

Counter-Terrorism and Australian Aid

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Australian Government
AusAID

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The Bali bombings and the September 11 attacks on the United States highlighted terrorism as a major non-military threat to international and regional security. The Minister for Foreign Affairs reaffirmed stability and security as critical preconditions in tackling poverty in his September 2002 statement to Parliament *Australian Aid: Investing in Growth, Stability and Prosperity*.

Australia's Foreign and Trade Policy White Paper *Advancing the National Interest*, released jointly by the Minister for Foreign Affairs and the Minister for Trade on 12 February 2003, commits Australia to the international campaign to eliminate the global threat of terrorism. The campaign requires non-military

responses, including in the areas of law enforcement, legal frameworks, intelligence, customs and migration.

This paper outlines the contribution of the Australian aid program within broader government and international efforts to combat terrorism.

Terrorism and Poverty

The objective of the Australian aid program is *to advance the national interest by reducing poverty and promoting sustainable development*. Terrorism challenges this objective.

Terrorism impacts on poverty

Sustainable reductions in poverty can only be achieved in stable environments and growing economies. Terrorism destroys lives and property, exacerbates instability and has significant economic consequences. The threat of terrorism results in less confidence, reduced investment and disrupted services – all of which suppress economic growth, making the challenge of tackling poverty more difficult. It also undermines personal security particularly for the poor who are most vulnerable. Terrorist networks operating in South East Asia threaten growth prospects, particularly in Indonesia and the Philippines where existing tensions and communal violence already undermine confidence and security.

Poverty, conflict and weak governance create environments for the growth of terrorist networks

While poverty provides no justification for acts of terror, entrenched poverty can create an environment in which terrorist networks may be fostered. Terrorist leaders can exploit the frustrated, the poor and the politically and economically excluded. The aid program restricts environments conducive to terrorism by assisting the poor to access basic services, including quality and affordable education, improving their employment prospects and helping them cope with risk and vulnerability.

Countries and regions on the verge of or emerging from violent conflict are areas in which terrorists are recruited, and those with weak and failing governance can provide greater opportunity for terrorist networks to develop. This poses a particular challenge to Australia as it is situated within a region of conflict-affected and poor-performing states that also continue to face serious transnational threats such as crime and unauthorised movements of people, arms, and drugs, leaving them open to terrorist networks.

Australian Aid stresses the need to address instability and conflict in the region by enhancing partner governments' capacity to prevent conflict, enhance stability and manage trans-boundary challenges.

Countering Terrorism – The Role of Australia's Aid Program

The role of the aid program within broader Australian government and international counter-terrorism efforts is mainly long-term in nature and draws on the knowledge and expertise in capacity-building developed over many years' experience. Assisting countries strengthen their counter-terrorism capacity will be to no avail unless governments and donors address broad development needs, including through a well-resourced mainstream education system that equips young people to contribute positively to their society.

Consistent with its poverty reduction mandate, the aid program's contribution to counter-terrorism efforts centres on two themes:

- **to build the capacity of partner countries to manage terrorist threats by strengthening counter-terrorist and broader law enforcement capacity, and**
- **to promote environments conducive to economic growth and poverty reduction to minimise the potential for terrorist networks to develop.**

Countering terrorist threats

Strengthening counter-terrorism capacity

The aid program helps developing countries manage the threat of terrorism by strengthening counter-terrorism capacity particularly in the areas of:

- terrorist financing and money laundering
- counter-terrorism aspects of policing, and
- border security.

Australia assists governments to strengthen regional and international counter-terrorism cooperation. For example, Australia is supporting the APEC leaders' commitment to secure trade in the region by providing training to implement International Maritime Organisation port security measures in Indonesia, Vietnam, China, Thailand, Papua New Guinea (PNG) and the Philippines. The aid program is also increasing awareness and capacity-building in cyber-security for computer emergency response teams in the Philippines, Indonesia, Vietnam, PNG and Thailand.

Building counter-terrorist capacity in Indonesia

Australia is currently implementing a \$10 million four-year initiative to help Indonesia build its counter-terrorism capacity in three priority areas.

Indonesian police force

AusAID is working with the Australian Federal Police to strengthen the Indonesian National Police's capability to combat terrorism and related crimes both at the strategic and operational levels.

