

**ASEAN Regional Forum
Capacity Building Workshop on Ship Profiling
Kuala Lumpur, Malaysia
24-25 May 2016**

Co-Chair's Summary Report

1. Pursuant to the 22nd ASEAN Regional Forum Ministerial in Kuala Lumpur, Malaysia, in August 2015, the ASEAN Regional Forum Capacity Building Workshop on Ship Profiling was held in Kuala Lumpur, Malaysia, on 24-25 May, 2016. The workshop was co-chaired by Dato' Hazman bin Hussein of Malaysia and Commander Clive Holmes of New Zealand.

2. The workshop was attended by representatives and experts from a range of regional maritime and law enforcement agencies, including from the ASEAN Secretariat, Malaysia, New Zealand, Viet Nam, India, Australia, the Philippines, Pakistan, Indonesia, Singapore, Canada, China, EU, Indonesia, Japan, Cambodia, Sri Lanka, Bangladesh, and Myanmar. A total of 68 participants registered for the workshop.

Opening Remarks

3. In opening remarks, the co-chairs noted how this workshop on ship profiling aligned with the ASEAN Regional Forum's (ARF) overall objectives of enabling constructive dialogue and consultation on political and security concerns and to make progress on confidence building and preventive diplomacy in the region. There was a common interest the region's among shipping states to ensure the smooth flow of maritime commerce. Maritime trade is the lifeblood for many communities in the region and ensuring safety and security of maritime commerce is essential to the region's prosperity and security. The co-chairs saw the workshop as an opportunity for participants to, over two days, exchange views and progress cooperation between ARF member states.

Session I: Ship Profiling – An Introduction

4. Nicholas Eacott of Maritime New Zealand introduced the topic of profiling, and explained how the concept was applied in the maritime sector in New Zealand, including use of the ISPS code. For Maritime New Zealand it is an evidence-based, intelligence-led process. Mr Eacott elaborated on what ship profiling is within the maritime security context, how the process uses pieces of information, how profiling is supported by an intelligence process to provide early warning about potential security threats so that an early and appropriate response can be made. Ship profiling allows us all to be risk focused. Within New Zealand maritime and border security is facilitated through an all-of-government approach and profiling is used to direct Maritime New Zealand to vessels that will more likely be non-compliant. But ship profiling is only one part of the process. Agency interaction, relationships and information exchange with other countries, and inclusion of all stakeholders in a holistic security approach is needed. When talking about intelligence in the context of maritime security it is a geopolitical environment. Early warning for security threats is necessary and intelligence is

one of the prime enablers. Mr Eacott proceeded to describe the domestic shipping industry in New Zealand and how prevention of incidents is key to ensuring New Zealand's maritime and shipping environment remains safe. New Zealand's approach focuses on the responsibility of the operator/owner to improve safety outcomes and some examples of how this was achieved were outlined. While assessment and profiling has gotten much smarter over the years, Mr Eacott concluded by advising that there is still room for improvement: especially around cross government connectivity, automatic intelligence profiling, and systems that allow for more time to assess risks.

Session II: Case Studies of Ship Profiling

5. This session provided a platform for experience sharing, through four specific case studies of ship profiling. The focus expanded to include how ship profiling/craft risk assessment is applicable to a number of areas, including maritime enforcement, border control, biosecurity, and maritime insurance.

6. Case study 1 on security was presented by Lt Cdr Khairul Nizam Misran, of the Malaysia Maritime Enforcement Agency (MMEA). Lt Cdr Nizam outlined the MMEA's apprehension and inspection effectiveness, detailing the trends in statistics over the last 10 years by region and by legislation. In discussing the challenges facing MMEA, Lt Cdr Nizam detailed Malaysia's vast maritime borders, a lack of information on vessels, no risk assessments having been completed on vessels before entering Malaysian territorial waters, no centralised database, the sheer volume of vessels (over 500,000 a year) anchoring in Malaysian waters, and the challenge of phantom ships, for example.

