

Terrorist Financing: Counter-Terrorism Action Group — Finance

Commitment

“We will develop a diplomatic strategy to urge speedy consideration of ratification of the TOC [Transnational Organized Crime] Convention and coordinate with others, including donors to the UN Office on Drugs and Crime, to provide technical assistance to promote implementation of the Convention.”

*Fighting Corruption and Improving Transparency*⁶¹⁴

Background

On September 29, 2003, the United Nations Transnational Organized Crime (TOC) Convention entered into force, having received the minimum 40 ratifications required as of July 2003. The TOC Convention represents a significant achievement between states in the fight against organized crime and terrorism. Specifically, it presents a number of measures that enable states to cooperate against activities such as money laundering, corruption, and the obstruction of investigations. The Convention was first officially adopted by the UN General Assembly at the Millennium Assembly in November 2000.

At the 2004 Sea Island Summit, members of the G8 placed a strong emphasis on countering terrorism. This was motivated by not only the memories of 9/11 terrorist attacks, the war in Iraq, and the security malaise in Afghanistan, but the terrorist attacks in Madrid, Spain just prior to the Sea Island Summit as well. One of the main pledges made by the G8 under the banner of counter terrorism was to ratify the TOC Convention so that states would be better equipped to deal with terrorism, particularly its funding, in a more efficient and collaborative manner. The pledge also called on all members of the G8 to actively help non-members ratify the Convention.

Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany		0	
Italy		0	
Japan		0	
Russia			+1
United Kingdom		0	
United States		0	
European Union			+1
Overall: 0.44			

⁶¹⁴ Fighting Corruption and Improving Transparency, 2004 Sea Island Summit Official Website (Sea Island) 10 June 2004. Date of Access: 3 January 2005 www.g8usa.gov/d_061004e.htm

Individual Country Compliance Breakdown

1. Canada: 1

Canada has complied with the main component of its terrorist funding commitment by ratifying the United Nations Transnational Organized Crime (TOC) Convention⁶¹⁵ and coordinating with others to provide technical assistance to promote the implementation of the convention. It should be noted that the majority of Canada's support for the second half of the commitment comes from programs initiated before the Sea Island Summit. In general these do not count towards commitment compliance since such activities must be initiated in response to, not previous to, the Summit. Nevertheless, since budget funding for these programs were approved for FY2005, this can be construed as compliance to the 2004-2005 Sea Island compliance period.

Canada, on May 13, 2002, ratified the UN TOC (also known as the Palermo Convention), "...which entered into force on September 29, 2003."⁶¹⁶ In the fight against terrorism, particularly terrorist financing, the TOC convention is a landmark agreement. The Convention calls for, *inter alia*, law enforcement cooperation, technical assistance and training, encouraging information sharing, and removing impediments to international extradition. Furthermore, Canada should be commended for ratifying the conventions' two accompanying protocols addressing the smuggling of migrants and trafficking of persons.

Canada has also undertaken several measures with China, Mexico and France to fulfil the second component of the commitments regarding technical assistance for the implementation of the TOC. A project of great importance has been Canada's work with China through the "Canada-China Procuratorate Reform Cooperation Project."⁶¹⁷ This program, which began in 2002, aims to further develop China's judicial capabilities. Canada hopes that the program will encourage more consistent implementation of new legal codes and laws in China, which will in turn allow China to implement the Convention more efficiently. The Canadian International Development Agency (CIDA) will monitor this program until 2007. According to Reid Cooper, an official with the International Crime and Terrorism Division in Canada's Department of Foreign Affairs and International Trade (DFAIT), Canada has also been engaging in ongoing counter-terrorism legislative drafting workshops with the United Nations Office on Drugs and Crime (UNODC), the Inter-American Committee Against Terrorism (CICTE), and Mexico.⁶¹⁸

