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A U.S. F-16 fighter plane refuels as it conducts operations supporting Operation Inherent Resolve in Iraq and Syria

SAUDI ATTACKS UNDERLINE GROWING JIHADIST CHALLENGE

James Brandon

Saudi Arabia’s Interior Ministry said on January 5 that three border guards had been killed in clashes with four attackers near the Iraqi border, close to the town of Arar (*Arab News*, January 6). A ministry spokesman said that the gunmen attacked and killed two border guards, sparking a fatal shoot-out. When one of the surviving attackers offered to surrender, a senior Saudi officer approached, at which point the militant detonated an explosive belt killing himself and the officer. The attackers, who were all killed during the clash, are believed to have infiltrated from Iraq; their identities are not yet clear.

The attack, the latest in a series of incidents in the kingdom in recent months, underlines that the country is likely to face continuing jihadist pressure throughout the coming year. In the closing months of 2014, Saudi Arabia was hit by a number of small-scale terrorist attacks. These included a shooting attack in the capital Riyadh which wounded a Danish citizen in November. The Saudi government later arrested suspects over the attack, who it said were linked to the Islamic State organization (*The National* [Abu Dhabi], November 22, 2014). The Saudi government has, however, responded strongly to the uptick in militancy; for instance, on December 7, it announced the arrest of 135 terrorist suspects, including both Saudi nationals and foreigners (*al-Arabiya*, December 7, 2014).

At the same time, Saudi Arabia is also facing a range of other challenges that are liable to distract the country’s leadership from the growing Islamic State-inspired terrorism problem. Most notably, the country has refused to unilaterally cut oil production in order to support global oil prices, leading to the oil price hitting multi-year lows. Mainly aimed at defending market share and crushing higher-cost shale producers, the move is also hitting the revenues of Saudi Arabia’s allies, such as Bahrain and Kuwait, as well

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Fax: (202) 483-8337

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as its opponents like Iran and Iraq, potentially increasing regional political tensions.

Moreover, within the kingdom, tensions with the country's Shi'a minority remain high, particularly in eastern parts of the country. On December 28, thousands of Shi'as in the town of Awamia attended the funeral of a Shi'a activist who had been killed by the security forces, underlining the significant and persistent Shi'a grievances in the area (Press TV [Tehran], December 28). Adding to the problems facing the government, the country's ruler King Abdullah was hospitalized with pneumonia and a suspected lung infection on December 31. Although Crown Prince Salman said on January 6 that the king was recovering well, Abdullah's illness and evident poor health has revived speculation over who will succeed the 90-year-old monarch, casting further doubt over the Kingdom's medium-term stability (*Arab News*, January 6).

BOKO HARAM'S VIOLENCE ACCELERATES AHEAD OF NIGERIAN ELECTIONS

James Brandon

Boko Haram's rampage across northern Nigeria and into neighbouring countries has showed few signs of abating in recent weeks, with its attacks escalating further and spreading into previously untouched areas. On January 8-9, it was reported that the group had carried out a massive series of attacks in previous days on a range of Nigerian towns in the vicinity of Lake Chad, destroying more than 10 villages, displacing hundreds of local people and leaving up to 2,000 people unaccounted for (al-Jazeera, January 8; *The Guardian* [Lagos], January 9). Other attacks had taken place on January 8 in Yobe State, with Boko Haram militants attacking the village of Katarko, killing 25 and abducting women and children (*The Guardian* [Lagos], January 8). Days earlier, the group had won a notable victory in its heartland of Borno State, seizing the town of Baga on January 3-4 from a local international military joint taskforce composing troops from Nigeria, Cameroon, Chad and Niger (Africa Report, January 5). The fresh violence comes ahead of Nigerian general elections, which are due to take place in February and are currently dominating the thoughts of much of Nigeria's

political elite. Significantly, the outcome of the elections may be determined both by public perceptions of the government's, so far, ineffectual response to the Boko Haram threat and by sectarian voting patterns. The incumbent People's Democratic Party is likely to gain most of its votes in the main Christian south of the country, while the main opposition alliance, the All Progressives Congress – led by a former general, Muhammadu Buhari – is liable to attract a large number of Muslim voters.

