
- The second provides an overview of existing efforts at the national, regional and international levels to disrupt the various sources of income.
- The third draws lessons from financial intelligence units and their strategies to strengthen coordination across stakeholders.
- The fourth provides participants with tools and techniques for engaging in open-source intelligence.
- The fifth explores effective models and strategies for improving coordination between military, military intelligence, and law enforcement actors.
- The sixth distills lessons from navigating the legal and logistical challenges of prosecuting terrorist financing in the region.
- The seventh provides practical strategies for enhancing cross-border coordination.
- The eighth explores the role of external partnerships and proposes strategies to improve coordination to combat terrorism and illicit activities.

## OBJECTIVES

- Provide a trusted platform for subject matter experts to leverage their complementary roles and responsibilities to combat the financing of terrorism, including through illicit trafficking and organized criminal activities.
- Catalyze solutions among East African national, regional, and international stakeholders about means to strengthen inter-agency and cross-border cooperation to combat the financing of terrorism, including through illicit trafficking and organized criminal activities

## STRUCTURE

This workshop, spanning four days, comprises both plenary sessions that draw on strategic, policy, academic, and operational expertise, and a breakout group tabletop exercise where participants are encouraged to find practical solutions to their common challenges. The plenary session presentations will be followed by a moderated exchange of practical experiences. This work will continue in a small group tabletop exercise where the focus will be on problem solving. Participants will be encouraged to share perspectives and learn from each other. A team of experienced facilitators will work with participants to this end.

All ACSS programs are conducted under a strict non-attribution policy. These rules are binding during and after the seminar. This allows participants to contribute and exchange views without reservation, thereby creating an effective and productive learning environment. The work will be conducted in English.

## Session 1: Groups, Threats and Convergence of Terrorism and Organized Crime

**Format:** Plenary Session (Tuesday, July 29, 1030-1230)

### Objectives:

- Assess the threat al-Shabaab, Islamic State Somalia (IS-Somalia), Islamic State Mozambique (IS-Mozambique), and Islamic State Central African Province (ISCAP)/ Allied Democratic Forces (ADF) pose to national, regional and international security.
- Examine the licit, illicit, and informal economic activities exploited by terrorist groups to finance their operations and move their funds, including key commodities, financial networks, operational nodes, and individuals involved in the process.
- Identify and examine the mechanisms, if any, through which terrorist groups in the region coordinate their funding activities.

### Background:

The operations of terrorist organizations, including how they plan and execute attacks, rely heavily on access to financial resources. Gaining a deeper understanding of how and why these actors generate and manage their funds offers critical insights for developing effective counterterrorism strategies. In East Africa and the Great Lakes Region, terrorist groups draw from a diverse range of financing sources, both licit and illicit. Analyzing the conditions under which a group selects one funding source over another—or combines multiple sources—is essential for conducting accurate risk and vulnerability assessments that underpin targeted efforts to disrupt terrorist financing.<sup>3</sup>

Over the past thirty years, terrorist organizations operating in East Africa, primarily the Horn of Africa, have evolved their revenue-generating pursuits by engaging in organized criminal activities. While militant groups have long engaged in opportunistic criminal acts to raise funds and facilitate their operations, over time, these activities have evolved resulting in hybrid organizations whose activities blur the distinction between terrorism and transnational organized crime. Since the early 1990s, the persistence of porous borders, state fragility, armed conflict and corruption in the region facilitated opportunities for organizations like al-Qaeda, Al-Itihaad al-Islamiya, al-Shabaab, and the Islamic State to expand. As they gained influence, these groups increasingly turned to illicit economic activities to finance their operations, “resulting in an intricate web of criminal networks intertwined with terrorism.”<sup>4</sup>

Today, the Horn of Africa is home to terrorist organizations that have evolved from clandestine networks into overt insurgent groups that, to varying degrees, control territory, exert influence over local populations, and access significant resources. The most advanced of these hybrid organizations—al-Shabaab and the Islamic State in Somalia—have, to varying extents,

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<sup>3</sup> It is important to note that terrorist financing is not a once off act, but a process that encompasses the generation or mobilization of funds (which include both liquid and non-liquid cash or assets), the storing of funds, the transfer of funds and the eventual use of funds. Understanding this process, which occurs in a continuum could significantly strengthen the ability national, regional and international efforts to detect, intercept and disrupt terrorist financing activities.

<sup>4</sup> Matt Bryden, “The Evolving Nexus between Terrorism and Transnational Organised Crime in the Horn of Africa,” April 2025

transitioned from largely functioning as affiliates of global jihadist networks to operating with financial and ideological autonomy.<sup>5</sup> To facilitate this transition, hybrid organizations in the region have had to adapt and innovate, including through transnational organized criminal activities to move people, arms, and equipment, and mobilize resources. Their ties to Ansar Allah (the Houthis) in Yemen further underscore this transformation, positioning both groups as transnational criminal enterprises embedded in regional illicit networks.

Al-Shabaab, one of al-Qaeda's most formidable and financially self-sustaining affiliates, is estimated to generate over US\$100 million annually in domestic revenue, with some estimates placing that figure closer to US\$200 million.<sup>6</sup> The group controls significant territory and exerts influence over large segments of the population in southern and central Somalia, enabling it to function as a shadow government. Through a highly organized criminal enterprise, al-Shabaab coerces businesses and communities into compliance using systematic extortion, largely enforced by its intelligence wing, the Amniyat, through intimidation and violence. A substantial share of al-Shabaab's income comes from duties, fees, and taxes levied at ports of entry, on roadways, and across the trade of goods and services.<sup>7</sup> The group also imposes a mandatory annual zakat tax—typically 2.5% of a Muslim's wealth—under the guise of religious obligation, further consolidating its control over local populations.

In addition to this quasi-taxation system, al-Shabaab finances its operations through a range of illicit activities, including the smuggling of charcoal,<sup>8</sup> sugar, and fuel, as well as arms trafficking. It also exploits legitimate systems to conceal and move funds, making use of mobile money platforms, hawala networks, front businesses, investments, and registered charities and NGOs. Al-Shabaab's ability to sustain diverse revenue streams,<sup>9</sup> largely independent of external financial support—aside from diaspora remittances and links to actors in the Arabian Peninsula—underscores its resilience and the complexity of efforts required to disrupt its financial networks.

Islamic State-Somalia, once regarded as a marginal player overshadowed by the more dominant

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<sup>5</sup> It is worth noting that this nexus between terrorist groups and organized crime is not new. In its earlier mutation, the nexus manifested in the form of two separate entities—terrorist and organized crime syndicates converging on the basis of shared interests, which could be either transactional or mutual support. Recent trends however, show that the nexus has become more complex. Terrorist groups do not longer rely solely on organized crime syndicates for certain services and resources. These groups are now actively engaged in the illegal exploitation and harvesting of natural resources, trafficking and trade in a wide range of illicit commodities such as drugs, contrabands, and arms, as well as trafficking in persons and their organs.

