

**CO-CHAIRS' SUMMARY REPORT
THE TWELFTH ASEAN REGIONAL FORUM INTER-SESSIONAL MEETING ON
COUNTER-TERRORISM AND TRANSNATIONAL CRIME
BALI, INDONESIA, 14-16 APRIL 2014**

Introduction

1. Pursuant to the decision of the 20th Ministerial Meeting of the ASEAN Regional Forum (ARF) held in Bandar Seri Begawan on 2 July 2013, the Twelfth ARF Inter-Sessional Meeting on Counter-Terrorism and Transnational Crime (ISM on CTTC) was held in Bali, Indonesia, on 14-16 April 2014. The Meeting was co-chaired by Mr. M. Chandra W. Yudha, Director for ASEAN Political and Security Cooperation, Ministry of Foreign Affairs of the Republic of Indonesia, and Mrs. Felicity Buchanan, Divisional Manager, International Security and Disarmament Division, Ministry of Foreign Affairs of New Zealand.

2. Representatives from all ARF participants except Bangladesh, Brunei Darussalam, the Democratic People's Republic of Korea, Lao PDR, Mongolia, Pakistan and Sri Lanka attended the meeting. Representatives from the United Nations Office of Drugs and Crime (UNODC) and the ASEAN Secretariat were also present. The List of Participants is attached as **ANNEX A**.

Agenda Item 1: Opening Remarks from ARF ISM on CTTC co-chairs

3. Mr. M. Chandra W. Yudha in his opening remarks welcomed all participants to Bali. He underscored the continuing threats from terrorism and transnational crimes and emphasised the urgent need to address these threats together and in concert. Since the inaugural ARF ISM on CTTC in 2003, participants have discussed a range of topics and produced recommendations and outcome documents including the ARF Work Plan on CTTC. He elaborated that the Meeting will focus on discussing the issue of illicit drugs and how the work of the ARF ISM on CTTC would contribute to realizing a Drug-Free ASEAN by 2015. The Meeting will also assess the current situation pertaining to CTTC and identify the major trends in transnational crime.

4. In her opening remarks, Mrs. Felicity Buchanan recognised the leadership role that ASEAN has played as a focal point for regional security discussions and underlined the value of the ARF ISM on CTTC in collectively addressing the challenges from terrorism and transnational crimes. She looked forward to the expert presentations on illicit drugs, wildlife trafficking and other topics as a means to strengthen ARF participants' capacity, resilience and resolve to combat and reduce the harmful effects of these crimes. She expressed confidence that the Meeting will be able to finalise the draft ARF Work Plan on CTTC 2014-2015 for the Ministers' consideration at the 21st ARF.

5. The Meeting considered and adopted the updated Provisional Agenda which appears as **ANNEX B**.

Agenda Item 2: ARF Priorities for 2014

6. As the current ASEAN and ARF Chair, Myanmar highlighted several priority areas that the ARF should focus on in 2014. The Hanoi Plan of Action (PoA) will enter its fifth year of implementation in 2015, and it would be timely to consider undertaking a more comprehensive review of the PoA, including whether there is a need to revise the action lines to align it with the ARF's stage of preventive diplomacy. On this note, Myanmar viewed that it is time for the ARF to focus more on preventive diplomacy and looked forward to further implementation of the ARF Work Plan on Preventive Diplomacy. The ARF should also enhance its coordination and coherence with other ASEAN-led mechanisms such as the ASEAN Defence Ministers' Meeting (ADMM) and the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus) as well as with Track II organisations including the ARF Experts and Eminent Persons (EEPs) and the Council for Security Cooperation in Asia and the Pacific (CSCAP) in order for the ARF process to be effective and efficient. Myanmar also viewed that the ARF Annual Security Outlook is an important publication which contributes to the promotion of understanding among ARF participants. In the area of counter-terrorism and transnational crime, the ARF should focus on building regional capacity, sharing information, and responding to the threat posed from terrorism and transnational crimes in the region in a timely and effective manner. Myanmar also highlighted the number of new initiatives under consideration for the next inter-sessional year and encouraged ARF participants to consolidate the proposals for the activities before submitting them to the Ministers for their consideration.

