

2. RUSSIA AND INTERNATIONAL COOPERATION IN THE FIGHT AGAINST TERRORISM

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The events of September 11, 2001 in the United States (and the following large-scale terrorist attacks in Bali, Indonesia, and in the Dubrovka theatre centre in Moscow) have made the world change the way it perceives terrorism as a threat to international security in an era of globalisation and have clearly shown that the consequences of the latter can be quite ambivalent. Not only the scale, but also the character of the threat has changed. If in the past, international terrorist connections seemed to be peripheral rather than central and limited terrorist actions were the model, the September 11 attacks in the United States, often referred to as acts of super- or mega-terrorism, have become possible only in a “global information village” and were designed to have global political, economic and military consequences.

The question, on the one hand, is whether terrorist attacks on that scale are an inevitable side effect of globalization and, on the other,—whether they constitute one of the most critical and paradoxical developments, related to the US-led global counter-terrorist campaign, namely the resurgence of national states as central elements in the international system, particularly *vis-à-vis* international organizations and institutions. More generally, the international coalition formed since September 11 may be seen as the first serious attempt on the part of states to regain control over globalization. In this context, the global counter-terrorist campaign may be interpreted as a ‘counter-attack’ on the part of the overwhelming majority of states, regardless of their internal regime, against ‘freelancers’ like Al-Qaeda. The purpose of this counter-attack is to prevent these organizations from dictating the terms of global intercourse and from intruding into the traditional sphere of competence of states as the

main elements of the international system (by encroaching upon the states' right to declare and wage wars).¹

Since the tragic events of September 11, 2001, the United States naturally assumed the leading role in the global fight against terrorism. By demonstrating that even unprecedented military capabilities do not guarantee strategic invulnerability, the September 11 tragedy had far-reaching implications for and led to serious changes in US domestic and foreign policies. US national security policy has been reviewed: counter-terrorism and homeland defence have assumed primary importance in the list of national security tasks, while the problems of non-proliferation of weapons of mass destruction that had already become a foreign policy priority long before September 11 started to receive even greater attention. The new focus on fighting terrorism worldwide has also further confirmed US global supremacy and reinforced unilateralist trends in their foreign policy, best reflected in the declaration made by Secretary of Defense Rumsfeld, that "the mission determines the coalition"², and not the other way round.

In this context, prospects for and problems of bilateral cooperation with the United States on counter-terrorism have received special attention in Moscow. Russia has voiced concern about terrorism as a major security threat for years. Its citizens have increasingly become targets of terrorists, most recently and on an unprecedented scale, in Moscow on October 23, 2002, when hundreds of people were taken hostage by Chechen terrorists at a theatre centre.

Russian–American bilateral cooperation on counter-terrorism

After a noticeable freeze at the end of 1990s, Russian–American relations have clearly improved since September 11, 2001. Bilateral cooperation on combating terrorism has been particularly successful. At certain stages of the counter-terrorist campaign this cooperation became arguably more intensive than participation of both states in many multilateral counter-terrorist initiatives.

Bilateral cooperation in the fight against terrorism has proved highly valuable to Russia, as perhaps for the first time since the end of the Cold War, it did not represent a left-over from the past (such as, for instance, Russian–American cooperation on strategic arms control and disarmament), but stemmed from the need to counter a common security threat of a radically new type. Russia's active participation in the global counter-terrorist campaign has been fully in line with Russia's national interests, such as radically improving relations with the West and with the USA, in

¹ See, for instance, Joffe J., Europe and the Campaign against Terror, *Washington Institute Policy Watch*, no. 583, Nov. 14, 2001.

² Quoted in: *Financial Times*, Sept. 24, 2001.

particular. At the turn of the 20th and 21st centuries, this goal had become all the more pressing for Russia, as it began to occupy a more peripheral position in world politics. Given the US global supremacy, the weakening of the UN, NATO's military dominance in the Euro-Atlantic region and the EU's primacy in European politics and economics, only a new rapprochement with the West would allow Russia to avoid international semi-isolation which seemed so imminent by the end of the 1990s.

