

Chapter 5

Country Reports

Africa Overview

A small number of al-Qa'ida operatives in East Africa, particularly Somalia, continued to pose the most serious threat to American interests in the region. It is unclear to what extent terrorist groups are present in South Africa, however, the activity of al-Qa'ida and affiliated persons or groups in South Africa and Nigeria, home to Africa's largest Muslim population, is of growing concern. Hizballah continues to engage in fundraising activities in Africa, particularly in West Africa.

Though civil conflict and ethnic violence continued in a number of African countries in 2004, there were few significant international terrorist incidents in Africa during the year. An increase in anti-American and anti-Western rhetoric from a number of Islamic radicals is of growing concern. Many African governments improved their cooperation and strengthened their efforts in the war on terrorism. Both the African Union (AU) and other African regional organizations undertook initiatives to improve counterterrorism cooperation and information sharing.

In October, the Government of Chad helped negotiate the turnover of captured Salafist Group for Call and Combat (GSPC) factional leader Amari Saifi (aka Abderazak al-Para) from a Chadian rebel group to the Algerian Government. Chadian military forces had routed the GSPC element led by al-Para in northern Chad in March, and he was subsequently captured by the rebel group. Al-Para headed a

GSPC faction responsible for the kidnapping of 32 European tourists in Algeria in the summer of 2003. Al-Para took the captives to Mali, where the government was instrumental in securing their release. Members of the GSPC continue to operate in the Sahel region, crossing difficult-to-patrol borders between Mali, Mauritania, Niger, Algeria and Chad. With the help of US-funded training, those countries have increasingly cooperated against the GSPC. At year's end, al-Para was in Algerian custody.

Sahel countries Mauritania, Mali, Niger, and Chad are devoting more resources to improve their counterterrorism capabilities. These countries also participate in the US-sponsored Pan-Sahel Initiative (PSI), a program designed to assist those nations in protecting their borders, combating terrorism, and enhancing regional stability. Components of the program are intended to encourage the participating countries to cooperate with each other against smuggling and trafficking in persons, as well as in the sharing of information. The State Department funded and currently supervises the program, which has included providing equipment and training by US European Command (EUCOM) trainers to Sahel country military units. The United States has also provided counterterrorism training for senior police and other officials from eastern and southern Africa at the International Law Enforcement Academy in Gaborone, Botswana. A continuation of the PSI program, called the Trans Sahara Counterterrorism Initiative, is now under consideration.

Many African nations have taken cooperative action against terrorism, including making real efforts to sign and ratify the 12 international conventions and protocols relating to terrorism. Botswana, Burkina Faso, Ghana, Kenya, Madagascar, Mali, Niger, the Seychelles, and Sudan have signed all 12 protocols. In October, the African Union (AU) opened the new African Center for Study and Research on Terrorism in Algiers. Several nations have formed national counterterrorism centers, including Nigeria, Kenya, and South Africa.



Brig. Gen. Mahamat Saleh Kaya, Joint Chiefs of Staff of the Chadian Armed Forces, congratulates 1st platoon honor graduate Chadian Lieutenant Abakar Ibrahim Iguah during the summer 2004 graduation ceremony at Chadian Army Camp 27 as Maj. Paul Baker, Commanding Officer of the Pan-Sahel Initiative, looks on. (USMC photo by Cpl. Lameen Witter)

Global Terror, Global Response: Partnership in East Africa

The US East Africa Counterterrorism Initiative (EACTI), a \$100 million program announced by President Bush in 2003, dedicated sizeable resources to improving counterterrorism capabilities in the East African countries of Kenya, Uganda, Tanzania, Djibouti, Eritrea, and Ethiopia in 2004. EACTI put into motion steps necessary to accomplish a number of other important objectives in the battle against terrorists and terrorism:

- Financial intelligence units (FIUs) are being developed in several countries, to ensure that nations have the tools they need to stop terrorists abusing their financial systems.
- Police training, along with such items as communications equipment, vehicles, and spare parts, has been provided to assist participating nations to patrol their borders and prevent terrorist infiltration.
- Several countries in the region have received training and computer systems to help them identify, monitor and interdict terrorists at their borders.
- Regional navies and coastal patrols are receiving EACTI-funded training in maritime and coastal border security operations, along with equipment (such as small craft for close-in patrols) and the opportunity to exercise with US and Coalition forces. These efforts are also coordinated through the US Central Command's Combined Joint Task Force, Horn of Africa (CJTF-HOA) located in Djibouti.
- EACTI funds have helped the Kenyan Government improve its National Counterterrorism Center and establish a joint terrorism task force, allowing interagency communication and information sharing on a real-time basis to prevent terrorist attacks and respond to potential terrorist incidents.
- To counter extremist influence and diminish the conditions terrorists seek to exploit for safe haven and recruitment, EACTI is funding teacher education in disadvantaged Muslim communities, encouraging greater access to education for girls, and improving community involvement in education.
- Media and information outreach and English language teaching are expanding, both to put forward a more accurate picture of the United States and its values, and to serve as a counterweight to Islamist-controlled media outlets.

In April 2004, the State Department's Office of Counterterrorism invited EACTI participating nations to Kampala for a conference to review the initiative. G8 representatives and observers from neighboring states also participated. The conference served to strengthen regional ties, particularly in the area of information sharing, and helped to increase international donor interest and coordination in fighting the long-term battle against terrorism.



1st Lt. Marcus P. Cornelius (right), 3rd platoon team leader, leads his platoon in a conditioning run at the Koundoul Training Instruction Center in Chad as part of the Pan-Sahel Initiative in the summer of 2004. (USMC photo by Cpl. Lameen Witter)

Djibouti

Djibouti has taken a strong stand against international terrorist organizations and individuals. Djibouti hosts the only US military base in Sub-Saharan Africa, the Combined Joint Task Force-Horn of Africa, as well as Combined Task Force 150 which operates offshore and is headquartered in Bahrain.

The Djiboutian Government has increased its efforts to train security forces, secure borders, and expand its capacity for maritime interdiction. Djibouti also joined the ranks of countries participating in the US Government's Safe Skies for Africa program in late 2004. Through this program, Djibouti is scheduled to receive assistance to improve its airport security and infrastructure. The Government has also closed down terrorist-linked financial institutions and shared information on possible terrorist activity in the region. The counterterrorism committee under President Guelleh moved to enhance coordination and action on information concerning terrorist organizations.

Ethiopia

Ethiopia's support in the global war on terrorism has been consistently solid and unwavering. The Government of Ethiopia has conducted investigations regarding regional rebel and possibly transnational terrorist threats to Westerners and US military officials in the Ogaden region of Ethiopia. Ethiopia has also been cooperative in sharing information with the United States on terrorist activities. To counter the threat from these groups and from elements of the Somalia-based Al-Ittihad al-Islami (AIAI), Ethiopia has undertaken increased military efforts to control its lengthy and porous border with Somalia. Its draft penal code includes provisions that criminalize terrorism, money-laundering, and providing financial support for terrorism. The Government also has developed and installed new security systems for Addis Ababa's international airport that allow the tracking of terrorists and terrorist supporters, and introduced a new, more secure passport that includes anti-tampering features.



Kenyan defendants, charged with killing 15 people in the bombing of a beachfront hotel north of Mombasa, Kenya, in 2002, stand in the dock at the high court in Nairobi at the start of their trial in February 2004. (AP Photo/Khalil Senosi)

Kenya

Kenya remains an active and critical partner in the war on terrorism. The Government established the National Counter Terrorism Center in January 2004 as well as the National Security Advisory Committee to oversee its operations. However, Kenya registered only slow progress towards the overall strengthening of its capabilities to combat terrorism, prosecute terror suspects, or respond to emergency situations. In April 2003, Kenya published a draft "Suppression of Terrorism" bill, but withdrew it in 2004 due to broad human rights concerns. At year's end, the Kenyan Government had not submitted to parliament a revised draft to address these concerns.

The Kenyan Government has taken the initiative in arresting terrorist suspects and disrupting terrorist operations. The trials of seven terror suspects — arrested in November 2003 on charges related to the Kikambala hotel bombing and attempted shoot-down of an Israeli airliner



US troops in Amaiya, Kenya, doing medical and veterinary work. The US soldiers are based in Djibouti, a tiny Horn of Africa nation that since 2002 has been home to the headquarters of a US-led task force leading the war on terrorism in eastern Africa. (AP Photo/Karel Prinsloo)

in November 2002, the 1998 Embassy bombings and a subsequent plot to attack the US Embassy in 2003 — continued but were not concluded by year's end. Kenya made many security improvements at airports and hotels in 2004, particularly in Mombasa. The Government's uncoordinated response to an explosion at Nairobi's Wilson Airport in October, however, indicates the need for better coordination and continued improvement of security measures.

Nigeria

In 2004, Nigeria remained committed to the global war against terrorism and has stepped up diplomatic efforts in both global and regional forums concerning counterterrorism issues. Nigerian President Olusegun Obasanjo and other African heads of state founded the New Partnership for African Development — geared toward sustainable development in Africa — that has helped African countries combat terrorism. Nigeria initiated and sponsored the first-ever regional conference of security and intelligence service chiefs during 2004 under the auspices of the Economic Community of West African States (ECOWAS). A central theme during this conference was

the need to share information and cooperate more fully on a host of transnational issues, particularly terrorism. This effort was followed by an African Union conference, chaired by President Obasanjo, which specifically addressed the need for broader cooperation within the intelligence and security service communities of AU member countries on the issue of terrorism.

Nigeria has participated actively in international efforts to track and freeze terrorists' assets. However, Nigeria's relatively large and complex banking sector, combined with widespread corruption, makes combating terrorism financing more difficult. There are growing concerns about the rise of radical Islam in Nigeria — home of Africa's largest Muslim population. Links were also uncovered connecting Nigerians to al-Qa'ida in 2004.

In late December 2003, early January and again in September 2004, a group calling itself the "Taleban" raided police stations in the northeastern states of Yobe and Borno, reportedly taking several police officers hostage, stealing weapons, and killing at least seven civilians. Nigerian security services quickly responded to both attacks and claim to have killed or captured dozens of the "Taleban" members in the aftermath of the attacks.

Rwanda

The Rwandan Government has continued to give full support to international efforts to combat terrorism. The Government has been responsive on efforts to combat terrorism financing and has increased its border control measures to identify potential terrorists. Rwanda established an intergovernmental counterterrorism committee and has an antiterrorism section in its police intelligence unit. Despite lack of training and resources, Rwanda's Central Bank and Ministry of Finance officials have provided outstanding cooperation on terrorist financing issues. Rwanda has participated in regional initiatives on international counterterrorism cooperation with other African countries.