Agenda Item 3: Experts' Presentation on theme of Illicit Drugs

7. Mr. Tun Nay Soe from the UNODC Regional Office for Southeast Asia and the Pacific provided an overview of the Global Synthetics Monitoring: Analyses, Reporting and Trends (SMART) Programme in combating trafficking of illicit drugs. He highlighted the resurgence in opium poppy cultivation in the Golden Triangle region of Southeast Asia as well as the increase of methamphetamine-based drug production sites and consumption in East and Southeast Asia in the past few years. He described the international drug trafficking syndicates who not only traffic illicit drugs produced outside the region but also within the region. He elaborated on New Psychoactive Substances (NPS) which are substances not currently covered by UN drugs conventions but are increasingly used in illicit drugs such as ecstasy. He touched on the growth of the ASEAN Community which brings some challenges in the attempt to control the flow of illicit drugs. He elaborated on the UNODC Regional Programme for 2014-2017 and the alignment of the UNODC's work with those of ASEAN and other international organisations and partners. He also underlined that there is a need for an effective response to the emerging NPS. His presentation appears as **ANNEX C**.

8. Ambassador Ahwil Lutan, Expert Group Coordinator from the Indonesian National Narcotics Board (NNB) delivered a presentation on Indonesia's recent countermeasures against drug trafficking and organised crime syndicates. He provided an overview of the fluctuations on the number of drug suspects and seizures from 2008-2012 and the current data on NPS uncovered in Indonesia. He described the routes used by international drug trafficking syndicates to smuggle illicit drugs to Indonesia, including from as far as Europe and South America. He

elaborated on several joint operations between Indonesia and other countries in apprehending traffickers from international narcotics syndicates. He touched on methods used by smugglers to carry illicit drugs, including false compartments, and hidden in consumer goods. He emphasised that the NNB is currently focused on reducing demand in accordance with the findings of the Global Commission on Drug Policy. He also mentioned that to reduce the demand, drug users should be rehabilitated instead of be in jail. His presentation appears as **ANNEX D**.

9. The Meeting viewed the importance of information sharing between national narcotics laboratories in order to assist in identifying the composition of seized drugs, particularly NPS elements.

10. Participants expressed support for the ARF's work in combating illicit drugs and emphasised the need to strengthen cooperation in an area which has not received much attention in the past few years. In this regard, the Meeting took note of the central initiative of the Russian Presidency in the Financial Action Task Force (FATF) on illicit financial flows linked to the production and trafficking of Afghan drugs. The Meeting noted the contribution by several ARF participants to the study via questionnaire responses and viewed that the methodology and outcomes of the study could be useful in conducting similar studies in other regions including ASEAN, particularly in the case of synthetic drugs.

11. Detective Inspector Stuart Mills from the New Zealand National Drug Intelligence Bureau (NDIB) briefed the Meeting on the coordinated response by New Zealand law enforcement authorities to the challenges posed by methamphetamine. He described the current legislative tools in combating drug trafficking as well as outreach programmes to fortify communities against drug trafficking and addiction issues. He also described measures to control movement of precursor chemicals, including by reclassifying flu and cold medicines containing the chemical pseudoephedrine (PSE) from over-the-counter to prescription-only. He elaborated on the recent trends in the use of NPS and the consumption of "legal" drugs, mainly synthetic cannabinoids, which are unlicensed and unregulated and are often harmful. To address this issue, New Zealand has developed a Psychoactive Substances Act which strictly regulates the distribution of products containing NPS and the provision of licenses to retailers. His presentation is attached as **ANNEX E**.