By actively participating in the international counter-terrorist coalition, Russia managed to directly associate itself with the United States, the world's leading power, while circumventing cumbersome Western institutional bureaucracies, such as NATO and the EU, that seemed to find themselves almost out-of-business during the first stages of post-September 11 counter-terrorist operation, when it appeared that most of the critical decisions were taken by national governments and leaders. As a result, Russian leaders have prevented the country from sliding into political semi-isolation, made it valuable again for the international community and for the United States and enabled Russia to find its specific niche in world politics as a reliable partner of the West in the global fight against international terrorism. These goals were reflected in the Joint Russia–US Statement of 21 October, 2001, the Joint Statement on a New Relationship Between Russia and the United States of 13 November, 2001 and other joint declarations.

The most vivid manifestation of the new favourable climate in Russian–American post-September 11 relations has been Russia's cooperation with the United States during its operation in Afghanistan. This cooperation demonstrated how different Russia's current conflict-management policies are from those of the past. Even prior to the September 11 terrorist attacks Russia had declared the struggle against international terrorism as one of its top foreign policy priorities, viewing the consolidation of extremist forces along the southern flank of the former Soviet Union, particularly in Afghanistan, as the primary source of terrorism. Russia's main interest in Afghanistan has been rooting out terrorism there and preventing that country from serving as a primary source of instability in a wider region that includes the Central Asian states. It was these regional security concerns, coupled with the above-mentioned more general foreign policy considerations, that predetermined Russia's support for the US military operation launched in October 2001, as well as Moscow's very restrained reaction to the growth of a US military presence in Central Asia.³

³ For more detail on Russia–US cooperation in the course of US-led campaign in Afghanistan, see Stepanova E., *US-Russia Cooperation in Afghanistan and Its Implications*, *East European Constitutional Review* (New York Univ. Law School & Central European Univ. Quarterly), vol. 10, no. 10, Fall 2001, p. 92–95; idem. *Separately Together: US and Russia's Approaches to Post-Conflict Settlement in Afghanistan*, *PONARS Policy Memo* (PONARS Policy Conference, Wash. D.C.: CSIS), no. 230, January 2002, p. 117–122.

Russia played a key role in supplying the Northern Alliance forces at the most critical stage of the US counter-terrorist campaign in Afghanistan. Russia-US intelligence sharing on the terrorists' infrastructure, training bases and location was also exemplary and even, by some accounts, "unprecedented"⁴. Much of the bilateral cooperation on counter-terrorism was conducted within the framework of the Russia-US Working Group on Afghanistan, created in advance in 2000 to prevent the subsequent dramatic events. It is within this framework that, in February 2002, Russia and the United States agreed "to support extension of counter-terrorist cooperation to the United Nations, the OSCE, NATO and other international structures, as well as bilaterally"⁵. The Working Group on Afghanistan proved to be such a timely and suitable mechanism for bilateral cooperation on counter terrorism that its mandate was further extended by Presidents Putin and Bush at the May 2002 Moscow Summit, and was renamed to the Russia-US Working Group on Counter Terrorism. At the first meeting of the Working Group with an expanded mandate, in July 2002 in Annapolis, possibilities for cooperation in combating terrorism from Chechnya to Kashmir were discussed, while disagreements on Iran and Iraq were also addressed. For the first time, consultations on combating nuclear, chemical and biological terrorism were on the agenda.

Apart from cooperation on Afghanistan, other important bilateral counter-terrorist measures included a Joint Statement on Combating Bioterrorism issued in November 2001, following an outbreak of anthrax in the United States, and the Russia-US Mutual Legal Assistance Treaty, that provided a "legal basis for cooperation in identifying and seizing or freezing criminal or terrorist assets", which came into force on January 31, 2002.