In addition to these activities, Canada is to be commended for its recent cooperation with France. In early 2005, Canada's Financial Transactions and Reports Analysis Centre (FINTRAC) and its French counterpart, la Traitement du renseignement et action contre les circuits financiers

⁶¹⁵ *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

⁶¹⁶ *International Crime and Terrorism*, Department of Foreign Affairs and International Trade Website (Ottawa) 16 August 2004. Date of Access: 7 January 2005 [www.dfait-maeci.gc.ca/internationalcrime/human_trafficking-en.asp]

⁶¹⁷ *China: Approved Projects As of December 2003*, Canadian International Development Agency Website (Ottawa) 4 May 2004. Date of Access: December 29, 2004

[www.acdicida.gc.ca/CIDAWEB/webcountry.nsf/VLUDocEn/777F860193C7183185256DEB005A3EFC#30]

⁶¹⁸ *RE: Terrorist Financing and the G8/UN TOC Convention*, Email Correspondence between Reid Cooper and Stefan Kahandalyanage (Toronto) 6 January 2005

clandestins (TRACFIN), signed an agreement to share intelligence on money laundering and terrorist financing. The agreement “sets out terms for the sharing of financial intelligence and the protection of personal information. FINTRAC will benefit from the expanded financial intelligence from its French counterpart as it works to identify links between transactions.”⁶¹⁹ FINTRAC Director Horst Intscher believes the agreement will prove to be a major boon in Canada’s national initiative to combat money laundering and terrorist financing.

2. France: +1

France has shown an outstanding level compliance with respect to its terrorist funding commitment. On October 29, 2002, France ratified the Transnational Organized Crime (TOC) Convention and was one of the first states to do so.⁶²⁰ France has also upheld the second part of its commitment, which involves helping others implement the Convention, by planning with Spain “to establish a joint, cross-border police and judicial corps against terrorism and [terrorist] financing....”⁶²¹ This plan is uniquely designed to target the Basque militant group ETA and Islamic extremists operating in Europe. However, it remains unclear as to how French and Spanish law enforcement will coordinate with each other given each states’ respective domestic laws.

On November 30, 2004, France also participated in the inaugural Ministerial Meeting of the Middle East and North Africa Financial Action Task Force (MENAFATF) held in Manama, Bahrain.⁶²² At this meeting, France supported the decision of the governments of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen to establish the Middle East and North Africa Financial Action Task Force. The organization’s main objective will be to of fight terrorist funding. It will do so by acting as a “regional FATF” by abiding by the treaties and resolutions of the United Nations.⁶²³

In addition to this, France and the UK have also begun a coordinated effort on transnational crime prevention in Africa through the “Action Plan for Organised Crime in Africa.”⁶²⁴ This plan

⁶¹⁹ *France and Canada sign agreement to share financial intelligence on money laundering and terrorist financing*, FINTRAC Website (Ottawa) 1 February 2005. Date of Access: May 1, 2005

[www.fintrac.gc.ca/publications/nr/2005-02-01_e.asp]

⁶²⁰ *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004

[www.unodc.org/unodc/en/crime_cicp_signatures_convention.html#465]

⁶²¹ *France and Spain Debut New Terror Teams*, Washington Times Website (Washington D.C.) 20 September 2004. Date of Access: 20 December 2004 [www.washingtontimes.com/upi-breaking/20040920-125638-4764r.htm]

⁶²² *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action Task Force (MENAFATF) Against Money Laundering and Terrorist Financing*, Bahrain Ministry of Finance and National Economy (Manama) 30 November 2004. Date of Access: 5 December 2004

[www.mofne.gov.bh/English/news_detail.asp?ID=286]

⁶²³ *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action Task Force (MENAFATF) Against Money Laundering and Terrorist Financing*, Bahrain Ministry of Finance and National Economy (Manama) 30 November 2004. Date of Access: 5 December 2004

[www.mofne.gov.bh/English/news_detail.asp?ID=286]

⁶²⁴ *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005. [www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf]

focuses on capacity building between France, Britain, and African states vis-à-vis terrorist financing and other criminal activities that hinder development.⁶²⁵ Regarding the UNTOC Convention specifically, this plan calls for “...the signing, ratification and effective implementation by African States of the United Nations Convention against Transnational Organized Crime (2000), in accordance with the modalities defined at the first session of the Conference of the Parties in Vienna in July 2004.”⁶²⁶ In addition, France and the UK have pledged to continue to support programs which have been developed in Africa by the United Nations Office on Drugs and Crime (UNODC).

