



U.S. DEPARTMENT of STATE

KEYWORD SEARCH

[Subject Index](#)+ BOOKMARK     ...[Home](#)[Issues & Press](#)[Travel & Business](#)[Countries](#)[Youth & Education](#)[Careers](#)[About State](#)

You are in: [Under Secretary for Economic, Energy and Agricultural Affairs](#) > [Bureau of Economic, Energy and Business Affairs](#) > [All Remarks and Releases](#) > [Remarks](#) > [2005](#)

International Cooperation Against the Financing of Terrorism

E. Anthony Wayne, Assistant Secretary for Economic and Business Affairs

Fundacion Jose Ortega y Gasset

Madrid, Spain

November 16, 2005

Thank you for your kind introduction.

Before beginning my remarks, I would like to express my deep appreciation to the Jose Ortega y Gasset Foundation for making this possible. I know this took a great deal of work by many people.

I would also like to express thanks to President Antonio Garrigues Walker and Vice President Jose Varela Ortega for their -- and the foundation's -- role in hosting this seminar, and acknowledge the generosity of the organizations whose sponsorship has made it possible: the Ministry of the Interior, King Juan Carlos University, the Elcano Royal Institute, and the American Embassy.

It is a pleasure to be here today with my colleagues from the Spanish government, Sr. Jose Ignacio Lopez Chicheri of the Ministry of the Interior and Sr. Angel Lossada of the Ministry of Foreign Affairs. I appreciate their consideration in enabling me to participate with them in today's panel from across an ocean and several time zones away.

Building International Cooperation

I think everyone will agree that we have made progress in building international cooperation against the financing of terrorism.

Bilaterally, we have moved together. As Ambassador Aguirre noted on Monday, cooperation between Spanish law enforcement authorities and our Federal Bureau of Investigation is now being facilitated on a day-to-day basis through an FBI agent detailed to Madrid from Washington to work closely with our colleagues from Spain on terrorist financing cases.

But what I want to emphasize in my remarks today is the distance we still need to travel. We are at the beginning of what to every indication is a very long road.

In some sense, our experience in building international cooperation to combat terrorist financing is an attempt to bridge numerous gaps between previously-existing ways of doing things and the new challenges we are facing.

Our task is to devise a set of approaches that enable us to reconcile what we have done in the past, and what we need to do now.

In my remarks today, I would like to focus in particular on three topic areas of international cooperation against terrorist financial networks:

- Designations of terrorists and their supporters;
- United Nations sanctions; and
- Technical assistance and training.

Designation of Terrorists and Their Supporters

The designation of terrorists and their supporters has been one of the most prominent, and certainly public, elements of international cooperation against terrorist financing.

We generally define designation by its potential effects -- freezing the funds of terrorists, preventing the travel of terrorists or stigmatizing terrorists by public naming-and-shaming.

But there is not a good and wide understanding of what it means to designate somebody.

I would propose that a designation is in fact a process that can enable governments to address a gap that exists between knowledge of a threat to security on the one hand, and, on the other, judicial action after a criminal act has taken place.

As we all know, authorities may have access to information about a threat, even if a terrorist act has not occurred. The threat may be general, rather than related to a specific action. And the information is not such that it could support a criminal prosecution.

In that case a designation can be very useful and important.

Although prosecution and designation can both combat terrorist financing, their objectives are fundamentally different.

One seeks to redress an action that has been committed. The other is designation to address a threat that has yet to be translated into action.

Designation has been one of our most effective tools in the fight against terrorism. Designation can:

- Shut down financial networks through which designated individuals and organizations raise and move money;
- Inform non-designated parties -- who may be unwittingly financing terrorist activity -- of their association with supporters of terrorism;
- Deter non-designated parties from contributing to terrorist activity; and
- Force terrorists to employ potentially more costly and dangerous, less efficient or less reliable means of financing their operations.

But more to the point: prosecution aims to punish; designation is one of the several tools available to us to prevent terrorist action.

International cooperation to address this difference is a fundamental challenge in our shared efforts to shut down terrorist financial networks.

That means we have to find some common ground in our approach to designations, and on standards of evidence and due process.

Prosecution and designation, since they have different objectives, require different standards of evidence. In the United States, our legal system expresses this in the difference between "beyond a reasonable doubt" and "a reasonable basis to believe."

We know that there are some differences of opinion, particularly in Europe, where different standards are employed.

Each of these two processes must also fully incorporate due process. Designations can not be made simply on a whim, or based on a piece of information in the hands of one agency. And they should also incorporate de-listing procedures to address potential errors.

In the United States, we have a very complicated mechanism to review designations. The U.S. government can support a designation only after careful administrative review of an evidentiary statement by intelligence, law enforcement, and the Departments of Justice, State and Treasury. We know that many European countries have their own approaches.

So we have a clear task.

We want to shut down terrorist financial networks. But we also want to ensure that our standards of civil rights, protected in judicial process, at the same time are also protected in the administrative processes used in designation.

We need to bridge that gap, by working toward a common understanding on the standards of evidence and fairness of the process.

United Nations Sanctions

A second area for international cooperation are UN sanctions.

The United Nations has taken two approaches to sanctioning terrorists and terrorist organizations.

- Under Security Council Resolution 1373, member states have general obligations to stop the financing of terrorism. There is no list of those subject to sanctions -- in fact, it targets no specified organizations or individuals -- and each Member State must first decide who is subject to the targeted sanctions, and then designate domestically.
- Under Security Council Resolution 1267, the UN has established a list of specific individuals and groups, associated with the Taliban, al-Qaida and Usama bin Laden, who are subject to targeted international sanctions: asset freeze, travel ban, arms embargo.
- So we have, embodied in Resolutions 1267 and 1373, two different approaches to stopping the financing of terrorism: one focuses on measures applied against certain terrorists through an internationally-used list, and another based on domestic designations.