<sup>6</sup> Bryden, "The Evolving Nexus"; Wendy Williams, "Reclaiming Al Shabaab's Revenue," *Africa Center for Strategic Studies Spotlight*, March 27, 2023, <https://africacenter.org/spotlight/reclaiming-al-shabaabs-revenue/#:~:text=By%20Wendy%20Williams,operatives%20on%20the%20group's%20payroll.>

<sup>7</sup> The group imposes taxes on a wide range of goods and commodities—including khat, which it officially bans but continues to exploit as a source of revenue by taxing its trade. See "Somalia's khat ban has led to the emergence of a contraband industry," *Global Initiatives Against Transnational Organized Crime* (June-July 2020) <https://riskbulletins.globalinitiative.net/esa-obs-009/02-somalias-khat-ban-has-led-to-the-emergence-of-a-contraband-industry.htm>

<sup>8</sup> Charcoal smuggling is a criminal market that is believed to be entirely controlled by the terror group

<sup>9</sup> The group's complex financing schemes covers most of Somalia, Eastern and Horn of Africa regions, Southern Africa and diaspora communities in Europe, Americas, and Asia.



al-Shabaab, has evolved from a small, localized breakaway faction of the al-Qaeda-affiliated al-Shabaab into a key player in the Islamic State's broader global network. Through its regional coordination office, al-Karrar, the group has gained significance by overseeing the financing of other Islamic State affiliates around the world and by directing funds to support those operations.<sup>10</sup> Specifically, the al-Karrar office has facilitated the movement of trainers, as well as financial and tactical support to other Islamic State affiliates in the Democratic Republic of Congo (DRC) and Mozambique. Illicit financial networks operating in Somalia, Kenya, Uganda, Tanzania, and South Africa, overseen by al-Karrar, are believed to pool and channel resources to bolster the ISCAP—known locally as the Allied Democratic Forces (ADF)<sup>11</sup>—and the Islamic State Mozambique Province. Beyond Africa, “the al-Karrar office has also reportedly sent funds to Islamic State operatives in Yemen, Turkey, the United Arab Emirates, and Afghanistan, including to Islamic State's Khorasan Province (ISK).”<sup>12</sup>

Islamic State's operations in Somalia are largely sustained by entrenched criminal networks that operate across Iran, Yemen, and Somalia, facilitating the smuggling of arms, ammunition, migrants, black market fuel, and other illicit goods. Moreover, according to an early 2023 United Nations report, ISS raises at least US\$100,000 monthly through extortion and illicit taxation, transferring some of these earnings to other Islamic State groups via the al-Karrar office.<sup>13</sup>

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<sup>10</sup> In the U.S. Africa Command (AFRICOM) 2025 Posture Statement to the Senate Armed Service Committee, General Michael Langley confirmed that the Islamic State is directing its global operations from Somalia. See “U.S. Africa Command 2025 Posture Statement to Senate Armed Services Committee,” U.S. Africa Command Public Affairs, April 4, 2025.

<sup>11</sup> While the majority of documented funding for the Islamic State Central Africa Province (ISCAP) in recent years has flowed through Islamic State-affiliated financial networks, the group has supplemented its revenue by exploiting local resources and criminal enterprises. In the DRC, ISCAP has reportedly generated additional income through the illicit extraction and trade of gold and timber, as well as through kidnapping-for-ransom operations. Meanwhile, the Islamic State's Mozambique Province is believed to indirectly benefit financially from illegal resource extraction activities in Cabo Delgado. See Caleb Weiss, Ryan O'Farrell, Tara Candland, and Laren Poole, “Fatal Transaction: The Funding Behind the Islamic State's Central Africa Province,” George Washington University's Program on Extremism and Bridgeway Foundation (2023) [https://extremism.gwu.edu/sites/g/files/zaxdzs5746/files/2023-06/fatal-transaction-final\\_0.pdf#page=34.43](https://extremism.gwu.edu/sites/g/files/zaxdzs5746/files/2023-06/fatal-transaction-final_0.pdf#page=34.43); Anneli Botha, “Organized crime in Africa / Insurgency, organized crime and resource exploitation in Cabo Delgado,” *ENACT*, December 18, 2024, <https://enactafrica.org/research/research-papers/insurgency-organised-crime-and-resource-exploitation-in-cabo-delgado>

<sup>12</sup> Daisy Muibu, “Islamic State in Somalia: A Global Threat and Efforts to Counter the Militants,” *Orion Policy Institute*, March 06, 2025, <https://orionpolicy.org/islamic-state-in-somalia-a-global-threat-and-efforts-to-counter-the-militants/>; Caleb Weiss and Lucas Webber, “Islamic State-Somalia: A Growing Global Terror Concern,” *Combating Terrorism Center Sentinel* vol 17, no. 8 (September 2024) <https://ctc.westpoint.edu/islamic-state-somalia-a-growing-global-terror-concern/>; Caleb Weiss, Ryan O'Farrell, Tara Candland and Laren Poole, “Fatal Transaction: The Funding Behind the Islamic State's Central Africa Province,” GWU Program on Extremism (June 2023) <https://extremism.gwu.edu/sites/g/files/zaxdzs5746/files/2023-06/fatal-transaction-final.pdf>; Tore Hamming, “The General Directorate of Provinces: Managing the Islamic State's Global Network,” *Combating Terrorism Center Sentinel* vol. 16 no.7 (July 2023) <https://ctc.westpoint.edu/the-general-directorate-of-provinces-managing-the-islamic-states-global-network/>

<sup>13</sup> Adam Rousselle, “Combating the Islamic State Finance: Somalia and the Pan-African Nexus,” *Global*

This session provides an opportunity for participants to reflect on the evolving financial strategies of terrorist organizations in East Africa and the Great Lakes Region, identify practical entry points for disrupting these networks, and lay the groundwork for deeper discussions throughout the remainder of the seminar on coordinated, cross-sectoral approaches to countering terrorist financing at both national and regional levels.

### **Discussion Questions:**

1. How do the strategic objectives, geographic reach, and operational capacity of al-Shabaab, IS-Somalia, IS-Mozambique, and ISCAP/ADF differ?
2. What factors have enabled the emergence of hybrid groups like al-Shabaab and IS-Somalia that operate across both spheres of terrorism and organized crime?
3. How have these groups adapted criminal tactics – not only as financial tools but as operational methods – to expand their control and influence?
4. What are the specific national vulnerabilities that these terrorist groups exploit in countries across the region to raise, conceal and move their funds and sustain their operations?
5. Internationally, are there indicators that suggest these terrorist groups harbor growing transnational ambitions or external linkages, including connections to global terrorist networks?
  - a. How does ideological alignment or rivalry affect these terrorist group's willingness to collaborate/coordinate with each other and/or other external groups?

### **Recommended Readings:**

Anneli Botha, "Organized crime in Africa / Insurgency, organized crime and resource exploitation in Cabo Delgado," *ENACT*, December 18, 2024, <https://enactafrica.org/research/research-papers/insurgency-organised-crime-and-resource-exploitation-in-cabo-delgado>

Anneli Botha and Isaiah Abillah, "Countering the financing of terrorism in Eastern Africa," *EAPCCO CTCoE* and UNODC Issue Paper 2 (2021) [https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC\\_CTCoE\\_Issue\\_Paper\\_2\\_2021.pdf](https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC_CTCoE_Issue_Paper_2_2021.pdf)

Aaron Y. Zelin, "A Globally Integrated Islamic State," *War on The Rocks*, July 15, 2024, <https://warontherocks.com/2024/07/a-globally-integrated-islamic-state/>

Caleb Weiss and Lucas Webber, "The Islamic State-Somalia: A Growing Global Terror Concern," *CTC Sentinel* 17, 8 (September 2024) <https://ctc.westpoint.edu/islamic-state-somalia-a-growing-global-terror-concern/>

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*Network on Extremism and Technology*, February 17, 2025 <https://gnet-research.org/2025/02/17/combating-the-islamic-state-finance-somalia-and-the-pan-african-nexus/>

Ibrahim Jalal and Adnan al-Jabarni, "Dhows, Drones, and Dollars: Ansar Allah's Expansion into Somalia," *Carnegie Middle East Center*, March 14, 2025, <https://carnegieendowment.org/research/2025/03/dhows-drones-and-dollars-ansar-allahs-expansion-into-somalia?lang=en>

Caleb Weiss, Ryan O'Farrell, Tara Candland, and Laren Poole, "Fatal Transaction: The Funding Behind the Islamic State's Central Africa Province," *George Washington University's Program on Extremism and Bridgeway Foundation* (2023) [https://extremism.gwu.edu/sites/g/files/zaxdzs5746/files/2023-06/fatal-transaction-final\\_0.pdf#page=34.43](https://extremism.gwu.edu/sites/g/files/zaxdzs5746/files/2023-06/fatal-transaction-final_0.pdf#page=34.43)