The past week has also brought increased evidence of Boko Haram's growing ambitions outside Nigeria. In a YouTube video posted online on January 7, Boko Haram's leader Abubakr Shekau, for the first time, threatened Cameroon. Addressing the country's president, Shekau said: "Oh Paul Biya, if you don't stop this, your evil plot, you will taste what has befallen Nigeria... Your troops cannot do anything to us." [1] His statement was apparently issued in response to rapidly escalating fighting between Cameroonian troops and Boko Haram fighters in northern Cameroon (al-Arabiya, January 7). Two days earlier, on January 5, the Cameroonian government promised to protect the country's borders against Boko Haram attacks, an indication that the government was under increasing public pressure to tackle this growing threat (*Leadership* [Abuja], January 6). A few days prior to that, on January 1, Boko Haram militants had attacked a bus in northern Cameroon, killing 11 civilians, in one of its most significant attacks in the country. On December 29, Cameroon had meanwhile carried out its first airstrike against the group, bombing the Assighasia military camp that had earlier been captured by the militants (al-Jazeera, December 29). The spread of the conflict into Cameroon also promises to internationalize the conflict in other ways; on December 12, the head of U.S. Africa Command (AFRICOM) said that the United States would increase support for Cameroon's military, saying it would supply equipment and offer logistics training (VOA, December 12).

The above developments – the spread of Boko Haram violence inside Nigeria, the group's steady expansion into neighboring countries, and the apparent inability of local governments to contain the organization, either militarily or politically – underline that Boko Haram is liable to move up U.S. and international policy maker's radars throughout 2015. In the shorter term, the outcome of the February general elections could be a key indicator of how the situation in Nigeria is likely to develop in the coming months. In a best case scenario, successful elections could see a renewed political consensus, a strengthening of Nigerian democracy and a fresh determination to tackle Boko Haram. However, in a worst case scenario, ethnically and religiously polarized voting and a contested outcome could actually accentuate

religious and ethnic divisions, particularly between northern and southern Nigeria, undermine faith in the Nigerian political system and make the task of tackling Boko Haram immeasurably more difficult.

Note

1. "MESSAGE TO PRESIDENT PAUL BIYA OF CAMEROON," Jama'atu Ahlus sunnah lidda'wati Wal jahad YouTube page, January 5, 2015, <https://www.youtube.com/watch?v=WLQeLCt8Zi0&feature=youtu.be>.

The Pakistani Taliban after the Peshawar School Attack

Farhan Zahid

The dramatic December 16 attack on the Army Public School in Peshawar by the Fazlullah faction of Tehrik-e-Taliban Pakistan (TTP-F) brought renewed global attention to the TTP, a grouping of more than 40 separate terrorist and militant organizations. The attack was carried out by six TTP-F militants who breached the security parameter of the school in the morning of December 16 and then immediately began to shoot indiscriminately. The military and security forces responded by storming the compound, killing all the attackers and fully retaking the school by the end of the day (*Newsweek Pakistan*, December 16, 2014). The attack killed 145 people (including 132 students, mostly in the 9th grade) in total (*Dawn* [Karachi], December 18, 2014).

The TTP-F faction is led by Fazlullah (real name Fazal Hayat, a.k.a. "Mullah Radio"), although responsibility for the attack was claimed by its spokesperson Muhammad Khalid Khorasani (*Express Tribune* [Karachi], December 16, 2014). Fazlullah had been selected as the new amir of the TTP after the death of the group's former amir, Hakimullah Mahsud, in a drone strike in Pakistan's South Waziristan region in November 2013. The TTP-F is based in the neighboring semi-autonomous North Waziristan district, which is also part of Pakistan's Federally Administered Tribal Areas (FATA).

Motives

The TTP-F's spokesperson Muhammad Khorasani explained the attack on the military-run school as follows: "We selected the army's school for the attack because the government is targeting our families and females... We want them to feel the pain" (*al-Arabiya*, December 16, 2014). To an extent, therefore, the Peshawar school attack shows the frustration among TTP ranks at the government's on-going Zarb-e-Azb military operation in North Waziristan, which is both inflicting heavy casualties on the TTP and degrading the group's capabilities. Such frustrations – the resulting lashing out by militants – echo the 2004 school hostage massacre in Beslan in North Ossetia, the Russian Federation, where Chechen Islamists killed 330 people (most of them school children), partly in response to Russian military operations in Chechnya, which were then causing extensive casualties to the group (BBC, March 4, 2005).