12. Ms. Rachanikorn Sarasiri, Deputy Secretary-General of the Narcotics Control Board of Thailand provided an overview of ASEAN mechanisms in combating drug trafficking and in realising ASEAN Drug Free 2015, including the ASEAN Senior Officials on Transnational Crime (SOMTC), the ASEAN-China Cooperative Operations in Response to Dangerous Drugs (ACCORD), and the ASEAN Ministerial Meeting on Drug Matters which was convened for the first time in 2012. She underlined the drug situation in the region which remains high and serious. She elaborated on Thailand's national agenda to overcome drugs which utilises a whole-of-government approach. She also described several cases of drug seizures by Thai law enforcement agencies involving international drug trafficking syndicates. Her presentation appears as **ANNEX F**.

13. The UNODC representative commented on the need for stronger international cooperation to address the proliferation and distribution of precursor chemicals.

14. The Meeting observed that multinational companies often create demographic shifts in the host countries where the sudden influx of foreigners lead to lifestyle changes in the local community, particularly the increase in availability and consumption of illicit drugs. The Meeting also observed cases where the downsizing of military and police units have led to unemployed military and law enforcement officers being recruited by criminal organisations. The skills that these former officers possess have made combating the organisations more difficult as a result.

Agenda Item 4: Assessment of the Regional Situation pertaining to Counter Terrorism and Transnational Crime in ARF Region

15. The Meeting exchanged views on the constant threat from terrorist attacks in spite of effective counter-terrorism measures such as de-radicalisation programmes and the freezing of assets connected to terrorist individuals or groups. The Meeting emphasised the need for more effective counter-terrorism mechanisms such as capacity building and technical assistance and sharing of information and best practices on counter-terrorism measures and tactics on a bilateral, regional and international level. In this regard, the Meeting took note of the establishment of a de-radicalisation and counter-terrorism training centre in Sentul, Indonesia which will become operational later in the year.

16. The Meeting discussed the nexus between terrorism and transnational organised crime, terrorism financing, money laundering, drug trafficking, piracy, and illegal arms smuggling. Participants also observed that in recent years there have been increasing cases of operational coordination between terrorist groups who operate in different countries. It is also noted that terrorists try to regroup using new techniques. Addressing international terrorism requires a multi-pronged approach using political, economic, and military means. Several challenges were identified such as porous borders, extremist ideologies, and terrorist exploitation of cyberspace.

17. The Meeting observed the increasing number of foreign-born fighters in domestic terrorist groups, as well as the trend of growing extremism and radicalisation of some elements of society. On this note, the Meeting discussed initiatives on countering violent extremism by addressing both the security and social aspects of the root causes of violent extremism. Capacity building in countering violent extremism would also help to address terrorist recruitment.

18. The Meeting welcomed the regular ASEAN-Russia consultations on counter-terrorism and transnational crime which contribute to joint activities such as training courses on counter-terrorism and counter-extremism for ASEAN Member States conducted in Moscow for the first time in November-December 2012 and planned again for November 2014 as well as training courses on human trafficking and fingerprint forensics for ASEANAPOL member countries which will be held in Moscow in 2014-2015.

19. The Meeting observed that the growing inter-connectivity between states in the region has facilitated the movement of illicit goods, the misuse of technological advances including ICTs, and growing extremism within local communities.

20. The Meeting touched on the issue of container transportation security as freight containers are often used by terrorists and transnational organised crime to transport illicit drugs and precursor chemicals, weapons, explosives and other illicit goods. The Meeting noted the Russian initiative in APEC on holding thematic discussion on container transportation security as a part of the IX Secure Trade in APEC Region (STAR) Conference and suggested to keep this important issue in the focus of the ARF ISM on CTTC.

21. The Meeting noted the interventions by Indonesia, India, the United States, Australia, Russia, Thailand, Canada, China, and the Philippines under this agenda item.

Agenda Item 5: Review of implementation of ARF Work Plan on CTTC

Review of ARF Work Plan on CTTC

22. The ASEAN Secretariat presented a review of the implementation of the ARF Work Plan on CTTC, highlighting the number of activities conducted in the inter-sessional year 2013-2014 under the ambit of the Work Plan. Several challenges in the implementation of the Work Plan were identified, including the need to move forward with the implementation of priority area 1 (illicit drugs), the limited ownership by ARF participants on implementing the priority areas, and delays in submitting proposals for activities for consideration. ASEAN Secretariat suggested the ARF Participants to consider a longer timeframe for the implementation of activities, focus the priority areas on issues where the ARF could bring most added value, align the Work Plan's priority areas with the priority areas of the SOMTC, secure the co-chairmanship of the new activities before submitting the proposals for the Ministers' consideration, and encourage participants to play a more active role in initiating activities to be implemented.