During 2004, the Democratic Forces for the Liberation of Rwanda (FDLR), known as the Army for the Liberation of Rwanda (ALIR) until 2001, an armed rebel force including former soldiers and supporters of the previous government that orchestrated the genocide in 1994, continued to operate in Rwanda and the Democratic Republic of the Congo. Rwanda continues to pursue the rebels. An ALIR unit was responsible for the kidnapping and murder of nine persons, including two US tourists, in Bwindi Park in 1999. In 2004, the Rwandan Government assisted US law enforcement officials seeking to prosecute three suspects in the attack who were transferred to the United States for prosecution in 2003. At year's end, the suspects were in US custody awaiting trial.

Somalia

Somalia's lack of a functioning central government, protracted state of violent instability, long unguarded coastline, porous borders, and proximity to the Arabian Peninsula make it a potential location for international terrorists seeking a transit or launching point to conduct operations elsewhere. Regional efforts to bring about a national reconciliation and establish peace and stability in Somalia are ongoing. Although the ability of Somali local and regional authorities to carry out counterterrorism activities is constrained, some have taken limited actions in this direction.

Members of the Somalia-based al-Ittihad al-Islami (AIAI) have committed terrorist acts in the past, primarily in Ethiopia. AIAI rose to power in the early 1990s with a goal of creating an Islamic state in Somalia. In recent years, AIAI has become highly factionalized and diffuse, and its membership is difficult to define. Some elements of AIAI continue to pose a threat to countries in the region, other factions may be targeting Western interests in the region, while still other elements are concerned with humanitarian issues. Some members are sympathetic to and maintain ties with al-Qa'ida.

South Africa

South Africa publicly supports global efforts against terrorism and has shared financial, law enforcement, and intelligence information with the United States. South Africa took several strong steps forward in combating terrorism in 2004, particularly in the legislative arena. The South African Parliament in November adopted the thorough "Protection of Constitutional Democracy Against Terrorist and Related Activities Bill," which has been sent to the President's office for signature into law. The act clearly defines terrorism and specifically criminalizes terrorist activities in application of its international obligations. It prescribes prison sentences of up to 15 years or large fines for those convicted.

Two South Africans were arrested in Pakistan in July as part of the Pakistani Government's efforts against al-Qa'ida. South African officials were satisfied they were not planning to conduct attacks in South Africa. This incident, however, brought to international attention the possibility of South Africans participating in terrorist activities. Some weaknesses of the South African passport were identified, and the Home Affairs Department is taking initial steps to improve the security of both the passport and national identity document.

The South African Government in March organized a four-week multinational Anti-Terrorism Training Program in Pretoria, which brought together police from South Africa and eleven other African countries to teach methods for combating terrorism. In early October, the Government released a report on the first full year's activities of the

Financial Intelligence Unit. The Unit received almost 7,500 reports of suspicious financial transactions. Though the quality of the reports was uneven, this is expected to improve during the Unit's next year of operation. Also in October, the Government announced the establishment of an anti-terrorism "nerve center," to bring together several police and intelligence agencies. A specialized rapid response anti-terrorism unit also is planned for the future.

Tanzania

Tanzania continues to be a supportive partner in the global war on terrorism. It has cooperated on several multi-year programs to build law enforcement capacity, enhance border security, improve civil aviation security, and combat money laundering and terrorist finance. It also hosts the East and Southern Africa Anti-Money Laundering Group (ESAAMLG), an international group whose aim is to develop a comprehensive anti-money laundering regime on a regional scale.

Tanzanian and US authorities established a close working relationship after the bombing in 1998 of the US Embassy in Dar Es Salaam and have cooperated in bringing bombing suspects to trial in New York and Dar Es Salaam. Rashid Sweleh Hemed, on trial in Tanzania in late 2003 for his role in the 1998 Embassy attacks, was acquitted in late December by the High Court following the government's appeal of his initial acquittal earlier in the year. A Tanzanian suspected of involvement in the 1998 bombing, Ahmed Khalfan Ghailani, was arrested in July in Pakistan. Although cooperative, Tanzanian law enforcement authorities still have a limited capacity to investigate terrorist suspects and bring them to justice. A comprehensive Prevention of Terrorism Act, approved in late 2002, has yet to be enforced, and implementing regulations for the law have not been drafted.

Uganda

Uganda continued its firm stance against local and international terrorism. Uganda enacted the Anti-Terrorism Act in 2002, which provides a legal basis for bringing suspected terrorists to court and freezing assets of certain terrorist entities.

The Government of Uganda has fought the Lord's Resistance Army (LRA) since the 1980s. This group has carried out acts of extreme brutality against innocent civilians (kidnapping children for use as soldiers and sex slaves) and operates in northern and eastern Uganda and southern Sudan. In February, the LRA attacked the Barlonyo refugee camp near Lira, Uganda, killing nearly 200 people. In previous years, the LRA received assistance from the Government of Sudan. During 2004, the Sudanese Government cooperated with the Ugandan Government to cut off supplies to the LRA, and to allow the Ugandan military to operate on Sudanese territory. The Ugandan Govern-

ment inflicted severe setbacks to the LRA. It also continued an amnesty program for senior LRA combatants, many of whom opted to come out of the bush and accept the offer. In an attempt to hold a direct dialogue with the LRA, the Government announced a limited ceasefire in mid-November and extended it through December 31, 2004. At year's end, however, no peace had been agreed, and fighting resumed on January 1, 2005, when the LRA ambushed a government vehicle.

Middle East and North Africa Overview

The Middle East and North Africa region continues to be the region of greatest concern in the global war on terrorism. Iraq witnessed extensive terrorism and violence by foreign jihadists, former regime elements, and Islamic extremists. Numerous attacks in Iraq targeted foreign aid workers, contractors, and other non-combatants. Major terrorist attacks also occurred in Egypt, Saudi Arabia, and Israel. Active groups in the Middle East included al-Qa'ida, the Islamic Resistance Movement (HAMAS), Hizballah, Palestinian Islamic Jihad (PIJ), the al-Aqsa Martyrs Brigade (Fatah's militant wing), the Popular Front for the Liberation of Palestine (PFLP), Ansar al-Islam and its offshoot Ansar al-Sunna, and Abu Mus'ab al-Zarqawi's organization Tanzim Qa'idat al-Jihad fi Bilad al-Rafidayn, or the al-Qa'ida Jihad Organization in the Land of the Two Rivers (formerly Jama'at al-Tawhid wa'al-Jihad). There was an increase in terrorist groups affiliating themselves with al-Qa'ida or expressing support for al-Qa'ida's ideology. In December, the United States amended the Foreign Terrorist Organization (FTO) designation of Zarqawi's group to include its new name and aliases and designated the Libyan Islamic Fighting Group (LIFG) as an FTO. Lebanese Hizballah's television network, al-Manar, was also added to the Terrorist Exclusion List (TEL).



In Baghdad's Haifa Street, on December 19, several employees of Iraq's Independent Electoral Commission are killed by unidentified gunmen after being dragged from their car. (AP Photo/STR)

Almost all countries in the region continued significant international counterterrorism cooperation and undertook efforts to strengthen their counterterrorism capabilities and effectiveness. Many countries continued to provide support to Coalition efforts to bring peace and stability to Iraq and Afghanistan. The United States continued to provide training throughout the region to assist US allies to enhance their counterterrorism capacity. In November, Bahrain hosted the first meeting of the newly-established FATF-style regional body, the Middle East and North Africa Financial Action Task Force (MENA FATF), the creation of which should strengthen members' efforts to combat money laundering and terrorist financing in countries in the region.



A Yemeni employee of the US Consulate in Jeddah, Saudi Arabia, wounded during a December 6 attack on the Consulate, talks with two Saudi men at a Jeddah hospital the day following the terrorist attacks. (AP Photo/Hasan Jamali)

Iraq's designation as a state sponsor of terrorism was officially rescinded on October 20, and the United States continued to work closely with the Iraqi Interim Government (IIG) and Iraqi Security Forces to combat terrorism in Iraq. Nevertheless, terrorists and insurgents endeavored to prevent the establishment of a free, sovereign, and democratic Iraq through numerous attacks, including bombings, assassinations, kidnappings, and beheadings.

Saudi Arabia, Jordan, and Kuwait undertook aggressive actions to prevent terrorists and insurgents from crossing their borders into Iraq. Syria also took some measures to intercept Iraq-bound foreign jihadists, but those efforts were only partly successful.

Terrorist attacks in Israel in 2004 killed almost 100 people, a significant decrease from the year before. HAMAS claimed responsibility for the deadliest attack of the year, the August 31 double suicide bombing of two buses in Beersheva that killed 16 people and wounded 100.

In Egypt on October 7, terrorists attacked three tourist targets in Taba and Nuweiba on the Sinai peninsula, killing 34 people, including Egyptians, Israelis, Italians, a Russian, and an American-Israeli dual national, and injuring over 140. By the end of the year, the Egyptian Government assessed that of the nine individuals responsible for the attacks, two had been killed in the attacks, five were in custody, and two were still at large.

In Saudi Arabia, terrorists killed dozens of foreigners and Saudi citizens in 2004, including six Americans. Saudi authorities aggressively pursued terrorists and succeeded in capturing or killing many on their most-wanted list. On December 6, an attack on the US Consulate in Jeddah killed four Consulate locally engaged staff and one contract guard, and significantly injured ten employees. Three of the attackers were killed at the site, and one died later of his



Saudi forces gathered outside the US Consulate in Jeddah on December 6 after terrorists threw explosives at the gate, forced their way in, and held hostages at gunpoint. Three of the five terrorists were killed during the attack and a fourth later died of wounds. (AP Photo/Saudi Gazette)

injuries. The fifth is in Saudi custody. Two groups associated with al-Qa'ida claimed responsibility for the attack.

Jordan's State Security Court sentenced eight men to death, including Abu Mus'ab al-Zarqawi, for the 2002 murder of USAID official Laurence Foley. In Yemen, the Sana'a Primary Court, in separate trials, convicted the defendants in the USS Cole and French M/V Limburg attacks. Both cases were under appeal at the end of 2004.

Algeria killed or apprehended key leaders of the Salafist Group for Call and Combat (GSPC) and the Armed Islamic Group (GIA), and arrested more than 400 other GSPC and GIA terrorists during 2004. On October 12, Algerian President Abdelaziz Bouteflika opened the African Union's Center for Study and Research on Terrorism in Algiers.

Morocco continued its aggressive action against suspects in the May 2003 Casablanca bombing.