At the same time, however, the Peshawar attack should also be seen in the context of the long-standing friction between local militants, including between militants closely linked to Fazlullah, and the Pakistani state. For instance, Fazlullah's father-in-law, Sufi Muhammad, a veteran Islamist and the amir of the TTP sub-group Tehrik-e Nifaz-e Shariat-e Mohammadi (TNSM), was instrumental in staging two previous Islamist revolts in the same region. The first, the 1994 Swat revolt, was crushed by military. The magnitude of this uprising was such, however, that the military had had to call in airstrikes to bomb militants positioned on mountaintops. The second, less violent, revolt occurred in 2001 when Sufi Muhammad instigated his followers to fight against the U.S. forces in Afghanistan in October 2001, amid the then ongoing U.S. invasion of that country. [1]

Following the 2001 uprising, Sufi Muhammad was incarcerated by the state, leading to his son-in-law Fazlullah taking on more militant operations in Swat district, no doubt partly motivated by personal and familial grievances. Responding to Operation Silence, the Pakistani government's military operation against Islamist militants at the Red Mosque in Islamabad in July 2007, and related events, throughout 2008 Fazlullah accelerated his efforts to gain further control in Swat valley and to drive government functionaries out of the region. This in turn prompted a series of military operations in Swat and the tribal areas during 2008 and 2009. [2]

With the death of Hakimullah Mahsud, the amir of TTP, in a November 2013 drone strike, Fazlullah was selected as the new amir by the TTP shura council. The selection of Fazlullah was disputed by other TTP members, however, as he does not hail from the Mahsud or Wazir tribes, from which TTP amirs have mostly been selected. In protest at his appointment, a group of senior commanders under the leadership of the TTP's Mohmand district chapter established a new faction, called Jamaat-ul Ahrar, in September 2014 (*Dawn* [Karachi], September 4, 2014). In addition, some other TTP leaders in October 2014 parted ways with Fazalullah and pledged allegiance to Islamic State amir Abu Bakr al-Baghdadi instead (*Dawn* [Karachi], October 15, 2014). In addition to being partly motivated by revenge, the Peshawar attack can therefore be seen as an attempt by Fazlullah to demonstrate his authority over his rivals and to re-assert his militant credentials.

Growing Radicalism

At the same time, the Peshawar attack is evidence of a new and more hardline generation of TTP operatives coming to the fore. This new breed appears to be more ruthless and

fanatical in perpetrating acts of terrorism. In particular, although Fazlullah and previous TTP leaders belonged to the highly conservative Deobandi sect, recent operations have suggested an even more pronounced drift towards *takfiri* ideology. For instance, the killing of children on such a large and deliberate scale is a relatively new departure for the TTP. It is however highly reminiscent of the actions of *takfiri* groups such as the Armed Islamic Group (Groupe Islamique Armé – GIA) during the Algerian Civil War as well as of hardline Chechen and other groups elsewhere in the Islamic world.

Evidence of this trend towards greater radicalization is that the Peshawar school operation was planned by one such new generation member of TTP, an Islamist militant called Umar Mansoor Darra, alias Umar Khalifa Adenzai. Adenzai, the 36-year-old commander of the attack, was not widely known in jihadi circles in Pakistan, although he is reportedly very close to Fazlullah. Mansoor had previously commanded the TTP-F in the Dera Adam Khel region in the outskirts of Peshawar. His group is reported to have been involved in the June 2014 shooting attack on a Pakistan International Airlines flight arriving in Peshawar, which killed a female passenger, and the March 2013 attack on Peshawar district courts. [3] With the defection of the TTP-F's Peshawar commander, Ahsan Swati, to the Islamic State, Mansoor was given the additional role of leading the TTP-F in Peshawar (*The News International* [Karachi], December 18, 2014). In light of that new operational responsibility, Mansoor planned and executed the terrorist attack on the school, reportedly instructing the attackers to kill any student who appeared to have reached adolescence.

Mansoor also later said of the Peshawar school attack: "If our women and children die as martyrs, your children will not escape. We will fight against you in such a style that you attack us and we will take revenge on innocents" (*Hindustan Times*, December 20, 2014). In another statement on the supposed future role of children studying at a military-owned school, he said that the school was guilty of "preparing those generals, brigadiers and majors who killed and arrested so many fighters," further underlining the key role of revenge as a motivation for the attack (*Newsweek Pakistan*, December 19, 2014).

