ISWAP Terrorist Group Makes 191million Dollars Annually From Taxing Local People

– Investigation

The Islamic State West Africa Province (ISWAP) has quietly built a functioning state-like economy across the Lake Chad region, controlling farms and cattle business through a complex taxation and governance regime that rivals Somalia-style jihadi fiefdoms. According to a report by The New Humanitarian news agency, ISWAP collects an estimated $191 million annually through a formalized system of levies on fishers, farmers, traders and migrant workers. Originally a project of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), The New Humanitarian (formerly IRIN News) operated under the UN until January 1, 2015. On March 21, 2019, IRIN relaunched independently as The New Humanitarian. The news agency, which said its report was based on painstaking investigations, stated that what the extremists make per year vastly outstrips the official tax intake of the Borno State government, which it said took in only about $18.4 million in 2024. "This investigation explores the system of rule and revenue streams that ISWAP has built in what it refers to as the dawla — the so-called caliphate it has established in parts of northeastern Nigeria and the Lake Chad region. "The report is based on in-depth interviews with fishers and traders that regularly visit ISWAP territory on a string of islands in Lake Chad, as well as former ISWAP officials and clerics who have left the group and quietly resettled in northern Nigeria," the agency said. The New Humanitarian report identified three primary types of revenue for ISWAP.

They are: Zakat: a faith-based levy on livestock, netting around $3.7 million yearly. Haraji: a tax for outsiders engaging in economic activity within ISWAP territory, often fishers and seasonal workers, collected through entry permits of roughly $13 each. Darayib: a broader category including fees on trade, cattle, charcoal, and agriculture, imposed at checkpoints and markets. "These payments," the report said, "are enforced systematically with receipts, designated inspectors, and severe penalties for non-payment, allowing ISWAP to finance military campaigns, pay fighters and bills, and even offer rudimentary public services. "ISWAP administers three broad categories of taxation: zakat, haraji and darayib. Each tax has a separate receipt that is issued after payment. "ISWAP collects zakat from cattle-owning farmers worth roughly $3.7 million a year. The tax ranges from 3.3 per cent to 1 per cent, depending on herd size — the lowest rate levied on herds of more than 60 to 80 animals.

"ISWAP does not physically take the cattle but instead collects the cash equivalent — based on a pre-determined market value, eliminating the possibility of herders undervaluing their livestock. "It also imposes a similar tax structure on sheep and goats but does collect the animals, reportedly for festive occasions and other internal uses within the group," the report said. While violent and ideologically driven, ISWAP has adopted pragmatic governance models. In many of its controlled areas, locals report being taxed for perceived "protection." "Before entry into ISWAP's territory, every individual is required to pay a $13 fee. Those with cash pay immediately at the first checkpoint before being allowed to proceed. Those without the money are permitted to enter after making a pledge to pay following their business activities. "In such cases, the group leader is held accountable for ensuring that all deferred payments are settled. Each person receives a permit or receipt, which serves as proof of payment and protects them from harassment by ISWAP's inspection task force operating on the islands. With this permit, individuals are not disturbed. "Once inside, fishers are required to pay additional fees to be in allocated fishing areas. The amount depends on the size of the area requested and the fishing method they intend to use," the report said. Quoting fishers, it interviewed, The New Humanitarian said: "These fees range from $13 to $196 and cover an entire fishing season, usually from February to June. Before exiting the territory with their goods, each fisher or fish trader is charged a fishing tax of around $2.60 per 100-kilogram carton of fish. During a normal fishing season, ISWAP can generate around $156,000 from entry permits alone." The Nigerian military has been unrelenting in tackling extremist groups in the entire North East area, which includes the Lake Chad region.