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Written Statement for the Record

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Subcommittee on Terrorism, Nonproliferation and Trade

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Chairman Sherman, Ranking Member Royce, members of the Committee: It is a pleasure to appear before you today to discuss how the USG can better leverage foreign assistance to counter terrorism (CT). My colleague, Principal Deputy Assistant Secretary for International Security and Nonproliferation, Patricia McNerney, will address the same issue vis a vis proliferation. I will summarize my formal written statement and ask that you include my full testimony in the record.

Since September 11, 2001 we have had several years of kinetic, short-term activity. The international community has captured or killed numerous senior operatives in al-Qaida and its network, and has thus degraded the ability of terrorists to plan and mount attacks. But let me make one thing clear: short term capture and kill efforts only buy us time to accomplish our long term goals.

The Office of the Coordinator for Counterterrorism (S/CT) has oversight for four U.S. foreign assistance programs that are funded through the "Nonproliferation, Anti-Terrorism, Demining, and Related Programs" (NADR) account: The Antiterrorism Assistance Program (ATA), Counterterrorism Finance (CTF), Terrorist Interdiction Program/Personal Identification, Secure Comparison and Evaluation System (TIP/PISCES), and the Counterterrorism Engagement (CTE) program.

Our CT programs include:

The Counterterrorism Finance (CTF) Training and Assistance Program

CTF Training and Assistance is a small, but highly effective program that funds "follow the money" training for priority countries all over the world. Our

programs include legislative and prosecutorial development assistance, financial investigative training, financial intelligence unit development, counterterrorism finance regulatory training and assistance in creating systems for the interdiction of illicit cash couriers. Our training is done by USG experts from eight different agencies, who work in tandem with their counterparts in other countries.

Prosecutions of terrorist financiers in Latin America, interdiction of illicit cash shipments in Southeast Asia, and on-going investigations and successful prosecutions of trade-based money laundering are evidence of the effectiveness of the Program. For example, each and every member of the European Union's (EU) 27 countries has a Financial Intelligence Unit (FIU), is a member of both the Financial Action Task Force (FATF) or a FATF-recognized regional affiliate, and the Egmont Group. We are continually working with the EU to further improve procedures for information sharing and for proactively implementing FATF Special Recommendations, such as enforcing cash declaration regulations for travelers. We are also working with private sector financial institutions to improve implementation of asset freeze measures.

The Antiterrorism Assistance (ATA) Program

The Antiterrorism Assistance program is about to celebrate its 25th anniversary – Congress first authorized the program on November 13, 1983 (with the passage of Chapter 8, Part II of the Foreign Assistance Act of 1961). For 25 years, ATA has trained more than 5,850 students from 151 countries, providing advanced counterterrorism training and equipment grants tailored to the needs of each partner nation and to local conditions. ATA improves the performance of partner nations to prevent future attacks and manage their consequences. In 2007, ATA sponsored 266 training activities and technical consultations and trained over 4,500 participants from 64 countries.

We recently redesigned the tier list used to prioritize countries that should receive ATA support. We developed the list by using our Regional Security Officers' response to fifteen questions in three specific categories: in-country threat, U.S. interests, and foreign partner capacity. While a priority list is necessary, flexibility is crucial to responding to actual needs and opportunities on the ground. We will ensure that we can re-direct funding for ATA to respond to Congressional and national security concerns, as well as to address urgent situations in the field. To assist us in matching priorities with opportunities, we are in the process of filling a new position for a Strategic Planner, one of whose responsibilities will be to participate in the assessment teams.

The RSI will further prioritize which countries and regions receive ATA funding. During meetings with our Ambassadors and interagency representatives in each of the eight RSI groupings, S/CT receives requests for delivery of ATA as part of the effort to pool resources and devise collaborative strategies and policy recommendations. This will enable us to address the particular terrorism threat in each region. S/CT and the Office of Antiterrorism Assistance participate in the subsequent Technical Assistance Sub-Group meetings to ensure proper follow-through.