Conclusion

The Peshawar school attack has underlined that the TTP remains an active, ambitious and increasingly radical group, even though since 2006 several key TTP commanders and amirs have been eliminated, and others have been incarcerated by U.S., Afghan and Pakistan forces.

In response to the attacks, the Pakistani government is likely to take some stronger steps against militancy; already it has suspended the 2008 death penalty moratorium and has executed several imprisoned militants (*Daily Times* [Lahore], December 18, 2014). At the same time, however, it remains to be seen whether Pakistan's new commitment to tackling terrorism can be sustained. In the meantime, recent events suggest that the new generation of Pakistani jihadists, led by TTP, is all set to step up their activities, including to increasingly hit soft targets. The TTP's patron al-Qaeda is additionally set to stage a comeback in Pakistan as the ISAF drawdown in Afghanistan continues, and amid the increasing ideological influence of the Islamic State in Pakistan and in other parts of the region. In view of this, the TTP's school attack may be seen as a sign of further attacks to come.

Farhan Zahid writes on counter-terrorism, al-Qaeda, Pakistani al-Qaeda-linked groups, Islamist violent non-state actors in Pakistan, militant landscapes in Pakistan and the Afghan Taliban.

Notes

1. Sufi Muhammad was long associated with Islamist political party Jamaat-e-Islami Pakistan and remained district president of Jamaat-e-Islami until 1986, when he formed his own party.
2. Operation Rah-e-Rast was conducted against the Swat militants and a further operation, Rah-e-Nijat, was launched by the government when Islamist militants from Swat found refuge with TTP in the tribal areas.
3. Author discussion with Islamabad-based journalist who is contact with TTP-F spokesperson Muhammad Khalid Khorasani, December 19, 2014.

The Rise of ADF-NALU in Central Africa and Its Connections with al-Shabaab

Sunguta West

A series of massacres in eastern parts of the Democratic Republic of Congo (DRC) in the last three months underline the resurgence of a little known Islamist militant organization, the Alliance of Democratic Forces – National Army for the Liberation of Uganda (ADF-NALU). On December 7, attacks believed to have been carried out by ADF-NALU in Oicha, in DRC's North Kivu province, left at least 36 people dead. The group also reportedly massacred more than 250 people in total in North Kivu in 16 other separate incidents between October 2 and December 7 (IRIN, December 10, 2014). All these attacks followed similar patterns, with the assailants arriving at night and deliberately slaughtering women and children (al-Jazeera, December 7, 2014). In most of the attacks, crude weapons were used, including knives, axes, machetes, hammers, rocks and hoes, as well as some firearms. Typically, victims were blindfolded, using clothes or pieces of mosquito nets, before being butchered (IRIN, December 10, 2014). The recent growth of ADF-NALU – as well as its increased capabilities and allegations of links with other African Islamist militant groups such as al-Shabaab – fit into a broader pattern of Islamist militant groups spreading across several parts of the continent, including in Cameroon, Kenya, Mali, Nigeria and elsewhere.

Background

ADF-NALU is one of the oldest militant groups in eastern DRC, having been active in the Rowezori Mountains, near the Uganda border in North Kivu province, since 1995. However, in the last three years, the group has strengthened considerably and has expanded its territorial range, notably carrying out a number of attacks near the eastern DRC town of Beni (*Africa Review*, December 7, 2014). It has also reportedly retrained its fighters and dispersed them in small groups to thwart and hamper reprisal attacks by Congolese forces, (Forces Armées de la République Démocratique du Congo – FARDC) or the UN. The group has also recently become extremely mobile, frequently moving its headquarters and base of operations (IRIN, January 27, 2014).

Historically, ADF-NALU is a product of the union between Islamic fundamentalists hailing from the highly conservative Tablighi Jamaat group and the remnants of

the Islamic National Army for the Liberation of Uganda (NALU) (Assist News, October 22, 2014). It also includes some Muslim ex-commanders from the army of Idi Amin, the former president of Uganda. As well as from within the DRC, ADF-NALU draws its members from nearby countries such as Uganda, Tanzania and Somalia (IRIN, January 27, 2014). In its early stages, it also reportedly received support from external figures such as the former DRC president (then Zaire) Mobutu Sese Seko and Sudan's leading Islamist, Hassan al-Turabi (Pambazuka News, April 30, 2009).