Algeria

Algeria continued strong support for US counterterrorism efforts and demonstrated its overall support of the global war on terror. Algeria made impressive gains against both the Salafist Group for Call and Combat (GSPC - also known as the Salafist Group for Preaching and Combat) and the Armed Islamic Group (GIA). In June, GSPC "Emir" Nabil Sahraoui (aka Abu Ibrahim Mustapha) was killed by security forces during an armed clash. In October, Amari Saifi, a.k.a. Abderazak al-Para, the GSPC leader responsible for the 2003 kidnapping of 32 European hostages in Algeria, was apprehended through cooperation with the Chadian and Libyan authorities, and returned to Algeria after being held by a Chadian rebel group, the Movement for Democracy and Justice, for several months. In early November, Algerian security forces captured GIA leader Nouredine Boudiaf and three of his associates along with a large cache of weapons near the Algiers airport. Alge-

Public Diplomacy

The foundation of the US Government's public diplomacy strategy is to engage, inform, and influence foreign publics in order to increase understanding of American values, policies, and initiatives. Since the terrorist attacks of 9/11, reaching foreign audiences with core policy messages on democracy, tolerance, and the universal values of liberty and freedom remains at the center of US efforts to counter extremist rhetoric and disinformation coming from hostile groups.

Support for and understanding of the United States go hand-in-hand with strengthening moderate voices as an antidote to extremism. Through public diplomacy programs such as Fulbright academic exchanges, International Visitor Leadership projects, speaker programs, journalist tours, English-language development, Internet websites, and digital video conferences, the US Government is communicating American principles and values. At the same time, these programs work to increase mutual understanding and respect between the people of the United States and those of other countries.

Through public diplomacy the United States calls for dialogue with key communities, while encouraging the growth of moderation, based on mutual interests of democracy, security, prosperity, and shared values. In 2002, the Department launched Partnerships for Learning (P4L), which directs exchanges toward youth and youth influencers and focuses on the universal need for education and opportunity. A powerful component of the US Government's public diplomacy programs is the broad range of American academic institutions, NGOs, and private citizens who play a vital role in hosting approximately 30,000 academic, cultural, and professional exchange visitors annually.

One of the most effective public diplomacy tools is American Corners. Often housed in educational institutions, American Corners in 201 cities in 89 countries serve as platforms for public outreach, especially to young people, offering them knowledge about life in the United States, American government, and American culture through computers, books, magazines, and information.

Radio, television, Internet and video products continue to be powerful tools for bringing America's foreign policy message to worldwide audiences. The State Department produces a wide array of print and electronic materials describing for foreign audiences, in their own languages, the need to counter those who have committed or wish to commit terrorist acts, as well as the achievements made in that struggle. The US Agency for International Development (USAID) carries out foreign assistance programs that support key US foreign policy interests and have a positive public diplomacy impact for many people in the

developing world. USAID's humanitarian aid programs and its activities in the areas of economic growth, agriculture, trade, global health, democracy, and conflict prevention help reduce the risk of countries becoming breeding grounds for terrorism. In Afghanistan, USAID is helping to build a safe, stable society that meets the needs of its people and eliminates an environment in which terrorist groups have flourished. USAID has been on the front lines of support to tsunami-affected countries, garnering goodwill toward the United States among people in the hardest-hit areas.

At the Sea Island summit hosted by the United States in June 2004, the G8 launched the Broader Middle East and North Africa (BMENA) Initiative to support reform efforts underway in the region in the areas of democratization, economics, and education. A key component of the BMENA initiative is the Forum for the Future, which brings together annually foreign, education, and economic ministers, as well as civil society and business representatives, from the Broader Middle East and the G8 to discuss ways to support reform. In addition to the forum, the G8 agreed to support a Democracy Assistance Dialogue, a Network of Funds, Entrepreneurship Centers, a microfinance initiative, a literacy initiative, an Investment Task Force, and a private enterprise partnership at the International Finance Corporation.

Also of public diplomacy significance, the Middle East Partnership Initiative (MEPI), launched in December 2002, is a Presidential initiative established to support economic, political, and educational reform in the Middle East and expand opportunity for all people of the region, especially women and youth. By working closely with governments in the Arab world, academic institutions, the private sector, and non-governmental organizations, MEPI increases support for core democratic values and self-generated reform efforts in the Middle East.

Among the hallmark activities being conducted under the auspices of MEPI are plans for the creation of a Middle East Justice Institute, multiple sessions for Middle East Entrepreneurship Training in the United States for men and women, and regional campaign schools teaching political skills to female candidates. In addition, "Partnership Schools" help transform the classroom learning experience through innovative alternatives that can serve as models for governments as they build new schools and reform educational systems.

The success of public diplomacy efforts is not measured in days or weeks; it is a long-term commitment measured in the course of generations.

rian authorities arrested more than 400 other GSPC and GIA terrorists during 2004.

According to Algerian authorities, fewer than 800 terrorists remain active in Algeria, down from a possible high of 28,000 terrorists in the mid-1990s. The Government's success in capturing or killing a number of GSPC and GIA leaders has further weakened the effectiveness of these two groups. The GSPC, however, carried out several operations in Algeria in 2004, including the August ambush of a military convoy in which 40 members of the security forces were killed. On June 21, GSPC terrorists exploded a vehicle-borne explosive device outside the El-Hamma electric power generating facility in central Algiers, causing no casualties but knocking out 210 MW of generating capacity for several months. Members of the cell responsible for the El-Hamma bombing were reportedly killed by security forces in October. Numerous smaller incidents occurred in 2004, mainly in the Boumerdes area and in parts of Kabylie.

Algeria's neighbors, including Mali, Niger, Chad, and Mauritania, continue to be affected by the GSPC's activities. The GSPC conducts smuggling activities between Algeria and neighboring countries. There are also financial links between GSPC cells in Europe and Algeria. The GSPC issued several communiqués on its website threatening foreigners in Algeria and pledged renewed allegiance to al-Qa'ida and global jihad. Algeria cooperates closely with its neighbors in the Sahel. This cooperation led to the apprehension of Abderrazak al-Para.

On October 12, President Abdelaziz Bouteflika hosted a high-level African Union (AU) conference on counterterrorism in Algiers and opened the new AU Center for Study and Research on Terrorism. This center is intended to facilitate information exchange and training for AU member states in the fight against terrorism. In the financial arena, Algeria drafted legislation to criminalize money laundering activities. A financial intelligence unit (FIU), which turns over actionable information to the courts, became operational.

Bahrain

Bahrain provides important support to US counterterrorism efforts, particularly efforts to block the financing of terror groups. Bahrain has continued to respond positively to requests for assistance to combat terror financing and has frozen about \$18 million in terrorist-linked funds. In November, Bahrain hosted the inaugural meeting of the Middle East and North Africa Financial Action Task Force (MENA FATF). Bahrain worked closely with FATF for several years to establish this regional body. Located in Bahrain, the new MENA FATF secretariat will promote FATF recommendations to combat money laundering and terrorist financing.

Bahrain is an active participant in the US Government's Antiterrorism Assistance Program. Bahrain continued to cooperate with the US on intelligence and law enforcement matters.

The Government actively monitored terrorist suspects, but domestic legal constraints, including the absence of comprehensive conspiracy legislation, have at times hamstrung the Government's ability to detain and prosecute suspects. In June, the Government arrested six Bahrainis and placed one Bahraini under house arrest on suspicion of plotting terrorist attacks. All seven were released within two days. The Government re-arrested the six individuals in mid-July. The court ordered the release of two of the individuals in mid-September and ordered the release of the remaining four in early November pending trial. Preliminary hearings for the case began in early December. The court referred to the Constitutional Court a motion contesting the constitutionality of the charges against the suspects. One of the four escaped the courtroom during a hearing in mid-September and was recaptured the same day. He was convicted in mid-November for the escape attempt and began serving a six-month sentence.

Egypt

The Egyptian and US Governments maintained close cooperation on a broad range of counterterrorism and law enforcement issues in 2004. A high-level Egyptian judicial delegation visited the United States in June and met with representatives of the US Departments of Justice, State, and the FBI to discuss cooperation in the areas of counterterrorism, law enforcement, and the mutual legal assistance treaty. In September, 20 generals from Egyptian security services attended a crisis management seminar in Washington funded by the Department of State's Antiterrorism Assistance Program.

The Egyptian and US Governments also exchanged information on a variety of terrorism, security, and law enforcement matters during the course of the year. In the past two years, Egypt has tightened its assets-freezing regime in keeping with relevant UN Security Council Resolutions. Egypt passed strong anti-money laundering legislation in 2002 and established a financial intelligence unit in 2003. Egypt maintained its strengthened airport security measures and security for the Suez Canal, and continued to institute more stringent port security measures.

Egypt was a victim of terrorism in 2004. On October 7, terrorists attacked tourist targets in Taba and Nuweiba on the Sinai peninsula in three separate but coordinated actions. Thirty-four people were killed, including Egyptians, Israelis, Italians, a Russian, and an American-Israeli dual national, and over 140 were injured. On October 25, the Minister of Interior announced that the Government had identified nine individuals responsible for the attack. According to the Egyptian Government, a Palestinian resident

in North Sinai was the group's ringleader. The Government reported that the Palestinian and an accomplice were killed in the course of the attack in Taba, and that five others had been taken into custody. At year's end, two of the nine named by the Government remained at large. The Government asserted that the nine perpetrators were not part of a wider conspiracy and did not receive assistance from international terrorist organizations.

The Egyptian judicial system does not allow plea bargaining in most cases, and terrorists have historically been prosecuted to the full extent of the law. Defendants are tried in military tribunals or emergency courts. In March, an emergency court pronounced its verdict in the trial of 26 persons accused of attempting to reconstitute the Islamic Liberation Party (Hizb al-Tahrir al-Islami), which was banned in Egypt in 1974 for its efforts to overthrow the Egyptian Government. The court sentenced 12 of the defendants (including three UK citizens) to prison. In April, Ahmad Hussein Agiza, an Islamist militant returned to Egypt by Sweden in 2001, was sentenced by a military court to 25 years in prison for membership in a banned organization, although his sentence was subsequently commuted to 15 years.

Egypt continued to release from prison members of the terrorist Islamic Group (IG) who recanted their past actions and renounced the use of violence. Approximately 700 people were released over the course of the year, of which the majority were reportedly IG members. The Government characterized the releases as the result of a transformation in the ideological and theological positions of the imprisoned IG leadership, reflected in a number of books, pamphlets, and interviews in which they espoused a new non-violent philosophy. Some IG members in Egypt and abroad rejected the leadership's move to adopt non-violence.