Review of the implementation of Projects by priority area

a. Illicit Drugs (*Thailand*)

23. Thailand informed the Meeting on proposals under the priority area of Illicit Drugs to be implemented in the next inter-sessional year, namely the ARF Workshop on Enhancing Regional Cooperation to Address Challenges Posed by Illicit Drugs, to be co-hosted by Thailand and New Zealand on 8 – 9 September, 2014, the Workshop on the Concept Development of the ASEAN Transnational Threat Information-sharing Center (ATTIC) to be co-hosted by Thailand and the United States on 10 – 11 September, 2014 and the ARF Workshop on Precursor Chemicals and Synthetic Drugs to be co-hosted by Thailand and Canada in February 2015..

24. The Meeting took note of the concept papers for the ARF Workshop on Enhancing Regional Cooperation to Address Challenges Posed by Illicit Drugs and the ARF Workshop on Precursor Chemicals and Synthetic Drugs presented by Canada which appear as **ANNEXES G and H**.

25. The Meeting also took note of New Zealand's nomination to co-lead this priority area with Thailand as discussed at the ARF Inter-Sessional Support Group on Confidence Building Measures and Preventive Diplomacy, 8-9 April 2014 in Brussels.

b. Chemical, Biological, Radiological and Nuclear (*Philippines and US*)

26. The United States briefed the Meeting on the preparations for the ARF Workshop on Bio-Preparedness and Disaster Response which will tentatively be held on 26-28 August 2014. The Workshop will focus on developing templates for national bio-preparedness guidelines.

c. Counter Radicalization (*Malaysia and Japan*)

27. Malaysia and Japan informed the Meeting that a Workshop on Counter Radicalisation is being proposed for implementation in the first quarter of 2015. The Workshop will look into the theoretical and practical aspects of radicalisation and counter radicalisation. The concept paper for the Workshop is attached as **ANNEX I**.

28. The Meeting took note of the suggestion for the Workshop to refine the focus of the discussions into one or two areas.

d. Cyber Security and Cyber Terrorism (*Malaysia, Australia and Russia*)

29. Malaysia and Australia briefed the Meeting on the outcomes of completed activities held under the Cyber security and Cyber terrorism priority area including the ARF Workshop on Cyber Confidence Building Measures (CBMs) in Kuala Lumpur on 25-26 March 2014. Workshop participants took part in a desktop exercise which simulated an escalating cyber-incident and which highlighted the importance of a regional network of cyber policy points of contact in addressing such incidents. Workshop participants recognized the urgent need for action to address cyber threats, considered the development of a network of national cyber security focal points and supported further workshops in the desktop exercise format.

30. On the development of the ARF Work Plan on Security in the Use of Information and Communications Technologies, Australia informed the Meeting that the draft Work Plan has been circulated to all ARF participants through the ARF Unit as well as to participants in the Workshop on cyber CBMs and the ARF ISG on CBMs and PD in Brussels on 9 April 2014. ARF participants are invited to submit their inputs and comments to the draft by 9 May 2014 to enable it, in line with the decision of the 20th ARF Ministerial meeting, to be finalized for the SOM and the 21st ARF Ministerial meeting.

31. The Meeting noted the view of one of the co-leads that the current draft does not reflect the entirety of its views.

Development of ARF Work Plan on CTTC 2014-2015

32. The Meeting exchanged views on the draft ARF Work Plan on CTTC 2014-2015 which was prepared by the Co-Chairs. Many participants were of the opinion

that inputs to the draft Work Plan would require consultations with their line agencies. The Co-Chairs clarified that the discussions would focus on seeking general inputs from participants particularly regarding the proposed amendments to the text as had been previously submitted to the Co-Chairs.