Matt Bryden, "The Evolving Nexus between Terrorism and Transnational Organised Crime in the Horn of Africa," April 2025

Adam Rousselle, "Combating the Islamic State Finance: Somalia and the Pan-African Nexus," *Global Network on Extremism and Technology*, February 17, 2025 <https://gnet-research.org/2025/02/17/combating-the-islamic-state-finance-somalia-and-the-pan-african-nexus/>

Wendy Williams, "Reclaiming Al Shabaab's Revenue," *Africa Center for Strategic Studies Spotlight*, March 27, 2023, <https://africacenter.org/spotlight/reclaiming-al-shabaabs-revenue/#:~:text=By%20Wendy%20Williams,operatives%20on%20the%20group's%20payroll>

"Expanding Al Shabaab-Houthi Ties Escalate Security Threats to Red Sea Region," *Africa Center for Strategic Studies Spotlight*, May 28, 2025, <https://africacenter.org/spotlight/al-shabaab-houthi-security-red-sea/>

## Session 2: Landscape of Responses to Combat Terrorist Financing and Illicit Activities

**Format:** Plenary Session (Tuesday, July 29, 1330-1530)

### Objectives:

- Provide an overview of existing efforts at the national, regional and international levels to disrupt the various sources of income al-Shabaab, IS-Somalia, IS-Mozambique and ISCAP/ADF rely on.

### Background:

Terrorist groups such as al-Shabaab, IS-Somalia, IS-Mozambique, and ISCAP/ADF continue to exploit fragile governance, porous borders, under-resourced law enforcement, and informal economic systems across East Africa and the Great Lakes Region to generate, conceal, and move revenue that sustains their operations, supports recruitment, and facilitates the planning of attacks.

In response, countries across the region have undertaken efforts to disrupt terrorist financing networks through enhanced regulation, operational coordination, and international cooperation. Importantly, efforts to address deficiencies in legal and regulatory frameworks, institutional capacity to conduct financial supervisory or enforcement activities, and the regulation of informal economic activities have largely been shaped by the standards set by FATF and its regional body, ESAAMLG. Currently, DRC, Kenya, Mozambique, and South Africa are grey listed and are actively working with the FATF to address deficiencies in their regimes.

Countries such as Kenya and Mozambique have taken steps to align with FATF and ESAAMLG standards by strengthening their Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) frameworks. Kenya's Financial Reporting Centre (FRC) has strengthened its partnerships with law enforcement and financial institutions, contributing to improved Suspicious Transaction Reporting (STR) and prosecutions tied to al-Shabaab facilitation networks. Mozambique, facing an insurgency in Cabo Delgado, has increased collaboration with financial regulators and international actors to identify financial flows linked to Islamic State, though challenges in institutional capacity persist.

At the regional level, ESAAMLG supports peer reviews, typology studies, and technical assistance that have helped improve risk assessments and information sharing across jurisdictions. EAPCCO, SARPCCO, and INTERPOL, through operations such as *Usalama*, have enhanced regional coordination to target cross-border criminal networks, some of which finance terrorist groups through smuggling and trafficking.

Despite progress, significant gaps remain. Many countries continue to struggle with fragmented coordination between financial intelligence units (FIUs), law enforcement, and border security agencies. In several jurisdictions, legal frameworks lack clarity or enforcement mechanisms, making it difficult to seize assets, prosecute facilitators, or trace informal financial flows—particularly those involving hawala networks and mobile money platforms. Moreover, the region continues to face capacity constraints—ranging from limited staffing in FIUs to inadequate digital infrastructure for real-time data sharing. Efforts to counter the convergence of organized crime and terrorism remain underdeveloped, and coordination with private sector actors such as

telecoms and financial service providers remains inconsistent.

While compliance with FATF and ESAAMLG standards provides a foundational framework for AML/CFT systems, it is not sufficient on its own. These standards must be complemented by context-specific, operational strategies that address the unique financing models of local terrorist groups. A rigid focus on technical compliance risks overlooking informal economies, socio-political drivers of extremism, and local enforcement realities. This includes investing in financial intelligence capabilities, improving regulatory oversight over virtual assets and cryptocurrencies, and designing inclusive enforcement strategies that work within – rather than against – Africa's informal economic systems.

Additionally, most strategies have traditionally focused on formal or high-value financial transactions, neglecting the local-level, low-value financing methods used by insurgent groups. Groups like al-Shabaab, Islamic State in Mozambique and ISCAP increasingly rely on petty extortion, kidnapping-for-ransom, and/or informal taxation systems to generate sustainable income. These localized financial dynamics underscore the need to monitor everyday financial interactions, such as small mobile money transfers and informal market payments, to build effective intelligence and enforcement tools.

Disrupting terrorist financing in East Africa and the Great Lakes Region demands a multi-faceted approach that integrates national cooperation across financial, law enforcement, intelligence, and regulatory actors with regional and international coordination. Enhancing border security, formalizing public-private partnerships, and building investigative capacity will be critical to closing the gaps exploited by terrorist networks. While progress has been made, sustained and adaptive intelligence-driven responses are required to stay ahead of evolving threats.

This session provides participants with an opportunity to reflect on the landscape of national, regional and international responses to combat terrorist financing and organized criminal activities in the region. Identifying progress made and the gaps remaining will set the tone for productive conversations on strategies aimed at improving coordinated, context-specific responses to the threat posed by terrorist groups in the region.

#### **Discussion questions:**

1. What specific examples are there of effective measures undertaken at the national, regional, or international level to undermine and/or dismantle financial networks that terrorist groups such as al-Shabaab, IS-Somalia, IS-Mozambique, and/or ADF/ISCAP rely on?
2. Where are the critical gaps – technical, legal, or institutional – that hinder efforts to prevent, detect, or disrupt the various ways terrorist groups raise, move, and conceal their funds, especially those raised and routed through organized criminal activities, informal economies or legitimate enterprises?
3. Given the evolving nature of terrorist financing (e.g., cryptocurrency, mobile money, trade-based money laundering), what innovations in financial oversight and intelligence sharing are most urgently needed?

**Recommended Readings:**

Stephen Reimer, "Financial Dynamics of Insecurity in Mozambique and Nigeria," *RUSI*, June 18, 2025, <https://www.rusi.org/explore-our-research/publications/policy-briefs/financial-dynamics-insecurity-mozambique-and-nigeria>

Benjamin Mossberg, "African governments should rethink their approach to combating money laundering and terrorist financing," *Atlantic Council*, May 15, 2025, <https://www.atlanticcouncil.org/blogs/africasource/african-governments-should-rethink-their-approach-to-combating-money-laundering-and-terrorist-financing/>

"Jurisdictions under Increased Monitoring - 21 February 2025," *FATF*, February 21, 2025, <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-february-2025.html>

Mark Williams, Pilar Domingo, Cathy Haenlein and Michael Jones, "Lessons from Bottom-Up Analysis of Crime, Terror and Insecurity in Africa," *RUSI*, June 24, 2025, <https://www.rusi.org/explore-our-research/publications/policy-briefs/lessons-bottom-analysis-crime-terror-and-insecurity-africa>

Sasha Jespersen, Isaiah Abilah Ochieng, and Mr. Wycliffe Burudi, "Addressing the Links Between Transnational Organized Crime and Terrorism in Eastern Africa," *EAPCCO CTCoE* 1 (2022) [https://eapcco-ctcoe.org/wp-content/uploads/2022/06/EAPCCO-CTCoE-Issue-Paper-1\\_2022.pdf#page=19.12](https://eapcco-ctcoe.org/wp-content/uploads/2022/06/EAPCCO-CTCoE-Issue-Paper-1_2022.pdf#page=19.12)

Anneli Botha and Isaiah Abillah, "Countering the financing of terrorism in Eastern Africa," *EAPCCO CTCoE* and UNODC Issue Paper 2 (2021) [https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC\\_CTCoE\\_Issue\\_Paper\\_2\\_2021.pdf](https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC_CTCoE_Issue_Paper_2_2021.pdf)



## Session 3: Financial Intelligence Units and Information Sharing to Combat Terrorist Financing

**Format:** Plenary Session (Wednesday, July 30, 0900-1100)

### Objectives:

- Assess the effectiveness of FIU in successfully curtailing terrorist financing in the region by collecting, analyzing, and sharing information to identify illicit finance/terrorist financing and inform, tip, or provide leads to law enforcement or other authorities for action/disruption.
- Distill lessons learned in building trust and coordination across relevant stakeholders (regulatory bodies, law enforcement, prosecutors, private sector etc.) as a basis for timely and accurate analysis and information sharing.