France is also to be applauded for its recent cooperation with Canada. In early 2005, France’s *la Traitement du renseignement et action contre les circuits financiers clandestins* (TRACFIN) and its Canadian counterpart, Financial Transactions and Reports Analysis Centre (FINTRAC), signed an agreement to share intelligence on money laundering and terrorist financing. The agreement “sets out terms for the sharing of financial intelligence and the protection of personal information.”⁶²⁷

Lastly, the interior ministers of France, Germany, Spain, the UK, and Italy met earlier this year in Granada for an anti-terrorism summit, which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”⁶²⁸

3. Germany: 0

Germany still has yet to comply with its terrorist funding commitment, for it has failed to ratify the UN Convention on Transnational Organized Crime (TOC).⁶²⁹ Although Germany signed the United Nations Convention Against Corruption on 9 December, 2003, the legislation has not yet been ratified in the German legislature.⁶³⁰

⁶²⁵ *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005. [www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf]

⁶²⁶ *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005. [www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf]

⁶²⁷ *France and Canada sign agreement to share financial intelligence on money laundering and terrorist financing*, FINTRAC Website (Ottawa) 1 February 2005. Date of Access: 1 May 2005 [www.fintrac.gc.ca/publications/nr/2005-02-01_e.asp]

⁶²⁸ *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [news.bbc.co.uk/2/hi/technology/4360727.stm]

⁶²⁹ *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

⁶³⁰ *United Nations Conventions against Transnational Organized Crime: Signatories Page*, UN Office on Drugs and Crime (Vienna) 2004. Date of Access: 1 May 2005. www.unodc.org/unodc/en/crime_cicp_signatures_convention.htm

Though Germany has yet to ratify the Convention, it has, however, shown a concern for the general aims of the Convention and for the second component of the Sea Island commitment: providing technical assistance to aid in the implementation of the commitment. Since June 2004, The German Bundesnachrichtendienst (Federal Intelligence Service or BND), has played a central role in the fight against terrorist financing.⁶³¹ The BND coordinates with other states as well as Interpol and Europol on overseeing inter-European financial structures. In addition, the BND cooperates with national and international information agencies on information gathering on known terrorist organisations.⁶³²

Germany has also shown concern for the aims of the Convention through its security ties with Russia. Germany's cooperation with Russia against organized crime and terrorism has led to the successful establishment of the Russo-German Working Group on counter-organized crime initiatives.⁶³³ Through this Working Group, Germany and Russia share information on organized crime that occurs between their respective borders. In addition to this, Germany has also participated in the Joint European Project to Counter Organized Crime also known as the Falcone Programme of the European Union.⁶³⁴ The Project's main goals include the improving of professional skills and know-how in countering organized crime across the EU. The project specifically focuses on law related to organized crime and how it can and should be harmonized across the EU.

In 2005, Germany has continued to be active in the international arena vis-à-vis combating terrorist financing. On May 5, Germany was the first nation to hold a conference on money laundering and terrorist financing on American soil entitled "Money Laundering and Terrorist Financing: What Has Been Achieved in Countering Abuse of the Financial System? What Needs to be Done?"⁶³⁵ The conference aims "to enhance the understanding of the two nations' approaches and to provide a forum for discussion of what has been achieved to date and what steps can be taken in the future."⁶³⁶ To this end, the conference focused on developing international standards and guidelines, private sector approaches to anti-money laundering and terrorist financing and national regulations, government oversight and law enforcement.