Overall, it would be no exaggeration to conclude that Russia turned out to be not less, if not more, important for the United States in their counter-terrorist operation in Afghanistan, particularly at its earlier stages, than many of their NATO allies. The interim results of Russia's participation in the first stage of international campaign to fight terrorism were summed up on 20 April, 2002 at Russia's Security Council special meeting on counter-terrorism: Russia was able to avert the threat of regional destabilization along its southern borders, posed by the situation in Afghanistan, to strengthen its relations with the Central Asian states and to achieve remarkable rapprochement with the West on the basis of democratic values of the civilized world.

At the same time, Russia's approach to the fight against international terrorism (fully or partly shared by several other CIS governments) has been characterized by certain theoretical and political nuances, as compared to the US counter-terrorist policy. These nuances have been most

⁴ Online Interview with US Ambassador to Russia Alexander Vershbow, 26 Oct. 2001.

⁵ Joint Statement of the US-Russia Working Group on Afghanistan, February 8, 2002.

evident at the level of official political rhetoric. For instance, Russian officials have publicly criticised an interpretation of terrorism as a ‘super-crime’, impossible to counter by regular methods and existing laws. Criticism has also been voiced in regard to the interpretation of terrorism as ‘a form of war waged by clandestine groups and individuals’. According to this interpretation the same causes lie at the root of war and terrorism, and the latter should be countered primarily by military means.⁶ It has to be noted that these arguments have been actively used by the United States in its counter-terrorist policy and campaign.

Apart from these declaratory nuances, some real differences in the US and Russia’s interpretations of the threat posed by international terrorism have emerged. While the US administration’s emphasis has been on the ‘rogue states’ (particularly on the authoritarian regimes of Iran, Iraq and North Korea) as primary ‘sponsors of terrorism’, Russia, as much of the rest of Europe, focuses attention on the so-called ‘failed states’, as major actual or potential breeding grounds of terrorists. For many in the Russian political elite, the September 11 events demonstrated that a qualitative modification of international terrorism had occurred. The latter “represents a self-sufficient organization not connected with any particular state” and, as such, can no longer be exposed by such traditional means as “convincing or pressuring one or another state to stop supporting terrorism”⁷.

While the Bush Administration resorted to the ‘axis of evil’ rhetoric, Moscow rejected this vision both verbally and by openly cooperating with all the three ‘members’ of the ‘axis’ (among other things, by repeatedly hosting the North Korean leader, preparing to sign new major economic agreements with Iraq and helping to develop the civil nuclear energy sector in Iran). In contrast to the Bush Administration, Russian top officials have not publicized any black list of states supporting terrorism and used the more flexible term of ‘arc of instability’. At the same time, they expressed general concern about the growing number of states and areas where the existing power vacuum had or could be filled by terrorist groups and forces. As specified by the Russian Defence Minister Sergey Ivanov, the regions of concern include “the Middle East, the Balkans, Somalia as well as a number of states in Asia and the Caucasus”.⁸

⁶ Expanding Bilateral and Regional Efforts in the Fight against Terrorism: Theses of Presentation by Boris Mylnikov, Director, CIS Counter-terrorist Center (originally in Russian), in Summary Report, Bishkek International Conference on Enhancing Security and Stability in Central Asia: Strengthening Comprehensive Efforts to Counter Terrorism, Bishkek, 13–14 December, 2001, p. 76–77 (further on, referred to as Summary Report of the Bishkek conference).

⁷ From interview with Yevgeny Primakov, see Rostovsky M., *Prognoz tyazhelovesa, Moskovski Komsomolets*, May 17, 2002.

⁸ Cited in: *Nezavisimoye Voennoye Obozreniye* (Independent Military Review), February 8–14, 2002, p. 1.

