

Presentation by Mr. Thomas Wuchte, Head on Anti-terrorism Issues

at the meeting of the Security Committee

on 22 July 2013

Mr. Chairman,

Dear Colleagues,

We have heard three very informative and thought provoking presentations on the importance of protecting the non-profit organizations from being abused for terrorism financing. The presentations have given an excellent overview on the situation as well as on the international and national efforts on strengthening protection, accountability and at the same time supporting the legitimate work of non-profit organizations while upholding the rule of law and promoting human rights.

There are a number of conclusions one can draw from these presentations. It is clear for us that there is still a lot to do in order to strengthen the compliance with Recommendation 8 of the Financial Action Task Force (FATF), to promote dialogue among all stakeholders in an inclusive way, to enhance the resilience of the non-profit sector also through raising awareness and disseminating best practices.

Non-profit organizations (NPOs) forming the “charitable sector” are vital components of national economies and social systems. By providing public services and working to improve the quality of life, often at the local level, NPOs complement the activity of the governmental and business sectors. Their continued financial viability depends on perceptions amongst donors that the sector is protected from abuse.

As we have heard today, the FATF has identified three key means by which NPOs may be vulnerable to abuse for financing of terrorism: a) Terrorist organizations may pose as legitimate entities; b) Individuals or groups may infiltrate and exploit legitimate entities as conduits for terrorist financing, including for the purpose of bypassing asset-freezing measures; and c) to conceal or obscure the clandestine diversion to terrorist organizations of funds intended for legitimate purposes.

Our speakers have emphasized also that it is the responsibility of NPO trustees to safeguard their organization from terrorist abuse, but it is also the responsibility of governments to develop and implement sufficient legislation, regulations and oversight mechanisms. OSCE participating States are also aware of the fact that terrorism prevention policies and legislation should not infringe on freedom of association and the right of NPOs to access funding and carry out activities.

Being aware of the need for further efforts in this field and in fulfilling its mandate, TNTD/ATU in close co-operation with OCEEA has developed a repository programme on “Supporting the prevention of abuse of non-profit organizations for financing of terrorism”.

A number of OSCE decisions on countering financing of terrorism and supporting public-private partnerships¹ give the background of this programme.

OSCE participating States have also committed themselves to the implementation of the United Nations Global Counter-Terrorism Strategy which provides guidance for the OSCE counter-terrorism activities. The Strategy calls for the implementation of the comprehensive international standards embodied in the Forty Recommendations on Money-Laundering and Nine Special Recommendations on Terrorist Financing of the Financial Action Task Force, recognizing that States may require assistance in implementing them and encourages international co-operation in this regard. In addition a number UN instruments and UNSC resolutions provide the international legal framework of these efforts.

One of the most important recent developments was the completion of the CTED-initiated project on “Preventing terrorist abuse of the non-profit sector”. The project aimed at developing a common understanding of sound practices to counter the risk of terrorism financing through the non-profit sector, protecting these organisations and preventing terrorist abuse of nonprofit organizations. The project, implemented jointly with the CTITF and the Center on Global Counterterrorism Cooperation (CGCC) has involved more than 50 states and 80 NPOs during two global-level and five regional level meetings. The outcomes of these discussions together with the key findings and recommendations, summarized by the CGCC serve as a solid background and reference to understanding of the risk, disseminating good practices and supporting the implementation of global and regional commitments to fight all forms of terrorism financing. You may find the report “To Protect and Prevent: Outcomes of a Global Dialogue to Counter Terrorist Abuse of the Nonprofit Sector” on CGCC website: www.globalct.org.

As I have mentioned, the CGCC project included two global and five regional-level meetings. Though a number of OSCE participating States supported the project – financially and through participation – the OSCE region did not receive special focus during regional discussions. Therefore I believe that there is room for us to address the issue in this area in the future, building on the experience of the UN project.

Besides its UN Counter-Terrorism Strategy global reference, the repository programme developed by the OSCE also builds on the information, knowledge and experience acquired during an OSCE-wide workshop on Preventing the Abuse of Non-Profit Organizations for Terrorist Financing organized by TNTD/ATU jointly with the OCEEA in September 2009 in Vienna, which contributed to enhancing participating States’ and civil society's understanding of the issue. The programme also builds on the panel discussion on the transparency of the non-profit sector organized by the OSCE in Waterloo, Canada in May 2010, during the Annual General Meeting of the International Committee of Fundraising

¹ - The OSCE Consolidated Framework For the Fight Against Terrorism (PC.DEC/1063)
- Ministerial Declaration on Strengthening Good Governance and Combating Corruption, Money-Laundering and the Financing of Terrorism (MC.DOC/2/12)
- MC.DEC/5/07 on Public-Private Partnerships in Countering Terrorism
- MC.DEC/10/8 on Further Promoting the OSCE’s Action in Countering Terrorism

Organizations (ICFO) - an association of national accrediting and monitoring bodies, headed by Mr. Adri Kemps, Secretary General, who has made his presentation earlier today.

Delegations should also be familiar with the special issue of OSCE's CTN (Counter-Terrorism Network) Electronic Journal, focusing on the implementation of FATF Special Recommendation VIII – now Recommendation 8 - on preventing the abuse of non-profit organizations for the financing of terrorism. The journal was published on the OSCE's website in June 2011 both in English and Russian and still can serve as an excellent reference compilation of views and practices with regard to protecting NPOs against terrorist abuse. <http://www.osce.org/atu/76931>

In the framework of the repository Programme, our first and second dimension teams are now developing a project for a regional awareness raising workshop for government officials, NPOs, their support organizations and other stakeholders. Besides disseminating knowledge about the international legal framework, the workshop will aim at identifying the level of our participating States' compliance, the risks NPOs may face in the region as well as the concrete fields where both governments and NGOs might need further assistance in strengthening resilience against the threat. Co-operation with ODIHR will ensure that the requirement of human rights compliance is met.

The Programme and the projects to be developed under its aegis will be financed from extra budgetary contributions – in case OSCE participating States show interest in supporting this endeavor. I hope you enjoyed these presentations. Thank you!!