AusAID is contributing \$3.5 million to the activity which includes crisis management training and intelligence officer and analyst training, institutional support for the establishment of a Transnational Crime Centre and development of a Criminal Information Management System.

Terrorism financing

AusAID is providing \$3.5 million to support Indonesia's efforts to strengthen its anti-money-laundering regime. AusAID has supported the anti-money-laundering role of Indonesia's Financial Intelligence Unit and the Insurance Directorate of the Ministry of Finance. Support has also been provided in the areas of legislative drafting and training in suspicious financial transactions investigations. AusAID has engaged Australia's financial intelligence unit, AUSTRAC, to provide advisory support over a two-year period.

Travel security

A \$3 million fund has been established to foster capacity-building links between Australian and Indonesian government departments relating to travel security.

Building counter-terrorism capacity in the Philippines

During his visit to the Philippines in July 2003, Prime Minister Howard announced a three-year \$5 million package of counter-terrorism assistance. The package will provide practical assistance in the following areas.

Law enforcement

AusAID is working through the Australian Federal Police to build the capacity of the Philippine police force in forensic and crime scene investigation.

Border control

Two document examination laboratories will be established – one at the main office of the Philippine Bureau of Immigration and one at the new Ninoy Aquino International Airport. In addition,

training will be provided to build the capacity of the Bureau of Immigration to better detect fraudulent travel documents.

Port security

This activity will strengthen the capacity of selected local ports in the Mindanao province to develop port security plans to meet international obligations. The Australian Department of Transport and Regional Services will develop training modules and deliver the training.

Regional cooperation

AusAID will support the development of links between law enforcement, border control and port security officials in the southern Philippines and their counterparts in the neighbouring region.

In the Pacific, Australia, New Zealand, the United States, the Commonwealth Secretariat and the Pacific Islands Forum Secretariat are coordinating efforts to assist Pacific island countries to meet their obligations under the Nasonini Declaration, which commits them to act collectively in response to security challenges and to implement

internationally agreed anti-terrorism measures. Donors are providing in-country legislative drafting assistance to cover key international conventions and UN Security Council resolutions on the financing of terrorism, in jurisdictions – such as Fiji and Vanuatu – that are more vulnerable through being financial, tourism or air-travel hubs.

New Pacific initiatives

Peace and Security Fund

The Peace and Security Fund, to be established in 2003–04, will enable Australia to provide flexible and targeted assistance to directly address needs in post-conflict societies such as the Solomon Islands. The Fund, which will total \$7.5 million in 2003–04, will also strengthen the broad security framework in the Pacific through the Pacific Regional Policing Initiative and assistance to counter transnational crime and terrorism.

Pacific Regional Policing Initiative

The five-year Pacific Regional Policing Initiative targets the development of police skills – at all levels – across the Pacific. Roving teams of Australian and Pacific experts will deliver training both from a base in Fiji and around the Pacific. Up to 900 Pacific police will receive training each year with a focus on basic police technical skills and forensic skills. The initiative will also aim to develop an ethos of professionalism and ethics in management and strengthen linkages between the region's existing law

enforcement bodies. Australia will contribute \$15 million to the \$17 million project over five years, with the balance to be provided by New Zealand. The initiative will commence in early 2004.

Fiji Law and Justice Sector Program

The Law and Justice Sector Program commenced in June 2003. It will strengthen the capacity of Fiji's institutions to improve law and order and strengthen the rule of law. Advisors are working across agencies, including the courts, police, corrective and rehabilitation services, Office of the Attorney-General and Office of the Director of Public Prosecutions. Key areas of focus include juvenile justice, victim support, crime prevention, reporting, investigations, prosecuting, sentencing, incarceration and rehabilitation processes. The program will complement efforts to support implementation of the Counter-Terrorism Memorandum of Understanding signed between the governments of Australia and Fiji in March 2003.

Strengthening broader law enforcement capacity

Support for counter-terrorism capacity needs to be complemented by effective law and justice systems and institutions. Strengthened parts of a police force will not bring effective results if the performance of other parts of the law and justice sector is poor. For instance, arresting terrorist suspects will be to no avail if they cannot be detained and prosecuted effectively.