Leadership

ADF-NALU was founded by Shaykh Jamil Mukulu in 1989. Mukulu (born David Steven) initially belonged to the Catholic faith and was reportedly known to be very critical of the Islam, but after he converted he rapidly became a hardline Islamist, likely as a result of his early exposure to Tablighi Jamaat teachings. He is believed to have spent the early 1990s in Khartoum in Sudan, where he allegedly became close to al-Qaeda founder Osama bin Laden and several other Islamists who had taken refuge there (al-Jazeera, December 24, 2013). Various reports have alleged that Mukulu received extensive training in Sudan and also Afghanistan following his stay with Bin Laden in Sudan, although this cannot be confirmed. [1] Further unconfirmed reports alleged ADF-NALU has sought funding from al-Qaeda to start a jihadist front in central Africa (Max Security, September 23, 2013). Regardless of the truth of such rumors, Mukulu remains the group's supreme leader, despite being under UN sanctions since 2011 for his actions in the DRC. [2] However, he has not been seen in public recently, having gone underground since the defeat of ADF-NALU in western Uganda in the early 2000s.

In addition to Mukulu, Hood Lukwago serves as the ADF-NALU's military commander and Amis Kasadha as his deputy. Musa Baluku is the organisation's chief judge and chief political commissar. Mohammad Kayiira is the head of combat operations, while Benjamin Kisikolanio is the head of internal intelligence. Filipo Bogere is the head of special operations (*The Observer* [Kampala], January 10, 2013).

Under guidance these radical leaders, ADF-NALU has turned into a hardened, well-financed and disciplined outfit in the last few years. With an estimated force of between 800-1,400 fighters, the ADF-NALU is a resilient, highly organized group and is increasingly active in conducting attacks. Early last year, Emilie Serralta, the coordinator of

the UN Group of Experts on DRC, reported to the Security Council that ADF-NALU had grown in strength and was carrying out bold attacks against civilians, humanitarian workers and UN peacekeepers. [3] According to Serralta's letter, the group allegedly has several training camps in the DRC, where it stocks lethal weapons such as mortars, machine guns and rocket propelled grenades. It has reportedly further boosted its fighting force through forced recruitments and kidnappings.

From its bases in the DRC, the group is believed to fund itself through illegal gold mining and timber smuggling. Since November 2011, Mukulu has allegedly been sending jihadists for training in Somalia. The group also reportedly maintains a network of cars and motorcycle taxis operating between the DRC towns of Beni, Butembo and Oicha, which generates some income. Some financial support also allegedly comes through money transfers from London, Kenya and Uganda, which are directed to the group's intermediaries in Beni and Butembo (IRIN, January 27, 2014).

Operations

The initial aim of the ADF-NALU was to overthrow Uganda's president, Yoweri Museveni, and to replace his government with an overtly "Islamic" one. The group became operational in 1995, committing some terrorist attacks in western Uganda. It chose this region to begin its operations as the region is mountainous, had an existing conflict and was close to the DRC border. In subsequent years, however, the Ugandan Army would pile military pressure on the group, finally driving it out of the region and across the DRC border in 2002 (Assist News, October 22, 2014; Reuters, April 22, 2014; Red Pepper, May 21, 2014). In its most recent attacks in late 2014, many of its killings have been carried out near positions held by FARDC and bases of the UN Peacekeeping Mission in DRC (Mission de l'Organisation des Nations unies pour la stabilisation en République démocratique du Congo – MONUSCO) such as those in Beni, which has several bases (*Africa Review*, October 18, 2014).

In response to the group's growing presence over the last year, regional and international forces have struck back, with some operations apparently succeeding in temporarily disrupting the group. Most notably, in April 2014, the Uganda military claimed that Mukulu fled his hideout in Virunga National Park in the DRC after a UN-backed offensive destroyed camps belonging to his militia, including his main camp "Medina" (Inyenyeri News, April 22, 2014). This follows previous attacks on the groups by

FARDC, which conducted operations against the group in Eastern Kivu region in January 2014, following FARDC's successful removal of the M23 militia. At the same time, however, it should be noted that the groups has survived such offensives before, notably Ugandan operations against it in eastern DRC in 2000, 2005 and 2010, in part because of the group's successful integration into the cross-border economy and society and because of corruption in the security forces (IRIN, December 10, 2014; Enough Project, January 29, 2014).