In addition to coordinating efforts with the United States, the interior ministers of Germany, Spain, the UK, France, and Italy met earlier this year in Granada for an anti-terrorism summit,

⁶³¹ *Terrorfinanzierung*, Bundesnachrichtendienst Website (Pullach) Date of Access: 29 December 2004 [www.bundesnachrichtendienst.de/auftrag/terrorfinanzierung.htm]

⁶³² *Terrorfinanzierung*, Bundesnachrichtendienst Website (Pullach) Date of Access: 29 December 2004 [www.bundesnachrichtendienst.de/auftrag/terrorfinanzierung.htm]

⁶³³ *Erfolg gegen die Organisierte Kriminalität: Festnahme dank guter Zusammenarbeit in "Deutsch-Russischer Arbeitsgruppe,"* Bundeskriminalamt Website (Wiesbaden) 21 July 2004. Date of Access: 12 January 2005 [www.bka.de/pressemitteilungen/2004/pm210704.html]

⁶³⁴ *Joint European Project to Counter Organized Crime*, Max Planck Institute for Foreign and International Criminal Law (Freiburg) 23 June 2004. Date of Access: 7 January 2005 [www.iuscrim.mpg.de/forsch/beide/falcone1.html]

⁶³⁵ *Germany is First Foreign Government to Hold Money Laundering, Terrorist Financing Conference on US Soil*, Global Policy Forum Website (New York) 5 May 2005. Date of Access: 7 May 2005 [www.globalpolicy.org/nations/lauder/general/2004/0505germany.htm]

⁶³⁶ *Germany is First Foreign Government to Hold Money Laundering, Terrorist Financing Conference on US Soil*, Global Policy Forum Website (New York) 5 May 2005. Date of Access: 7 May 2005 [www.globalpolicy.org/nations/lauder/general/2004/0505germany.htm]

which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”⁶³⁷

4. Italy: 0

Italy has not yet met its commitment to ratifying the UN Transnational Organized Crime (TOC) Convention.⁶³⁸ Italy therefore has registered a low level of compliance. This seems ironic given the fact that Italy hosted the Convention’s signing ceremony in 2000. Nevertheless, Italy has at least shown concern for the spirit of the UN TOC Convention: Rome’s participation in the Joint European Project to Counter Organized Crime, also known as the Falcone Programme of the European Union.⁶³⁹ The Project focuses on developing professional skills and know-how in countering organized crime—an important foundational step in the battle against transnational crime across the EU. The project focuses also on law related to organized crime and how it can and should be harmonized across the EU.

In addition to the Falcone Programme, Italy earlier this year participated in a summit with Spain, the UK, France, and Germany, which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”⁶⁴⁰

5. Japan: 0

Japan has demonstrated a moderate level of compliance with respect to its terrorist funding commitment. Currently, Japan is in the process of ratifying the UN Transnational Organized Crime (TOC) Convention; however, it still has yet to implement the second part of the convention, i.e. it has not shown enough solid evidence of helping others implement the Convention in the post-Sea Island period.

⁶³⁷ *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [news.bbc.co.uk/2/hi/technology/4360727.stm]

⁶³⁸ *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

⁶³⁹ *Joint European Project to Counter Organized Crime*, Max Planck Institute for Foreign and International Criminal Law (Freiburg) 23 June 2004. Date of Access: 7 January 2005 [www.iuscrim.mpg.de/forsch/beide/falcone1.html]

⁶⁴⁰ *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [news.bbc.co.uk/2/hi/technology/4360727.stm]

On December 12, 2000 in Palermo, Japan signed the UN TOC Convention⁶⁴¹, and was approved by the Japanese Diet in 2003.⁶⁴² As soon as the Diet approves the corresponding national legislation, Japan will be able to conclude its ratification of the Convention. In February 2004, a draft of the legislation was submitted by the Cabinet.⁶⁴³ This legislation is being closely examined with the goal of gaining the Diet's ratification in the next ordinary Diet session.⁶⁴⁴