### Background:

FIUs serve as a cornerstone in national and regional strategies to combat terrorist financing. Established as independent bodies mandated to collect/receive, analyze, and disseminate financial intelligence, FIUs act as the primary liaison between financial institutions – including the private sectors – law enforcement agencies, regulatory bodies, and international counterparts. In the context of East Africa and the Great Lakes region, these units have assumed an increasingly important role in preventing, detecting, and disrupting the financial networks that enable terrorist groups to operate, expand, and recruit.

Countries across the region have made notable progress in establishing FIUs and integrating them into broader counter-terrorism and anti-money laundering (AML) efforts. Kenya's Financial Reporting Centre (FRC), for example, has made efforts to improve its financial intelligence gathering and dissemination. The FRC receives Suspicious Transaction Reports (STRs) from financial institutions and designated non-financial businesses and professions, analyzes these reports for patterns linked to terrorist financing, and disseminates actionable intelligence to domestic agencies such as the Anti-Terrorism Police Unit (ATPU) within the Directorate of Criminal Investigations.

Somalia's Financial Reporting Centre (FRC), established under the 2016 AML/CFT Act, has made promising strides. It has developed standardized Suspicious Transaction Report (STR) forms, conducted targeted outreach to remittance companies and telecom providers, and entered cooperative agreements with law enforcement agencies. Similarly, Ethiopia's Financial Intelligence Service (EFIS) has significantly advanced its role in AML/CFT. EFIS maintains operational MoUs with relevant domestic ministries and authorities enabling more seamless financial information and intelligence sharing.<sup>14</sup>

FIUs also play a vital role in cross-border collaboration. Several countries across Eastern, Central

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<sup>14</sup> "Anti-money laundering and counter-terrorist financing measures: Ethiopia 10th Enhanced Follow Up Report and Technical Compliance Re-Rating," ESAAMLG, (April 2022) <https://www.fatf-gafi.org/content/dam/fatf-gafi/fsrb-fur/ESAAMLG-Ethiopia%20FUR-2022.pdf.coredownload.inline.pdf>

and Southern Africa are active members<sup>15</sup> of the Egmont Group, a global network of FIUs that facilitates secure information exchange and joint responses to financial crimes at the regional and international levels. These partnerships have been critical in tracing and disrupting transnational financial flows that fund groups such as al-Shabaab, IS-Somalia, and ISCAP/ADF.

In addition to cross-jurisdictional coordination, it is critical for FIUs to coordinate across different domestic agencies. For instance, in the wake of the 2019 DusitD2 attack in Nairobi, Kenya's FRC, in coordination with domestic and foreign counterparts, played a role in identifying suspicious financial flows linked to the attack. The case exposed a financing chain that extended across Somalia, Kenya, and South Africa. The successful prosecution of several individuals involved in the attack's financing required effective inter-agency coordination, timely analysis and sharing of financial intelligence, and the use of digital evidence in court. The case also demonstrated the value—and complexity—of working across multiple jurisdictions, engaging with foreign partners, and navigating mutual legal assistance frameworks.

Despite this progress, significant challenges remain. Many FIUs in the region suffer from limited human and technical resources, which constrain their ability to analyze financial data and detect complex typologies. Additionally, there are persistent gaps in cooperation between FIUs and other domestic stakeholders, including law enforcement, prosecutors, and financial sector regulators. In some cases, STRs are not followed up with investigations due to insufficient capacity, limited feedback loops, or bureaucratic obstacles. The private sector's participation is also uneven, particularly among informal financial service providers and new digital platforms that are not consistently regulated or integrated into AML/CFT frameworks.

Cross-border coordination, while improving, continues to face hurdles related to information-sharing constraints, differing legal standards, and delays in mutual legal assistance procedures. Furthermore, while FATF and ESAAMLG have driven reforms through mutual evaluations and technical assistance, full compliance with their standards remains uneven. Several countries in the region remain on FATF's grey list due to strategic deficiencies in their AML/CFT frameworks.

While FIUs in East Africa and the Great Lakes region have strengthened their roles in countering terrorist financing, their effectiveness ultimately depends on deepening inter-agency coordination, bolstering investigative and analytical capacities, and fostering more inclusive partnerships with the private sector and international stakeholders. This session provides an opportunity for participants to reflect on opportunities for continued investment in these areas as essential approaches to disrupt the complex financial ecosystems that sustain terrorist networks in the region.

#### **Discussion questions:**

1. How can FIUs enhance collaboration with regulators and financial institutions—especially informal and digital service providers—to improve the quality and coverage of financial intelligence reporting across the region?

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<sup>15</sup> Democratic Republic of Congo, Ethiopia, Kenya, Tanzania, and Uganda are all active members of the Egmont Group. See "EG Member FIU Information," *Egmont Group*, <https://egmontgroup.org/members-by-region/eg-member-fiu-information/>



2. How can regulatory bodies strengthen oversight and compliance with AML/CFT/CPF laws among financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs)?<sup>16</sup> How can law enforcement and prosecutors be incentivized to rely more on reports issued by FIUs?
3. What are the main challenges in building trust and cooperation with reporting entities, as well as law enforcement and prosecution? Have there been any successful initiatives or practices in your country/region to foster such collaboration?
4. How can national-level inter-agency trust and information sharing be institutionalized – beyond ad hoc cooperation – to ensure a coordinated whole-of-government response to terrorist financing threats?
5. Given resource constraints, what types of capacity-building or technical assistance are most urgently needed to strengthen FIUs' analytical capabilities, especially in identifying complex or evolving financing typologies?

#### **Recommended Readings:**

John Hatchard, "The Role of Financial Intelligence Units in Combating Money Laundering: An African Perspective," *Journal of International and Comparative Law*, vol. 9, no. 1 (2022) pp. 103-130.

Mniwasa Eugene. The Financial Intelligence Unit and Money Laundering Control in Tanzania: The Law, Potential, and Challenge. *Journal of Money Laundering Control*, vol 22, no. 3 (2019), pp. 543-662.

The United Republic of Tanzania Financial Intelligence Unit. Terrorist Financing and Hawala Risk Assessment Report. May 2022. <https://www.fiu.go.tz/uploads/documents/en-1712919524-TF%20and%20Hawala%20Risk%20Assessment.pdf>

Financial Reporting Centre, "Annual Report 2024," *The Financial Reporting Centre, Republic of Kenya*, (2024), [https://www.frc.go.ke/wp-content/uploads/2025/05/Financial-Reporting-Centre-Annual-Report-2024\\_Final.pdf#page=19.08](https://www.frc.go.ke/wp-content/uploads/2025/05/Financial-Reporting-Centre-Annual-Report-2024_Final.pdf#page=19.08)

For more on the FIUs of the states present at this roundtable, see:

- Gabinete de Informação Financeira de Moçambique (GIFiM), <https://www.gifim.gov.mz/>
- Republic of Kenya, Financial Reporting Centre (FRC), <https://www.frc.go.ke/>
- The United Republic of Tanzania, Financial Intelligence Unit, <https://www.fiu.go.tz/>
- Federal Republic of Somalia, Financial Reporting Center (FRC), <https://frc.gov.so/>
- The Republic of Uganda, Financial Intelligence Authority,

<sup>16</sup> These are businesses and professionals that work outside of the traditional financial sector/institutions, but still handle a lot of money and can be used – sometimes without knowing it – for money laundering or to help fund terrorist activities.

