

Conclusions and Recommendations

This final chapter provides an overview of the main findings on the nexus between Small Arms and Light Weapons (SALW) and terrorist financing. First, it explores similarities and dissimilarities identified in terms of SALW possession and its use as a means of generating terrorist financing in West Africa and the Middle East. It then discusses some of the main dynamics observed throughout this research, including the importance of diversion as a SALW supply source, the conflict-igniting impact of SALW and their illicit proliferation, the crime-terror nexus, as well as the potential impact of ongoing technological developments on SALW acquisition and use as a financing tool by terrorist organisations. Based on these findings, this chapter finally considers the scope for improvement and presents ten policy recommendations for the EU to take a step forward in addressing this phenomenon.

7.1. Comparisons between West Africa and Middle East

7.1.1. What types of SALW do terrorist groups possess in West Africa and the Middle East?

Despite the presence of a wide range of armed actors across West Africa, including various al-Qaeda and Islamic State-affiliated terrorist organisations, little difference can be observed in terms of their armament. Most of these groups, whether located in the Sahel or the Lake Chad Basin, seem to rely on what some experts labelled as “a homogeneous pool of material from the immediate region” mainly comprised of automatic assault rifles, with AK-pattern representing by far the most common weapon used by terrorist groups, and a smaller proportion of machine guns, and rocket-propelled grenade launchers, as well as some designated marksman rifles, handguns, and submachine guns.

In the Middle East, the most well-equipped terrorist organisations seem to be ISIS and Hezbollah. In the region, notably Iraq, Syria, Libya and Lebanon, the most common weapons used by terrorist groups are also AK rifles which are at least thirty years old. Most of the weapons were made by China, Romania and Russia. According to the data of CAR, some 10% of the weapons recovered in the Middle East can be classified as light weapons such as mortars, heavy machine guns and rocket launchers. The AQAP, ISY and the Houthis also have access to rocket launchers.

The types of SALW generally possessed and used by terrorist organisations active in both regions seems to be quite similar, with the majority consisting of assault rifles, in particular AK-pattern weapons. The difference may rather lie in the ratio between SALW and heavy weaponry, with West African groups having access to a limited set of heavy weapons as compared to some violent extremist groups operating in the Middle East, especially IS in Syria and Iraq.

7.1.2. How do terrorist groups acquire SALW in West Africa and the Middle East?

Diversion is the most common method for terrorist groups to acquire weapons in both West Africa and the Middle East. The type of diversion does however differ between regions. Terrorist groups have obtained weapons in both regions through battlefield capture, theft, armed raids and attacks of national stockpiles. While corruption seems to play a role in diverting weapons to terrorist groups in West Africa, many interviewees underlined that it most likely represents a marginal source as compared to arms captured through attacks, whereas in the Middle East, state-sponsored diversion is very common.

Another common source of SALW for terrorist organisations is linked to conflicts, past or present, that fuel flows of SALW. Past conflicts in Liberia, Sierra Leone, and Côte d’Ivoire, as well as rebellions in Mali and Niger, among others, are all examples of conflicts that have contributed to the proliferation of SALW in the West African region. Similarly, several high-profile events form the core of the acquisition

and use of SALW by terrorist organisations in the Middle East. The Syrian Civil War and the ongoing war in Yemen have had an outsized impact on the proliferation of SALW in the region. Within the Syrian Civil War, the rise of the Islamic State deserves specific scrutiny for its impact on SALW proliferation, as does the collapse of Libya. Even though Libya is not part of the two researched regions, it is inextricably linked to SALW circulation in both West Africa and the Middle East. Neighbouring Egypt also plays a role, and will thus merit additional evaluation, although not to the same extent as Libya.

7.1.3. Do terrorist groups (directly or indirectly) use SALW as a source of financing?

The use of SALW as a source of terrorist funding seems to be predominantly indirect.⁶⁰⁵ While some experts and stakeholders interviewed mentioned instances in which terrorist organisations may have directly engaged in SALW trafficking, evidence that would point to a structural involvement of such actors in illicit arms trade is lacking for both regions. Moreover, many argued that the incentives for terrorists to engage in the sale of SALW, which represent strategic operational means, are probably very limited. Even in cases where terrorist organisations have acted as arms providers, it remains unclear--and for many unlikely--whether these transfers represented a source of funding or rather a way to build and maintain alliances.