33. The Meeting took note of the amendments on page 7 of the draft which would allow a more inclusive partnership with relevant international and regional organisations.

34. The Meeting discussed the amendment to the name of priority area 2 proposed by Russia. Russia expressed views that the amendment aimed at clarifying the scope of CBRN cooperation under the framework of ARF ISM on CTTC which supposed to be focused on terrorism issues. This will help the ISM on CTTC distinguish its work with the ISM on Non-Proliferation and Disarmament and avoid duplication among these two mechanisms. However, several participants viewed that the current scope of the priority area is sufficiently open and inclusive and should not include terms which might create unnecessary limitations.

35. The Meeting took note of the proposal of the European Union to add trafficking of human beings as a new priority area for the Work Plan. Participants recalled the decision of the 9th ARF ISM on CTTC to include new priority areas only if there are lead countries from both ASEAN and non-ASEAN ARF participants. Notwithstanding the absence of a specific priority area, ARF participants could submit proposals for activities under the general ambit of counter-terrorism and transnational crime.

36. The Meeting exchanged views on the proposed revision to the scope of priority area 3. Participants agreed that more consultations would be required on the proposed revision and therefore any feedback would be submitted to the ISM on CTTC Co-Chairs at a later date.

Postscript: Noting the wide range of proposed revisions to the scope of priority area 3 received after the meeting, the Co-Chairs proposed that members accept the original text from the draft Work Plan, but acknowledge that this language is a work in progress and requires more consultation.

37. The Meeting noted the amendments to the scope of priority area 4 which clarified the focus of counter radicalisation efforts to address the spread of violent extremist ideologies to youth groups.

38. The Co-Chairs informed the Meeting that participants' inputs to the draft will be incorporated into a revised draft. ARF participants were invited to submit inputs and comments to the revised draft by 30 April 2014. The revised draft is attached as **ANNEX J**.

Agenda Item 6: Outcome of Previous Counter Terrorism and Transnational Crime Meetings

39. The Meeting welcomed the presentation by Indonesia as the outgoing Co-Chair of the ADMM-Plus Experts' Working Group on Counter-terrorism (EWG on

CT). The presentation provided an overview of the EWG on CT and the background on defence cooperation on counter-terrorism. The key objectives of the EWG on CT are to strengthen regional capability to address counter-terrorism threats, to leverage capacities and capabilities, and to establish close working relationships between defence and armed forces and civilian authorities on counter-terrorism measures. Since its inception in 2011, the EWG on CT has conducted 13 activities which include workshops, seminars, and joint training and exercises in addition to its regular meetings. To pursue its objectives, the EWG on CT developed a three-year work plan which will be updated this year. The EWG on CT has made considerable progress in addressing regional security issues. Several challenges on enhancing regional defence cooperation in this area were identified, namely: 1) need to continue and maintain the efforts; 2) need to improve understanding of the threat environment; 3) a greater diversity of expertise; 4) enhance strategic communication and public affairs activities; 5) emphasise on training and exercises; and 6) greater unity of efforts. The Meeting noted that Singapore and Australia will take up the co-chairmanship of the EWG on CT for 2014-2016.

40. Indonesia briefed the Meeting on activities under the ambit of the SOMTC. SOMTC conducts its activities on 8 areas of cooperation, namely 1) terrorism; 2) illicit drug trafficking; 3) trafficking in persons; 4) arms smuggling; 5) sea piracy; 6) money laundering; 7) international economic crime; and 8) cybercrime. Environmental crime is now on the frame of consultation to be a new area of cooperation under SOMTC. The Meeting noted that all ASEAN Member States have ratified the ASEAN Convention on Counter-Terrorism (ACCT) and have endeavoured to implement the Convention. Terrorist groups have increasingly targeted local government officials including police officers and others who disagree with their extremist ideologies. Terrorists with strong ideological underpinnings require stronger preventive measures including de-radicalisation programmes and outreach to the family and associates of the terrorist suspect. Terrorists are also increasingly utilising the internet to seek funding for as well as disseminate information on their activities.