The aid program is working actively in the law and justice sector to address systemic

problems. Australian aid is supporting legal reform programs in Indonesia, Vanuatu, Fiji, Tonga and Cambodia. Over the last two decades Australia has provided a range of assistance to the law and justice sector in PNG. Support was provided initially for police assistance but more recently has extended to other law and justice agencies including correctional services, Attorney-General's department, court administration and the Ombudsman Commission.

PNG Law and Justice Sector Program

The design phase of the new five-year Law and Justice Sector Program, estimated at \$60 million, commenced in 2003. The program recognises that the effectiveness of any justice system depends on the law and justice institutions working together effectively in crime prevention, investigation, prosecution, trial, sentencing

and rehabilitation. The Law and Justice Sector Program will foster local ownership through greater understanding and use of local systems. It will assist in improving sectoral coordination, strengthening the formal justice system and supporting innovative community approaches to crime prevention.

In Fiji, Australia has helped improve the capacity of the Office of the Director of Public Prosecutions to manage major prosecutions and is providing ongoing support for the position of Police Commissioner. Australian support is helping strengthen police forces in the Solomon Islands, Vanuatu and Samoa by building organisational capacity and introducing community policing approaches. A new Pacific Regional Policing Initiative will train police across the region.

Promoting environments conducive to growth and effective delivery of services

By **strengthening governance**, promoting growth and stability, and reducing poverty, the aid program is making it more difficult for terrorist networks to find a foothold in the region. Effective engagement with poor-performing states is a cornerstone of this approach. Aside from law and justice, key areas of governance for the aid program are the development of effective, transparent and accountable institutions of government and public administration, as well as the development of a robust civil society.

Investments in governance are balanced with support for **better service delivery**, particularly in education and health. Australia is assisting countries develop better quality, cost-effective and community-focused service delivery systems which will support sustainable delivery of services and lead to better health and education outcomes in the long term.

The aid program has a strong emphasis on **basic education** and vocational and technical education. Since 1999 Australia has helped provide over 50 000 people with vocational training and assisted over two million children enrol in or gain access to education facilities and services. Improved literacy lays the groundwork for skilled and productive populations and enables the poor to expand their range of choices, improve their productivity and participate more fully in society.

Australia is significantly expanding assistance to basic education in Indonesia where there is a strong correlation between poor educational attainment and poverty. Australia is working in cooperation with other major donors to improve the quality and accessibility of basic education including the secular education provided through religious schools. This will be similar to an activity already underway in the Philippines.

Support for basic education in the Philippines

Australia commenced a \$5 million two-year basic education project in Mindanao in February 2002. The project aims to improve the quality of management of basic education in Mindanao – including the Autonomous Region of Muslim Mindanao – and to respond to local education needs, particularly those of minority and isolated communities in

these regions. The project is training over 300 senior administrators and over 1500 school principals. Over 1200 out-of-school children from Muslim and indigenous or remote communities will benefit. This project follows an earlier basic education project which benefited approximately 25 000 educators and 720 000 children in over 880 schools in 18 provinces.

In pursuing this approach as part of whole-of-government efforts, the aid program is guided by the priorities and circumstances of partner governments, the programs and activities of other donors and the eligibility criteria for aid set down by the Development Assistance Committee of the OECD. The aid program will not normally fund large infrastructure activities or high-cost specialist equipment and would only consider such activities as part of complementary capacity-building activities. Nevertheless, the aid program will assist partner governments in their dialogue with other partners – such as the multilateral development banks – to identify funding for high-cost items.

Terrorism threatens poverty reduction and stability in our region. This in turn impacts on Australia's security and prosperity. The aid program plays a significant role in broader efforts to counter terrorism, drawing on its own expertise and experience in building capacity and promoting environments for growth and poverty reduction in the Asia-Pacific region.

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For further information about the Australian aid program, contact:

AusAID Public Affairs Group

AusAID

GPO Box 887

Canberra ACT 2601

Phone (02) 6206 4000

Fax (02) 6206 4880

Online copies of publications by the aid program are available on the AusAID internet site:

www.ausaid.gov.au/publications

Hard copies are available from:

National Mailing and Marketing

PO Box 7077

Canberra BC ACT 2610

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Fax (02) 6260 2770

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