Egypt continued to work with Israel to crack down on long-established smuggling tunnels through the Sinai to Gaza. Egypt has destroyed more than 40 tunnel openings since 2003 and long ago cleared sensitive portions of the border area spanning the tunneling area. Egypt has actively engaged Palestinian leaders on the question of reorganizing the Palestinian Authority's security services to better police the border area.

Iraq

Iraq remains the central battleground in the global war on terrorism. Former regime elements as well as foreign fighters and Islamic extremists continued to conduct terrorist attacks against civilians and non-combatants. These elements also conducted numerous insurgent attacks against Coalition and Iraqi Security Forces, which often had devastating effects on Iraqi civilians and significantly damaged the country's economic infrastructure. Following the return of sovereignty to the Iraqi Interim Government (IIG)

on June 28, 2004, Iraqi authorities began to implement a new legal regime and to undertake needed law enforcement action to counter terrorist activity. Iraqi Security Forces (including the Police, Border Enforcement, National Guard, and Iraqi Armed Forces) worked closely with the Multi-National Forces-Iraq (MNF-I) to combat terrorism in Iraq. On October 20, 2004, Iraq's designation as a state sponsor of terrorism was rescinded by the United States.

Prior to the IIG, the governing Coalition Provisional Authority (CPA) implemented several orders (binding instructions or directives that have the force of law) governing the creation of a revised penal code, new policies on border security, management of the court system, and new security forces. IIG cooperation with MNF-I forces was enshrined in Article 59 of the Transitional Administrative Law (TAL), which established the framework for Iraq's transition from the CPA through the sovereign IIG and eventually to a permanent sovereign Iraqi Government. The TAL names the Iraqi Armed Forces as the MNF-I's "principal partner...pursuant to the provisions of United Nations Security Council Resolution 1511 (2003)...until the ratification of a permanent constitution."

At the United Nations, the IIG consistently responded positively to US requests to co-sponsor the listing of al-Qa'ida-related entities and individuals pursuant to UN Security Council Resolution 1267 and related resolutions that provide for the imposition of sanctions against entities associated with Usama bin Ladin, al-Qa'ida and the Taliban.

Terrorist attacks against a variety of targets increased in late 2004 in the run-up to the January 30, 2005, elections for the Transitional National Assembly and regional parliamentary bodies.

Jordanian-born Abu Mus'ab al-Zarqawi and his organization emerged in 2004 to play a leading role in terrorist

activities in Iraq. In October, the US Government designated Zarqawi's group, Jama'at al Tawhid wa'al-Jihad, as a Foreign Terrorist Organization (FTO). In December, the designation was amended to include the group's new name Tanzim Qa'idat al-Jihad fi Bilad al-Rafidayn (or "The al-Qa'ida Jihad Organization in the Land of the Two Rivers") and other aliases following the "merger" between Zarqawi and Usama bin Ladin's al-Qa'ida organization. Zarqawi announced the merger in October, and in December, bin Ladin endorsed Zarqawi as his official emissary in Iraq.

Zarqawi's group claimed credit for a number of attacks targeting Coalition and Iraqi forces, as well as civilians, including the October massacre of 49 unarmed, out-of-uniform Iraqi National Guard recruits. Attacks that killed civilians include the March 2004 bombing of the Mount Lebanon Hotel, killing seven and injuring over 30, and a December 24 suicide bombing using a fuel tanker that killed nine and wounded 19 in the al-Mansur district of Baghdad.

In February, Zarqawi called for a "sectarian war" in Iraq. He and his organization sought to create a rift between Shi'a and Sunnis through several large terror attacks against Iraqi Shi'a. In March 2004, Zarqawi claimed credit for simultaneous bomb attacks in Baghdad and Karbala that killed over 180 pilgrims as they celebrated the Shi'a festival of Ashura. In December, Zarqawi also claimed credit for a suicide attack at the offices of Abdel Aziz al-Hakim, leader of the Supreme Council for the Islamic Revolution in Iraq (SCIRI), one of Iraq's largest Shi'a parties, which killed 15 and wounded over 50. Zarqawi has denied responsibility for another significant attack that same month in Karbala and Najaf, two of Shi'a Islam's most holy cities, which killed 62 Iraqi civilians and wounded more than 120.

Terrorists operating in Iraq used kidnapping and targeted assassinations to intimidate Iraqis and third-country na-



Family members grieve for Musab al-Awadi, deputy chief of tribal affairs at the Iraqi Ministry of Interior, who was shot on July 26 at his Baghdad home in a drive-by shooting. Two of his bodyguards were also killed. (AP Photo/Karim Kadim)



One of a series of coordinated explosions that struck major Shiite shrines in the holy city of Karbala on March 2 during the commemoration of Ashura. (AP Photo/APTV)

Contributions to Iraq's Security

Iraq remains the central front for the global war on terrorism. UN Security Council Resolution 1546 authorizes the Multinational Force (MNF) to conduct stability, reconstruction, and humanitarian assistance missions in Iraq. US forces, which numbered approximately 138,000 troops at the end of 2004, and Coalition partners have aggressively targeted terrorists and terrorist networks in Iraq. In preparation for Iraqi elections in January 2005, the MNF launched a series of offensive strikes throughout the fall of 2004 in Najaf, Samarra, and Tal Afar. In November 2004, Coalition and Iraqi forces liberated Fallujah from former regime elements and their terrorist allies, specifically members of the al-Zarqawi network.

Over the course of 2004, in addition to the United States, 36 countries contributed troops to support Coalition efforts in Iraq, including Albania, Armenia, Australia, Azerbaijan, Bulgaria, Czech Republic, Denmark, Dominican Republic, El Salvador, Estonia, Georgia, Honduras, Hungary, Italy, Japan, Kazakhstan, Latvia, Lithuania, Macedonia, Moldova, Mongolia, The Netherlands, Nicaragua, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Singapore, Slovakia, South Korea, Spain, Thailand, Ukraine, and the United Kingdom. Fiji contributed to the security of the UN Assistance Mission in Iraq (UNAMI) in 2004. As of December 2004, 28 of the 36 troop-contributing countries were providing approximately 25,000 troops to MNF operations in Iraq.

On June 28, 2004, NATO Heads of State and Government agreed to assist in the training of Iraqi security forces; the first mission personnel arrived in Iraq just two days later. The mission's focus is training and mentoring mid- and senior-level personnel from the Iraqi security forces and assisting with equipping those forces. At year's end, the NATO Foreign Ministers approved increasing the mission from about 50 personnel to over 300. This will step up the ongoing training and mentoring of senior-level Iraq security forces, and lead to establishment of a NATO-supported Iraqi Training, Education, and Doctrine Center near Baghdad in 2005. Though distinct from the MNF's Security Transition Command-Iraq (MNSTC-I), the NATO training mission shares the same commander in a "dual-hatted" arrangement, which facilitates close coordination of the two complementary efforts. The NATO Training Mission-Iraq (NTM-I) continues the significant efforts of the international community to develop Iraqi security forces that can provide security for Iraq. Bulgaria, Canada, Hungary, Italy, The Netherlands, Norway, Poland, Turkey, the United Kingdom, and the United States all contributed personnel to the NTM-I during 2004.

Donor governments other than the United States pledged \$8 billion for the reconstruction of Iraq, in addition to at least \$5.5 billion in lending by the IMF and World Bank. Contributors of financial or in-kind assistance included: Australia, Austria, Bahrain, Belgium, Bulgaria, Canada, Chile, China, Cyprus, Czech Republic, Denmark, Egypt, Estonia, the European Commission, Finland, Germany, Greece, Hungary, Jordan, Iceland, India, Iran, Ireland, Italy, Japan, Kuwait, Latvia, Lithuania, Luxembourg, Malta, Mexico, The Netherlands, New Zealand, Norway, Oman, Pakistan, Philippines, Poland, Portugal, Qatar, Saudi Arabia, Slovakia, Slovenia, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Tunisia, Turkey, the United Arab Emirates, the United Kingdom, and Vietnam.

tionals working in Iraq as civilian contractors. Nearly 60 noncombatant Americans died in terrorist incidents in Iraq in 2004. Other American noncombatants were killed in attacks on coalition military facilities or convoys. In June, Zarqawi claimed credit for the car bomb that killed the chairman of the Coalition-appointed Iraqi Governing Council. In April, an American civilian was kidnapped and later beheaded. One month later, a video of his beheading was posted on an al-Qa'ida-associated website. Analysts believe that Zarqawi himself killed the American as well as a Korean hostage, kidnapped in June. Zarqawi took direct credit for the September kidnapping and murder of two American civilians and later their British engineer co-worker, and the October murder of a Japanese citizen.

In August, the Kurdish terrorist group Ansar al-Sunna claimed responsibility for the kidnapping and killing of 12 Nepalese construction workers, followed by the mur-

der of two Turkish citizens in September. Many other foreign civilians have been kidnapped. Some have been killed, others released, some remain in their kidnappers' hands, and the fate of others, such as the director of CARE, is unknown.

Other terrorist groups were active in Iraq. Ansar al-Sunna, believed to be an offshoot of the Ansar al-Islam group founded in Iraq in September 2001, first came to be known in April 2003 after issuing a statement on the Internet. In February 2004, Ansar al-Sunna claimed responsibility for bomb attacks on the offices of two Kurdish political parties in Irbil, which killed 109 Iraqi civilians. The Islamic Army in Iraq has also claimed responsibility for terrorist actions.

Approximately 3,800 disarmed persons remained resident at the former Mujahedin-e Khalq (MeK) military base at Camp Ashraf; the MeK is a designated US Foreign Terrorist Organization (FTO). More than 400 members renounced membership in the organization in 2004. Forty-

one additional defectors elected to return to Iran, and another two hundred were awaiting ICRC assistance for voluntary repatriation to Iran at the end of the year. PKK/KADEK/Kongra Gel, a designated foreign terrorist group, maintains an estimated 3,000 to 3,500 armed militants in northern Iraq, according to Turkish Government sources and NGOs. In the summer of 2004, PKK/KADEK/Kongra Gel renounced its self-proclaimed cease-fire and threatened to renew its separatist struggle in both Turkey's Southeast and urban centers. Turkish press subsequently reported multiple incidents in the Southeast of PKK/KADEK/Kongra Gel terrorist actions or clashes between Turkish security forces and PKK/KADEK/Kongra Gel militants.

