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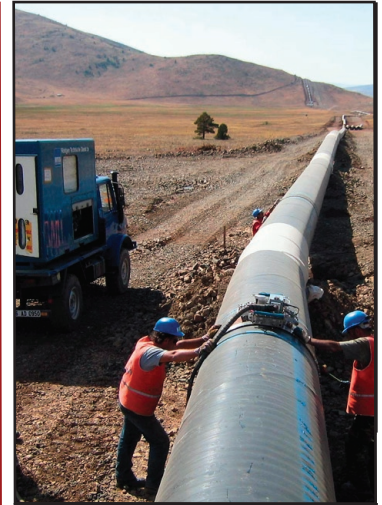
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A Who's Who of the Insurgency in Pakistan's North-West Frontier Province: Part One – North and South Waziristan

By Rahimullah Yusufzai

Militants operating in Pakistan's North-West Frontier Province (NWFP) include both Taliban and non-Taliban forces. However, the Taliban militants are much larger in number and have a lot more influence in the region. The Pakistani Taliban have close links with the Afghan Taliban and operate on both sides of the Pakistan-Afghanistan border, also known as the Durand Line after the British diplomat who demarcated the boundary in 1893, Sir Mortimer Durand. The non-Taliban militants, on the other hand, are often pro-government and enjoy cordial ties with the Pakistan authorities and security forces.

The Tehrik-i-Taliban Pakistan (TTP) of North and South Waziristan

Most of the Pakistani Taliban militants are grouped in an umbrella organization, the Tehrik-i-Taliban Pakistan (TTP). The movement was launched on December 13, 2007, in a secret meeting of senior Taliban commanders hailing from the South Waziristan, North Waziristan, Orakzai, Kurram, Khyber, Mohmand, Bajaur and Darra Adamkhel tribal regions and the districts of Swat, Buner, Upper Dir, Lower Dir, Bannu, Lakki Marwat, Tank, Peshawar, Dera Ismail Khan, Mardan and Kohat (*The News International* [Islamabad], December 15, 2007).

According to TTP deputy leader Maulana Faqir Mohammad and other senior commanders, the militants formed the organization to pool the resources and manpower of Pakistan's Taliban to fight in self-defense if the security forces of Pakistan attacked their areas and also to extend help to the Afghan Taliban taking part in the "jihad," or holy war, against U.S. and International Security Assistance Force (ISAF) troops in neighboring Afghanistan (Newsline.com.pk [Karachi], July 2008; *The News International*, July 29, 2007). Due to the military operations undertaken by Pakistan's armed forces against them, the Pakistani Taliban now have a fight at home and are therefore unable to send many fighters to Afghanistan to fight alongside the Afghan Taliban.

The TTP is headed by Baitullah Mahsud, based in South Waziristan and currently the most powerful Pakistani Taliban commander. In his late 30s, Mahsud is referred to as the "Amir Sahib" by his followers. Like many other Pakistanis, he began fighting as a young man during the Afghan jihad against the Soviet occupation force in Afghanistan and later joined the Afghan Taliban. Presently, he is stated to be ill, suffering from kidney and heart diseases due to complications arising from diabetes. He reportedly named three of his commanders to run the TTP on his behalf, including Waliur Rahman who has been negotiating with the tribal jirgas, or councils, created by the Pakistan government (*The News International*, August 24).

The TTP is not a disciplined organization as two fairly recent events showed. First was the refusal of some components of the TTP to accept Hafiz Gul Bahadur, the Pakistani Taliban commander from North Waziristan, as deputy leader of the Baitullah Mahsud-led organization. Later in the winter of 2007-2008, Hafiz Gul Bahadur did not cooperate with Baitullah Mahsud when the latter was under attack from Pakistan Army. In fact, Bahadur warned Baitullah Mahsud against firing rockets at Pakistani forces camps in Razmak, which is located in North Waziristan. His plea was that he and his followers had signed a peace accord with Pakistan government in North Waziristan and therefore no action should be taken against the Pakistani security forces there as it would amount to violation of the agreement (see *Terrorism Monitor*, February 7). In simple terms, he refused to become involved in the fighting that was then taking place between Baitullah Mahsud's Taliban and Pakistan Army in neighboring South Waziristan (Newsline.com.pk, July 2008)

Opposition to Baitullah Mahsud

Hafiz Gul Bahadur is now head of an emerging group of Pakistani Taliban commanders opposed to Baitullah Mahsud. The yet-to-be-named group also includes Maulvi Nazeer, the Taliban commander for Wana area in South Waziristan, and Haji Namdar Khan, the head of the Amr Bil Maruf Wa Nahi Anil Munkar (Promotion of Virtue and Prevention of Vice) group of militants operating in the Bara area of Khyber Agency. Namdar Khan was recently killed in Bara by a young man who was allegedly sent by Baitullah Mahsud's group to eliminate him (*The Nation* [Islamabad], August 14). This was the second attempt on his life. The earlier attack was a suicide bombing targeting him some months ago, but he survived. Several of his men along with seminary students were killed in the earlier attack which took place inside an Islamic school in Bara.

In the second instance of TTP indiscipline, the TTP failed to take action against the Pakistani Taliban commander Omar Khalid (whose real name is Abdul Wali), in Mohmand Agency even though Baitullah Mahsud had sent a commission to investigate charges against him. In fact, TTP spokesman Maulvi Omar had publicly stated that Omar Khalid would be punished for attacking a rival group of Islamic fighters that had a training camp in Mohmand Agency. Omar Khalid's men killed the group's commander Shah Khalid and his deputy Obaidullah, along with several other fighters and captured more than 70 (*Dawn* [Karachi], July 20). The detained men, all belonging to the so-called Shah group affiliated with the Salafi Ahle-Hadith sect, were subsequently freed through the intervention of a jirga of religious scholars, including Maulana Sher Ali Shah, an Islamic teacher at the Darul Uloom Haqqani seminary in Akora Khattak near Peshawar. In the end, Baitullah Mahsud and the TTP just kept quiet and took no action against Omar Khalid as this would have created disharmony in the organization and possibly even caused a parting of ways between it and its chapter in Mohmand Agency.