Connections with al-Shabaab

During the last several years, the Ugandan government, and particularly the Ugandan military, has alleged that the ADF-NALU has allied itself with Somalia's al-Shabaab militants, who are fighting against the African Union backed government in Somalia, which is itself supported by Ugandan troops (*The Observer* [Kampala], July 14, 2013; Reuters, January 17, 2014). Sources suggest that al-Shabaab fighters from Somalia have been fighting with the ADF-NALU, helping organize attacks in the DRC. Foreign Arabic speakers of unknown origin are also said to have conducted military training with the group in the DRC, although this cannot be confirmed (Enough Project, January 29, 2014).

Such an expansion of al-Shabaab's activities would not be either surprising or unexpected, however. For instance, al-Shabaab has attacked Uganda in the past, most notably when it conducted multiple suicide bomb attacks in the Ugandan capital Kampala during screenings of the football World Cup in July 2010. In addition, throughout 2010, Islamist militant groups across Africa have increased their attacks and spread across a number of weak borders, sharing logistics, resources, information, funds and resources; examples include Nigeria's Boko Haram group conducting attacks in northern Cameroon, while in East Africa, al-Shabaab has carried out a number of deadly attacks inside Kenya, where it has built a cross-border network of supporters and sympathizers (Reuters, December 28). In this context, an expansion into the DRC would be a logical next step.

Conclusion

The rise of ADF-NALU, which has been marked by a steady stream of massacres and atrocities in eastern DRC, is a clear indication that the country has the potential to become a new breeding ground for Islamist militancy. Indeed, the DRC's long-standing status as a borderline "failed state," with limited government control, porous borders, abundant – and unregulated – natural resources and a range of

disenfranchised Muslim minority groups, arguably makes it an obvious target for any ambitious Islamist organization in the region.

Given the country's central position in Africa, this development poses a potentially major security threat to governments in Africa, civil society organizations operating there, and the international community at large. In particular, if al-Shabaab is able to establish a foothold there, the consequences could be severe. At present, however, ADF-NALU scarcely features on the international radar, and the few attempts to tackle it are being made through military action. There has been little thought given to other approaches, for instance, engaging local communities, which currently provide the bulk of ADF-NALU's local foot-soldiers.

Sunguta West is an independent journalist based in Nairobi, Kenya.

Notes

1. See, for example: David H. Shinn, "Al-Qaeda in East Africa and the Horn," *Journal of Conflict Studies* (2007).
2. "Sanctions Committee Concerning Democratic Republic of Congo Adds One Individual to Assets Freeze, Travel Ban List," UN Security Council Press Release, October 13, 2011, <http://www.un.org/press/en/2011/sc10410.doc.htm>.
3. "Letter dated 22 January 2014 from the Coordinator of the Group of Experts on the Democratic Republic of the Congo addressed to the President of the Security Council," http://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2014_42.pdf.

Operation Inherent Resolve: The War against Islamic State Oil

John C. K. Daly

U.S. airstrikes launched on August 23 signaled the start of Operation Inherent Resolve. This is intended to eliminate the Islamic State terrorist group and the threat it poses to Iraq, Syria, the region and the wider international community. An important aim of the air attacks is to cripple oil facilities under Islamic State control; these are a critically important source of revenue for the jihadist group as it seeks to fund its insurgency. At present, the anti-Islamic State coalition conducting airstrikes in Iraq now includes the United States, France, the UK, Australia, Belgium, Denmark and the Netherlands. In addition, nations conducting airstrikes in Syria include the United States, Saudi Arabia, the United Arab Emirates, Jordan and Bahrain. [1] The fact that a significant proportion of airstrikes have continued to target oil-related infrastructure underlines the U.S. government's assessment of the importance of oil revenues to the group. As a result of this income, according to Carnegie Endowment for International Peace Vice President Marwan Muasher, the Islamic State has become "the world's wealthiest and most financially sophisticated terrorist organization," with oil generating the greatest proportion of the Islamic State's revenue, followed by looting, local taxation, extortion and ransom (AFP, October 23, 2014).