During the past year, the Office of Antiterrorism Assistance appointed a Coordinator for Professional Capacity Development. This officer is developing a methodology to quantify levels of achievement by foreign governments in the area of fighting terrorism that can be applied internationally and against the varying capacities of each country. In order to strengthen the relationship between the initial Needs Assessment that serves as the basis for starting assistance, and the metrics being developed to assess “sustainability”, the Office of Antiterrorism Assistance recently realigned this position within the Assessment, Review, and Evaluation Unit. This move will help ensure that the objective capability ratings obtained during an initial country assessment are linked to each successive country report.

This Coordinator will track the progress of individual countries according to the 25 established "Critical Capabilities" parameters of the Needs Assessment process. Examples include:

- Preventive capabilities (land, airspace, and maritime border security, for example);
- Response capabilities (such as National Level Major Incident Command and Control, Police Special Operations (CRT), and Explosives Incident Countermeasures);
- Post-Incident Capabilities (Police Investigative Capability; post-blast investigations, financial investigations, and crime scene and evidence management, for example.);
- Cyber Security Capabilities; and
- Professional Development Capability.

In this manner, the needs assessment process helps establish reasoned, de facto objectives for evaluation and potential assistance. This is preferable to attempting to address all of the partner nation’s CT vulnerabilities in a vacuum. Except where

the Office of Antiterrorism Assistance is redirected by S/CT and/or Congress due to changing policy priorities, it will use the needs assessments and subsequent program reviews to further tailor training for individual countries and regions. ATA's established procedure of converting the findings of the partner nations' Needs Assessment into a Country Assistance Plan, complete with course curriculum suggested to rectify identified deficiencies, will ensure that the ATA program's objectives are clearly defined.

The Terrorist Interdiction Program (TIP/PISCES)

Thanks to TIP/PISCES, hundreds of individuals traveling on stolen passports in Pakistan, as well as wanted criminals, narcotics smugglers, and human traffickers, have been identified and intercepted worldwide. The TIP complements other CT-related U.S. efforts to enhance aviation, border, cyber, maritime, and transportation security. TIP/PISCES constrains terrorist mobility and enhances international cooperation by providing partners with a computerized terrorist screening system known as PISCES (personal identification secure comparison and evaluation system). TIP provides participating countries with a computerized watch listing system to identify suspect travelers at air, land, or sea ports of entry. TIP further promotes expanded cooperation and close liaison with host governments in the areas of rule of law, anticorruption, and law enforcement. Since 2001, the Department of State has provided TIP assistance to more than 20 countries, assistance that was instrumental in impeding terrorist travel. High-priority countries participating in the program include Iraq, Pakistan, Afghanistan, Yemen, and Kenya.

The Counterterrorism Engagement (CTE) program

CTE funds are used specifically to support relatively low-cost, high-impact CT-related projects that have been identified as part of the RSI. CTE funds build capacity to fight terrorism, both military and law enforcement; foster regional cooperation; counter radicalization; and enhance U.S. strategic communications and public diplomacy. However, CTE funds remain very limited.

Other Programs

Another vital component of our efforts to address the conditions that terrorists exploit for recruitment and ideological purposes are USG assistance programs administered through USAID, the Middle East Partnership Initiative

(MEPI), and the Millennium Challenge Corporation, which increase access to education, improves health care, and focus on democratic and economic reform.

EFFECTIVENESS

S/CT is proud of the ATA, CTF, TIP/PISCES, and CTE programs and believe they are effective. However, there is always room for improvement. By allowing us to further prioritize which countries and regions receive assistance, the RSI is the engine that will allow us to use our assistance in a more targeted, efficient manner. We are working with our Ambassadors and interagency representatives in eight terrorist theaters of operation to collectively assess the threat, pool resources, and devise collaborative strategies.

PLANNING AND COORDINATION

Since 2006, the U.S. has been working on the RSI in an effort to develop flexible regional networks. The RSI is a shift in strategic thinking on countering terrorism. Terrorists do not respect borders. In fact, they operate most effectively when borders are porous and cooperation between neighboring countries is poorly coordinated.

U.S. Ambassadors, as the President's personal representatives abroad, have a unique ability to target all elements of national power to bear against the terrorist enemy. The RSI enables Ambassadors and the Country Teams they lead to coordinate CT strategies to help host nations understand and address the threat, and to strengthen their political will and capacity to counter it. Because terrorist groups often exploit porous borders and/or the ungoverned or undergoverned areas between countries, bilateral responses are themselves insufficient.