South Waziristan

While discussing the leading figures of the ongoing insurgency in the NWFP, it would be worthwhile to start in South Waziristan, where the Pakistan Army began its military operations in the Federally Administered Tribal Areas (FATA) in early 2004 and suffered heavy casualties in fierce clashes in Kalosha near the regional

headquarters at Wana. The Wana region is inhabited by the Ahmadzai Wazir tribe, which has historically been a foe of the neighboring Mahsud tribe to which Baitullah Mahsud belongs. Both Ahmadzai Wazirs and Mahsuds are Pashtun, the ethnic group to which the Afghan and Pakistani Taliban belong, but they have long been traditional rivals in South Waziristan and competed with each other for political and economic power. Baitullah Mahsud was an obscure Taliban commander in 2004 when Nek Mohammad from the Ahmadzai Wazir tribe in Wana was occupying the media limelight. The 27-year old Pakistani Taliban commander had fought the Pakistan Army to a standstill and forced it to conclude a peace accord with him largely on his terms. The signing ceremony was held in one of his strongholds, Shakai, near Wana, where the Pakistan Army's Corps Commander for Peshawar, Lieutenant-General Safdar Hussain, publicly embraced and garlanded Nek Mohammad and hailed him as a partner in peace. Subsequently in February 2005 when the government signed a similar peace agreement with Baitullah Mahsud in Sararogha in South Waziristan, the same army general described Baitullah as a soldier of peace (*The News International*, February 10, 2005).

Commander Nek Mohammad was killed in April 2004 in a US missile strike on his hideout in a village near Wana. His death not only led to the collapse of the peace accord he had signed with the government but also resulted in a rift among his Taliban followers in Wana on the issue of his succession. Haji Mohammad Omar declared himself the new head of the Taliban in Wana but certain other commanders declined to accept his decision. Eventually, a five-member Shura, or council, emerged to jointly lead the Wana Taliban. The Shura included Haji Omar, his brother Haji Sharif Khan, Javed Karmazkhel, Maulana Abdul Aziz and Maulana Mohammad Abbas. The Pakistan government subsequently made a peace deal with this Shura, sometimes called the "Wana 5," and allowed it to form a so-called peace committee that was given an administrative role to man roadside checkpoints and provide security to the people.

Conflict with the Uzbeks

In 2007, serious differences emerged among the Pakistani Taliban in Wana over the presence of foreign militants belonging to Uzbekistan in the area. A majority of Taliban and Ahmadzai Wazir tribesmen decided to evict the Uzbek militants, led by Islamic Movement of Uzbekistan (IMU) head Tahir Yuldashev, from Wana

and Shakai. Backed by the Pakistan government and military with arms and money, they fought the Uzbeks and their tribal supporters and finally succeeded in expelling them from Wana. A young Taliban commander, Maulvi Nazeer, led this campaign along with his two deputies Malik Abdul Hannan and Maulvi Mohammad Iqbal. Hannan was allegedly killed in July 2008 by pro-Uzbek tribesmen commanded by Noor Islam, who is the brother of Haji Omar and Haji Sharif (of the Wana 5), while Maulvi Iqbal died fighting alongside the Afghan Taliban in Afghanistan's Paktika province in June 2008. Apart from Noor Islam, other pro-Uzbek commanders of the Pakistani Taliban from Wana include Haji Omar, Javed Karmazkhel, Maulana Abdul Aziz and Maulana Mohammad Abbas. They had to take refuge with Baitullah Mahsud in the area populated by the Mahsud tribe in South Waziristan after being evicted along with the Uzbek militants. In recent months, the pro-Uzbek tribal fighters of this group have indulged in targeted killings of men belonging to Maulvi Nazeer's group (Newsline.com.pk, July 2008)

As mentioned earlier, Baitullah Mahsud is the most powerful and dangerous Pakistani Taliban commander. He was accused of involvement in the assassination of former Prime Minister Benazir Bhutto in December 2007 and blamed for sending fighters to Afghanistan to fight US-led coalition forces. He denied his involvement in Benazir Bhutto's murder but conceded on more than one occasion that he was indeed sending his men to wage "jihad" against U.S., NATO and Afghan government forces in Afghanistan (Newsline.com.pk, July 2008). Other Taliban commanders working under him include Waliur Rahman, who could succeed him in case of his death, and Qari Hussain, known for his strong anti-Shia views and also for training suicide bombers and sending them on their fatal mission. There were reports that Qari Hussain was killed in an airstrike earlier this year, but he appears to have survived (Daily Times [Lahore], January 27).

In North Waziristan, the most important Pakistani Taliban commander is Hafiz Gul Bahadur, who is also Amir (commander) of the Taliban shura there. He is now opposed to Baitullah Mahsud and has been trying to build a rival alliance of pro-government Pakistani Taliban without any appreciable success (see *Terrorism Monitor*, July 25). Two clerics who wield considerable influence on the Taliban in North Waziristan are Maulana Sadiq Noor and Maulana Abdul Khaliq. (Newsline.com.pk, July 2008) Other clerics affiliated

to Pakistani parliamentarian Maulana Fazlur Rahman's Jamiat Ulema-i-Islam-F (Assembly of Islamic Clergy – JUI-F) also appear to have some influence on the Taliban operating in North Waziristan.

(Editor's Note: The next part of this Terrorism Monitor article will cover the important Taliban and non-Taliban commanders in other tribal regions and districts of Pakistan's North-West Frontier Province.)

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Energy Security and the PKK Threat to the Baku-Tbilisi-Ceyhan Pipeline

By Nihat Ali Ozcan and Saban Kardas

In the wake of the conflict in Georgia, the future of energy transportation from the Caspian basin and Central Asia to world markets is once again on the agenda. By looking at the attack by the Kurdistan Workers' Party (PKK) on the Baku-Tbilisi-Ceyhan (BTC) pipeline in August, we will discuss how growing instability in the region highlights the interconnectedness for Turkey of security of energy pipelines, terrorism and regional stability.