<https://www.fia.go.ug/>

- Federal Democratic Republic of Ethiopia, Financial Intelligence Center, <https://fis.gov.et/>
- The Democratic Republic of Congo, Cellule Nationale des Renseignements Financiers (CENAREF), <https://www.cenaref.org/>

For more information on mutual evaluations conducted by ESAAMLG for relevant countries, please see: “Publications: Mutual Evaluations” *ESAAMLG*, [https://www.esaamlg.org/index.php/Mutual\\_Evaluations\\_Progress\\_Reports](https://www.esaamlg.org/index.php/Mutual_Evaluations_Progress_Reports)

## Session 4: Open-Source Tools and Techniques to Combat Terrorist Financing

**Format:** Plenary Session (Wednesday, July 30, 1130-1330)

### Objectives:

- Given the diversity of ways terrorist groups in the region fund their activities and transfer resources, identify specific open-source tools and mechanisms that can be used to enhance/improve the detection of suspicious activities, enhance compliance, and protect financial systems.

### Background:

Open-Source Intelligence (OSINT) has emerged as a vital tool in the global effort to counter terrorist financing and illicit financial flows. As terrorist groups diversify how they raise, move, and conceal funds—including through online platforms, informal economies, and legitimate financial systems—OSINT allows for the identification and disruption of complex financial networks by drawing on publicly available information and digital traces. These tools are increasingly being used by a wide range of actors, including financial institutions, law enforcement, intelligence agencies, regulators, investigative journalists, and researchers, to detect suspicious activity, enhance compliance, and safeguard financial systems.

OSINT encompasses the collection, enrichment, and analysis of data drawn from sources such as public records, social media, blockchain transactions, mobile payment platforms, dark web forums, and multimedia content. When paired with machine learning, natural language processing, and other advanced analytical techniques, OSINT enables practitioners to uncover patterns, trace networks, and extract actionable intelligence at a scale and speed that traditional intelligence collection methods cannot match. The intelligence extraction process typically unfolds in three phases: data acquisition (gathering raw information from a wide array of sources), data enrichment (organizing and contextualizing data), and knowledge inference (drawing insights through analysis and visualization).<sup>17</sup>

Among the most dynamic domains for OSINT application is social media intelligence (SOCMINT), where platforms like Telegram, Facebook, and private forums are often used for fundraising, recruitment, and logistical coordination by violent extremist organizations. Techniques such as sockpuppeting (using fake personas to infiltrate groups), chronolocation (matching timestamps with geolocation data), and network mapping are frequently deployed to detect and monitor suspicious activity.<sup>18</sup> These techniques can also be used to analyze the activities of Virtual Asset Service Providers (VASPs), revealing how cryptocurrencies and other virtual assets are used to move money with minimal oversight.

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<sup>17</sup> Megha Chaudhary and Divya Bansal. "Open Source Intelligence Extraction for Terrorism-Related Information: A Review." *WIREs Data Mining and Knowledge Discovery*, vol. 12, no. 5, 2022, e1473. <https://doi.org/10.1002/widm.1473>.

<sup>18</sup> Abdulbasid Dantsoho. "Exposing Extremism Networks in Sub-Saharan Africa Using Open Source Tools." *Global Investigative Journalism Network*, March 17, 2025, <https://gijn.org/stories/expose-extremism-networks-africa-open-source/>.

Moreover, OSINT is especially relevant in contexts where much of the economy operates informally or through opaque digital channels. Mobile money platforms, remittance services, mobile-based gambling, and telecommunications-sponsored payment systems have expanded financial inclusion, but they have also created opportunities for abuse by criminal and terrorist actors. These platforms often lack the rigorous Know Your Customer (KYC) and due diligence measures found in formal banking systems, making them particularly vulnerable to misuse.

Despite its promise, the use of OSINT also raises challenges and ethical considerations. Issues such as data privacy, the legality of accessing certain information, and the potential for false positives require careful navigation. Nonetheless, when integrated within a broader financial intelligence and compliance framework, OSINT represents a powerful and cost-effective means to disrupt financial flows associated with terrorism and transnational organized crime.

This session explores the practical applications of OSINT tools for detecting terrorist financing activities. Participants will examine how OSINT can complement existing AML/CFT mechanisms and discuss opportunities to build institutional capacity, strengthen inter-agency cooperation, and enhance financial system resilience through targeted, intelligence-driven interventions.

**Discussion questions:**

1. What types of OSINT tools and techniques have proven most effective in your context for detecting or disrupting terrorist financing networks, and what challenges have you faced in applying them operationally?
2. How can FIUs and law enforcement agencies in the region better integrate OSINT into their financial investigations, particularly when dealing with mobile money, cryptocurrencies, and other non-traditional financial platforms?
3. What role can OSINT play in identifying suspicious activity in environments defined by the prevalence of informal and unregulated financial systems like in East Africa and the Great Lakes Region?
4. Are there any emerging strategies employed by criminal and terrorist actors that make it increasingly difficult to effectively track and combat illicit activities in the context of terrorist financing? How do you keep one step ahead?
5. How can different stakeholders, including the private sector, civil society, and media, be engaged responsibly in OSINT collection and analysis while maintaining ethical standards and protecting data privacy?
6. What are some practical steps countries in the region can take to strengthen institutional capacity for OSINT, including cross-agency coordination, technical training, and access to secure digital tools?

**Recommended Readings:**

Abdulbasid Dantsoho. "Exposing Extremism Networks in Sub-Saharan Africa Using Open Source Tools." Global Investigative Journalism Network, March 17, 2025, <https://gijn.org/stories/expose-extremism-networks-africa-open-source/>.

Megha Chaudhary and Divya Bansal. "Open Source Intelligence Extraction for Terrorism-Related Information: A Review." *WIREs Data Mining and Knowledge Discovery*, vol. 12, no. 5, 2022, e1473. <https://doi.org/10.1002/widm.1473>.

Dries Putter and Susan Henrico. "Social Media Intelligence: The National Security–Privacy Nexus." *Scientia Militaria: South African Journal of Military Studies*, vol. 50, no. 1, 2022. Available at: <https://www.ajol.info/index.php/smsajms/article/view/239374>

Kunle Adebajo. "The Internet Fundraising Marathons Behind IPOB's Armed Struggle in Nigeria." *HumAngle*, October 25, 2024. <https://humanglemedia.com/the-internet-fundraising-marathons-behind-ipobs-armed-struggle-in-nigeria/>.

## **Session 5: Role of Military & Law Enforcement Actors in Combating Terrorist Financing & Illicit Activities**

**Format:** Plenary Session (Thursday, July 31, 0900-1100)

### **Objectives:**

- Discuss the role of military and law enforcement actors in generating conditions necessary to facilitate compliance with legal and regulatory frameworks to combat terrorist financing and the illicit economies that fund them.
- Identify practical measures to strengthen the capacity of national law enforcement agencies to investigate terrorist financing and related organized criminal activities and explore mechanisms to further institutionalize and enhance information sharing with FIUs.
- Explore effective models and strategies for improving coordination between military, military intelligence, and law enforcement actors in border areas and conflict-affected regions to disrupt terrorist financing and associated organized criminal activities.

### **Background:**

Eliminating the financial architecture that supports terrorist groups like al-Shabaab, IS-Somalia, IS-Mozambique, and ISCAP/ADF requires more than international sanctions or financial regulations. It demands robust, coordinated efforts within the national level, particularly among law enforcement, national financial intelligence and regulatory bodies, and the military.