Being sceptical about certain aspects of the Bush Administration's counter-terrorist policy and of the US approach to fighting terrorism, Russian officials seemed to imply that the Russian approach was somehow different in that it interpreted terrorism as a "complex social and political phenomenon, based on a spectrum of social contradictions, embracing extremist terrorist ideology and structures to conduct terrorist activities, and as a form of political extremism". This approach claims to be "more serious and fundamental" and "provides for comprehensive methods to fight terrorism".⁹ In practical policy, however, it seems that, regardless of any theoretical nuances and strategic disagreements, Moscow and Washington have a lot in common in their counter-terrorist tactics and methods; some of these methods can even be described as almost identical.

In a situation, when thousands of citizens of both the United States and Russia have recently been the targets of major terrorist attacks, unprecedented in scale, both states unsurprisingly stress that the urgent task is to "immediately cripple the ability of terrorists to operate"¹⁰. This dictates the need to emphasize, at least during the first stages of counter-terrorist operation, post-action retaliation and investigation over pre-emption and, more importantly, prevention. Both Russia and the United States, regardless of their radically different capabilities, resources and international weight, stress the role of military force and other conventional means in the fight against terrorism. Subject to domestic political and security pressures to respond rapidly and decisively to a terrorist threat, both states seem to have neither time nor the will (or resources, in the Russian case) to give priority the need to address the social, economic and political roots of terrorism and other forms of political extremism comprehensively. They prefer to leave this extremely difficult and not immediately rewarding enterprise to others. It is most likely that these trends will be further reinforced by the Russian Government's response to the massive hostage taking in Moscow in October 2002 and to any subsequent large-scale terrorist attacks (such as the one against the Chechen government headquarters in Grozny, committed on December 27, 2002).

Neither Russia, nor the United States have been alone or particularly unique in their use of the fight against terrorism in order to achieve wider strategic goals and solve a number of pressing foreign and domestic policy problems. The use of counter-terrorism as a multi-purpose political tool is almost inevitable and might even be justified, as long as it does not become counter-productive (for instance, in case of abuse of the legitimate right of states to self-defence, guaranteed by Art. 51 of the UN Charter).

⁹ Summary Report of the Bishkek Conference, p. 77.

¹⁰ US Statement to OSCE on Addressing Causes of Terrorism, remarks by David T. Jones to the OSCE Permanent Council, Vienna, Nov. 1, 2001.

Russia and the fight against terrorism within the framework of international forums and organizations

At the end of the year 2001 and throughout 2002, an impression was created that cooperation on practical counter-terrorist measures within the framework of international organizations and institutions became secondary to inter-state, particularly bilateral, cooperation in this field. As has already been noted, after the September 11 attacks, a redistribution in favour of the state of a number of security functions previously delegated to international organizations could be temporarily observed on a global scale. While after the September 11 events it seemed that all key security decisions were made at a national level, the two principal Western organizations—the transatlantic (NATO) and the European (EU) remained in the shadows. This, however, can be seen as a temporary, rather than universal phenomenon, limited to the sphere of international security.

Firstly, long before September 11, 2001, the fight against terrorism had gained prominence within the framework of a number of regional organizations—the Commonwealth of Independent States (CIS) or the “Shanghai Five” (later, the Shanghai Cooperation Organization, SCO), of which Russia is an active member. Cooperation in this field has been implemented on a long-term basis. Thus the extraordinary Dushanbe session of the Committee of Secretaries of the Security Councils of the Collective Security Treaty member states (October 8, 2001), with representatives of other CIS states invited as observers, became the first international forum held immediately after the US counter-terrorist operation in Afghanistan was launched (October 7, 2001). For both the CIS and the SCO, the September 11 events and their consequences have led to the further intensification of the already planned, counter-terrorist programs and initiatives.