Given the political, military and economic implications of oil and natural gas production and transportation, one can better appreciate the search, on the part of producers, investors and consumers, for cheaper and more secure energy transportation routes. Even a seemingly technical decision over the optimal transportation lines is shaped by political competition. The rivalry is present at all stages of energy transportation including project, construction and management. Such struggles range from securing investment capital to sharing profits, providing physical security, and ensuring political stability in the countries involved.

Today, in addition to their high economic value, energy pipelines play important roles in diplomatic, economic, military and ecological terms. In addition to offering immediate economic benefits to transit and terminal countries, pipelines may act as the building blocks of

alliances and boost cooperation among states. Likewise, pipelines may shape domestic politics in countries that are increasingly dependent on imported energy for heating or power.

One strategy that appeals to countries situated astride alternative pipeline routes is to engage in activities designed to undermine the profitability of rival existing routes and render them risky for investors. Since investors will be discouraged from financing projects in volatile and insecure regions, destabilizing rival routes by sponsoring terrorist or insurgent organizations that operate in the transit corridors is a common strategy. It is widely documented that terrorist groups around the world often attack energy pipelines and the personnel working there. Through acts of sabotage, bombing and kidnapping, terrorist or insurgent groups may seek to derail the construction of pipelines or the flow of oil or gas. Such attacks have occurred in many countries, including Colombia, Nigeria, Sudan, Algeria, Iraq, and Saudi Arabia. Likewise, during the last 25 years, the PKK has threatened the security of pipelines running through Turkish territory and from time to time has mounted actual attacks on them.

Various reasons explain why pipelines are targeted by terror organizations and their sponsors. First, the direct and indirect impact of pipelines on society makes them highly valuable targets. The effects of attacks range from the interruption of heating in winter conditions to environmental disasters, fluctuations in world energy markets, and diplomatic and legal disputes over compensation. These repercussions empower terrorist organizations in terms of bargaining power and propaganda purposes. Second, because securing infrastructure is extremely difficult, the physical vulnerability of pipelines and related facilities make them easy targets. Given the availability of explosives, blowing up pipelines can be accomplished by terrorists easily, further complicating security. Third, since petroleum and natural gas can easily ignite, terrorists prefer to attack them with explosives. Despite many safeguards developed to reduce the impact of sabotage acts and resume the operation of pipelines through quick repairs, overall pipelines are still considered vulnerable targets.¹

1 See "Threats to Oil Transport," Institute for the Analysis of Global Security, n.d., <http://www.iags.org/oil-transport.html>; "Terrorism and Oil Make Volatile Mix," *Pipeline & Gas Journal*, May 2006, pp. 32-33 (<http://www.oildompublishing.com/PGJ/pgjarchive/May06/terrorism.pdf>).

The PKK and Kirkuk-Yumurtalik Pipeline

Turkey has two strategically important trans-border pipelines, aside from the ones serving domestic needs: Kirkuk-Yumurtalik and Baku-Tbilisi-Ceyhan. When the Nabucco pipeline project is finalized it will connect the Baku-Tbilisi-Erzurum (Turkey) and the Tabriz (Iran)-Erzurum gas pipelines to Austria, feeding extensive European gas networks (see nabucco-pipeline.com). During the deliberations over the selection of these projects, their implementation, and the administration of pipelines, multinational companies had to factor the instability caused by the PKK's terror campaign into their calculations, making the PKK an indirect player in the game.

Turkey completed the construction of the first strategic oil pipeline, Kirkuk-Yumurtalik, between 1978 and 1984. It was completed in 1984, the year when the center of gravity of the Iran-Iraq war shifted from the Persian Gulf to northern Iraq. Having benefited enormously from oil revenues in financing the war, Iraq negotiated with Turkey to build a parallel line. To undermine the feasibility of Kirkuk-Yumurtalik pipeline, Iran supported the Kurdish peshmerga forces in Northern Iraq and the PKK in Turkey.² Coincidentally, the PKK initiated its terror campaign around the same time (*Hurriyet*, *Milliyet*, *Cumhuriyet*, August 18, 1984).

The PKK and the Baku-Tbilisi-Ceyhan Pipeline

The new political geography of the Caucasus and Central Asia following the dissolution of the Soviet Union led to a power struggle between Russia, Iran and Turkey. More importantly, the growing demand for energy worldwide directed the attention of the developed countries seeking to diversify their suppliers to the vast energy resources in these regions.³ The discussions concerning the transportation of Azerbaijan's energy resources to the world markets brought Turkey to the forefront, agitating Iran and Russia.

The BTC route emerged as the most efficient option for the transportation of Azeri gas and oil to the West. It was eventually expected to be expanded to carry the

rest of the Caspian basin resources. Since the lynchpin of these developments was the transportation of Azeri and Caspian resources to the West in circumvention of Russian-controlled lines, preventing or delaying the BTC project was in the interests of Russia, Iran and Armenia. Russia was concerned about losing its influence in the region and being left outside the calculations concerning the Caspian region. Iran was worried that oil revenues might boost Azerbaijan's power and increase separatist sentiments among Azeris in Iran. Armenia was naturally irked by the close relations between Azerbaijan and Turkey and by the likely increase in Azerbaijan's power.

The strategy of Russia, Iran and Armenia was based on portraying the BTC corridor as risky and unstable. Through acts of omission and commission they contributed to this perception in the 1990s. Armenia's conflict with Azerbaijan in 1993 and its invasion and ongoing occupation of Nagorno-Karabakh played a role in perpetuating instability in the Caucasus. Russia's support for Armenia and meddling in the domestic affairs of Azerbaijan and Georgia in 1992-1993 prompted instability in these countries. The escalating PKK violence inside Turkey raised questions about the safety of the transportation corridor, further delaying the project.

During the debates on the Baku-Ceyhan pipeline, the Turkish Armed Forces (TSK – Turk Silahlı Kuvvetleri) came close to eliminating the PKK through a cross-border operation in northern Iraq in September 1992. The PKK had to relocate to camps in Zeli in northern Iraq, far from the Turkish border. The deteriorating conditions forced PKK leader Abdullah Ocalan to declare a unilateral ceasefire in March 1993 (*Hurriyet*, March 15, 1993). In May 1993, during his visit to Turkey, the Azerbaijani prime minister signed the contract for the construction of the pipeline. In the intervening period, the PKK maintained close ties with Iran and Russia.⁴ On May 24, 1993, the PKK resumed violence, ambushing a military convoy on the Elazığ-Bingöl highway, killing 33 recruits discharged from their duties (*Hurriyet*, May 25, 1993). As the TSK intensified its counter-terrorism operations, the conflict escalated. Consequently, growing instability in the energy corridor forced investors to suspend the project.