Israel, the West Bank, and Gaza

Israel maintained staunch support for US-led counterterrorism efforts in 2004. Palestinian terrorist groups conducted a large number of attacks in Israel, the West Bank, and Gaza Strip in 2004. HAMAS, Palestinian Islamic Jihad (PIJ), the al-Aqsa Martyrs Brigade, and the Popular Front for the Liberation of Palestine (PFLP) — all US-designated Foreign Terrorist Organizations — were responsible for most of the attacks, which included suicide bombings, shootings, and mortar and rocket firings against civilian and military targets. Terrorist attacks in 2004 killed almost 100 people (mostly Israelis, as well as a number of foreigners, including one US citizen), a decrease from the almost 200 people killed in 2003.

The October 15, 2003, attack on a US diplomatic convoy in Gaza that killed three Americans is the most lethal attack ever directly targeting US interests in Israel, the West Bank, or Gaza. The Popular Resistance Committees (PRC), a loose association of Palestinians with ties to various Palestinian militant organizations such as HAMAS, PIJ, and Fatah, claimed responsibility, although that claim was later rescinded. Official investigations continued and resulted in the arrests of four suspects. A Palestinian civil court ordered the four suspects freed on March 14, citing a lack of evidence. Palestinian Authority (PA) Chairman Arafat rescinded the order and kept the suspects in custody until Palestinian gunmen attacked the Gaza prison and released the four suspects on April 24. Since the April 24 incident, the PA has failed to re-arrest the four suspects or to identify and bring to justice the perpetrators of the October 2003 attack.

Palestinian terrorist groups in Israel, the West Bank, and Gaza continue to focus their attention on the Palestinians' historical conflict with Israel, attacking Israel and Israeli interests within Israel and the Palestinian territories, rather than engaging in operations worldwide.

Israel employed a variety of military operations in its counterterrorism efforts. Israeli forces launched frequent raids throughout the West Bank and Gaza, conducted targeted killings of suspected Palestinian terrorists, destroyed homes — including those of families of suicide bombers — im-



Israeli police officers examine the scene of a double-bombing in the southern Israeli city of Beersheba, August 31. (AP Photo)

posed strict and widespread closures and curfews in Palestinian areas, and continued construction of an extensive security barrier in the West Bank. Israeli counterterrorism measures appear to have reduced the lethality of attacks; continuing attacks and credible threats of attacks, however, show that the terrorist groups remained potent.

Israel also took action in February to block what it labeled terrorist funding in two Palestinian banks. The Israeli Defense Forces (IDF) and Shin Bet raided the West Bank offices of the Arab Bank and the Cairo-Amman Bank, seizing almost \$9 million in cash from 310 accounts. Israeli law does not allow seizure of funds via correspondent accounts in Israel, and the Israeli Government claimed that the PA had failed to act on earlier intelligence. PA officials asserted that the funds belonged to reputable clients, with no connection to terrorism. The funds remain seized by order of an Israeli court.

HAMAS was particularly active in 2004, carrying out attacks that included shootings, suicide bombings, and standoff mortar and rocket attacks against civilian and military targets, many of them joint operations with other militant organizations. HAMAS was responsible for the deadliest attack of the year in Israel — the August 31 double suicide bombing of two buses in Beersheva that killed 16 people and wounded 100. HAMAS was also responsible for an increase in Qassam rocket attacks. A rocket attack on Sderot on June 28 was the first fatal attack against Israelis using Qassam rockets. Two Israelis died in the attack. In September, two Israeli children were killed in Sderot from another Qassam rocket attack. In response to the continued Qassam rocket fire, the IDF launched a three-week operation on September 28, in which 130 Palestinians (among them 68 HAMAS and Palestine Islamic Jihad militants) and five Israelis died, according to press reports.

The Popular Front for the Liberation of Palestine (PFLP) was active in 2004. The group was responsible for the November 1 suicide bombing at the Carmel Market in Tel Aviv, which killed three people and wounded 30. Pales-

tinian Islamic Jihad conducted numerous attacks on Israeli settlements and checkpoints, including the April 3 attacks on the Avnei Hafetz and Enav settlements in the West Bank which killed one Israeli and seriously wounded a child.

Fatah's militant wing, the al-Aqsa Martyrs Brigade, conducted numerous shooting attacks and suicide bombings in 2004. It was responsible for two suicide bus bombings in Jerusalem during January and February. The attacks killed 21 people and wounded over 110. Al-Aqsa also claimed responsibility along with HAMAS for the March 14 suicide attack in the port of Ashdod. The double suicide attack killed ten people and wounded at least 15. The group also claimed responsibility for a suicide bomber attack which killed two people and wounded 17 at a checkpoint near Jerusalem on August 11. On May 2, Palestinian gunmen belonging to the al-Aqsa Martyrs Brigade and PIJ shot and killed an Israeli settler and her four daughters in the Gaza Strip. The group also claimed responsibility for a suicide bomber attack which killed two people and wounded 17 at a checkpoint near Jerusalem on August 11.

Lebanese Hizballah remained a serious threat to the security of the region, continuing its call for the destruction of Israel and using Lebanese territory as a staging ground for terrorist operations. Lebanese Hizballah was also involved in providing material support to Palestinian terrorist

groups to augment their capacity and lethality in conducting attacks against Israel.

In December, Israel convicted and sentenced an Israeli man for membership in the "New Jewish Underground," a terrorist organization that aimed to carry out attacks on Arab civilians. On September 29, a group of five Israeli settlers attacked and seriously wounded two US citizens, members of an NGO, who were escorting Palestinian children to school near Hebron. As of the end of 2004, the Israeli police had not arrested those responsible.

The Palestinian Authority's efforts to thwart terrorist operations were minimal in 2004. The PA security services remained fragmented and ineffective, hobbled by corruption, infighting, and poor leadership. Following the November 11 death of PA Chairman Arafat, Prime Minister Ahmed Qurei and then PLO Chairman Mahmoud Abbas engaged in an effort to convince militant Palestinian groups to agree to a cease-fire. Cease-fire talks were inconclusive by the end of 2004. Palestinian officials, including Mahmoud Abbas, and some Palestinian intellectuals have called for an end to armed attacks against Israelis.

Jordan

Jordan continued its strong support for the global war on terrorism in 2004. Jordanian security services disrupted numerous terrorist plots during the year, including several that targeted US interests in Jordan. It has aggressively pursued the network of fugitive Jordanian terrorist Abu Mus'ab al-Zarqawi, deemed responsible for numerous plots and attacks in Jordan and Iraq. In the most serious plot disrupted to date in Jordan, security services in April arrested Zarqawi affiliates in the advanced stages of a plan to launch truck bombs against Jordanian Government targets and the US Embassy in Amman. In an unprecedented move, the Jordanian Government aired the plotters' confessions on state-run television, emphasizing their plans to kill thousands, including Jordanian citizens. In late April, Government officials, including Queen Rania, joined thousands of Jordanians in a street march against terrorism. The Government publicly condemned terrorist acts throughout the world. King Abdullah was an outspoken critic of terrorism and Islamic extremism, and in September directed religious authorities to deliver the "Amman Message," a declaration that rejects religious extremism and terrorism, and seeks to promote moderate Islam and dialogue.

Jordan's State Security court, which has purview over terrorism-related cases, maintained a heavy caseload over the year, most of which involved Zarqawi-affiliated suspects. The Court in April sentenced eight men to death, including Zarqawi and five others in absentia, for the murder of USAID official Laurence Foley in front of his Amman home on October 28, 2002. The Government announced in July that Muammar al-Jaghbir, sentenced to death in absentia for his role in the Foley murder, was in



Britain's Prime Minister Tony Blair meets US Secretary of State Condoleezza Rice for bilateral talks at the "Supporting the Palestinian Authority" meeting in London on March 1, 2005. (AP Photo/John D McHugh, Pool)

Jordanian custody and would be re-tried according to Jordanian law. In May, the Court found guilty three Jordanians — including one of Zarqawi's nephews — for plotting attacks against US and Israeli tourists in the country. In June, the Court sentenced Ahmad al-Riyati and eight men being tried in absentia (including Zarqawi and reputed Ansar al-Islam leader Mullah Krekar) to prison for plotting against US interests. In October, the Court sentenced Bilal al-Hiyari, a Zarqawi fundraiser, to six months in jail for his activities. It also indicted suspected Zarqawi affiliate Miqdad al-Dabbas for planning attacks against Jordanian interests in Iraq. In November, the Court began the trial of the 13 suspects accused in the April plot, including Zarqawi in absentia.

In one of the few non-Zarqawi related terrorism cases, the State Security Court in September indicted two Jordanians for plotting to attack foreign diplomats in Amman. Separately, the Court in November acquitted four men of charges they plotted attacks against US and Israeli targets in Jordan, although they were sentenced to one year in jail for possession of an automatic weapon. In late December, the court convicted 11 men on weapons charges in a plot against the US Embassy and US military forces in Jordan.

The State Security Court also moved forward on other long-standing terrorism cases. In June, the Court affirmed its guilty verdict (first handed down in September 2000) against ten men accused of plotting attacks during Jordan's millennial celebrations, sentencing two to death. In October, Jordan's Court of Cassation, which hears appeals from the State Security Court, upheld the lower court's guilty verdict of US-Jordanian citizen Ra'ed Hijazi, one of those sentenced to death for his role in the plot, but commuted the death sentence, sentencing him to 20 years in jail with labor. The decision is final, and no more appeals will be heard.

Border security remained a top concern of Jordanian officials in 2004, as the Jordanian Government continued to interdict weapons and potential infiltrators at its borders. In July, Jordanian border officials intercepted and killed armed individuals attempting to infiltrate northern Israel from Jordan. Jordanian border officials allegedly intercepted suspects involved in the April Zarqawi plot as they tried to enter Jordan from Syria. In November, a terrorist driving a vehicle loaded with explosives tried to cross the Iraqi-Jordanian border, but was stopped before the explosives detonated.

Kuwait

Kuwait continued to engage with the US Government and its neighbors to thwart domestic threats to Kuwaiti and foreign interests. It also continued to provide significant support to US efforts to stem terror financing. Following the four terror attacks carried out against Operation Iraqi Freedom and Coalition forces in Kuwait between Octo-

ber 2002 and December 2003 that resulted in the death of one US Marine and a US defense contractor, the Government of Kuwait sought to strengthen domestic counterterrorism efforts, but the potential for further attacks remains a serious concern.

The Kuwaiti Government has taken significant measures to bolster security and enhance protection for Coalition forces transiting Kuwait. Kuwait responded quickly to US concerns about a possible terror attack in December 2004. Kuwaiti officials have heightened security along their border with Iraq to prevent terrorist infiltration and have also worked with Syria and Iran to develop procedures to increase intelligence sharing and enhance customs and border-monitoring cooperation. In July, Syria repatriated to Kuwait seven people recruited to carry out suicide bomb attacks in Iraq. Kuwait subsequently arrested a dozen Kuwaitis reportedly being trained to attack US and Coalition forces in Iraq. By the end of 2004, all but two of them had been released on bail.