Secondly, after the September 11 events, most international organizations did make certain efforts to more actively develop strategies to fight terrorism. In the joint Russian–American statement made at the May 2002 Moscow Summit, it was stressed that in order “to advance stability, security, and economic integration, and to jointly counter global challenges and to help resolve regional conflicts...Russia and the United States will continue an intensive dialogue on pressing international and regional problems, both on a bilateral basis and in international forums, the UN Security Council, G8, and the OSCE”¹¹. It is noteworthy that the organizations specifically mentioned in the text of the summit declaration are those Russia is a full member of (in contrast, for instance, to the two main European institutions—EU and NATO). It is the UN, the G8, and the OSCE’s counter-terrorist activities that the following analysis of Rus-

¹¹ Joint Declaration on New US-Russia Relationship. Signed in Moscow on May 24, 2002 by George W. Bush and Vladimir Putin.

sia's cooperation with the principal international institutions in this field will be focused on.

The main responsibility for the coordination of the international efforts in the fight against terrorism rests with the *United Nations*. Of all the counter-terrorist resolutions adopted by the UN Security Council since September 11 (1368, 1373, 1377, 1390, etc.), SCR 1373 (28 September 2001) deserves special attention. It calls on the UN member states to take practical steps to prevent and suppress terrorism by preventing and suppressing the financing of terrorist acts, collection of funds for these purposes on their territories, recruitment of members of terrorist groups and by eliminating the supply of weapons to terrorists, by strengthening border controls and by exchanging information with and providing early warning to potential threat to other states, and by more actively coordinating their efforts in the fight against terrorism. On January 10, 2002, President Vladimir Putin issued a special decree on measures to implement SCR 1373.¹²

The appeal of the UN Security Council to all member states to join as soon as possible the twelve international conventions on countering terrorism, including the Convention on the Suppression of the Financing of Terrorism, and to provide for their full implementation evoked a positive response from most member states. At the UN General Assembly, two perhaps most important international legal initiatives in the fight against terrorism are currently under review—a draft Comprehensive Convention on International Terrorism, submitted by India, and a draft International Convention on the Suppression of Acts of Nuclear Terrorism, submitted by the Russian delegation.

Within the UN system, the Security Council's Counter-Terrorism Committee plays a key coordinating role in the fight against terrorism. The Committee was established by the SCR 1373 to monitor implementation of the states' obligations on counter-terrorism, to analyse information submitted by the states, to formulate recommendations to the Security Council and render consulting and technical assistance on the matter to the states in need of it. The permanent representative of the UK in the UN, Jeremy Greenstock, became the Chairman of the Committee and his Russian colleague, Sergey Lavrov, was appointed to serve as Vice-Chairman. By the end of January 2002, 36 states had already reported to the Committee on measures to implement the UN decisions and recommendations in the fight against terrorism.

The problems of fighting international terrorism have also become dominant at the discussions at the annual summit of the leaders of the *Group of Eight* (G8) held in June 2002 in Kananaskis (Alberta, Canada). In a follow-up to the G8 recommendations on the fight against terrorism,

¹² For the text of the presidential decree, see *Rossiiskaya Gazeta*, January 12, 2002.

the primary attention in Kananaskis was paid to the problem of the link between terrorism and organized crime as well as to the threat of terrorist acts involving the use WMD (for the United States, this issue was of much greater interest than aid to African countries that was supposed to be the principal topic at the summit).

At the Kananaskis Summit, a special role was reserved for Russia as one of the most active participants in the international counter-terrorist campaign. It was not forgotten that as early as in July 2000, speaking at the G8 meeting in Okinawa (Japan), President Putin warned about “the challenge to the peace and stability of all states” posed by international terrorism and about an “arc of instability” and terrorism, stretching from the Philippines to Kosovo, with a centre in Afghanistan.