2 Nihat Ali Ozcan, *PKK (Kurdistan İsci Partisi) Tarihi, İdeolojisi ve Yontemi*, Ankara, ASAM Yayinlari, 1999, pp. 222-237.

3 A. Necdet Pamir, *Baku-Ceyhan Boru Hatti*, Ankara: ASAM Yayinlari, 1999.

4 For PKK-CIS relations, see reports submitted to the 5th Congress of the PKK, Vol. 2, Damascus, 1995, pp. 569-586; on PKK-Iran relations, see pp. 553-567.

Around the same time, Russia and Iran stepped up their efforts to sell Turkey their natural gas. The Blue Stream pipeline (a trans-Black Sea natural gas pipeline supplying Russian gas to Turkey) that increasingly rendered Turkey dependent on Russian gas was initiated under these conditions.⁵ Similarly, Turkey signed a contract with Iran for the construction of a pipeline to carry Iranian gas to Turkey. The resumption of the BTC project came only in the early 2000s, after Turkey expended enormous resources to capture Ocalan and bring the PKK violence under control.

New Russian Security and Foreign Policy Doctrine

Russian foreign and security policies in the Putin era were centered on a new doctrine that sought to channel energy revenues to the realization of Russia's strategic priorities (Eurasianet.org, February 1, 2006). Rising energy prices after the Iraq war and the increasing demand for oil worldwide provided perfect conditions for implementing this project. The sustainability of this approach depends on the maintenance of Russia's influence over ex-Soviet countries, and the continuation of the West's dependence on hydrocarbons and continuing high energy prices.

Russia's interest in the production, marketing and transportation of oil and natural gas is particularly visible in the case of the BTC, hence in its policies as well toward Azerbaijan, Georgia and Turkey. Anxious to diversify energy supply routes and break down Russia's dominance, the United States and the European countries have grown increasingly interested in the BTC as well as other routes through Turkey. Although, the BTC and the Baku-Tbilisi-Erzurum gas pipeline are buried underground, concerns over their security never fully disappeared.⁶

In this context, the recent conflict in Georgia has refocused the attention to energy security in the Caucasus. Coincidentally, prior to the outbreak of hostilities in Georgia, the BTC came under attack on August 5, 2008, disrupting the oil transportation for 14 days (see *Eurasia Daily Monitor*, August 8). The pipeline had been pumping 850,000 to 900,000 barrels per day before the explosion. Although some 200,000 barrels per day were diverted to underused pipelines

running through Russia and Georgia, the financial loss over 14 days still came to over 1 billion dollars (see U.S. Department of Energy, *Energy Assurance Daily*, August 8). The oil that burned, expenses for putting off the fire, personnel and repairs cost another 20 million dollars.

These economic losses aside, the security of the BTC corridor and reliability of Turkey as an alternative supply route again came into question, as in the 1990s. During the invasion of Georgia, the Russian army did not destroy the BTC pipeline but some railways and trains used for oil transportation were destroyed. The interruption of the railways and the sabotage of the pipeline temporarily forced Azerbaijan to divert some of its crude oil through routes controlled by Russia (RFE/RL, September 2). In the wake of the Georgian crisis, Azerbaijan is wary of the idea of bypassing Russia entirely in energy transportation, as reflected by the cool reception U.S. Vice President Dick Cheney received during his September 3 visit to urge Baku to commit to pipeline routes that would avoid Russian territory.⁷

In the coming days, the debate on energy security and alternative energy corridors is likely to intensify. If Turkey cannot counter economically and politically costly attacks on pipelines in its territory and prevent instability in the surrounding regions, it will face enormous consequences. Not willing to incur billion dollar losses in every attack, multilateral corporations might explore alternative routes, and seek compromise with the PKK to cease its attacks on the pipelines. As a country aspiring to become a major transportation hub connecting Middle Eastern and Caspian hydrocarbon reserves to Europe, Turkey will come under pressure to ensure security at home and in its neighborhood. Through its diplomatic initiatives, such as the proposal for a Caucasus Stability and Cooperation Platform, it has sought to stabilize relations in the Caucasus region (Today's Zaman, August 19). Likewise, it has to restore the credibility of its territory as a secure route, especially given its plans to push for the Nabucco pipeline and discussions on the integration of trans-Caspian pipelines into the BTC.

Turkey's ambitions will paradoxically make it a target of the actors seeking to discredit the routes stretching through Turkey. As long as Turkish territory remains one of the main theaters of battle over energy

⁵ Firat Gazel, *Mavi Akim*, Istanbul: Metis Yayinlari, 2003).

⁶ For an account of the motivations of regional actors to destabilize the BTC, see: Gal Luft, "Baku-Tbilisi-Ceyhan Pipeline: Not Yet Finished and already Threatened," *Energy Security*, November 4, 2004.

⁷ Mete Goknel, "Kafkas Krizinin Ardindan Enerji Kaynaklari Konusundaki Gelismeler," September 11, 2008, <http://www.asam.org.tr/yzigoster.asp?ID=2620&kat2=2>.

transportation, the interest in the PKK either from Turkey's regional competitors or from the West will not cease. The motivations that led the PKK to sabotage the BTC in August are unclear. In any case, this move shows that the PKK closely follows regional developments and is in search of new roles and potential supporters. By targeting the BTC pipeline, the PKK might have been attempting to find new strategic partners. There are grounds to be concerned that the PKK may be receiving limited international support, though as of yet no definitive evidence is available. This sabotage was the PKK's first attack on the BTC; interestingly, it came on the eve of the crisis in the Caucasus. As the attack broke with the movement's long-standing caution in avoiding alienating Europe and the United States, it is possible the PKK may have received guarantees from other potential sponsors. Given Russia's record of limited support for the PKK in the past (such as harboring PKK leader Abdullah Ocalan), the August 5 PKK attack on the BTC pipeline may have to be analyzed within the context of broader debates on the future of energy transportation in the region and Russia's attempts to solidify its dominant position as the major supplier of Caspian and Central Asian energy reserves.