7. Case study 2 looked at customs and border control and was presented by Mr Paul Hardy, of the Australian Border Command. As well as outlining Australian Border Command's structure and areas of interest, noting it is not a rescue organisation, he outlined how business logic is applied to the agency and their work was part of a whole-of-government approach to protecting Australia and its maritime domain. In addition to elaborating on the threat picture the agency works with, Mr Hardy detailed the Australian Maritime Identification System (AMIS), which has been in operation since 2009, and how large amounts of information are synthesised with intelligence then made available securely to a number of Australian agencies. Australian Maritime Threat Risk Assessment Capability (AMTRAC) was also outlined, specifically how it supports analysts in the identification of threats. A key message from Mr Hardy's presentation was how it is all about the data: the more information the better the assessment – less information equates to a more dubious quality of an assessment. A case study, of how the agency profiled ahead of the G20 event, was presented as an example of the how the agency works in practical terms.

8. Case study 3 looked at biosecurity and was presented by Mr. Russell Killgour, of the New Zealand Ministry for Primary Industries (MPI). Mr. Killgour's presentation used New Zealand's approach to maritime biosecurity as a case-study for reflecting and learning from 2500 commercial vessel arrive into New Zealand annually, as well as about 500 yacht arrivals. Vessels are screened for biosecurity risks and a current risk assessment for each vessel that arrives into New Zealand is compiled. The pre-arrival documentation also allows for an

assessment of vessel's and master's biosecurity awareness. Refuse disposal, stores security, ballast water, hull biofouling, pest awareness, crew declarations, cargo, and more, all combine to inform MPI about a ship's risk. Prevention and awareness raising are key objectives to this work. An incursion of pest or disease into the New Zealand environment could have serious implications for farming, forestry, horticulture, aquaculture and the New Zealand way of life.

9. Case study 4 was on insurance. Madam Badariah Othman, of the Malaysia Shipowners Association presented, sharing her expertise and knowledge of the insurance industry and outlining current threats, risks and how they impact on the industry as a whole. Of interest was Mdm Badariah's description of the shipping insurance industry as very peculiar. She outlined how the insurance industry interprets, reacts to and manages specific events. After the September 2011 attacks war cover went up 1000 per cent. A key point in her presentation was that vessels do not commit crimes, people on board do. Cover for piracy has always been there, it has a long historical background. Likewise, war cover has also been in place a long time. Of note is that the insurance industry is very innovative and will cover you for anything – it comes down to the cost. Mdm Badariah presented a case-study in modern day piracy, and detailed the difference between terrorism and modern day piracy (piracy is for personal reasons, terrorism for a political agenda), but stated that they have many similarities.

Session III: Capacity Building in Ship Profiling Methodology and Processes

10. Session III built regional capacity on ship profiling through the use of a practical table-top exercise. Mr Nicholas Eacott facilitated the exercise in which Maritime New Zealand's desk-based ship profiling tools and methodologies were practiced by participants, in small groups or pairs, as they profiled two different vessels.

11. This session's exercise saw participants move away from an intuitive assessment to a quantitative assessment of non-compliance. The focus was not of general deficiencies, but of the security deficiencies. In a real time situation this example of profiling would normally take 15 minutes per vessel, but facilitators worked with pairs and small groups as they assessed and worked through the documentation provided to them for each of the example vessels. These documents included: security certificates, recent ship to ship interface (sludge removal etc.), and additional security measurements for example. Mr Eacott emphasised that this was just an example of one way in which ship profiling could be conducted and it was intended to help participants think about best practice and how different approaches can be effective in different ways.