Oil Wealth

The regional energy picture in areas controlled by the Islamic State and surrounding regions is complex, as energy infrastructure cuts across territories controlled by different groups. Nonetheless, some trends are clear: the UK risk management firm Maplecroft said on September 21 that the Islamic State controlled six out of Syria's ten oil fields, including the large Omar facility, and at least four small fields in Iraq, including those at Ajeel and Hamreen, and sold up to 80,000 barrels of oil a day worth several million dollars through the regional black market (*Financial Times*, September 21, 2014). Much of this is either sold locally, including allegedly to the Syrian regime, or transported abroad via long established smuggling networks. Valerie Marcel, a Middle East and Africa energy specialist at Chatham House, has said:

The fact that Iraq was under sanctions for so long led Kurdish and Iraqi businessmen to fill a vacuum and create smuggling networks for Iraqi oil. Turkish, Iranian, Syrian, Iraqi networks have grown because of

decades of bans on exports. From Iraq and now from Syria there is this grey market. That's becoming a huge problem. [2]

At the same time, however, most analysts currently expect that Iraq's more lucrative northern and southern oilfields will likely remain out of the Islamic State's control for the time being. [3]

Airstrikes

In its fight against the Islamic State organization, the United States has used both drones and manned aircraft. By October 17, this force had conducted over 500 sorties in Iraq and Syria, including attacking a wide range of oil-related infrastructure, including Islamic State modular oil refineries (*Wall Street Journal*, October 17, 2014). On October 16-17, for instance, a coalition airstrike near Shadadi in Syria destroyed Islamic State oil collection equipment, several petroleum, oil and lubricants (POL) tanks and elements of the Islamic State's oil producing, processing and transportation infrastructure, while also striking infrastructure that would hamper the Islamic State's ability to operate oil tanker trucks at oil collection points. [4] A week later, two coalition airstrikes on October 22-23 east of Deir al-Zor in Syria destroyed Islamic State oil storage tanks, reducing the group's ability to hold oil before shipping, which in turn creates bottlenecks throughout the oil production system. [5] 2014 ended with 10 Operation Inherent Resolve airstrikes against the Islamic State targets in Syria and Iraq on December 31, with coalition fighters and bombers conducting seven airstrikes in Syria, primarily near al-Hasakah, where two airstrikes destroyed four oil derricks (Kuwait News Agency, December 31, 2014). On January 5, coalition aircraft conducted 14 airstrikes in Syria, hitting five Islamic State crude oil collection points, a crude oil pipeline near Deir al-Zor, and other targets in Syria. [6]

Despite the air campaign, Islamic State militants have continued to attempt to seize energy assets in both Syria and Iraq. On October 30, for instance, the Islamic State announced that it had captured the large Sha'ar gas fields in Syria's Homs province after fierce battles with Iraqi Army troops. Four days later claimed that it had seized nearby Jahar gas field as well (*al-Akhbar* [Beirut], November 3, 2014). Days later, on November 1, the Islamic State seized the gas wells in the al-Sha'ir oilfield located east of Homs and launched an attack on the al-Shahhar gas field in the same region. On the same day, Nasir al-Hariri, the secretary general for the National Coalition of Syrian Revolution and Opposition Forces, the organization for opposition groups

in the Syrian civil war, warned that the Islamic State now controls:

Most of the sources of energy in Syria in view of its control over most of the sources of gas, oil, electricity and water in north and east Syria... The danger of the Islamic State's control over the economic resources of the Syrian state is serious in view of their repercussions on the future Syria for which we [the Syrian opposition] aspire.

He added that the Islamic State's wealth also "increase[s] popular support for the organization" (*al-Sharq al-Awsat*, November 2, 2014).

In one area, however, the Islamic State brutality and coalition airstrikes are having an apparent effect, degrading the Islamic State's ability to retain skilled oil field technicians. Following a series of fatal accidents at Iraqi oilfields seized by the Islamic State organization in June, the group has been forced to advertise for skilled technicians to manage the facilities it has captured. For instance, it has offered \$225,000 a year for a manager to run their refineries, the most senior of several vacancies that the Islamic State organization is seeking to fill. The recruiting call has gone out via jihadist networks as far afield as North Africa and, closer to home, to black market agents in Iraq's northern Kurdish region who have also been quietly advertising the vacancies. Robin Mills of Manaar Energy, a consultancy firm in Dubai said, "They are trying to recruit skilled professionals who are ideologically suitable. The money is good, but it's not that good. A western oil executive posted to Iraq right now, let alone working for the Islamic State, would expect to earn a lot more than that" (*The Times* [London], November 1, 2014).