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AQIM's Offensive Reveals Shift from Insurgency to Terrorist Tactics in Algeria

By Thomas Renard

August was one of Algeria's bloodiest months in recent history. In total, 12 attacks carried out across the country by jihadi terrorists – including three suicide bombings – killed 80 and injured over 140. This murderous wave of violence confirmed a major shift by al-Qaeda in the Islamic Maghreb (AQIM) in terms of strategy, tactics, and media efforts. AQIM's offensive brought the Algerian insurgency back to the international agenda and forced the Algerian regime to take back the initiative, both on the battlefield and in the media arena.

It took AQIM only four days to demonstrate the absurdity of the daily announcements of al-Qaeda's end by Algerian officials. On August 17, a score of armed men ambushed a patrolling convoy in Skikda, in northeast Algeria, after detonating two roadside bombs, killing 12 and injuring 13. On August 19, a suicide bomber detonated a car laden with explosives outside a gendarmerie (paramilitary police) school in Issers, Kabylia, where young applicants were waiting in line to register for the entry exam. The attack killed 43 and wounded 45, including passerby civilians. One day later, on August 20, two explosives-packed cars parked on the streets of Bouira, Kabylia, were detonated, killing 12 and injuring 31. The first car targeted a local military office, while the second car targeted a bus transporting employees of a Canadian company (*Magharebia*, August 19; AFP, August 24).

The local and international press was quick to mistakenly depict the "recrudescence" of violence, which would imply that it followed a lull in terrorist activities. In fact, violence never stopped in Algeria. According to data gathered through newspaper databases and local press archives, there was a steady level of terrorist activities since the beginning of 2008 (an average of four attacks per month), with a first peak in February (eight attacks, although most of small scale).¹ Therefore, August was no "recrudescence", but a carefully prepared terror offensive, constituting a peak in violence.

It is obvious that AQIM is still alive, and its ability to carry out operations remains unaffected, despite continuous internal feuds and alleged difficulties in recruiting new members (see *Terrorism Focus*, August 5). However, one should be cautious before asserting that the Algerian insurgency is growing in size. Indeed, despite last month's tragedy, violence has not resumed to its early 1990s level when the Groupe Islamique Armé (GIA) was controlling entire regions and decimating resisting villages.

The history of the Algerian insurgency is one of decline in terms of insurgent numbers, as it started with thousands of combatants – as many as 27,000 in 1993, according to General Mohamed Touati – before it dramatically decreased to approximately 4,000 fighters among the ranks of the Groupe Salafiste pour la Prédication et le Combat (GSPC) in 2002 (see *Terrorism Focus*,

¹ This author used a restrictive definition of terrorist attack, excluding robberies and kidnappings.

November 14, 2005).² Today, the number of AQIM jihadi fighters is estimated somewhere between 300 (a figure often repeated by Algerian authorities) and over 1,000.³

AQIM's Transformation

Recent developments, including the latest bombings, are a reminder of the changing nature of the Algerian insurgency. When the GSPC started its merging process with al-Qaeda – through a communiqué of support to Osama Ben Laden on September 11, 2003 – it was more than a mere media coup. It was the beginning of a long transformation process, which would involve a strategic, tactical and propaganda shift.

Strategically, the Algerian insurgency evolved from a local struggle to part of a global conflict – which means that AQIM has global objectives but acts locally. The GIA and the GSPC were typical national insurgencies, with a local agenda. The first article of the 1998 GSPC Charter claims that the objective of the group is to “fight the Algerian regime.”⁴ Although the GIA had an important network in Europe and even carried out terrorist operations in France, these attacks did not target France because it was a Western or an apostate country, but because the support of Paris was essential to the Algerian regime. Although the internationalization of the Algerian insurgency was arguably initiated in 2003, the strategic shift – from local to global – really started under the leadership of Abdelmalek Droukdel, who was appointed leader of the GSPC in 2004 and became leader of the newly created AQIM in January 2007.

The strategic shift is most apparent through attacks against foreign targets in Algeria, such as the infamous bombing of the United Nations office in Algiers on December 11, 2007. The “international” strategy was illustrated again last month when AQIM targeted a bus used by employees of the Canadian company SNC-Lavalin, although all the victims were Algerian workers

(CanWest, August 22). AQIM's international focus translates into a greater ratio of attacks against foreign targets and a growing emphasis on international issues – including threats against Western countries – in AQIM statements.⁵

Tactically, the insurgency evolved from guerrilla-oriented operations such as armed assaults to terror-oriented operations such as bombings. In a recent study, based on her own data collection, Anneli Botha shows that the GSPC traditionally resorted to a balanced use of explosives and firearms. However, in 2007, the use of firearms by AQIM plummeted while the use of explosives more than doubled.⁶ This year, according to the data of this author, bombings outnumbered basic assaults by four to one.

On April 11, 2007, Algerian insurgents resorted to suicide bombings for the first time since the beginning of the insurgency – except for one incident in January 1995. This year, AQIM has already carried out seven suicide operations, the one on August 19 being the deadliest.

This tactical shift – from guerrilla operations to terrorism – is essentially inspired by al-Qaeda's modus operandi elsewhere, mainly in Iraq. It can be explained by a copycat effect, as well as by the return of several Iraqi veterans who can teach their know-how. However, it can also be a consequence of a decreasing amount of fighters, as terror tactics require fewer combatants than guerrilla operations.

If the use of explosives, especially suicide bombings, has proven effective in conducting the “propaganda of the deed,” the increasing use of indiscriminate violence can potentially further alienate the population and reinforce AQIM's isolation. Conscious of this, AQIM's leadership has felt compelled to publish several communiqués after their attacks in order to outline their intentions and defuse criticisms, including those from their own ranks (*Liberté*, September 4; *El Watan*, August 23). After the bombing of the Canadian bus, for instance, a communiqué stated: “we are choosing our targets carefully and we are always careful with your blood. We do not target the innocent [Muslims]” (CanWest, August 22).