Agenda Item 7: Other Issues

41. The Meeting noted the presentation by the United States representative on the issue security of wildlife trafficking. Wildlife trafficking has become increasingly conducted by armed and organised criminal syndicates and is a thriving business in countries or regions with weak law enforcement and rule of law. The United States President released a National Strategy for Combating Wildlife Trafficking which focuses on three key areas; building international cooperation, strengthening domestic and global law enforcement, and reducing demand of illegal wildlife. Furthermore, in 2013 the United Nations Crime Commission and the Economic and Social Council adopted resolutions which encouraged Member States to treat trafficking of protected species of flora and fauna as a “serious crime” under the UN Convention against Transnational Organized Crime. The presentation also highlighted regional activities in combating wildlife trafficking, including activities conducted under the ambit of the APEC Pathfinder Dialogue and the ASEAN-WEN (wildlife enforcement network). The presentation appears as **ANNEX K**.

42. The Meeting noted the concept paper for an ARF Workshop on Combating Wildlife Trafficking which will be co-chaired by Malaysia (TBC) and the United States. The concept paper for the Workshop is attached as **ANNEX L**.

43. The Meeting noted the briefing by the Philippines and the European Union on the concept paper for an ARF workshop on raising awareness and promoting ARF cooperation on CBRN risk mitigation. The workshop will be organised by the EU's CBRN Centre of Excellence in Manila and is scheduled to be held in the first quarter of 2015. The concept paper for the workshop is attached as **ANNEX M**.

44. The United States briefed the Meeting on the concept papers for an ARF Workshop on Security, Stability and International Migration in the ASEAN Region to be co-chaired with Myanmar. The concept paper for the Workshop appears as **ANNEX N**.

45. The Meeting noted the proposal from the United States for an ARF Seminar on Operationalizing Cyber Confidence Building Measures in the ARF which will fall under the Cyber security and Cyber terrorism priority area of the ARF Work Plan on CTTC. The Meeting also noted that Singapore will co-chair and host the Workshop. The concept paper for the Workshop appears as **ANNEX O**.

46. The Meeting also noted the United States' proposal for an ARF Workshop on First Response Support for Victims of Terrorism which will fall under the Counter Radicalization priority area of the ARF Work Plan on CTTC. The Workshop will be based on the Madrid Memorandum on Good Practices for Assistance to Victims of Terrorism which was developed under the ambit of the Global Counterterrorism Forum (GCTF). The concept paper for the Workshop is attached as **ANNEX P**.

47. The Meeting noted the request from the United States for ARF participants to nominate the appropriate representatives to the Workshop on the Concept Development of the ATTIC which is scheduled to be held later in the year.

48. The Meeting noted that Thailand will host the inaugural SOMTC Technical Workshop on Environmental Crime in Bangkok on 22-24 April 2014.

49. The Co-Chairs requested the proponents of the new initiatives to submit the respective concept papers to the ARF Unit for circulation to all ARF participants. The Co-Chairs also requested that the proponents allow time for ARF participants to provide inputs and feedback to the concept papers.

Agenda Item 8: Future Direction of ARF ISM on CTTC

Review and further implementation of Hanoi Plan of Action to Implement ARF Vision Statement

50. The Co-Chairs provided an overview of the implementation of the Hanoi Plan of Action and highlighted the achievements in the area of counter-terrorism and transnational crime.

Next Co-Chairs

51. The Meeting welcomed the offer from Thailand to co-chair the next ISM on CTTC. The Meeting noted that the ISM on CTTC has mostly been hosted in ASEAN countries and therefore invited interested non-ASEAN ARF participants to co-chair and host the next ISM on CTTC.

Agenda Item 9: Closing Session

52. The Meeting expressed gratitude to Indonesia and New Zealand for their effective co-chairmanship. They also thanked the Government of the Republic of Indonesia for the generous hospitality and excellent arrangements in hosting the 12th ARF ISM on CTTC.

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