Law enforcement actors play a foundational role in creating the conditions necessary to enforce AML/CFT laws. Their proximity to communities, access to on-the-ground intelligence, and investigatory powers make them essential to disrupting financial networks, particularly those rooted in informal systems. In volatile areas such as Cabo Delgado in Mozambique, northeastern Kenya, across Somalia, and the DRC-Uganda border, police and customs agencies are often the first line of response in detecting and dismantling illicit financial flows. Their work is further strengthened when closely coordinated with FIUs, which are responsible for receiving and analyzing suspicious financial transactions and other relevant information, and disseminating this intelligence to law enforcement and other relevant agencies.

Several countries have made progress in building these inter-agency linkages. For instance, Kenya has established structured channels between the Financial Reporting Centre and the National Police Service, particularly the Directorate of Criminal Investigations,<sup>19</sup> allowing financial intelligence to be quickly transformed into operational leads. Similarly, Mozambique has worked to improve coordination between the National Criminal Investigation Service

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<sup>19</sup> "Collaboration and Case Study on The Role of The Financial Reporting Centre (FRC) in Combating Money Laundering," *Njogu and Associates Advocates LLP Newsletter* Issue 73, February 21, 2025, <https://mailchi.mp/89ee555c6a7b/na-weekly-13046960>

(SERNIC) and other agencies, including its FIU (GIFiM) through shared training.<sup>20</sup> These arrangements help overcome traditional institutional silos and create faster more coordinated responses to suspected terrorist financing activities.

The military, particularly military intelligence units, play an important supporting role in identifying and disrupting financial flows that support insurgencies. In conflict-affected areas such as Somalia (including along borders with Kenya and Ethiopia<sup>21</sup>), northern Mozambique and eastern DRC, military forces often encounter evidence of financial and logistical networks during operations. By sharing this intelligence with civilian law enforcement and financial intelligence and regulatory bodies – including FIUs – these forces contribute to broader efforts to map out and target the sources of financing terrorist groups rely on.

However, while there are encouraging examples, major challenges remain. Coordination between law enforcement and national financial oversight bodies, particularly FIUs, is often limited, ad hoc or driven by external donor programs, rather than embedded within shared national procedures. In some instances, legal barriers or turf wars between institutions prevent the effective sharing of intelligence between law enforcement, military and FIUs, delaying investigations and allowing terrorist financing networks to adapt and evade detection. Furthermore, law enforcement agencies in many parts of the region are under-resourced, lack financial crimes expertise, and face difficulties tracing transactions that occur in informal or digital systems such as mobile money platforms, hawala networks, and prepaid digital accounts.

Strengthening national-level cooperation is therefore critical. Institutionalizing inter-agency task forces, investing in joint training, and ensuring clear legal mandates and procedures for information sharing will allow countries to build more agile, responsive systems. This is especially urgent in border zones, where terrorist groups exploit administrative vacuums to establish smuggling routes and revenue-generating schemes. Improving collaboration not only enhances financial investigations but also supports a whole-of-government approach to stabilizing these vulnerable regions.

As terrorist networks continue to diversify their sources of income and exploit both licit and illicit systems, national coordination between financial, law enforcement, and defense actors will remain the cornerstone of any effective effort to combat terrorist financing and related organized crime. This session offers an opportunity for participant to explore opportunities to strengthen coordination between law enforcement and FIUs and between military, military intelligence, and law enforcement actors to disrupt terrorist financing and associated organized criminal activities.

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<sup>20</sup> “Mozambican prosecutors and investigators tackle challenges in financial investigations and asset recovery,” *Basel Institute on Governance*, August 05, 2019, <https://baselgovernance.org/news/mozambican-prosecutors-and-investigators-tackle-challenges-financial-investigations-and-asset>

<sup>21</sup> Alleged ties between the Oromo Liberation Army (OLA) and al-Shabaab militants raised by the intelligence agencies of Ethiopia and Kenya further raise concerns over the border region between Kenya and Ethiopia. See “Ethiopia, Kenya unite against alleged OLA-Al-Shabaab collaboration: cross-border terror threat,” *Addis Standard*, August 22, 2024, <https://addisstandard.com/ethiopia-kenya-unite-against-alleged-ola-al-shabaab-collaboration-cross-border-terror-threat/>; Guyo Chepe Turi, “Will security operations halt Kenya-Ethiopia cross-border crimes?,” *Institute for Security Studies*, May 23, 2025, <https://issafrica.org/iss-today/will-security-operations-halt-kenya-ethiopia-cross-border-crimes>



**Discussion questions:**

1. What models or examples exist for effective information and intelligence sharing between domestic law enforcement agencies and national financial intelligence and regulatory bodies, particularly FIUs, and how can these be adapted or scaled within conflict-affected regions?
2. How can countries in East Africa and the Great Lakes region institutionalize inter-agency coordination between law enforcement actors and national financial intelligence and regulatory bodies beyond donor-driven initiatives?
  - a. What practical steps have been taken to embed collaboration into national procedures and legal frameworks, and where can improvements be made?
3. What are the key legal or institutional barriers that inhibit timely sharing of financial intelligence between domestic law enforcement actors and financial oversight bodies, particularly FIUs, and how might they be addressed through reform or inter-agency agreements?
4. Given the prevalence of informal economies and digital financial systems (e.g., hawala, mobile money), what specialized capacities or tools are needed by law enforcement and FIUs to trace and investigate these transaction types more effectively?
5. How can joint operations or task forces improve early detection and disruption of terrorist financing and related criminal networks in border areas where terrorist groups exploit weak governance and limited state presence?

**Recommended Readings:**

Anneli Botha and Isaiah Abillah, "Countering the financing of terrorism in Eastern Africa," *EAPCCO CTCoE and UNODC Issue Paper 2* (2021) [https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC\\_CTCoE\\_Issue\\_Paper\\_2\\_2021.pdf](https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC_CTCoE_Issue_Paper_2_2021.pdf)

Guyo Chepe Turi, "Will security operations halt Kenya-Ethiopia cross-border crimes?," *Institute for Security Studies*, May 23, 2025, <https://issafrica.org/iss-today/will-security-operations-halt-kenya-ethiopia-cross-border-crimes>

"Anti-Money Laundering and Counter-Terrorist Financing Measures: Mozambique Mutual Evaluation Report," *ESAAMLG* (June 2021) <https://www.esaamlg.org/reports/MER%20of%20Mozambique-June%202021.pdf>

"Anti-money laundering and counter-terrorist financing measures: Mozambique 5th Enhanced Follow-up Report & 3<sup>rd</sup> Technical Compliance Re-Rating," *ESAAMLG* (April 2025) <https://www.esaamlg.org/reports/Mozambique%20FUR-April%202025.pdf>



## Session 6: Prosecution

**Format:** Plenary Session (Thursday, July 31, 1130-1330)

### Objectives:

- Assess the capacity for national, regional and international actors to effectively prosecute actors involved in financing terrorism, including those operating in licit and illicit markets that fund terrorist groups.
- Distill lessons from navigating the legal and logistical challenges of prosecuting terrorist financing in the region, including evidence gathering, chain-of-custody, mutual legal assistance, and extradition.

### Background:

Terrorist financing remains a persistent challenge across East Africa and the Great Lakes region. As groups such as al-Shabaab, IS–Somalia, IS–Mozambique, and ISCAP/ADF exploit both licit and illicit markets to sustain their operations, national and regional actors have recognized the need for stronger legal frameworks, more effective prosecutions, and enhanced cross-border coordination. Despite progress in some jurisdictions, countries in the region continue to face legal, logistical, and institutional hurdles in successfully bringing terrorist financiers to justice.

One of the most instructive case studies is the prosecution of individuals involved in the 2019 DusitD2 hotel complex attack in Nairobi, Kenya, which was claimed by al-Shabaab. The investigation and prosecution of this case<sup>22</sup> provides valuable lessons on the complexities of pursuing justice in a case involving a transnational threat. Kenyan authorities, particularly the Office of the Director of Public Prosecutions (ODPP) and the Anti-Terrorism Police Unit (ATPU), worked closely with regional and international partners to trace the digital evidence and financial trail used to plan and execute the attack. Evidence revealed that funds supporting the attack originated not only in Kenya and Somalia but also involved banks in South Africa, underlining the cross-border dimension of terrorist financing networks.