The two processes work side-by-side but have shown differing degrees of effectiveness up till now.

The result of this difference is that it is clearer for states to understand who is subject to sanctions under 1267 -- Taliban, Usama bin Laden, al-Qaida and their supporters and associates, as listed by the 1267 Committee -- than when states must decide themselves who is subject to the measures.

Security Council Resolution 1617, the latest successor to Resolution 1267, was adopted this July and:

- Helped clarify the scope of these sanctions by focusing more specifically on who is covered by them;
- Endorsed, for the first time, a set of international standards -- those of the Financial Action Task Force -- for implementing these sanctions; and
- Extended the mandate of the Analysis and Monitoring Team to assess and provide technical support for implementation by UN member governments.

But differences remain between the approaches taken by 1267 and by 1373.

There are some obvious reasons for this. The United Nations has failed to agree on a common definition of terrorism. In its absence, there are very legitimate concerns about a government using the UN process against domestic opponents.

With any new resolution targeting other groups unlikely in the near term, how do we move forward?

- We can work bilaterally to utilize national designation processes as the basis of international cooperation against particular non-state actors or terrorists.
- We can work together to consider whether we can build support internationally for better implementation of UN authorized actions.
- And we can encourage member states to use, and use correctly, the UN tools already in place to further cut off the flow of funds to terrorists.

Once again, our task is clear.

We must work, within the United Nations and bilaterally, to develop an international consensus for increased political and practical commitment for broader international cooperation against terrorism.

Technical Assistance

The challenge of delivering training and technical assistance defines a third type of gap: that between evaluations and coordinated and effective delivery.

The international community has broadly recognized this:

- The G8 is working to gain acceptance of its G8 Counter-Terrorism Action Group assistance-coordination process.
- The UN Counter Terrorism Committee has also asked its staff -- the Counter Terrorism Executive Directorate (CTED) -- to focus on coordination issue.
- The international financial institutions have developed, in coordination with the Financial Action Task Force (FATF) and FATF-Style Regional Bodies (FSRBs), a common methodology to assess implementation of the FATF 40 Recommendations on Money Laundering and Nine Special Recommendations on Terrorist Financing (referred to jointly as the FATF Recommendations, or the FATF 40+9).
- The U.S. has also discussed how to better coordinate with European efforts.

We see then that the G8, CTED and the International Financial Institutions (IFIs) such as the World Bank Group and regional development banks, are attempting to ensure assistance is directed toward areas that need it, in a timely fashion and without duplication.

But to date, these efforts have been largely devoted to assessments, training of assessors and large conferences.

We have yet to see a marked increase in international cooperation to deliver operational training and technical assistance.

Last May, as one step to address this gap, we agreed to exchange training and technical assistance plans with the European Union, and forwarded a list of training we have conducted and programs we plan to conduct through the end of 2005 to the EU counterterrorism coordinator's office.

But we have heard that EU member governments -- some of the best-placed governments to provide this sort of assistance -- are reluctant to share the information even with each other.

Once again, the task before us is clear.

Funding and expertise is limited. Assistance must be coordinated in order to marshal limited resources and avoid duplication.

To achieve a level of international cooperation on the delivery of training and technical assistance, governments must be able to commit to share not only information about their programs, but also make the political commitments necessary for delivering assistance in a coordinated fashion.

The Continuing Challenges of International Cooperation

We have yet to devise a consistent framework to effectively address the numerous gaps that continue to exist between what we can do and what we need to do.

But in recognizing that these gaps do exist, we can move to address them.

In my remarks today, I have attempted to describe three areas that could benefit from greater international cooperation against terrorist financing:

- Common understanding of the value of designations and the rules and evidence and due process they require;
- Consistent use and application of UN sanctions against all terrorist organizations; and
- Political commitment to coordination of national training and technical assistance programs.

I share no illusions that we can resolve these issues overnight. But before concluding, I would like to highlight one process where we are working to do so in the longer term.

Conclusion: U.S.-EU dialogue

Last year, the United States and the European Union initiated a dialogue to regularly review current terrorism finance issues and promote expert-level cooperation in areas including prosecution, investigation, designation and technical assistance.

Participants include the EU Presidency, EU Council Secretariat, EU Commission, Europol, Eurojust, the U.S. State, Justice, Treasury and Homeland Security Departments and the FBI.

We meet during each EU Presidency to set direction and assess progress. The latest meeting took place October 26 in Washington.

Progress has been incremental, but real.

Informal expert-level groupings of judicial, technical assistance and designation professionals have initiated joint work programs.

These groups have organized workshops on judicial and designation issues, and conducted a joint financial sector assessment in Tanzania.

During the UK Presidency we have organized a workshop on designation issues, and are developing a database on treatment of classified information in the U.S. and EU member states.

We have begun to discuss options for further cooperation during the Austrian Presidency.

I would welcome your suggestions for deepening this cooperation, and for ideas to address gaps between what we have done to combat terrorism finance internationally, and what we need to do.

Thank you very much.

Released on November 29, 2005



[Updates](#) | [Frequent Questions](#) | [Contact Us](#) | [Email this Page](#) | [Subject Index](#) | [Search](#)

The Office of Electronic Information, Bureau of Public Affairs, manages this site as a portal for information from the U.S. State Department. External links to other Internet sites should not be construed as an endorsement of the views or privacy policies contained therein.

[About state.gov](#) | [Privacy Notice](#) | [FOIA](#) | [Copyright Information](#) | [Other U.S. Government Information](#)