Of particular importance has been the so-called ‘10+10+10 initiative’ launched in Kananaskis as part of the G8 Global Partnership against the Spread of Weapons and Materials of Mass Destruction and designed to support “specific cooperation projects, initially in Russia, to address non-proliferation, disarmament, counter-terrorism and nuclear safety issues”. Under this initiative, commitments were made to raise up to \$20 billion over the next ten years to support priority projects on the destruction of chemical weapons, the dismantlement of decommissioned nuclear submarines, the disposition of fissile materials and the employment of former weapons scientists. The very fact of such a solid aid package being approved became possible as a result of the realization by both Russia and its Western partners at the end of 2001 of their common interest in suppressing terrorism and countering the proliferation of WMD. In a G8 Statement, six main principles “to prevent terrorists or those that harbour them from acquiring or developing nuclear, chemical, radiological and biological weapons; missiles; and related materials, equipment and technology” were listed. Among these principles was the commitment to “promote the adoption, universalization, full implementation and, where necessary, strengthening of multilateral treaties and other international instruments whose aim is to prevent the proliferation or illicit acquisition of such items...”—a clear evidence of a shift in the position of the Bush Administration, as some of its previous initiatives in this field could be regarded as attempts to undermine, in particular, the Comprehensive Test Ban Treaty (CTBT) and the Biological and Toxin Weapons Convention (BTWC).

Further Russian cooperation in counter-terrorist initiatives was reflected in a G8 statement dealing with the implementation of a new set of counter-terrorism measures based primarily upon Cooperative G8 Action on Transport Security that calls for detailed actions for land, sea and air transport, such as:

implementation of a common global standard for collecting and sharing information on airline passenger lists;

preventing terrorists from transporting dangerous materials into nations in shipping containers;

accelerating the implementation of standards for stronger cockpit doors to be installed on all passenger aircrafts in G8 countries;

support to the development by the UN and other international organizations of effective programs to govern the transport of hazardous materials;

pledges to have G8 nations' transportation experts review progress in implementing the goals every six months.

Finally, at the Kananaskis Summit, as well as at other international forums, it was made clear to Russia that its further integration into the international community, including economic integration (such as its bid to join the WTO) will to a large extent depend on its adherence to such global political campaigns as the fight against international terrorism.

OSCE remains the only Euro-Atlantic organization that includes Russia as a full member. With the NATO expansion and the consolidation of the EU, Russia's hopes to transform the OSCE to the leading security institution in post-Cold War Europe have gradually waned. Moreover, Russia sees the OSCE as gradually moving away from addressing more critical politico-military security issues and leaving them to other European security organizations, where Russia was not represented, while concentrating mainly on human rights and democratization issues in the post-Soviet space and in the Balkans.

In the aftermath of the September 11 events, the political climate within the OSCE has become more favourable for Moscow, enabling Russia to make its OSCE policy more active. Prior to September 11, Russia's concerns about terrorist activities were viewed by most of its OSCE partners mainly as an excuse for Moscow's policy on Chechnya. Russia's attempts to include several counter-terrorist provisions, most of which were based on the OSCE previous commitments, in the text of the final declaration at the November 2000 Vienna Ministerial Meeting were heavily criticised by some OSCE members, voicing concerns over potential threat to democracy. In contrast, at the first post-September 11 OSCE ministerial meeting in Bucharest, the attitudes have changed significantly. Russia tried to make the most of the unfolding global counter-terrorist campaign and the increased level of international cooperation in this field, especially with the United States, to breath new life into the OSCE activities, to speed up the process of reforming the Organization and to help it raise its profile in the Euro-Atlantic security community. At the Bucharest Ministerial Meeting, Russian Foreign Minister Igor Ivanov stressed that a practical role that the OSCE, "as Europe's most universal and representative regional structure", is to play in the international struggle against terrorism, "highlights the need to reform the Organization", describing its current state as the one that "has not inspired optimism in recent years". As

noted by the Russian representatives, one of the ways to improve the current situation is to “remove functional and geographic misbalances in the activities of the OSCE and restore its natural role as a forum of political consultations and decisions on key issues of European security...”¹³. In Bucharest, the Russian delegation once again drew the member states’ attention to inadmissibility of double standards, which make it possible to portray extremists, engaged in terrorist activities in places like Kosovo, Macedonia and Chechnya, as “freedom-fighters”.