Session IV: Information Sharing and Enhancing Inter-Agency Cooperation

12. Successful examples of information sharing and cooperation were showcased in this session.

13. Presenter 1 was Mr Cyrus Mody, Assistant Director of the ICC's International Maritime Bureau, which operates the 24/7 manned, global Piracy Reporting

Centre. Mr Mody emphasised the need for maritime domain awareness, as it is within the maritime sphere that 95 per cent of the world trade moves – it is the most important link in a trade supply chain as well as the most vulnerable. Mr Mody described the maritime domain as a legally challenging area involving multiple jurisdictions and interests. Additionally, the sea lanes are also used by every type of organised crime as maritime boundaries are not the easiest to oversee, patrol and control. In discussing the impacts of piracy the commercial and human costs were outlined clearly. The example of the rise of Somali piracy, from 2007 to mid-2012, was used showing how a coordinated response assisted with the fracturing of the piracy business model, and that although the capacity of pirates still exists, there has been an absolute reduction in their activities due to the lack of opportunity. The key factor in this reduction was a coordinated, robust response, for which information sharing was a core necessity. Mr Mody proceeded to detail some case-studies, which highlighted how these processes, particularly information sharing, were effective.

14. Presenter 2 was Mr Dzulkarnain Abbas Abdullah, Senior Security Officer of Malaysia's Bintulu Port Authority. Mr Dzulkarnain spoke of Bintulu's Pre-Arrival Port Notification System (PANS). Some 5 percent of Malaysia's GDP comes through Bintulu Port and the pre-arrival system is an essential part of the port's security. All vessels needing to enter Bintulu Port need to submit their documentation 48 hours before arrival in port. Mr Dzulkarnain's example presentation also saw him run through in details the port authority's processes and forms, and how they work for the purpose of risk assessment and domain awareness.

15. Mr Kenneth Crawford, Chair of the Technical Working Group of Tokyo MOU on Port State Control was presenter 3 in this session. After admitting he was not a profiler by trade he acknowledged the importance of ship profiling and understanding how we got to the current state of play around ship profiling and its associated practices and methodologies. The history of the Tokyo MOU was outlined, as were the benefits of being in the Tokyo MOU. Within the membership the relationship are very good and open, which means exchange of information between countries has improved greatly. An example was provided outlining how dock workers put a complaint in about a vessel that was leaving New Zealand, and which was followed up by practitioners in Malaysia and inspected when it was docked there. Mr Crawford also noted that a key consideration in any effective ship profiling process should be that good operators be rewarded and the burden of inspection placed elsewhere, where needed. We profile not to inspect every vessel, but to ensure that vessels come into our waters effectively and efficiently and leave our environment and people as they were before, and that they continue on their way and arrive at their next port safely.

Session V: Open Discussion – Fostering Better Regional Networks

16. On the second day an opening discussion was facilitated by Co-Chair Commander Clive Holmes, seeking views from participants to identify practical ways to enhance regional networks, including the strengthening of relationships and networks between maritime security officials within the ARF. Commander Holmes talked about how at the last ARF Ship Profiling Workshop a lot of emphasis was put on the IMO. He now asked if there was more that the IMO

could do in regards to networking. Discussion points then ranged from pre-existing arrangements for sharing information internationally, to how to make the distinction between best practice and the process and classification of intelligence, and the lack of progress in the region after the same recommendations are made year-in and year-out. Representatives from India and the Philippines both provided their perspectives, with the Philippines outlining their multi-agency National Coastwatch Centre. Indonesia's narcotics board spoke of their work and challenges, while Australia detailed the useful cooperation that has occurred with Malaysia on stopping toothfish illegal, unreported and unregistered fishing in the Southern Ocean. The key take-away from the discussion being the effectiveness of early and holistic exchange of information between agencies and countries.

Session VI : Expert Panel on Establishing Best Practices

17. This session explored the elements of best practices in ship profiling and possibilities for the progression of ARF or regional guidelines. Questions and discussion points came from participants on the floor as well as the following panel participants:

- Dato' Hazman bin. Hussein, Co-Chair, from Malaysia's Marine Department.
- Captain Santoshkumar S. Darokar from India's Ministry of Shipping.
- Mr Cyrus Mody from IMB's UK headquarters.
- Mr Kenny Crawford, representing the Tokyo MOU working group and Maritime New Zealand.
- Mr Mohammad Shuhaimi Abd. Rahman from Malaysia's Marine Department.