5 See Andrew Black, “AQIM's expanding international agenda,” CTC Sentinel 1(5), April, 2008.

6 Anneli Botha, *Terrorism in the Maghreb: The Transnationalisation of Domestic Terrorism*, ISS Monograph Series no.144, June, 2008.

2 Luis Martinez, “La sécurité en Algérie et en Libye après le 11 septembre,” EuroMeSCo (Euro-Mediterranean Study Commission) Papers, No. 22 (2003).

3 See for instance Olivier Guitta, “Algeria fooling itself over al-Qaida,” *Middle East Times*, September 1; and the interview of Mathieu Guidère in “Mathieu Guidère: L'Algérie doit craindre le pire pour le Ramadan,” *Paris Match*, August 19.

4 Mathieu Guidère, *Al-Qaïda à la conquête du Maghreb: le terrorisme aux portes de l'Europe*, Monaco, Editions du Rocher, 2007.

The last major shift made by AQIM is on the propaganda front. Inspired by al-Qaeda's model, AQIM is putting much effort into its propaganda. On the battlefield, recent spectacular actions demonstrate AQIM's attempt to look more appealing to young sympathizers – locally and globally – through the “propaganda of the deed.” AQIM also evolved toward a centralization of propaganda production, based on the model of al-Qaeda's al-Sahab Media Center, in order to improve the reputation of the group among international jihadi supporters and to offer a more unified image of the group. A few months ago, Droukdel reached a whole new propaganda level when he was interviewed by the *New York Times*. In a master media coup, he was instantly granted international credibility and publicity, while simultaneously emphasizing AQIM's new international agenda (*New York Times*, July 1).

Taking Back the Initiative

In the last few months, insurgents and counterinsurgents have been engaged in a tit for tat campaign. However, AQIM's August offensive, and the international attention it received, broke the routine and left Algerian authorities with no choice but to react. The latest attacks seem to have triggered the “awakening” of the government, as the daily *Liberté* titled its editorial (*Liberté*, August 26).

The discourse of the government towards AQIM has radically changed. First, after almost two years, officials have finally recognized that AQIM is more than a national insurgency, but a transnational threat affiliated to al-Qaeda. After the bombings of Issers and Bouira, Minister of the Interior Mohamed Zerhouni recognized that the insurgency “serves foreign interests” (*Liberté*, August 26; *La Tribune*, September 3). Official condemnations of terrorism have also become firmer and more credible. Local media underscored that recent declarations of Prime Minister Ahmed Ouyahia to “fight terrorists to the last one” recall his harsh policy against GIA in the 1990s (*El Watan*, September 3).

Unofficially, the government is also starting to recognize that AQIM might count more than 300 fighters. Indeed, official sources told *L'Expression* that there are about 400 fighters solely in the Batna-Jijel-Skikda triangle in northeast Algeria (*L'Expression*, September 9).

Beyond the rhetoric, Algeria launched a massive

military operation across the country and heightened security in strategic points. The army announced that it has deployed 15,000 soldiers in the regions of Batna, Jijel and Skikda (*L'Expression*, September 9). Other operations are also ongoing in the so-called “triangle of death” in the provinces of Bouira, Boumerdes and Tizi Ouzou (*Liberté*, September 2). In its operations, the army is increasingly using air power, and more specifically its helicopters, which have been recently outfitted with infrared equipment, indispensable for carrying out night operations. Helicopters have been used both for reconnaissance and to attack insurgent positions (*L'Expression*, September 7). Their use is expected to increase in the immense and lawless Sahel region (*Magharebia*, August 27).

According to the military, the current operation is a “combing operation,” not a military raid. The difference between the two, according to an Algerian military source, is that “a military raid is limited in time and space. On the contrary, a combing operation, composed itself of several military raids, can last for months” (*L'Expression*, September 9).

In Algiers, the number of police personnel is increasing as 14 new police were opened last month. Hundreds of such offices are planned to be built soon across the country. According to Ali Tounsi, director of the Sûreté Nationale (domestic intelligence), this expansion of the police “will continue until we reach a ratio between security forces and population that allow us to control the situation and every form of criminality” (*El Watan*, August 31). As security tightens, opportunities for terrorists diminish. In early September, security forces thwarted a terrorist plot allegedly planning several suicide bombings in El Oued, east of Algiers (*L'Expression*, September 10).

Conclusion

August will undoubtedly be remembered as one of the bloodiest months in Algeria's recent history. The modus operandi of the attacks and the selection of targets confirmed AQIM's transformation from a local to a global insurgency, with connections to al-Qaeda. Although the offensive demonstrated AQIM's continuous capacity to hit hard, it also triggered a massive reaction from the government. In the short term, the military counteroffensive seems to bear some successes as the month of Ramadan goes by without any significant attack. In the long term, however, Algeria

will need to take some serious measures locally, but also regionally – in collaboration with its European and Maghreb neighbors – if it is determined to undermine AQIM's strength.

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Reassessing the Transnational Terrorism-Criminal Link in South America's Tri-Border Area

By Benedetta Berti

The international terrorist presence in Latin America is concentrated in several “hotspots” where terrorist organizations have found financial and logistic support, as well as a supporting base. Among these areas are Venezuela and its Margarita Island, Trinidad and Tobago, the Iquique area in Chile, and the Tri-Border Area (TBA, or Triple Frontera) in South America.