Financial Flows

Aside from coalition air attacks, the United States and allied governments are also attempting to tackle the Islamic State's financial resources. On October 30, the U.S. Treasury Undersecretary for Terrorism and Financial Intelligence David Cohen said that, while U.S. and allied airstrikes had damaged small oil refineries captured by the Islamic State in eastern Syria, the strikes had slowed but not ended the organization's ability to process and sell smuggled oil and petroleum products at discounted rates on the black market in Turkey and elsewhere. Meanwhile, in Iraq, dozens of local bank branches remain free to transfer money in and out of cities and towns controlled by the Islamic State, which allows the group some access to wider global financial systems. Cohen further noted that

the Islamic State has "amassed wealth at an unprecedented pace," including receiving at least \$20 million in ransom payoffs since January, making the Islamic State, with the exception of some state-sponsored groups, "probably the best-funded terrorist organization we have confronted," adding that stopping it will take time. "We have no silver bullet, no secret weapon to empty the Islamic State's coffers overnight," Cohen said, "This will be a sustained fight and we are in the early stages." [7]

However, not all estimates of the Islamic State's oil revenues are as high as earlier American estimates and the Islamic State's actual financial resources may be somewhat lower. A confidential report prepared in October by Germany's Federal Intelligence Service (Bundesnachrichtendienst – BND) concluded that the Islamic State organization earned much less from selling oil than had previously been reported, with one barrel of the Islamic State black market oil selling for \$25, a fraction of the then-regular global market price of \$80. The BND analysis estimated then current the Islamic State oil production at 28,000 barrels per day (bpd), of which 10,000 barrels at most are exported due to a combination of airstrikes, skilled personnel shortages and efforts to quash smuggled oil sales. These lower amounts meant that the Islamic State was consequently generating an annual income from oil exports of roughly \$100s of millions, far less than the \$1 billion initially estimated by U.S. Central Command (*Süddeutsche Zeitung* [Munich], November 6, 2014).

In addition, on December 8, the U.S. State Department's new Special Envoy and Coordinator for International Energy Affairs Amos Hochstein said that the U.S.-led effort to reduce Islamic State oil revenues has been "remarkably successful in a relatively short period of time," although he did not provide precise figures (*Al-Monitor*, December 8, 2014). The Department of Defense has also been cautiously optimistic about the effect of its military operations, including on the Islamic State's oil revenues. During a November 4 Pentagon press briefing, when asked to assess the impact of the air-campaign after the first three months, Defense Department Press Secretary Rear Admiral John Kirby replied, "We do know that we've had an effect. We've eliminated streams of revenue from oil, both by hitting collection points and refineries. So, we know we've taken away from them millions of dollars per week that they could've been getting off the illicit sale of oil: refined oil." [8]

Outlook

The U.S. government said on January 7 that since the U.S.-led campaign began in August more than 1,600 U.S. and allied airstrikes have been carried out in Iraq and Syria, dropping over 5,000 bombs on the Islamic State targets (al-Arabiya, January 8). U.S. and coalition nations have flown an average of more than 110 missions a day to support the operation, most to gather intelligence, with roughly 75 percent of the aircraft returning without dropping munitions (*Los Angeles Times*, January 5). However, these efforts have so far not dislodged the Islamic State militants from any major cities or areas in Syria and Iraq. Aside from the airstrikes, a more cautionary note on the abilities of the Iraqi armed forces was sounded by the Combined Joint Task Force-Operation Inherent Resolve commander, Lieutenant General James Terry, who, on December 18, said that it would take “a minimum of three years” before the Iraqi security forces and Kurdish peshmerga were capable of defeating the Islamic State. [9] What is also clear is that with President Obama’s announcement on November 7 that an additional 1,500 troops will be sent to Iraq, the U.S. government believes that the airstrikes and other international efforts to staunch the Islamic State oil revenues will not end the region’s jihadist threat anytime soon.

Dr. John C. K. Daly is a Eurasian foreign affairs and defense policy expert for The Jamestown Foundation and a non-resident fellow at the Central Asia-Caucasus Institute in Washington DC.

Notes

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9. Department of Defense Press Briefing, December 18, 2014, <http://www.defense.gov/Transcripts/Transcript.aspx?TranscriptID=5559>.