18. The panel discussion initially looked at the need for flexibility, how, while consensus within the region is important, one size doesn't fit all – there is a need some flexibility. Tokyo MOU is now more outcomes focused and the panel noted that what was needed now was for the identification of what participants wanted from the workshop. A document to be shared and developed to a regional platform was considered useful by some, while an integrated maritime service would allow everyone can talk on a similar platform – but this would a long process. Best practice should not be about profiling everyone or blocking trade, but at the same time it cannot be random. There was a hope among many that a standard system in all countries would allow for more information and quicker assessment. The issues of funding was a common concern, as was the way countries protected their information – how to encourage the sharing of information for mutual benefits? The establishment of a fusion centre to disseminate information among members of ASEAN was also been proposed as an efficient way of sharing information.

19. Security is only one part of profiling. Safety is another. Questions that need to be asked for ship profiling to be effective are: what has happened in the past, what is happening now and what is likely to happen in the future. In terms of whether a code of conduct or best practices set of guidelines would be more useful, there was some discussion. At the centre of concerns though was that there needs to be a document that is taken up by the industry. For any regional guidelines they would need to be dynamic, flexible, scalable to resources and

aligned with the abilities of ASEAN member states. Constructive rather than prescriptive, and take into account all ASEAN perspectives. There would also need to be recommendations for how to integrate profiling into existing systems.

Session VII: Input Session – Consensus-building on Best Practices and Regional Guidelines

20. This discussion followed on from the expert panel and saw the participants break into three groups to work together to identify, prioritise and refine best practices and regional guidelines on ship profiling. Each group then reported back to the whole workshop.

21. Group recommendations:

Group 1: While group 1 did not outline specific guidelines or recommendations, they did enjoy a robust discussion and identified areas of improvement before guidelines can be rolled out:

1. Some countries are at risk of being left behind. Capacities and levels of information sharing vary between countries and more awareness around this, and appropriate flexibility needs to be taken in to account.
2. Gap analysis on countries within the region is required.
3. There needs to be a common standard of ratings and a common understanding before practical cooperation can be successfully implemented.

Group 2: This group was not able to finish conversing on all points but reached consensus on the three basic requirements for any regional agreement or guidelines:

1. Definition of purpose – security and safety
2. Risks – risks to crew, passengers, economies, countries and environments
3. An information-sharing agreement is required ahead of any practical information sharing implementation.

Group 3: This group reached consensus on 5 core areas needing development for capacity to be improved in the region:

1. Guidelines – aim and objectives need to be clearly defined.
2. Risk context – risk defined in accordance to the region, country and sea area.
3. Regional information sharing agreements – bilateral as well as multi-lateral, for example an ASEAN agreement. Also a model MOU would be useful, allowing for a template for other countries to easily use.
4. Requirements of profiling – establish different categories of information sources and a common intelligence framework.
5. Methodology – included in methodology guidelines should be target factors, how to measure effectiveness, as well as lessons learned.

Closing Remarks

22. The Co-Chairs summed up day one by stating how ship profiling was not just about security, but also how information can be applied to many different areas.

Day one was a day for participants to be in full listening and questioning mode, while day two was about participation and saw them being asked to input their own ideas and recommendations for ways to progress ship profiling and cooperation on maritime domain awareness. The objectives of the workshop were achieved, particularly in:

- Providing participants with deeper-level knowledge and understanding of approaches towards ship profiling within the ARF region.
- Providing a platform for experience sharing, particularly through specific case studies on ship profiling.
- Providing targeted capacity building to ARF participants on ship profiling tools that are available.
- Exploring possible elements of best practices in ship profiling for the ARF.
- Strengthening relationships and networks between maritime security officials within the ARF.

23. The Co-Chairs thanked participants for collaborating together and sharing their ideas and experiences over the last two days.