In addition to this, Japan has also held meetings in which have promoted the ratification of the TOC Convention in 2002.⁶⁴⁵ With regard to post-Sea Island initiatives that help implement the TOC Convention, leaders of the 10-member Association of Southeast Asian Nations (ASEAN) and Japan adopted an anti-terrorism plan, the ASEAN-Japan Joint Declaration for Cooperation to Combat International Terrorism, at a summit held in Vientiane, Laos in November 2004.⁶⁴⁶ One of the goals of the declaration is full cooperation with UN conventions and protocols related to combating international terrorism, including of course its financing: "...[ASEAN and Japan reaffirm] their determination to prevent, suppress and eliminate all forms of international terrorism in accordance with the Charter of the United Nations, international law and all the relevant United Nations resolutions or declarations on international terrorism...the United Nations should play a major role in combating terrorism...."⁶⁴⁷

6. Russia: +1

Russia has demonstrated an acceptable level of compliance with respect to its terrorist funding commitment. Russia ratified the UN Transnational Organized Crime (TOC) Convention before the Sea Island Summit.⁶⁴⁸ Russia has also adhered to the second part of its terrorist funding commitment, as it has assisted others in implementing the TOC Convention. Through the U.S.-Russia Working Group on Counterterrorism, Russia has continued to cooperate with the United

⁶⁴¹ *United Nations Convention Against Transnational Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 1 May 2005
[www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

⁶⁴² *Statement by Michiaki Ozaki, Public Prosecutor, Supreme Public Prosecutors Office On the Occasion of the 13th Session of the Commission on Crime Prevention and Criminal Justice*, Permanent Mission of Japan to the International Organizations in Vienna Website (Vienna) Date of Access: 8 January 2005 [www.vie-mission.emb-japan.go.jp/statements/unov/ccpcj/ccpcj13general.htm]

⁶⁴³ *Report on Observance of Standards and Codes FATF Recommendations for Anti Money Laundering and Combating the Financing of Terrorism*, International Monetary Fund Website (Washington, D.C.) July 2004. Date of Access: 7 January 2005 [www.imf.org/external/pubs/ft/scr/2004/cr04187.pdf.]

⁶⁴⁴ *Human Trafficking for Sexual Exploitation in Japan*, International Labour Organization Website (Geneva) Date of Access: 5 January 2005
[www.ilo.org/dyn/declaris/DECLARATIONWEB.DOWNLOAD_BLOB?Var_DocumentID=4556]

⁶⁴⁵ *Organized Crime*, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004 [www.unodc.org/unodc/en/organized_crime.html]

⁶⁴⁶ *ASEAN-Japan Joint Declaration for Cooperation to Combat International Terrorism*, Association of Southeast Asian Nations Website (Jakarta) 13 November 2004. Date of Access: January 3 2005
[www.aseansec.org/16808.htm]

⁶⁴⁷ *ASEAN-Japan Joint Declaration for Cooperation to Combat International Terrorism*, Association of Southeast Asian Nations Website (Jakarta) 13 November 2004. Date of Access: January 3 2005
[www.aseansec.org/16808.htm]

⁶⁴⁸ *United Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

States on the financing of terrorism. This group aims to fight the financing of terrorism through effective information exchange, “support for the anti-money laundering work of the Financial Action Task Force (FATF), United Nations sanctions against individuals and groups associated with al Qaida...”⁶⁴⁹

Russia held the sixth meeting of the Memorandum of Understanding on Sub-Regional Drug Control Cooperation on December 14–15. During this meeting, Russia and the Central Asian republics declared their support for “the creation of the Central Asian Regional Information Coordination Centre.” The participants recognized that “illicit drug trafficking is closely linked with the financing of terrorist and organized crime,” and agreed to increase their efforts in strengthening “anti-drug security belts” around Afghanistan.⁶⁵⁰