The Kuwaiti Government was able to identify and arrest terror suspects in some cases, but was on occasion unable to secure convictions, citing a lack of evidence for use in court. Those actually sentenced to jail on terrorism charges often had their sentences reduced.

As part of its campaign against terror, the Government formed in October a ministerial committee chaired by the Minister of Islamic Endowments and Islamic Affairs to develop strategies to combat terror and extremists. In November, the Government forbade Kuwaiti ministries and religious institutions from extending official invitations to 26 Saudi clerics who reportedly signed a statement in support of jihad in Iraq. No entry ban was imposed, however, and at least one cleric visited the homes of some Members of Parliament and other private gatherings, sparking widespread public criticism of the cleric's presence. The Islamic political bloc in the Kuwaiti Parliament has been critical of the Government's methods in confronting and dealing with Islamic extremists.

Lebanon

Lebanon remains host to numerous US-designated terrorist groups. Beirut continued to demonstrate an unwillingness to take steps against Lebanese Hizballah, Palestinian Islamic Jihad (PIJ), the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), the Abu Nidal organization (ANO), and HAMAS. In contrast, the Lebanese Government moved vigorously through legal and operational initiatives against Sunni extremist groups, including those similar in ideology to al-Qa'ida.

The Lebanese Government recognized as legitimate resistance groups organizations that target Israel and permitted them to maintain offices in Beirut. Lebanon also exempts what it terms "legal resistance" groups, including Leba-

nese Hizballah, from money laundering and terrorism financing laws. Lebanese leaders, including President Emile Lahud, reject assessments of Lebanese Hizballah's global terror activities, though the group's leadership has openly admitted to providing material support for terror attacks inside Israel, the West Bank, and Gaza. Hizballah, which holds 12 seats in the Lebanese parliament, is generally seen as a part of Lebanese society and politics.

The Lebanese Government has failed to comply with numerous UN resolutions to extend sole and effective authority over all Lebanese territory. The Lebanese security forces remain unable or unwilling to enter Palestinian refugee camps, the operational nodes of terrorist groups such as Asbat al-Ansar and other Palestinian terror groups, and to deploy forces into areas dominated by Lebanese Hizballah, including the Beka'a Valley, southern Beirut, and the south of the country up to the UN-demarcated Blue Line.

Syria's predominant role in Lebanon facilitates the Lebanese Hizballah and Palestinian terrorist presence in portions of Lebanon. In addition, Syrian and Iranian support for Lebanese Hizballah activities in southern Lebanon, and for Palestinian terrorist groups throughout the country, help promote an environment where terrorist elements flourish.

The Lebanese and Syrian Governments have not fully complied with UN Security Council Resolution 1559, which calls for, among other things, respect for the sovereignty and political independence of Lebanon, and the disarming and disbandment of all Lebanese and non-Lebanese militias. Lebanese Hizballah militiamen operate freely in southern Lebanon without interference from Lebanese security forces. Lebanese Government officials have openly and publicly condoned Lebanese Hizballah operations against Israel. Lebanese authorities further maintain that the Government's provision of amnesty to Lebanese individuals involved in acts of violence during the civil war prevents Beirut from prosecuting many cases of concern to the United States, including the hijacking in 1985 of TWA 847 and the murder of a US Navy diver on the flight, and the abduction, torture, and murder of US hostages from 1984 to 1991. US courts have brought indictments against Lebanese Hizballah operatives responsible for a number of those crimes, and some of these defendants remain prominent terrorist figures. Despite evidence to the contrary, the Lebanese Government has insisted that Imad Mugnyiah, wanted in connection with the TWA hijacking and other terrorist acts, who was placed on the FBI's list of most-wanted terrorists in 2001, is no longer in Lebanon. The Government's legal system also has failed to hold a hearing on the prosecutor's appeal in the case of Tawfic Muhammad Farroukh, who — despite the evidence against him — was found not guilty of murder for his role in the killings of US Ambassador Francis Meloy and two others in 1976.

Lebanon's Special Investigation Commission (SIC), an in-

dependent legal entity with judicial status empowered to investigate suspicious transactions, investigated over 176 cases involving allegations of money laundering and terrorist financing activities in 2004.

Lebanon has taken other counterterrorism measures in 2004, primarily directed against Sunni extremists. In March, a Lebanese military tribunal sentenced eight alleged Sunni extremists, for periods varying from five to 20 years imprisonment with hard labor, who were accused of carrying out terrorist attacks against foreign interests in Lebanon (including bombings of McDonalds and Pizza Hut restaurants) and plotting to assassinate the US Ambassador. Lebanese security services, in concert with Italian and Syrian authorities, rounded up members of a Sunni extremist cell in September that was allegedly planning to bomb the Italian and Ukrainian Embassies, and assassinate Western diplomats. The alleged cell leader later died in Lebanese custody. In October, a Lebanese military tribunal found guilty and sentenced two people to imprisonment with hard labor on charges of bringing an explosives device to US Embassy premises. One was sentenced for seven years and the other for three years.

Morocco

The Government of Morocco continues to be a staunch ally in the war on terror. King Mohammed VI has been a steadfast supporter of efforts to confront terrorism, in particular by promoting internal reforms designed to combat sources of terrorism over the long-term. Towards this end, during 2004 Morocco implemented reforms to the Ministry of Islamic Affairs to promote religious moderation and tolerance. Domestically, Morocco's historical record of strong vigilance against terrorist activity remained unwavering.

Following the May 16, 2003, Casablanca attacks in which suicide bombers from the "Salafiya Jihadiya" group killed 42 and wounded approximately 100 others, the Government arrested several thousand people, prosecuted 1,200 and sentenced about 900 for various terrorism-related crimes. The Minister of Justice announced that these arrests represented approximately 90 percent of those sought by the Government. The remaining ten percent were subjects of international arrest warrants. A spate of May 16-related terrorist arrests since June 2004, however, in Agadir, Beni Mellal, Fes, Khourigba, and Meknes suggests that the number of at-large suspects has likely decreased further. The Government also aggressively pursued Salafiya Jihadiya terrorist cells in several Moroccan cities.

The al-Qa'ida-affiliated Moroccan Islamic Combatant Group (GICM) continues to pose a threat in Morocco as well as in Europe. Moroccan extremists, associated with the GICM, were among those implicated in the March 11 terrorist attacks in Madrid.

Oman

Oman continued to provide support for the global war on terrorism, and has been responsive to requests for Coalition military and civilian support, making arrests as well as working with its neighbors to improve cross-border security. During the last three years, the Government of Oman has implemented a tight anti-money laundering regime, including surveillance systems designed to identify unusual transactions, with plans to require financial institutions to verify customer identities using sophisticated biometric technology. Omani financial authorities have also demonstrated their commitment to freeze the assets of any UN-listed individual found in Oman.

Qatar

The Government of Qatar provided the United States with significant counterterrorism support during 2004, building on the bilateral cooperation it has maintained since September 11, 2001.

No terrorist attacks occurred in Qatar in 2004, and the Qatari security services had some successes against terrorist targets. In March, Qatar passed the Combating Terrorism Law. The law defines terrorism and terrorist acts, lists specific punishments for terrorist crimes to include the death penalty, provides measures against terrorist financing or fundraising activities, and gives the Government sweeping authority to take action against terrorist crimes and activities. The law incorporates existing laws such as Qatar's penal code, criminal procedures code, judicial law, law on weapons, ammunitions and explosives, and the anti-money laundering law.

In March, the Government passed a new law to establish the Qatar Authority for Charitable Works, which monitors all domestic and international charitable activities. The Secretary General of the Authority approves international fund transfers by the charities. The Authority has primary responsibility for monitoring overseas charitable, developmental, and humanitarian projects, and is to report annually to concerned Government ministries on the status of all projects. The Authority was still in the process of developing concrete measures to exert more control over domestic charity collection.

In October, the Government appointed a member of the ruling al-Thani family as director of its financial intelligence unit (FIU). The FIU is responsible for reviewing all financial transaction reports, identifying suspicious transactions and financial activities of concern, and ensuring that all Government ministries and agencies have procedures and standards to ensure proper oversight of financial transactions.

Saudi Arabia

In 2004, the Kingdom of Saudi Arabia continued to support the global war on terror. Terrorists killed dozens of foreigners and citizens, including six Americans, in attacks throughout the country. The attacks consisted of kidnappings, armed assaults, targeted shootings, bombings, and beheadings. In the first half of 2004, the al-Qa'ida presence in Saudi Arabia kept up a steady tempo of attacks, surpassing the number and lethality of attacks conducted in the previous year. In the second half of the year, facing concerted pressure from Saudi authorities, the network appeared to be largely on the defensive, and did not mount a major operation until the December 6 attack on the US Consulate General in Jeddah. Five foreign nationals — four locally engaged staff and one local guard — working at the Consulate were killed. This attack was later claimed by "al-Qa'ida in the Arabian Peninsula," which also claimed credit for other deadly attacks against American citizens in 2004. Two car bombs, one aimed at the Ministry of Interior, exploded December 29, killing one passer-by and injuring several others.

In response to the wave of terrorist violence in the Kingdom, the Saudi Government aggressively pursued terrorists and achieved successes, including the capture or killing of all but seven of the Kingdom's 26 most-wanted terrorists and most of the known terrorist leadership in Saudi Arabia. Saudi forces launched dozens of security sweeps throughout the country, dismantling several al-Qa'ida cells, some of which were directly involved in attacks against US citizens and interests. More than thirty members of the Saudi security forces lost their lives in this campaign.

Saudi Arabia continued a public outreach campaign in the war against terror. As custodian of the two holy mosques in Mecca and Medina, the Saudi Government worked to delegitimize the inappropriate use of Islam to justify terrorist attacks. During the year, Saudi authorities aired confessions of militants and interviews with fathers of wanted men as part of a campaign to rally the public against radicals who carried out attacks in the Kingdom. In June, the Grand Mufti Shaykh Abd al-Aziz Al al-Shaykh issued a fatwa condemning terrorist acts and calling on citizens to report "saboteurs and anyone planning or preparing to carry out terrorist acts to the concerned authorities." Also in June, six senior religious leaders issued a statement denouncing terrorist attacks as "heinous crimes." A November "fatwa" issued by 26 radical Saudi clerics, who called on Iraqis to resist Coalition forces in Iraq by force, was rebutted by senior members of the Saudi official religious establishment, including the Grand Mufti. The Government also focused on internal social, political, and economic reforms as a method to reduce the appeal of radical ideologies. The media reported widely on each of the attacks conducted by terrorists in the Kingdom and the subsequent Government crackdown, leading to widespread public recognition that terrorism is a seri-



The Ministry of the Interior was damaged by an explosion when terrorists launched coordinated car bombings and battled security forces in Riyadh on December 29. (AP Photo/STR)

ous threat in the Kingdom, not only to foreigners, but to Saudis as well.