The investigation highlighted the importance of a multi-agency approach at the national level. Kenyan authorities coordinated across national financial intelligence and regulatory bodies, law enforcement, telecommunications regulators, and financial institutions to follow the money trail. Notably, digital/electronic evidence, including mobile money transfers and mobile and social media communication records, played a crucial role in tying suspects to the financing and facilitation of the attack. This underscored the need for prosecutorial teams to be equipped with specialized skills in digital forensics and evidence admissibility procedures.

The DusitD2 case also highlights the importance of mutual legal assistance (MLA) and international cooperation in real-time investigations. Kenya was able to collaborate with foreign partners, such as Somalia and South Africa, to collect digital and forensic evidence that, despite delays in legal requests that had to go through diplomatic channels, resulted in the successful prosecution of those involved in facilitating the attack.

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<sup>22</sup> “Terrorists in Dusit D2 Attack Convicted,” *Republic of Kenya Directorate of Criminal Investigations*, May 22, 2025, <https://www.dci.go.ke/terrorists-dusit-d2-attack-convicted>

Despite such examples, prosecution of terrorist financing continues to be a challenge across the region. Many states struggle with fragmented legal frameworks, lack of prosecutorial experience, and gaps in evidence gathering capacity, particularly in conflict-affected areas.

Ultimately, enhancing prosecution efforts requires a multi-faceted approach that combines legal reforms with capacity building, real-time coordination between FIUs and law enforcement, and robust mechanisms for regional and international cooperation. The DusitD2 case, while a success in several respects, also serves as a reminder that combating terrorist financing demands not just stronger laws, but deeper institutional collaboration and innovation.

This session offers participants an opportunity to distill lessons from navigating the legal and logistical challenges of prosecuting terrorist financing in the region that will lead to stronger multiagency approaches.

### **Discussion Questions:**

1. Given the transnational dimensions of modern terrorist operations, what specific models of multi-agency and cross-border collaboration – such as those seen in the DusitD2 case – can be institutionalized to support timely, intelligence-driven investigations and prosecutions of terrorist financiers?
2. What specific legal or procedural reforms are most urgently needed to improve the successful prosecution of terrorist financing cases in the region – particularly in contexts where transactions occur via informal systems or across borders?
3. How can national prosecution teams strengthen their capacity to collect, preserve, and present digital and financial evidence, including mobile money and social media records, in terrorism-related cases?
4. What are the biggest barriers to effective mutual legal assistance in terrorism finance cases, and what practical steps can be taken to streamline cross-border evidence sharing and coordination?
5. How can judges, prosecutors, and investigators better engage with financial intelligence units (FIUs) and digital forensics experts to build stronger evidentiary chains in cases involving transnational financial networks?

### **Recommended Readings:**

“Money Laundering and Terrorism Financing Trends and Typologies Report,” *Financial Reporting Centre* (2024) [https://www.frc.go.ke/wp-content/uploads/2025/06/FRC-AML\\_TF-Trends-Typologies-Report-2025-Sig.pdf?utm\\_source=chatgpt.com#page=0.59](https://www.frc.go.ke/wp-content/uploads/2025/06/FRC-AML_TF-Trends-Typologies-Report-2025-Sig.pdf?utm_source=chatgpt.com#page=0.59)

“Nailing The Masterminds: The DusitD2 Terror Conviction Documentary,” *Office of the Director of Public Prosecutions Kenya*, June 30, 2025, <https://www.youtube.com/watch?v=jDTp0czG7hk>

Matt Bryden and Premdeep Bahra, “East Africa’s Terrorist Triple Helix: The Dusit Hotel Attack and the Historical Evolution of the Jihadi Threat,” *CTC Sentinel* 12, 6 (July 2019) <https://ctc.westpoint.edu/east-africas-terrorist-triple-helix-dusit-hotel-attack-historical-evolution-jihadi-threat/>

## Session 7: Combating Terrorist Financing and Illicit Activities: Cross-Border Coordination

**Format:** Plenary Session (Friday, August 1, 0900-1100)

### Objectives:

- Assess regional efforts to improve coordination among FIUs to improve the dissemination of actionable financial intelligence.
- Identify practical strategies for enhancing coordination between military and law enforcement actors in cross-border enforcement operations targeting the criminal actors and markets that finance and enable terrorist activities.

### Background:

Cross-border coordination is critically important for countering terrorism in East Africa and the Great Lakes Region where extremist groups take advantage of porous borders and weak security infrastructure. For instance, al-Shabaab leverages the porous Kenya–Somalia border and maritime routes along the Indian Ocean to smuggle arms and fighters, and engage in the illicit trade of goods—such as charcoal, sugar, and khat—that finance its activities. Similarly, Islamic State–Somalia exploits security gaps in Puntland to facilitate the movement of personnel and resources. In Mozambique, Islamic State benefits from weak border controls along the Mozambique–Tanzania frontier and uses maritime routes that link to the Indian Ocean. In Central Africa, the ADF, operating under the banner of ISCAP) capitalizes on the long and poorly secured Uganda–DRC border to maintain supply routes and staging areas.

To combat these threats, military and law enforcement actors collaborate through intelligence sharing, joint task forces, and multinational operations in border areas. In addition to information sharing, the military typically provides the logistical and tactical support necessary to operate in high-risk or unstable regions, while law enforcement agencies contribute investigative expertise and legal mechanisms to pursue prosecution. Improving coordination between security sector stakeholders could involve strengthening communication networks to facilitate real-time and secure information sharing among border agencies not only at the national level, but regionally; engaging local communities to enhance intelligence-gathering and situational awareness; expanding partnerships with regional bodies such as the Southern African Regional Police Chiefs Cooperation Organization (SARPPCO) and Eastern Africa Police Chiefs Cooperation Organization (EAPCCO), and organizations such as INTERPOL and the United Nations; and conducting joint training exercises to improve operational interoperability and trust among security forces.<sup>23</sup> Additionally, aligning legal and policy frameworks across borders can help reduce friction and enhance collective effectiveness.

Given the transnational nature of this work, FIUs can play a critical role in this bridging process. The Egmont Group’s Statement of Purpose emphasizes that FIUs should engage in information exchange with their counterparts in other countries. To do so, they must have a solid legal framework to enable cooperation, which should include the exchange of information both voluntarily and upon request, based on mutual reciprocity. FIUs are also encouraged to utilize the most effective methods for collaboration and to be capable of conducting investigations on

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<sup>23</sup> Cem Karadeli (Ed.). *Border Security in Contested Environments*. Centre of Excellence Defense Against Terrorism. 2023. <https://www.nspcoe.org/wp-content/uploads/2024/07/DATCOE17-BorderSecurityReport2023.pdf>

behalf of foreign FIUs. In practice, many FIUs across African states have established international connections to support information sharing and evidence collection, often formalized through the signing of MOUs.<sup>24</sup> Trade-based financing routes (e.g., charcoal smuggling networks traversing DRC, Uganda, Kenya, Somalia) can be utilized to establish frameworks for enhanced cross-border FIU cooperation and timely intelligence sharing related to illicit commodity flows.

This session provides participants the opportunity to identify practical strategies to improve coordination among FIUs, and enhance coordination between military and law enforcement actors in cross-border enforcement operations.

### **Discussion Questions:**

1. What models of cross-border collaboration have been effective in disrupting transnational criminal and terrorist financing networks, and how can they be replicated or scaled across the region?
2. What are the greatest challenges to improving coordination among FIUs in East and Southern Africa and the Great Lakes Region, and what is needed to overcome them?
3. What practical mechanisms can be developed to improve real-time communication and intelligence-sharing between FIUs across the region?
4. How can legal and policy frameworks be better harmonized across neighboring countries to support joint investigations, asset seizures, and prosecutions related to terrorist financing and associated illicit trafficking?
5. How can Africa Union bodies like AFRIPOL and regional organizations like EAPCCO, SARPCCO, and INTERPOL be better leveraged to build trust, interoperability, and shared operational capacity among national security and financial oversight bodies?