In addition, Russia has also collaborated with Association of Southeast Asian Nations (ASEAN) by signing the ASEAN-Russia Joint Declaration to Combat International Terrorism. The Declaration aims to “designate an agency to coordinate with law enforcement agencies, authorities dealing with countering terrorism financing and other concerned government agencies [and to] improve intelligence and terrorist financing information sharing on counter-terrorism measures, including the development of more effective counter-terrorism policies and legal, regulatory and administrative counter-terrorism regimes.”⁶⁵¹ This Declaration calls on Russia and ASEAN to comply with all relevant UN conventions, resolutions, and protocols related to terrorism.

7. United Kingdom: 0

The United Kingdom has not complied with its terrorist funding commitment because it has yet to ratify the UN Convention on Transnational Organized Crime (TOC).⁶⁵² That said, its activities with regard to the spirit of the Convention are noteworthy. The Sirene UK and the Schengen Information System are key developments over the past year which facilitate information sharing and capacity building to combat terrorist financing, among other criminal activity, across Europe.⁶⁵³

Furthermore, the UK and France have begun a coordinated effort on transnational crime prevention in Africa through the “Action Plan for Organised Crime in Africa.”⁶⁵⁴ This plan

⁶⁴⁹ *Russia Expand Cooperation in Combating Terrorist Financing*, Embassy of the United States Japan Website (Tokyo) 28 May 2004. Date of Access: 6 January 2005 [japan.usembassy.gov/e/p/tp-20040602-07.html]

⁶⁵⁰ *Final Statement of the Parties of the Memorandum of Understanding on Subregional Drug Control Cooperation*, Moscow 14–15 December 2004, [www.in.mid.ru/brp_4.ndf/e78a4807f128a7b43256999005bcbb3/53780aecaa48fe4dc3256t73004ec450?OpenDocument]

⁶⁵¹ *ASEAN-Russia Joint Declaration for Cooperation to Combat International Terrorism*, ASEAN Website. Date of Access: 10 January 2004 [www.aseansec.org/16225.htm]

⁶⁵² *United Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 7 May 2004 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

⁶⁵³ *Introducing Sirene UK and the Schengen Information System*, Sirene Website (London) Date of Access: 4 January 2005 [www.sirene.gov.uk/index.html]

⁶⁵⁴ *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005 [www.fco.gov.uk/Files/kfile/EC100_Crime.0.pdf]

focuses on capacity building between France, Britain, and African states vis-à-vis terrorist financing. It also calls for “the signing, ratification and effective implementation by African States of the United Nations Convention against Transnational Organized Crime (2000), in accordance with the modalities defined at the first session of the Conference of the Parties in Vienna in July 2004.”⁶⁵⁵

In addition, the UK and France will continue to support the programs developed in Africa by the United Nations Office on Drugs and Crime (UNODC).⁶⁵⁶ The UK has also participated in the inaugural Ministerial Meeting of the Middle East and North Africa Financial Action Task Force (MENA-FATF) held in Manama, Bahrain on November 30, 2004.⁶⁵⁷ The UK applauded the decision of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen to establish the MENA-FATF. This organization will act like a “regional FATF” with the main objective of fighting terrorist funding by adhering to the treaties and resolutions of the UN.⁶⁵⁸

In addition to participating in the inaugural Ministerial Meeting of the MENAFATF, the UK earlier this year participated in a summit with Spain, Italy, France, and Germany, which focused on, *inter alia*, terrorist financing and anti-money laundering initiatives: “To combat terrorism the ministers agreed to make it easier for police forces in their respective states to share data about suspects connected to international terror groups. Information shared could also involve intelligence about money laundering, the forgery of identity papers, stolen cars, DNA data, missing persons and unidentified corpses. Part of this anti-terror work will involve the creation of the technical team that will keep an eye on how organized crime groups and terrorists make use of the web.”⁶⁵⁹