Apart from proceeds derived from the direct sale of SALW, terrorist organisations however appear to have plenty other ways of ‘cashing in on guns’. While information gathered as part of this research does not allow to draw definitive conclusions on the extent to how much terrorist groups profit financially from their implication in SALW trafficking, these weapons clearly appear as essential tools used to conduct most of the income-generating activities these groups rely upon. Both in West Africa and the Middle East, SALW provide violent extremist actors with the coercion power required not only to carry out various criminal activities, such as kidnapping for ransom or robberies, but also to establish and maintain their control over territories, thereby providing them with opportunities to extort local populations and levy taxes on the movements of goods and people within areas under their control. Holistically, it is evident that terrorist financing via SALW remains an extremely multifaceted phenomenon requiring continued comprehensive and diligent monitoring.

7.1.4. Links between the regions

As regards potential links between the two researched regions, there have been cases where countries in the Middle East serve as a conduit for weapons-for-gemstones deals. In late 2000 and through 2001, Lebanon was a hub for African conflict diamonds to be traded in exchange for weapons that were sent to rebel groups in Sierra Leone.⁶⁰⁶ There were other connections between West Africa and the Middle East. Liberian warlord Charles Taylor acquired weapons from Iran and maintained linkages with Lebanese, Israeli, and Libyan criminals, who also helped him secure SALW.⁶⁰⁷

More recently, research on arms circulating in the Sahel has pointed “to possible links or commonalities of supply sources between Islamist fighters in West Africa and those operating in Iraq and Syria.”⁶⁰⁸ Conflict Armament Research has indeed documented in the region some “Iraqi-origin assault rifles and a batch of Chinese rifles manufactured in 2011 whose serial numbers interleave with matching rifles that Syrian Kurdish People’s Protection Units (YPG) seized from IS[IS] fighters in Syria in 2015.”⁶⁰⁹ There is still little clarity on potential transfers of weapons and/or of skill sets to produce sophisticated

605 Reinier Bergema, Tanya Mehra, and Méryl Demuyne, *The Use of Small Arms and Light Weapons by Terrorist Organisations as a Source of Finance*, The Hague: International Centre for Counter-Terrorism – The Hague, September 2020, p.7.

606 Douglas Farah, *Blood From Stones: The Secret Financial Network of Terror*, New York: Broadway Books, 2004, pp.72-75.

607 Douglas Farah, “Fixers, Super Fixers, and Shadow Facilitators: How Networks Connect,” in Michael Miklaucic and Jacqueline Brewer, *Convergence: Illicit Networks and National Security in an Age of Globalization*, Washington D.C.: National Defense University Press, April 2013, p.81.

608 Conflict Armament Research. *Investigating Cross-Border Weapon Transfers in the Sahel*. November 2016, p.8.

609 Conflict Armament Research. *Investigating Cross-Border Weapon Transfers in the Sahel*. November 2016, p.8.

craft-weapons from parent organisations located in the Middle East to West African affiliates, but this dynamic certainly deserves to be closely monitored, according to some experts interviewed.

As regards potential conduits for arms trafficking between the two regions, the Sinai land routes and the maritime routes linking Yemen to the Horn of Africa appear as two possible points of transit which would thus require further attention.

7.2. Concluding remarks and observations

7.2.1. Diversion and terrorist organisations' SALW procurement

Diversion from national stockpiles is the most common source for terrorist groups to acquire their weapons. The Arms Trade Treaty does not provide a definition of diversion, although one of the main objectives of the treaty is to prevent and eradicate the illicit trade in conventional arms and their diversion. In the Preamble of the ATT, reference is made to “Underlining the need to prevent and eradicate the illicit trade in conventional arms and to prevent their diversion to the illicit market, or for unauthorized end use and end users, including in the commission of terrorist acts”. A sub-working group within ATT has been tasked to look into this, but due to COVID 19, the work has been delayed.

As diversion can take many different forms and happen during the different stages of the life cycle, it is moreover often difficult to determine when and how diversion happened. In a study carried out by CAR, it was able to trace the point of diversion in the supply chain in less than 10 percent of the cases of diversion in its database (1092 of the 11093). Although diversion can take place during all stages of the life cycle, it tends to take place towards the middle or end of the transfer chain. 33 percent were manufactured by states parties to the Arms Trade Treaties.⁶¹⁰

Understanding how diversion took place is however crucial to determine which measures need to be taken to prevent it. For the purposes of this report, a distinction can be made between intentional and unintentional diversion (see Table 4). Unintentional diversion can take place following the collapse of a government and its control over national stockpiles. Examples include the aftermaths of the collapse of Gaddafi regime in Libya but also the breakout of Tuareg insurrection in Mali 2012 or the dissolution of security forces in Syria and Yemen. Other forms of unintentional diversion are accidental leakage of national stockpiles, and unintentional retransfers that come down to negligence. The relevant authorities may have signed an end-user agreement many years ago, but did not keep document and store these agreements and a newly appointed official may transfer these weapons without knowing it violated an end-user agreement.