At the OSCE Bishkek conference on the problems of countering terrorism in Central Asia (December 2001), Russian delegates went even further than the US officials in stressing the importance of counter-terrorist activities in the OSCE agenda. While, according to the Russian representatives, the OSCE, as a “unique all-European structure”, has already proved its utility in strengthening international counter-terrorist coalition, “the Organization must prepare itself for a long-term effort, primarily aimed at revealing and confronting fundamental sources of terrorism”. To start with, the OSCE should formulate its counter-terrorist strategy, referred to by the Russian delegation as “a new security dimension for the OSCE”¹⁴. More specifically, Russia, much as the United States, stressed the need to clamp down on the financing of terrorism and to help improve national counter-terrorism legislation (up to preparing an OSCE “model counter-terrorism law”), as immediate priorities for the OSCE counter-terrorist activities.¹⁵ In contrast to the United States, Russia continues to emphasize the politico-military dimension of the OSCE and has proposed to create an OSCE mechanism for monitoring compliance of the participating states with fundamental counter-terrorist conventions that “could make recommendations for fighting terrorism, such as outlawing terrorist organizations and various structures that support them...”¹⁶.

Russia has also suggested utilising the OSCE Forum for Security Cooperation (FSC) to undertake a review of compliance of the member states with their counter-terrorist commitments. Only in the context of post-September 11 global counter-terrorist campaign, these and other Russia’s proposals in this field started to get a more positive response from other OSCE member states. The problem of making the OSCE counter-terrorist activities more active and effective became the focal point of the discussions at the autumn session of the FSC. Special attention was paid to the work on the politico-military part of the OSCE Charter on Preventing and

¹³ Address by Foreign Minister of the Russian Federation Igor Ivanov to the OSCE Ministerial, Bucharest, Dec. 4, 2001.

¹⁴ Statement by Anatoly Safonov, Deputy Foreign Minister of the Russian Federation (originally in Russian), in: Summary Report of the Bishkek Conference, p. 157.

¹⁵ See, for instance, Intervention by Amb. Stephan Minikes, Chief of the US Mission to the OSCE, at Session 5, in *ibid.*, p. 138.

¹⁶ See, for instance, Statement by A. Safonov, *op. cit.*, p. 157.

Combating Terrorism that was finally adopted on December 7, 2002 at the OSCE Ministerial Council in Porto (Portugal). Apart from focusing on concrete counter-terrorist problems, Russia actively uses discussions on counter-terrorist issues at the FSC to further strengthen the politico-military dimension of the OSCE (in July 2002, Russia even submitted a new draft document on the OSCE future peacekeeping operations for consideration by the FSC participants).

Needless to say that for Russia, cooperation in the fight against international terrorism is not limited to those international organizations and forums of which it is a full member. Counter-terrorist cooperation with other organizations is, however, limited by definition and is rather used by Russia (as well as by its partners) for wider foreign policy purposes. Russia–NATO relations have provided the most vivid example. Russia actively uses its improved cooperation with the United States and the West, in general, on countering the common terrorist threat to establish normal working relations with NATO, following the virtual collapse of the Russia–NATO Founding Act as a result of the Alliance’s war against Yugoslavia. The improvement of Russia’s relations with NATO is symbolised by the establishment of a new Russia–NATO Council on 28 May, 2002 at the Russia–NATO Summit in Rome.

Russian participation in the international efforts to suppress the financing of terrorism

The suppression of the financing of terrorism is closely linked to the fight against money laundering (according to the IMF estimates, \$1.5 trillion generated from criminal activities, are annually deposited in bank accounts). No wonder that the September 11 events focused the attention of the international community on the role of the banking system in money laundering: in a period from September 2001 to June 2002 alone, accounts amounting to \$116 billion dollars were frozen.