During the year, the Government launched intensive searches and counterterrorism sweeps in the country, often involving thousands of Saudi security personnel. On June 23, Crown Prince Abdullah issued an ultimatum to terrorists: surrender in 30 days or suffer the full force of the state. The ultimatum prompted several notable extremists to turn themselves in, including one terrorist suspect on Saudi Arabia's 26 most-wanted list. On June 29, the Prince Nayif Security Academy began training employees of the national oil company (Saudi ARAMCO) on counterterrorism measures. On the same day, the Ministry of Interior announced a 60-day pardon for persons to surrender unlicensed weapons.

In July, reporting on the results of a mutual evaluation conducted in 2003, the Financial Action Task Force (FATF) concluded that Saudi Arabia's financial regime met the general obligations of the organization's recommendations for combating money laundering and financing of terrorism. The Government continued to take steps to make operational a financial intelligence unit (FIU) established in 2003 under anti-money laundering and antiterrorist financing law. Concerned about the possible misuse of charitable organizations for terrorist purposes, the Government issued a set of bylaws for the Commission for Relief and Charitable Work Abroad, designed to oversee all Saudi charities. In this regard, the Government ordered the closure of the al-Haramain Foundation, a Saudi charity with a number of overseas offices that had been designated by the UN Sanctions Committee for providing support for terrorist activities. The Government also maintained its prohibition, imposed in 2003, on the collection of cash donations at mosques or commercial establishments and its restrictions on the bank accounts of charities, including prohibiting fund transfers out of the country. The media reported during the year that Saudi banks froze more than 250,000 accounts for noncompliance with anti-money laundering and terrorist finance laws. During the

year, the Saudi Government requested that the UN 1267 Sanctions Committee add entities and individuals suspected of terrorist activities or of supporting terrorists to its consolidated list.

Tunisia

The Government of Tunisia publicly supported the international coalition against terrorism and responded positively to US requests for information and assistance in blocking financial assets. Tunisia's active stance against terrorism has been reinforced by its own experience with international terrorism. In April 2002, a suicide truck bomb detonated outside the el-Ghriba synagogue on the island of Djerba, killing at least twenty.

The Government of Tunisia has taken steps to strengthen counterterrorism laws. The Tunisian legislature in December 2003 passed a comprehensive law to "support the international effort to combat terrorism and money laundering." The first prosecution of suspected terrorists under the law's provisions commenced in February 2004. Tunisia has consistently emphasized the threat that terrorism poses to security and stability in the region. Further, it has encouraged Libya to abandon terrorism. Domestically, the Tunisian Government has prohibited the formation of religious-based political parties and groups, which it believes pose a terrorist threat.

United Arab Emirates

In 2004, the United Arab Emirates continued to provide staunch assistance and cooperation to the global war against terrorism. In July, late President Sheikh Zayed issued an antiterrorism law defining terrorist crimes and punishment, and specifically criminalizing the funding of terrorist organizations. In December, the United States and the Emirate of Dubai signed a Container Security Initiative Statement of Principles aimed at screening US-bound containerized cargo transiting Dubai's ports. The UAE also undertook several security measures along its land border and at sea to deter terrorists from reaching UAE soil.

In October, the UAE hosted an international conference on Islam intended to encourage moderation and condemn terrorism and extremism. The conference included sessions by prominent international and Emirate Muslim religious figures, and called for moderate Islamic preaching, increased training of imams, and reforms of the Islamic studies education curriculum.

In suppressing terrorist financing, the UAE Central Bank continued to enforce anti-money laundering regulations aggressively. Tightened oversight and reporting requirements for domestic financial markets resulted in a stronger legal and regulatory framework to deter abuse of the UAE financial system. The Central Bank has provided training

programs to financial institutions on money laundering and terrorist financing. In April, the Central Bank hosted the Second International Hawala Conference, which was attended by 375 participants from around the world to discuss how to better monitor money flows occurring outside the formal banking structure. (Hawalas are informal money remittance and exchange businesses common in the Middle East and South Asia.) The conference included interactive panels, overviews of anti-money laundering systems in various other countries, and presentations from multilateral organizations such as the International Monetary Fund, World Bank, FATF, and the United Nations Office on Drugs and Crime. The Central Bank has also investigated financial transactions and frozen accounts in response to UN resolutions and internal investigations, and continued the process of registering hawala dealers.

Yemen

In 2004, the Republic of Yemen continued to provide support for the global war on terrorism and took action against al-Qa'ida and local extremists, arresting several individuals suspected of having al-Qa'ida ties and prosecuting the perpetrators of several terrorist acts.

On August 28, the Sana'a Primary Court convicted 14 al-Qa'ida members for the October 2002 attack on the French tanker M/V Limburg, the murder of a Ministry of Interior officer during the November 2002 attack on an oil company helicopter, a plot to attack the Civil Aviation and Meteorology Authority, a plot to attack four foreign embassies in Sana'a and to kill the US Ambassador, and for forging documents for the purpose of carrying out terrorism. Two defendants received death sentences, one in absentia. The other defendants were sentenced to prison terms ranging from three to ten years. Under Yemeni law, both defendants and the prosecution have the right to appeal rulings. All defendants have appealed their sentences, as has the prosecution, the latter arguing that some of the sentences were too light. The appeals process is expected to conclude in early 2005.

On September 10, the Sana'a Primary Court concluded the trial of five defendants for the October 12, 2000, attack on the USS Cole in Aden that killed 17 US sailors and injured 35. This included suspects Jamal al-Badawi and Fahad al-Quso, who were re-apprehended on March 10 by Yemeni authorities following their escape from an Aden prison in April 2003. On September 29, the court issued two death sentences for the ringleaders of the bombing (al-Badawi and Abd al-Rahim al-Nashiri in absentia). Three others were convicted and sentenced to prison terms ranging from five to ten years for their roles in the attack. These cases were under appeal by both the Government and the defense at the end of 2004.

The Yemeni Supreme Court heard appeals on the death sentences of Abed Abdulrazak al-Kamel and Ali Ahmed Mohamed Jarallah for the December 30, 2002, shootings of three American citizens in Jibla. No final decision has been issued in these cases.

Yemen has expressed a willingness to fight international terrorists by denying them the use of its territorial seas and ports. Over the past year, Yemen has increased its maritime security capabilities. The US Government provided extensive training and eight boats to the Yemeni Coast Guard, which is now a visible patrolling force along the coastline. Coast Guard operations are expanding to stem the use of Yemen as a way station for smuggling of persons, drugs, weapons, and explosives.

Land border security along Yemen's extensive frontier with Saudi Arabia remains a major concern. In February, Yemen and Saudi Arabia agreed to bolster cooperation in order to combat the cross-border smuggling of arms and people. The two countries also agreed to establish joint patrols and increase monitoring.

The Government's capacity for stemming terrorism financing remains limited. In February, the UN 1267 Sanctions Committee designated prominent Yemeni sheikh and opposition Islah party leader Abd al-Majid al-Zindani for his association with al-Qa'ida. The Yemeni Government has taken no action to bar his travel or to freeze his assets in compliance with its UN obligations, and Zindani continues to appear prominently at public events.

Yemen utilized its Islamic Dialogue Committee, headed by a leading judge, to continue its dialogue with detainees arrested for connections to terrorist groups and extremist elements. In a 2004 Ramadan amnesty the Government released over 100 security detainees, claiming that they had been rehabilitated and had made commitments to uphold the Yemeni constitution and laws, the rights of non-Muslims, and the inviolability of foreign interests.

Several terrorist organizations continued to maintain a presence in Yemen throughout 2004. HAMAS and Palestinian Islamic Jihad (PIJ) are recognized as legal organizations, and HAMAS maintains offices in Yemen. Neither organization has engaged in any known terrorist activities in Yemen, and PIJ does not have any known operational presence. HAMAS conducts extensive fundraising through mosques and other charitable organizations throughout the country. While al-Qa'ida's operational structure in Yemen has been weakened and dispersed, concerns remain about the organization's attempts to reconstitute operational cells in Yemen.

HAMAS, the Palestinian Islamic Jihad, the al-Aqsa Martyrs Brigades, and the Popular Front for the Liberation of Palestine-General Command — with funding, safe haven, training, and weapons. Iran provided an unmanned aerial vehicle that Lebanese Hizballah sent into Israeli airspace on November 7, 2004.

Iran pursued a variety of policies in Iraq during 2004, some of which appeared to be inconsistent with Iran's stated objectives regarding stability in Iraq as well as those of the Iraqi Interim Government (IIG) and the Coalition. Senior IIG officials have publicly expressed concern over Iranian interference in Iraq, and there were reports that Iran provided funding, safe transit, and arms to insurgent elements, including Muqtada al-Sadr's forces.

Libya

Following Libya's December 19, 2003, announcement that it would eliminate its weapons of mass destruction and non-Missile Technology Control Regime class missiles, the United States, the United Kingdom, and relevant international agencies worked with Libya to eliminate these weapons in a transparent and verifiable manner. In recognition of Libya's actions, the United States and Libya began the process of improving diplomatic relations. On February 26, the United States lifted its restriction on the use of US passports for travel to Libya and eased some economic sanctions. On April 23, the United States eased more sanctions and terminated the applicability of the Iran-Libya Sanctions Act provisions to Libya. On June 28, the United States reestablished direct diplomatic relations with Libya by upgrading its Interests Section to a US Liaison Office. On September 20, the President terminated the state of emergency declared in 1986 and revoked the related executive orders. This rescinded the remaining economic sanctions against Libya under the International Emergency Economic Powers Act (IEEPA).

Libya remains designated as a state sponsor of terrorism and is still subject to the related sanctions. In 2004, Libya held to its practice in recent years of curtailing support for international terrorism, although there are outstanding questions over its residual contacts with some past terrorist clients. Libya has provided cooperation in the global war on terrorism, and Libyan leader Muammar Qadhafi continued his efforts to identify Libya with the international community in the war on terrorism. Prior to the January 30, 2005, elections in Iraq, senior Libyan officials made statements that defended insurgent attacks on US and Coalition forces; following strong US protests, Libya encouraged Iraqi participation in the elections, indicating its intent to recognize the upcoming Transitional Iraqi Government, and support reciprocal diplomatic missions with Iraq.