8. United States: 0

The United States has registered a moderate level of compliance with respect to its terrorist funding commitment. Although the United States has yet to ratify the UN Transnational Organized Crime (TOC) Convention, the President has made a noteworthy effort thus far to push the Senate for ratification. On February 23, 2004, President Bush sent a letter to the senate which stated: “I recommend that the Senate give early and favorable consideration to the [UN TOC]

⁶⁵⁵ *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005 [www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf]

⁶⁵⁶ *Action Plan for Organized Crime in Africa*, Foreign and Commonwealth Office Website (London) 18 November 2004. Date of Access: 9 January 2005 [www.fco.gov.uk/Files/kfile/EC100_Crime,0.pdf]

⁶⁵⁷ *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action TaskForce (MENAFATF) Against Money Laundering and Terrorist Financing*, Ministry of Finance and National Economy Website (Manama) 30 November 2004. Date of Access: 5 January 2005 [www.mofne.gov.bh/English/news_detail.asp?ID=286]

⁶⁵⁸ *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action TaskForce (MENAFATF) Against Money Laundering and Terrorist Financing*, Ministry of Finance and National Economy Website (Manama) 30 November 2004. Date of Access: 5 January 2005 [www.mofne.gov.bh/English/news_detail.asp?ID=286]

⁶⁵⁹ *Web to have 'terror watch' team*, BBC News World Edition Website (London) 18 March 2005. Date of Access: May 5 2005 [news.bbc.co.uk/2/hi/technology/4360727.stm]

Convention and Protocols, and that it give its advice and consent to ratification....”⁶⁶⁰ At this time, the UN TOC Convention is waiting for Senate approval. In the words of the Chairman of the Senate’s Foreign Relations Committee, which is the Senate committee responsible for scrutinizing the TOC Convention, “[ratification would] enhance the United States’ ability to render and receive assistance on a global basis in the common struggle to prevent, investigate, and prosecute transnational organized crime.”⁶⁶¹ Thus, given the above encouraging actions and remarks of officials within the US Administration and the Senate, ratification at this point seems well on its way.

The US has also taken action to fulfil the second component of the UN TOC convention as it has helped others to implement the Convention. On November 30, 2004, the US participated in the inaugural Ministerial Meeting of the Middle East and North Africa Financial Action Task Force (MENAFATF) held in Manama, Bahrain.⁶⁶² The US applauded the decision of the governments of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen to establish the MENAFATF. This organization will act like a “regional FATF” with the main objective of fighting terrorist funding by adhering to the treaties and resolutions of the United Nations.

Furthermore, through the U.S.-Russia Working Group on Counterterrorism, the US continues to cooperate with Russia on the financing of terrorism. The Group aims to combat the financing of terrorism through effective information exchange and, “support for the anti-money laundering work of the Financial Action Task Force (FATF), [and] United Nations sanctions against individuals and groups associated with al Qaida....”⁶⁶³

In a conference hosted by the German Embassy in Washington earlier this year, US representatives from the Federal Reserve Board, Office of the Comptroller of the Currency, Financial Crimes Enforcement Network, Federal Bureau of Investigation, as well as representatives from the American Bankers Association, the American Council of Life Insurers and the Securities Industry Association discussed ways the international community could set standards and guidelines on terrorist financing and money laundering, private sector approaches to these problems, and national regulations and law enforcement.