Through the RSI, Ambassadors in a terrorist theater of operation host interagency policymakers and representatives of the combatant commands to assess the threats and devise strategies, actionable initiatives, and policy recommendations to address them. Integrating the RSI with the President's National Implementation Plan (NIP) for the war on terror, S/CT then works through the NSC's Counterterrorism Security Group to identify the interagency programs and resources to carry out the strategic objectives. The RSI thus provides Ambassadors with a coordinated mechanism to target terrorist threats that one team, or one country alone, cannot fully combat. Because RSIs coordinate the array of capabilities of USG agencies in a region, U.S. counterterrorism policy objectives can be advanced more timely, more directly, and more efficiently.

We are working with our Ambassadors and interagency representatives in key terrorist areas of operation to assess the threat and to devise collaborative strategies, action plans, and policy recommendations. The RSI teams use all tools of statecraft in what has become an increasingly, holistic effort.

We are working through the RSI in eight theatres of operation to strengthen our regional and transnational partnerships. If foreign governments have the political will but do not have the capability, we coordinate resources across the interagency. Because of our collective efforts, our foreign partners have successfully identified and interdicted terrorist groups. They have passed legislation to criminalize acts of terrorism and terrorist financing that meet international standards, and thus improved their ability to enforce these laws and prosecute those who violate them. By building our partner's law enforcement capacity, and by using assistance monies to promote economic development, good governance, education, liberal institutions, and democracy, we are working to discredit terrorist ideology.

As part of the effort to more effectively address the particular terrorism threat in each region, we receive requests for the various programs at meetings with our Ambassadors and interagency representatives in each of the eight RSIs. We then participate in subsequent Technical Assistance Sub-Group meetings to ensure proper follow-through.

A successful strategy to defeat terrorists must be structured at multiple levels: a global campaign to counter violent extremism and disrupt terrorist networks; a series of regional collaborative efforts to deny terrorists physical, ideological, and virtual safe haven; and numerous bilateral security and development assistance programs designed to build liberal institutions, enhance our partners' capacity, and address conditions that terrorists exploit. We work with or through partners at every level to provide security, law enforcement, and development assistance where possible in support of this strategy.

CONDITIONALITY

Currently, U.S. counterterrorism foreign assistance is conditioned on a country's cooperation with U.S. counterterrorism policy. If upon review, funded programs appear to be ineffective, the Department of State evaluates whether to cease funding, make modifications to existing programs, or redirect funds to more

effective and efficient uses. Nonetheless, the U.S. Government provides foreign assistance so that other nations can build capacity to combat terrorism on their territory. In this way, the U.S. is helping other nations fight terrorism so that the U.S. does not have to fight this terrorism on U.S. soil. While other nations might not achieve all of the results as quickly and extensively as the U.S. would prefer, overall, they are making progress in combating terrorism.

LEVERAGING ASSISTANCE

S/CT works closely with the Office of the Director of U.S. Foreign Assistance to establish priorities for counterterrorism assistance. Together we work with U.S. Embassies to pinpoint areas of greatest counterterrorism concern and opportunities to target our programs and assistance resources accordingly. The RSI process helps leverage U.S. foreign assistance by broadening the focus and impact of programs from the bilateral to the multilateral. The end result is a well-defined and informed collaborative approach for furthering U.S. international counterterrorism objectives and policies.

VETTING AND SCREENING OF RECIPIENTS

The Department of State vets and screens recipients of foreign assistance through various mechanisms including the Leahy human rights vetting; the Antiterrorism Assistance program's Assessment, Review, and Evaluation; and the Risk Based Assessment. The Department balances foreign policy priorities with the risk that programs might inadvertently benefit terrorists or their supporters. The Risk Based Assessment, managed by the Bureau of Economic, Energy, and Business, but the responsibility of individual Assistant Secretaries and Administrators, evaluates risk by following procedural guidelines which include vetting against the Department of the Treasury's Office of Foreign Assets Control (OFAC) Specially Designated Nationals (SDN) list and where warranted other lists such as the Terrorism Exclusion List (TEL).

Thank you once again for this opportunity to discuss our antiterrorism assistance programs with you today. I am happy to answer your questions.