SALW can also be intentionally diverted by either non-state armed actors including terrorist organisations (unauthorised end-users), or by security personnel or state officials (authorised users). It thus includes weapons which have been obtained by terrorist groups during fighting, through so-called battlefield capture (i.e., looting of national stockpiles through armed attacks, raids on military positions and ambushes on convoys). But it also encompasses the intentional diversion through an active involvement of state officials. This can involve a certain level of corruption among military personnel that facilitate the diversion of weapons, as observed notably in the Sahel. It can also take the form of state-sponsored diversion, which is among the most common forms of diversion in the Middle East, and includes direct state backed supply of weapons and unauthorised retransfers in violation of end-user agreements. Iran, several Gulf States, and Turkey have actively been supplying their proxies with weapons and ammunition.

610 Conflict Armament Research. “Diversion Digest.” August 2, 2019. <https://www.conflictarm.com/digests/diversion-digest-issue-2/>.

Unintentional diversion	Intentional diversion
<ul style="list-style-type: none"> • Accidental retransfer (negligence) • Loss of weapons dues to state collapse • Accidental leakage of national stockpiles 	<p>Intentional diversion by the unauthorised end-user</p> <ul style="list-style-type: none"> • Battlefield capture: armed raids, attacks, ambushes, theft from national stockpiles
	<p>Intentional diversion by the authorised user</p> <ul style="list-style-type: none"> • Corruption • State-sponsored diversion: <ul style="list-style-type: none"> • a direct supply of weapons, ammunition, and skills • intentional retransfers of weapons with or without an end user agreement

Table 4. Forms of diversion.

7.2.2. Conflicts fuelling flows of SALW to and from terrorist groups

Due to the low threshold to access and use SALW, their illicit proliferation has a conflict-igniting effect. Moreover, such proliferation tends to intensify and longer sustain existing armed conflicts and political violence in a broader sense. The continued presence of SALW also increases the risk of a return to conflict and violence in post-conflict societies. The legacy of previous conflicts contributes to the circulation of SALW from and to terrorist groups. Considering the involvement of terrorist groups - whether designated internationally, regionally, or nationally - in the various conflicts in either West Africa and Middle East, and the fact that many terrorist groups have acquired weapons in a conflict or post-conflict situation, peace building measures should also address the flow of weapons.

The shift in focus in DDR programmes demonstrates a gap between DDR in policy as originally conceived, and DDR in practice as utilized today. As mentioned earlier, the process was originally intended to take place after combat had ended, or at least act as the first step in the reconciliation process. However, the particular complications which terrorist and violent extremist organisations bring, compounded by the fact that these groups cannot under traditional DDR principles act as signatories to peace agreements, means that often the fighting continues throughout the process and DDR has had to be amenable enough to exist alongside these developments.

DDR programmes are increasingly focussed on community violence reduction and are being implemented without a concluded peace agreement. As discussed in Chapter 4, transitional weapon management can hence be an effective tool prior to, during, or instead of DDR programmes. Although the aim is not necessarily to reduce the flow of weapons, but to reduce violence, through various temporary measures ranging from documenting and marking the weapons, storing weapons securely, deactivating weapons that are not 'needed', it can thus reduce the number of weapons in circulation. As such, the interim measures of transitional weapon management can overlap with the objectives to control the flow of SALW, in particular when the activities, type of measures and target group are similar. In such situations, the transitional WAM and arms control can reinforce each other.

7.2.3. Crime-terror nexus

In both regions, the crime-terror nexus is prevalent but not necessarily always easy to identify. In some cases, terrorist groups and criminal networks might incidentally cooperate out of opportunism, whereas in other situations the nexus is more structural and can be viewed as a tactical marriage of convenience.