The TBA, which includes the Brazilian city of Foz de Iguazú, the Argentinean Puerto Iguazú, and Ciudad del Este in Paraguay, has served in the past twenty years as an operational and logistic center for international terrorist groups, such as the Lebanese Hezbollah, as well as transnational criminal organizations. This area has a population of approximately 700,000 people; including roughly 30,000 inhabitants of Arab descent. The Arab community, which constitutes one of the largest immigrant groups in the region, is predominantly Lebanese, especially in Ciudad del Este and Foz de Iguazú. The local Lebanese population is largely Shia.¹

The Triple Frontera is one of the most important commercial centers of South America, with approximately 20 thousand people transiting on a daily basis from the neighboring states to the free-trade area of Ciudad del

Este in Paraguay. The intense volume of people and goods entering the TBA, together with its porous borders, are two important factors that originally attracted criminal and armed groups to this area. Additionally, the relative ease with which money is locally laundered and transferred to and from regions overseas constitutes a very powerful incentive to maintain a base of operations in the TBA. Therefore, transnational criminal groups such as the Mexican and Colombian drug cartels, Chinese and Russian mafias, and the Japanese Yakuza all appear to have a strongly rooted presence in this South American region. Within the TBA, the epicenter of organized crime is Ciudad del Este – an important hub of drug and human trafficking, and the smuggling of goods, weapons, contraband and counterfeit products.²

According to Brazilian intelligence sources, financial and ideological support of international terrorist groups in the TBA dates as far back as the early 1980s³ and continued to grow during the following decades. By the end of the 1990s the TBA was described by U.S. authorities as the “main focus of Islamic extremism in Latin America” (U.S. Department of State, Patterns of Global Terrorism 2000). Despite often contradictory reports and official denials by the countries involved regarding the extent and nature of international terrorist activities taking place in the TBA in the aftermath of 9/11, both the U.S. Department of Treasury and the U.S. Southern Command continued to indicate that the TBA remained one of the main terrorism-financing centers in Latin America. The same sources added that local cells in this area have been regularly involved in illicit activities and have kept close contact with criminal organizations, especially drug cartels (AFP-Spanish, October 11, 2003; March 3, 2004).

In March 2008, the Israeli Minister for Internal Security, Avi Dichter, reiterated the concern over international terrorist cells operating in the TBA, a fear echoed by the conservative Spanish Foundation for Social Research and Analysis (FAES)⁴ – which described the TBA as “a crucial center of Islamic terrorism financing, as well as of smuggling of weapons and contraband” (Los Andes Online [Mendoza], March 17; *El Tiempo Ve* [Puerto La Cruz], August 9).

1 Mariano César Bartolomé, Elsa Llenderrozas, “La Triple Frontera desde la Perspectiva Argentina: Principal Foco Terrorista en el Cono Sur Americano” [The Tri-Border Area From the Argentinean Perspective: Main Terrorist Hotspot in the Southern Hemisphere], Center for Hemispheric Defense Studies, REDES 2002.

2 Rex Hudson, “Terrorist and Organized Crime Groups in the Tri-Border Area (TBA) of South America,” Federal Research Division, Library of Congress, July 2003.

3 Mariano César Bartolomé, Elsa Llenderrozas, p. 8.

4 Foundation for Social Research and Analysis; <http://www.fundacionfaes.net>.

The Triple Frontier as a Source of Terrorist Financing

Despite these claims, it remains difficult to assess the TBA's current role in terrorism financing. It is similarly difficult to estimate the precise amount of money actually transferred to terrorist groups. It is often a complex task to separate contributions to terrorism from simple remittances, as it is equally complex to differentiate between money laundered on behalf of criminal organizations or money destined for terrorist groups. For example, between 2003 and 2006, Manhattan district attorney Robert Morgenthau traced billions of dollars channeled through New York City banks from money-laundering operations in the TBA, and although the attorney was convinced that some of this money was channeled toward terrorists, by the end of the investigation Morgenthau was compelled to admit he could not tie any of the \$19 billion in laundered money directly to terrorists (*Diario El Pais* [Montevideo], April 4, 2006; *New York Times*, September 28, 2006).

A significant part of the money transfers in this area is done through informal value transfer systems, such as at the hawala system. Since these money transfers take place outside the conventional banking system, they are consequently harder to identify and trace.⁵

Nevertheless, there is still some relevant data regarding the volume of the monetary transfers that are made from this region to international terrorist organizations, showing the existence of a connection between the TBA and the funding of international terrorism. In the context of releasing the 2006 and 2007 International Narcotics Control Strategy Report, the US Department of State affirmed that money is laundered and channeled toward the financing of terror in this South American region on a yearly basis,⁶ adding that the level of these monetary transfers is conspicuous, being in the order of tens of millions (*La Nación* [Buenos Aires], March 1 2008). A 2005 intelligence report from Paraguay claimed that roughly 20 million dollars are collected in the triple frontier region each year to finance the Lebanese Hezbollah and the Palestinian Hamas (ANSA Noticiero En Español, July 18, 2005).

5 Benedetta Berti, "Assessing The Role Of The Hawala System, Its Role In Financing Terrorism, And Devising A Normative Regulatory Framework," *MIT International Review*, Spring 2008.

6 Anne W. Patterson, Assistant Secretary for International Narcotics and Law Enforcement Affairs, "Release of the 2006 International Narcotics Control Strategy Report," On-the-Record Briefing, March 1, 2006.

The Hezbollah Connection

Hezbollah's presence in the TBA dates back to the 1980s, when the organization first established logistical and financial cells in the region, taking advantage of the extensive network of immigrants of Lebanese origin residing in the area.⁷ Later, Hezbollah operatives in the TBA increased their activities and became operational in the 1990s. In fact, it is believed that part of the planning and executing of the 1990s terrorist attacks in Argentina took place in the TBA. For example, at the beginning of the investigations for the March 1992 bombing of the Israeli Embassy in Buenos Aires it was reported that the late Hezbollah operative Imad Mughniyah entered Argentina through the TBA in 1992 to oversee the execution of the attack, using this area as a safe haven.⁸

According to Paraguayan intelligence sources, over 46 Hezbollah operatives lived in the TBA until the year 2000, including Alí Khalil Mehri, the regional fundraiser for Hezbollah (CNN, November 7, 2001). Mehri, a resident of the TBA of Lebanese origin, was arrested in Ciudad del Este in 2001 and accused of selling fake software to finance terrorist groups, such as Hezbollah. Mehri fled before he could be tried (ABC Digital, March 11, 2007).