### **Recommended Readings:**

Guyo Chepe Turi, "Will security operations halt Kenya-Ethiopia cross-border crimes?," Institute for Security Studies, May 23, 2025, <https://issafrica.org/iss-today/will-security-operations-halt-kenya-ethiopia-cross-border-crimes>

Halkano Wario, Daniel Iberi, Fred Jonyo, Philip Kaudu, Mariah Faridah Muli and Rabbecca Kavitha Ndeti, "Countering Daesh/ ADF in Democratic Republic of Congo and Uganda," *The Horn Bulletin* Volume VI, Issue II (March-April 2023) <https://horninstitute.org/wp-content/uploads/2023/09/HORN-Bulletin-Vol-VI-Iss-II-March-April-2023.pdf#page=12.00>

"As SAMIM Winds Down, Tanzania Remains in Mozambique to Guard Against Terrorism,"

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<sup>24</sup> John Hatchard. The Role of Financial Intelligence Units in Combating Money Laundering: An African Perspective. *Journal of International and Comparative Law*, vol. 9, no. 1, 2022, pp. 103-130.

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## Session 8: Role of External Partnerships & Coordination to Combat Terrorist Financing & Illicit Activities

**Format:** Plenary Session (Friday, August 1, 1130-1330)

### Objectives:

- Understand external actors', particularly the United States', strategic interests in combating terrorist financing and the illicit economies that finance them in the region.
- Understand the impact international actors, such as the United States, INTERPOL, the EGMONT group, and the United Nations Office on Drugs and Crime (UNODC) Global Program against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML), have had on countering terrorist financing and the illicit economies that finance them.
- Discuss the Financial Action Task Force's (FATF) and the Eastern and Southern Africa Anti-Money Laundering Group's international standards on AML/CFT and assess whether African governments' efforts to meet these standards are adequate to curtail illicit financial flows.

### Background:

Terrorist organizations pose direct threats to the strategic interests of the United States. By engaging in activities like extortion, trafficking, smuggling, and abuse of financial systems, groups such as al-Shabaab, IS-Somalia, IS-Mozambique, and the ADF continue to exploit illicit economies and weak financial oversight to sustain operations and expand regional influence.

For the U.S., disrupting terrorist financing in East and Southern Africa aligns with broader objectives of reducing the threat posed by globally connected violent extremist organizations.<sup>25</sup> Curbing the financial autonomy of such groups helps prevent attacks on U.S. interests, mitigates regional instability that could require future military engagement by building up the capacity of partner states to combat terrorist financing, and promotes the resilience of partner governments and institutions.

International organizations such as INTERPOL, the EGMONT Group, and the UNODC play important roles in strengthening financial oversight and fostering cooperation. For instance, in early 2025, INTERPOL, in collaboration with AFRIPOL, conducted a regional counter-terrorism operation that led to the arrest of 37 individuals linked to groups like ISIS and Al-Shabaab.<sup>26</sup> Frontline officers at land, air, and port checkpoints received training and were outfitted with INTERPOL Mobile Devices, allowing them to access INTERPOL's databases instantly, conduct

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<sup>25</sup> In July 2025, the Terrorist Financing Targeting Center (TFTC) designated three ISIS facilitators in Africa, based in South Africa, DRC, and Somalia. U.S. Department of the Treasury. Terrorist Financing Targeting Center Designates ISIS Facilitators in Africa. July 14, 2025. <https://home.treasury.gov/news/press-releases/sb0194>

<sup>26</sup> International Criminal Police Organization. "37 Terror Suspects Arrested in East African Operation." INTERPOL, January 27, 2025. <https://www.interpol.int/en/News-and-Events/News/2025/37-terror-suspects-arrested-in-East-African-operation>



more than 88,000 checks, and initiate arrests. Another example is the specialized workshop led by UNODC in 2024, at the request of the Tanzanian FIU, which equipped participating financial investigators with comprehensive tools and methodologies for investigating financial crimes.<sup>27</sup> Also in 2024, GPML conducted a workshop in Nairobi for Somali authorities on how they can collaborate to trace, identify, and seize proceeds of crime, as well as enhance efforts in prosecuting and convicting offenders.<sup>28</sup>

An integral part of international efforts to combat terrorist financing are the standards established by FATF and its regional body, ESAAMLG. These frameworks provide benchmarks for risk assessment, regulatory compliance, and information sharing. Several African countries have made progress toward meeting these standards, with some exiting FATF's grey list after demonstrating improved compliance.

However, it remains unclear whether alignment with FATF and ESAAMLG standards alone is sufficient to disrupt entrenched illicit financial flows. Many countries continue to face structural challenges, including informal economies, under-resourced enforcement agencies, and limited prosecutorial capacity. As such, there is a need to go beyond compliance and focus on implementation, enforcement, and regional coordination – as discussed above in session 7 – to effectively counter the financial lifelines of terrorist groups.

This session provides participants the opportunity to reinforce the importance of cross-border, interagency, and interoperable nature of illicit trafficking and terrorist financing, highlighting the need for ongoing harmonization and the exchange of the latest innovations.

### **Discussion Questions:**

1. To what extent are current compliance-driven approaches to FATF/ESAAMLG standards aligned with the operational realities of terrorist financing in East Africa and the Great Lakes Region? Where is there a need to adapt or supplement these standards with context-specific enforcement strategies?
2. What are the main challenges in translating compliance with FATF and ESAAMLG standards into effective enforcement on the ground, particularly in informal and underregulated financial environments?
3. What forms of external support (e.g., technical assistance, legal advisory, investigative tools, or financial infrastructure) have been most effective in strengthening your agency's ability to detect and disrupt terrorist financing? What is still missing?

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<sup>27</sup> United Nations Office on Drugs and Crime. "Unlocking the Fight against Financial Crimes: UNODC Empowers Tanzanian Law Enforcement Agencies to Counter Money Laundering and Terrorism Financing." UNODC Eastern Africa, 14 May 2024.  
[https://www.unodc.org/easternafrika/en/Stories/unlocking-the-fight-against-financial-crimes\\_-unodc-empowers-tanzanian-law-enforcement-agencies-to-counter-money-laundering-and-terrorism-financing.html](https://www.unodc.org/easternafrika/en/Stories/unlocking-the-fight-against-financial-crimes_-unodc-empowers-tanzanian-law-enforcement-agencies-to-counter-money-laundering-and-terrorism-financing.html)

<sup>28</sup> United Nations Office on Drugs and Crime. "Strengthening Somalia's Financial Crime Response." UNODC Eastern Africa, 2024, [unodc.org/easternafrika/en/Stories/strengthening-somalias-financial-crime-response.html](https://www.unodc.org/easternafrika/en/Stories/strengthening-somalias-financial-crime-response.html).

4. What types of capacity-building (e.g., specialized training, joint investigations, secure data-sharing platforms) would most empower your institution to sustain its counter-terrorist financing efforts?
5. What are the key barriers to building durable regional cooperation – such as among FIUs, law enforcement, and judicial actors – and how can external partners help bridge these gaps without duplicating or fragmenting existing initiatives?

**Recommended Readings:**

Anneli Botha and Isaiah Abillah, “Countering the financing of terrorism in Eastern Africa,” *EAPCCO CTCoE and UNODC Issue Paper 2* (2021) [https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC\\_CTCoE\\_Issue\\_Paper\\_2\\_2021.pdf](https://eapcco-ctcoe.org/wp-content/uploads/2021/08/UNODC_CTCoE_Issue_Paper_2_2021.pdf)

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U.S. Department of the Treasury. Terrorist Financing Targeting Center Designates ISIS Facilitators in Africa. July 14, 2025. <https://home.treasury.gov/news/press-releases/sb0194>