⁶⁶⁰ *Bush Urges Senate to OK UN Convention Against Organized Crime*, The United States Mission to the European Union Website (Brussels) 23 February 2004. Date of Access: 5 January 2005

[www.useu.be/Categories/Justice%20and%20Home%20Affairs/Feb2304OrganizedCrimeConvention.html]

⁶⁶¹ *Senate Panel Reviews U.N. Convention Against Transnational Organized Crime*, United Nations Association of the United States of America Website (New York) 30 June 2004. Date of Access: 5 January 2005

[www.unausa.org/policy/NewsActionAlerts/info/dc063004.asp]

⁶⁶² *Press Release of the Inaugural Ministerial Meeting of the Middle East & North Africa Financial Action Task Force (MENAFATF) Against Money Laundering and Terrorist Financing*, Ministry of Finance and National Economy Website (Manama) 30 November 2004. Date of Access: 5 January 2005

[www.mofne.gov.bh/English/news_detail.asp?ID=286]

⁶⁶³ *U.S., Russia Expand Cooperation in Combating Terrorist Financing*, Embassy of the United States Japan Website (Tokyo) 28 May 2004. Date of Access: 6 January 2005 [japan.usembassy.gov/e/p/tp-20040602-07.html]

9. European Union: +1

The EU has achieved a satisfactory level of compliance with respect to its terrorist funding commitment. Although, the EU has ratified the UN Transnational Organized Crime (TOC) Convention, it has not shown evidence of helping others implement it in the post-Sea Island period. On December 12, 2000, the EU signed the UN Transnational Organized Crime (TOC) Convention and its protocols on smuggling migrants, trafficking human beings, and firearms and was ratified on May 21, 2004.⁶⁶⁴ By doing so, the EU has fulfilled the main component of its terrorist funding commitment.

In terms of technical assistance, most of the EU's activities have focused on improving transparency and accountability in governance in states applying for membership in the Union. Brussels has placed considerable pressure on Romania and Bulgaria, due to enter the Union in 2007, to reduce corruption and improve political transparency in their countries — including through programs to improve coordination with EUROPOL and INTERPOL and to bring national policies in line with EU anti-corruption ordinances. Similar strategies for reform have been pushed in Turkey and Croatia as they seek Union membership on a more long-term schedule.⁶⁶⁵ All four of these EU-candidate states have ratified the Convention within the past three years,⁶⁶⁶ no doubt to improve their attractiveness as potential member-states and to assuage the concerns of many European Commission officials who warn corruption is too rampant in these countries.

⁶⁶⁴ *United Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 7 May 2004 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

⁶⁶⁵ “The Summit Decisions,” *Enlargement Weekly – A Publication of the European Union* (Brussels) 21 December 2004. Date of Access: 1 May 2005 [europa.eu.int/comm/enlargement/docs/newsletter/latest_weekly.htm].

⁶⁶⁶ *Nations Convention Against Transnational Organized Crime*, United Nations Convention Against Transnational Organized Crime, United Nations Office on Drugs and Crime Website (Vienna) Date of Access: 29 December 2004 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html]

Outside of the 2004-2005 Sea Island period, and, thus, not counting towards compliance, the 1997 and 1998 Action Plans to combat organized crime are two of several instruments implemented by the EU for combating organized crime. The conclusions of the special European Council held in Tampere, Finland on 15 and 16 October 1999 concerning the creation of an area of freedom, security, and justice in the EU and the EU strategy of 27 March 2000 for the beginning of the new millennium on the prevention and control of organized crime exemplify some concrete steps that have already been taken by the EU Council to fight transnational organized crime. In past years, the EU has supported and participated in counter-terrorism activities carried out by the Council of Europe, the OSCE, and various UN bodies, including the UN Office on Drugs and Crime.⁶⁶⁷

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⁶⁶⁷ *General Secretariat of the Council's Report on the Measures and Steps Taken with Regard to the Implementation of the Recommendations of the European Union Strategy for the Beginning of the New Millennium on Prevention and Control of Organised Crime*, The Council of the European Union (Brussels) 30 June 2003. Date of Access: 3 January 2005 [ue.eu.int/ueDocs/cms_Data/docs/dynadoc/out/jai/EN/ST010925_03ORIEN.pdf]