Among the most significant discoveries regarding the Hezbollah network in the TBA and its strong connection with local criminal activities was the uncovering of the "Barakat Clan" – an inter-related group of Lebanese residents of the TBA involved in both criminal activities and terrorism-financing. The clan revolved around the financial operations of Assad Ahmad Barakat, co-owner of one the largest shopping centers in Ciudad del Este, the Galeria Page Mall, used as a front to finance Hezbollah and recruit supporters for the organization (AFP-Spanish, March 9, 2006). In raiding Barakat's apartment, the police found Hezbollah material and propaganda, including tapes praising martyrdom operations and speeches of Hezbollah Secretary Hassan Nasrallah (*Clarín* [Buenos Aires], December 9, 2007).

The U.S. Department of the Treasury later identified Ahmad Barakat as a Specially Designated Global Terrorist (SDGT) in June 2004 (*La Gaceta Tucumán* [Argentina], December 7, 2006; U.S. Department of the

7 Rex Hudson.

8 Carlos Fayt, "Criminalidad del Terrorismo Sagrado. El Atentado a la Embajada de Israel en Argentina," La Plata, Argentina: Editorial *Universitaria de La Plata*, 2001.

Treasury, Office of Public Affairs, JS1720, June 10, 2004). Nine other individuals and two enterprises were added to the list in 2006. One individual designated as a SDGT was Muhammad Yusif Abdallah, a regional Hezbollah leader and Barakat's partner at the Galeria Page Mall. Abdallah was heavily involved in Hezbollah fundraising, and he gave the group a percentage of the profits deriving from the shopping mall (U.S. Department of the Treasury, Office of Public Affairs, December 6, 2006).

The Barakat Clan also included Ali Muhammad Kazan (who helped raise over \$500,000), Farouk Omairi and his son Khaled Omairi. Farouk and Khaled Omairi were accused of involvement in narco-trafficking, money laundering, and terrorism financing (AZ Central.com, July 12 2006; *La Nacion*, August 25, 2007). Additionally, in May 2003 Paraguayan police arrested Lebanese merchant Hassan Abdallah Dayoub while in possession of 2.3 kilos of cocaine. Investigations later revealed that Dayoub, a cousin of Ahmad Barakat, was in charge of the "wing of narco-traffickers" of the Barakat Clan,⁹ further proving the terror-criminal nexus behind Hezbollah's fundraising operations in the TBA (Diario ABC Digital, May 12, 2003; March 12, 2007).

Although no major terrorist cells operating in the TBA have been found since the Barakat clan case, there are still reports of Islamic radicals residing in the area. In 2007, Lebanese businessman Kassen Hijazi, a resident of Ciudad del Este and owner of the Telefax Company, came under scrutiny for suspect money transfers to shadowy enterprises in Beirut, running an international money-laundering scheme and operating a Hezbollah financial front (AFP-Spanish, March 4, 2007; BBC-Spanish, December 15, 2007).¹⁰ Finally, in August 2008 news sources reported that the United States was looking for a group of ten Lebanese citizens resident in the TBA who were suspected of being connected with international Islamic terrorist groups (ABC Color, August 5). The suspects were given Paraguayan visas in Lebanon (UPI Reporte LatAm, August 5).

Other Terrorist Groups Active in the Triple Frontier

Reports have also emerged of an al-Qaeda, Hamas and Gama'at al-Islamiya presence in the area.¹¹ The al-Qaeda connection with the TBA was, however, much stronger before the 9/11 attacks. For instance, in 1995 al-Qaeda leader Khalid Shaykh Muhammad spent twenty days in Brazil visiting alleged al-Qaeda sympathizers in Foz (*Epoca-O'Globo* [Rio de Janeiro], 2006; *Estado de São Paulo*; March 9, 2003; *Washington Post*, March 18, 2003). In 1996 the Brazilian Federal Police discovered that Lebanese explosives expert Marwan Al Safadi, who participated in the 1993 World Trade Center attack in New York City, also resided in the TBA in the 1990s (*Epoca-O'Globo* [Rio de Janeiro], 2006). In 1999, the Argentinean Office of the State Intelligence Secretary (Secretaría de Inteligencia del Estado - SIDE) reported the presence of al-Qaeda operatives in the Triple Frontera, stating that dormant cells were involved in financing and recruitment for terrorist groups, making as well the unusual claim that they were at the same time cooperating with local Shia groups (*Clarín*, September 16, 2001).

After 9/11 numerous police operations took place in the area, identifying al-Gama'at al-Islamiya suspects like Egyptian citizen Al-Mahdi Ibrahim Soliman, who was detained on April 15, 2002, in Foz. Egypt requested Soliman's extradition in 2002, accusing him of being involved in the 1997 Luxor terrorist attacks; however, the Brazilian Supreme Court rejected the petition (*O Estado de São Paulo*, April 16, 2002).¹² Other suspects included Lebanese native Ali Nizar Darhoug, along with his nephew Muhammad Daoud Yassine, both accused of raising approximately 10 million dollars for al-Qaeda and Hamas. Following their arrest, Yassine was able to flee the country due to Paraguay's lack of specific legislation on terrorism financing, while his uncle was held on tax-evasion charges (ANSA Noticiero En español, July 18, 2005; *Estado de São Paulo*, April 16, 2002).

Conclusion

In sum, although reports regarding al-Qaeda activities in the area are tenuous, the later episodes referring to ongoing Hezbollah operations show that in the aftermath of 9/11 the extent and nature of Hezbollah activities in the area has diminished considerably due to increased

⁹ Rex Hudson, p. 30.

¹⁰ Testimony of General Bantz J. Craddock, Commander, United States Southern Command, Hearing of the House Armed Services Committee, "Fiscal Year 2006 National Defense Authorization budget request," March 9, 2005.

¹¹ Rex Hudson.

¹² Brazilian Federal Supreme Court, "Ext 836 / EG – EGITO-EXTRADIÇÃO," October 24, 2002.

law enforcement efforts. However, logistical operations and fundraising are still taking place in the triple frontier. It remains possible that individuals involved in support activities might become operational if ordered to do so. In this sense, the ongoing cooperation between the tri-border countries and the United States has been crucial in keeping illicit activities under tight control in the area, while the push for changes at the legislative level to better regulate terrorism-financing and money laundering-related crimes can also contribute to increasing the effectiveness of law-enforcement operations in the area.

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