In an interview with an expert on conflict in Libya, the interviewee spoke at length about what he labelled a "huge nexus" from the Sahel into southern Libya that follows well-established smuggling routes, as well as irregular migration routes. He went on to say that these major highways are bringing arms, drugs, migrants, etc. into North Africa, with the potential to move into southern Europe. Some

trafficking and smuggling routes into Libya emanate in West Africa and sneak up through the Sahel and across Libya's southwest border. From there, criminal networks smuggle illicit products across the Mediterranean into southern Europe. Growing instability in the Sahel and the continued use of countries such as Mauritania, Mali, Niger, and Chad by criminal networks could lead to an increase in smuggling and trafficking Europe. A major drug trafficking route transits Libya on its way to Egypt before moving up through the Balkans and into Europe.⁶¹¹

Although it is difficult to document whether terrorist groups are using the smuggling and trafficking of SALW to finance their organisations, it does not mean it does not happen. Another way of identifying and detecting the indirect financing through SALW is approaching it through the organised crime lens. According to the United Nations Convention against Transnational Organised Crime (Palermo Convention), the aim of a criminal network is to obtain, directly or indirectly, a financial or other material benefit.⁶¹² When terrorist groups are carrying out activities to fund their operations, this could fall under the scope of the Palermo Convention. Although the Palermo Convention has reached near universal status, many countries struggle to implement the Convention and thus operationalise the benefits it offers in particular to combat organised crimes. Whilst the Palermo is useful for combat organised crime, other non-binding documents such as the Addendum to The Hague Good Practices on the Nexus between Transnational Organised Crime and Terrorism could be useful to understand, identify and detect the linkages between terrorist groups using SALW as a source of funding.

Any efforts aimed at addressing criminal activities and illicit trafficking should however take due account of the potential impacts for local communities. Disrupting illicit flows and blocking regional smuggling routes may not only lead to further violence from the part of criminal actors willing to defend their businesses, but could also deprive local (border) communities from a vital livelihood in areas where black economies have often provided an income to populations with very limited alternative economic opportunities and prospects.⁶¹³

7.2.4. Technology

Like other illicit markets, SALW trafficking is adapting in the digital age. The presence of SALW sales via digital applications in Yemen and Syria, notably Telegram, reflects the fluid nature of SALW marketability in regional conflict zones. Not only does the presence of SALW in the digital sphere allow arms dealers to expand its consumer pool, but it now also provides terrorist organisations with the additional mechanisms to expand the acquisition and possible sale of SALW across demographics and geographic areas. With terrorist organisations enhancing their technical fluency with exploiting digital platforms in these conflict zones, states with declining legitimacy and enforcement capabilities will likely continue to struggle in combating the presence of a digital-SALW marketplace. Consequently, this will likely pose challenges for arms control efforts aiming to address the emerging marketability of SALW in cyberspace and the implications for the acquisition and sale of arms by terrorist organisations.

The use of Telegram by arms traders not only in Yemen, but also in other conflicts in the region is gaining popularity. As noted before, ISIS and al-Qaeda affiliated groups are known to utilise Telegram to engage in the illicit arms trafficking market within Syria.⁶¹⁴ Similarly, research has underlined the emergence of illicit arms markets online and increasing sale of weapons via different social

611 The Global Initiative Against Transnational Organized Crime, and RHIPTO. *Libya: A Growing Hub for Criminal Economies and Terrorist Financing in the Trans-Sahara*. Policy Brief, May 11, 2015, p.3, https://globalinitiative.net/wp-content/uploads/2015/05/TGIATOC-Libya_-a-growing-hub-for-Criminal-Economies-and-Terrorist-Financing-in-the-Trans-Sahara-web.pdf.

612 See United Nations Office on Drugs and Crime. "United Nations Convention Against Organized Crime and the Protocols Thereto." 2004. <https://www.unodc.org/documents/treaties/UNTOC/Publications/TOC%20Convention/TOCebook-e.pdf>.

613 Mark Micallef, Raouf Farrah, Alexander Bish, and Victor Tanner. *After the Storm: Organized crime across the Sahel Sahara following upheaval in Libya and Mali*. Global Initiative Against Transnational Organized Crime, 2019. <https://globalinitiative.net/after-the-storm/>.

614 Adam Rawnsley, Eric Woods, and Christiaan Triebert, "The Messaging App Fueling Syria's Insurgency," *Foreign Policy*, November 6, 2017. <https://foreignpolicy.com/2017/11/06/the-messaging-app-fueling-syrias-insurgency-telegram-arms-weapons/>.

mediaplatforms in Libya.⁶¹⁵ Terrorist groups exploit the internet for terrorist purposes and can remain relatively anonymous on the Dark web. This platform facilitates the flow and circulation of illegal weapons but can also serve as a source of diverting legally owned weapons. Firearms appear to be the most common product on the Dark web. While it may impose significant challenges to law enforcement to detect and identify purchases by terrorists on the Dark web, purchased weapons would need to be shipped and delivered, which could be tracked by effective traditional law enforcement and border security.⁶¹⁶

The Internet, in particular the Dark web, is not just a place where weapons can be purchased, but also to acquire skills ranging from how to make weapons and IEDs, but also how to activate deactivated weapons or convert alarm weapons into lethal weapons. This skills transfer is very difficult to trace, but can help to build the capabilities and technical knowledge of terrorist groups to acquire and use other types of weapons which can become a commodity and source of funding.