Following Libya's steps to eliminate its weapons of mass destruction and the September 20 revocation of US economic sanctions related to the national emergency, Libya

authorized a second payment of \$4 million per family to the families of the 270 victims of the 1988 Pan Am 103 bombing over Lockerbie, Scotland. This payment was part of a deal concluded in 2003 between Libya and the families in which Libya agreed to pay \$10 million per family, or \$2.7 billion, contingent upon the lifting of UN and US sanctions and removal of Libya from the state sponsors of terrorism list. By year's end, UN and US sanctions were lifted and the families had received a total of \$8 million each, even though Libya remained designated as a state sponsor of terrorism. A remaining \$2 million per family remained in a third-country escrow account, pending Libya's removal from the terrorism list.

Libya resolved two other outstanding international disputes stemming from terrorist attacks that Libya conducted during the 1980s. In January, the Qadhafi Foundation agreed to pay \$170 million to the non-US families of victims of the 1989 bombing of a French UTA passenger aircraft. Separate cases for compensation filed by US victims' families are still pending in the US courts. In 2001, a German court issued a written opinion finding that the Libyan intelligence service had orchestrated the 1986 bombing of the La Belle nightclub in Berlin, in which two US servicemen and a Turkish woman were killed and 229 people were injured. The Court convicted four individuals for carrying out the attack. In August, the Qadhafi Foundation agreed to pay \$35 million to compensate non-US victims of the La Belle attack. In reaching the agreement to pay compensation, Libya stressed that it was not acknowledging responsibility for the attack, but was making a humanitarian gesture. The families of the US victims are pursuing separate legal cases, and Libyan officials publicly called for compensation for their own victims of the 1986 US air strikes in Libya.

In October, Libya was instrumental in the handover of Amari Saifi, also known as Abderrazak al-Para, the number two figure in the Salafist Group for Call and Combat (GSPC), to Algeria. Al-Para, responsible for the kidnapping of 32 Western tourists in Algeria in 2003, had been held by a Chadian rebel group, the Movement for Democracy and Justice, for several months. In August, Abdulrahman Alamoudi pled guilty to one count of unlicensed travel and commerce with Libya. Alamoudi stated that he had been part of a 2003 plot to assassinate Saudi Crown Prince Abdullah at the behest of Libyan officials. The United States expressed its serious concerns about these allegations and continues to evaluate Libya's December 2003 assurances to halt all use of violence for political purposes.

In December 2004, the US designated the Libyan Islamic Fighting Group (LIFG) as a Foreign Terrorist Organization.

North Korea

The Democratic People's Republic of Korea (DPRK) is not known to have sponsored any terrorist acts since the bombing of a Korean Airlines flight in 1987.

At a summit with Japanese Prime Minister Koizumi in Pyongyang in September 2002, National Defense Commission Chairman Kim Jong Il acknowledged the involvement of DPRK "special institutions" in the kidnapping of Japanese citizens and said that those responsible had already been punished. Pyongyang in 2003 allowed the return to Japan of five surviving abductees, and in 2004 of eight family members, mostly children, of those abductees. Questions about the fate of other abductees remain the subject of ongoing negotiations between Japan and the DPRK. In November, the DPRK returned to Japan what it identified as the remains of two Japanese abductees whom the North had reported as having died in North Korea. Subsequent DNA testing in Japan indicated that the remains were not those of Megumi Yokota or Kaoru Matsuki, as Pyongyang had claimed, and the issue remained contentious at year's end. Four Japanese Red Army members remain in the DPRK following their involvement in a jet hijacking in 1970; five of their family members returned to Japan in 2004.

Although it is a party to six international conventions and protocols relating to terrorism, Pyongyang has not taken substantial steps to cooperate in efforts to combat international terrorism.

Sudan

In 2004, despite serious strains in US-Sudanese relations regarding the ongoing violence in Darfur, US-Sudanese counterterrorism cooperation continued to improve. While Sudan's overall cooperation and information sharing improved markedly and produced significant progress in combating terrorist activity, areas of concern remain. In May, the US Government certified to Congress a list of countries not fully cooperating in US antiterrorism efforts. For the first time in many years, this list did not include Sudan.

Sudan increased cooperation with Ugandan authorities to diminish the capabilities of the Lord's Resistance Army (LRA), a Ugandan group which has terrorized civilians in northern Uganda and has claimed that it wants to overthrow the current Ugandan Government. The Ugandan military, with Sudanese Government cooperation, inflicted a series of defeats on the LRA at its hideouts in southern Sudan, forcing its leaders to flee into Uganda and engage in peace talks with the Ugandan Government.

Domestically, the Government of Sudan stepped up efforts to disrupt extremist activities and deter terrorists from operating in Sudan. In March 2004, a new HAMAS representative arrived in Khartoum. According to some press

reports, he was received by Sudanese officials in an official capacity. In response to ongoing US concern, the Sudanese Government closed a HAMAS office in Khartoum in September. In August, Sudanese authorities arrested, prosecuted, and convicted Eritreans who had hijacked a Libyan aircraft and forced it to land in Khartoum. In October, the United States designated the Khartoum-based NGO Islamic African Relief Agency as a supporter of terrorism under EO 13224 for its support of Usama bin Ladin and al-Qa'ida.

The Sudanese Government also took steps in 2004 to strengthen its legislative and bureaucratic instruments for fighting terrorism. In January, Sudan co-hosted a three-day workshop on international cooperation on counterterrorism and the fight against transnational organized crime with the United Nations Office of Drug Control. Neighboring countries from the Horn of Africa and member states of the Inter-Governmental Authority on Development (IGAD) attended the workshop, which culminated in the "Khartoum Declaration on Terrorism and Transnational Organized Crime," in which IGAD member states reaffirmed their commitment to the fight against terrorism. The Khartoum Declaration also focused on the technical assistance needs of the IGAD member states with regard to implementing the 12 international conventions and protocols against terrorism.

Syria

The Syrian Government in 2004 continued to provide political and material support to both Lebanese Hizballah and Palestinian terrorist groups. HAMAS, Palestinian Islamic Jihad (PIJ), the Popular Front for the Liberation of Palestine (PFLP) and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), among others, continue to operate from Syria, although they have lowered their public profiles since May 2003, when Damascus announced that the groups had voluntarily closed their offices. Many of these Palestinian groups, in statements originating from both inside and outside of Syria, claimed responsibility for anti-Israeli terrorist attacks in 2004. The Syrian Government insists that these Damascus-based offices undertake only political and informational activities. Syria also continued to permit Iran to use Damascus as a transshipment point for resupplying Lebanese Hizballah in Lebanon.

Syrian officials have publicly condemned international terrorism, but make a distinction between terrorism and what they consider to be the legitimate armed resistance of Palestinians in the occupied territories and of Lebanese Hizballah. The Syrian Government has not been implicated directly in an act of terrorism since 1986, although Israeli officials accused Syria of being indirectly involved in the August 31, 2004, Beersheva bus bombings that left 16 dead.

Chemical, Biological, Radiological, Nuclear (CBRN) Terrorism

Production of weapons of mass destruction (WMD) and their delivery systems constitutes a major threat to international peace and security. The threat is compounded by the interests of terrorists in acquiring WMD. This would undermine the foundations of international order. We pledge to use all means available to avert WMD proliferation and the calamities that would follow.

Joint statement by President George W. Bush, European Council President Konstandinos Simitis, and European Commission President Romano Prodi

The September 11, 2001, attacks confirmed that terrorists will seek to produce mass casualties whenever they believe it serves their purposes. Although terrorists will probably continue to rely on traditional terrorist tactics, several groups — including al-Qa'ida — increasingly look to chemical, biological, radiological, or nuclear (CBRN) materials as a means to cause mass casualties rivaling or exceeding those of September 11. Troublesome amounts of dangerous materials, and information about how to create and deliver CBRN weapons, remain available to terrorists.

Usama bin Ladin has said he sees the acquisition of WMD as a “religious duty,” and he has threatened to use such weapons. This rhetoric was underscored by reports that documents retrieved from al-Qa'ida facilities in Afghanistan contain information on CBRN materials.

However, the threat is not limited to bin Ladin and al-Qa'ida. Information indicates that small but growing numbers of other terrorist groups are also interested in CBRN materials. In Europe, French police seized a chemical contamination suit and arrested a terrorist cell in December 2002 that allegedly was planning an attack using chemical agents.

CBRN terrorism events to date have generally involved crude and improvised delivery means that have been only marginally effective. With the exceptions of the 1995 Aum Shinrikyo attacks in Tokyo and the 2001 US anthrax attacks, the materials employed in these events also have been crudely manufactured. Other events have involved dual-use materials that have legitimate civilian applications, such as industrial chemicals, poisons, pesticides, and radiological source materials embedded in legitimate measuring instruments. Although terrorist events involving these materials and improvised delivery systems can cause significant casualties, damage, and disruption, such events pale in comparison to the casualties and damage that could occur if terrorists acquired WMD and the ability to deliver them effectively.

Preventing the proliferation of WMD, their delivery systems, and related materials and technologies has long been a pillar of national security. Since September 11, the nonproliferation of WMD has become an even more urgent priority. President Bush made this clear in his December 2002 National Strategy to Combat Weapons of Mass Destruction, in which he set out a comprehensive strategy to prevent WMD proliferation, including to terrorists.

In May 2003, President Bush announced the Proliferation Security Initiative (PSI), a global multilateral arrangement to seize sensitive cargoes that may be in transit to and from states and nonstate actors of proliferation concern. PSI is an interdiction program. PSI participants jointly explore and train in the best use of counterproliferation tools — diplomatic, intelligence, and operational — to stop proliferation at sea, in the air, and on land. The United States is working within multilateral non-proliferation regimes and other international fora. Bilaterally, the United States promotes more stringent non-proliferation policies and programs; strengthened export controls; and improved border security to prevent terrorists or their state sponsors from acquiring WMD, their delivery systems, related materials, or technologies. As the President's National Strategy notes, however, should diplomatic efforts fall short, the United States will be prepared to deter and defend against the full range of WMD threats.

Damascus has cooperated with the United States and other foreign governments against al-Qa'ida and other terrorist organizations and individuals; it also has discouraged signs of public support for al-Qa'ida, including in the media and at mosques.

In September 2004, Syria hosted border security discussions with the Iraqis and took a number of measures to

improve the physical security of the border and establish security cooperation mechanisms. Although these and other efforts by the Syrian Government have been partly successful, more must be done in order to prevent the use of Syrian territory by those individuals and groups supporting the insurgency in Iraq.