7.3. Policy recommendations

The possession and use of SALW by terrorist organisations as a source of finance can impact the long-term efforts deployed to prevent and counter the spread of violent extremism, as described in chapter 6. While the EU has an important role to play in peace and stability in the Middle East and West Africa on both the short- and the long- term, the acquisition and subsequent direct and indirect use of SALW as a source of finance by terrorist organisations clearly undermines the possibilities for peace and stability in both regions.

Authors recognize that a significant share of the responsibilities to address the nexus between SALW and terrorist financing in West Africa and the Middle East lies with national governments and regional organisations of these two regions, thereby limiting the role that the EU can reasonably play in combating this phenomenon. Findings however underscore two main areas that the EU and its member states can contribute in helping these countries to mitigate risks and challenges posed by the acquisition and use of SALW by terrorist organisations. First, the EU may pursue its efforts to support local initiatives to counter the illicit proliferation of SALW, including by strengthening regional organisations' capacities. Second, as an organisation regrouping several of the most important arms manufacturing and exporting countries globally, one aspect on which the EU may also act more directly--and perhaps with more significant results--is by tightening its control over exports of SALW to these conflict-affected regions.

The EU should take steps to:

1. Strengthen its arms export policy, for example by taking more into account the diversion record of recipients and by following a more restrictive interpretation of the relevant assessment criteria of the Arms Trade Treaty and EU Common Position 2008/944/CFSP. This should help to ensure that no weapons are exported that could be easily re-transferred to countries that violate international humanitarian law and international human rights law:

- through carrying out comprehensive and in-depth pre-export risk assessment on potential violations;
- through monitoring end-user agreements, including through enhancing pre-existing post-delivery checks and on-site inspections;
- through taking more into account diversion record of recipients;

615 Rim Dhaouadi, "Social media and the sale of arms in Libya," *ENACT*, April 12, 2019. <https://enactafrica.org/research/trend-reports/social-media-and-the-sale-of-arms-in-libya>. See also: Gabriel Gatehouse, "Weapons for sale on Facebook in Libya," *BBC News*, April 6, 2016. <https://www.bbc.com/news/world-africa-35980338>.

616 "International Arms Trade on the Dark Web." *Rand Corporation* (undated), <https://www.rand.org/randeurope/research/projects/international-arms-trade-on-the-hidden-web.html>.

- through the introduction and effective implementation of post-shipment control measures for SALW; notably hardened post-delivery checks and on-site verification mechanisms.
2. Encourage States that are manufacturing weapons to ratify the ATT, since the majority of weapons being diverted are manufactured by countries that are not members of the ATT, and enhance measures to prevent diversion and carrying out export assessments.
 3. Provide technical and financial assistance to countries in the Middle East and West Africa to improve the management of national stockpiles. This includes not only improving security measures of weapons depots, but also marking, recordkeeping, tracing and destruction of weapons. Work to ensure that the technical and financial assistance is sustainable, and not a “one off,” so that progress can be expanded over time, minimizing setbacks and pitfalls.
 4. Assist the countries in the respective regions to develop an effective WAM not only as a tool to address the arms flow but also to prevent and resolve conflict.
 5. Build confidence and engage with terrorist groups through the use of transitional WAM in a rule of law compliant manner to manage the use of arms during conflict.
 6. Encourage information sharing and closer cooperation between DDR practitioners and SALW control bodies, in order to coordinate and strengthen each other’s work, and drawing lessons - including - from previous DDR programmes on the disarmament efforts in conflicts involving terrorist groups.
 7. Assist the countries in the respective regions to mitigating the threat posed by IEDs through training, resources and equipment which would enable the government to identify, dispose and mitigate the threat posed by IEDs.
 8. Assist conflict-affected countries in improving the capabilities of their law enforcement authorities, border agencies and prosecutors to detect, analyse, and respond to new(er) technological developments - such as 3D printing and advances in the manufacturing, trafficking and use of SALW.
 9. Carry out more research into the crime-terror nexus in the respective regions to obtain a better understanding of, and develop risk indicators to recognize, the links between terrorist groups and criminal networks when trafficking in SALW.
 10. Strengthen the capabilities of the countries to carry out financial investigations and devote resources and funding to training programs to assist countries in the two regions in building the capacity to conduct their own evidence gathering and investigations.