The *International Convention on the Suppression of the Financing of Terrorism* approved in December 1999, at the plenary meeting of the 54th Session of the UNGA, came into force on 10 April, 2002. The Convention, opened for signing on 10 January, 2000 in New York, has since then been signed by 132 countries. Russia signed the Convention on 3 April, 2002.¹⁷ It should be noted that 22 of the 26 states that ratified the Convention establishing civil and criminal responsibility for the financing of terrorist organization have done so since September 11. In June 2002, the Russian State Duma ratified the Convention and, on 12 July, the President signed the ratification law.

¹⁷ Russia became the 16th country to sign the Convention.

As early as in 1989, the *Financial Action Task Force on Money Laundering (FATF)* was set up at the G8 Summit meeting in Paris. FATF operates under the aegis of the Organization for Economic Co-operation and Development (OECD). FATF developed 40 general principles (recommendations) for the adoption and implementation of laws on the suppression of money laundering, as well as on financial regulation and international cooperation in this field. For Russia, these tasks are of particular importance, as, along with 18 other states, it had been on “the black list” of countries not suppressing money laundering since it was drawn up by FATF experts in June 2000.

Many FATF recommendations, such as the strengthening of the provisions on the confiscation of property from persons sponsoring international terrorism, were taken into account in the Russian Law “On suppressing the laundering of the money generated from criminal activities” adopted in August 2001. The effectiveness of this law was, however, limited by no reference in the text of the law to the mechanism for the banks to monitor shady transfers and by the need for much closer cooperation between federal and local fiscal authorities, in order to implement its provisions. In this context, the main result of the adoption of the new law was the strengthening of the cooperation between Russian and foreign agencies on criminal prosecution. The adoption of the law on money laundering did not lead to Russia’s automatic removal from the FATF “black list”, but sufficed to guarantee that financial sanctions would not be imposed against it.

In accordance with the law on money laundering, a special agency was formed within the Ministry of Finance, with the primary task of monitoring and analyzing financial flows in order to detect monies of criminal origin. On 31 October, 2001, President Putin signed a decree establishing the *Financial Monitoring Committee (FMC)*, which became operational on February 1, 2002¹⁸. It took several months for the Committee structure to be put in place and for the first significant achievements to be made. The results of the FMC work and of other improvements undertaken by the Russian government in this area soon became apparent: while at the June 2002 FATF meeting, Russia’s removal from the states’ “black list” was not even an issue on the agenda, at the next meeting in October, following FATF inspection mission to Russia, the latter was not only re-

¹⁸ According to presidential decree, Financial Monitoring Committee was established as an autonomous body that structurally is part of the Ministry of Finance, similarly to Goskhran (the State Treasury). The FMC central apparatus will number more than 300 employees and its territorial subdivisions about 100. FMC’s subdivisions are set up in each of the seven Federal districts. FMC is empowered to make use of various kinds of information, including that protected by privacy of deposits, but cannot pass it on to other agencies, except for international information requests.

moved from the list, but became an observer in the FATF (and may become a full member of this organization as early as in June 2003).

In addition, Russia took part in the meeting of Ministers of Finance and Chairmen of the Central Banks of the “*Group of Twenty*” states¹⁹, held on November 16–18, 2001 in Ottawa (Canada), where concrete measures to block the financial channels used by terrorist organizations and the possibility of assuming collective obligations in this field were discussed. It should be kept in mind that all “*Group of Twenty*” states, including Russia, are to set up national financial intelligence agencies that are subsequently expected to join the “*Egmont Group*” of financial intelligence agencies of almost 58 countries, established in 1995.

In full accordance with these requirements, Russia’s FMC joined the “*Egmont Group*”²⁰ at its June 2002 meeting in Monaco. The Group’s main function is to promote exchange of information and modern technologies between national financial intelligence agencies, to upgrade the level of research and expertise, and to cooperate in training personnel. According to the FMC Chairman V. Zubkov, the fact that “*Russia’s Financial Monitoring Committee has joined the ‘Egmont Group’* means that the FMC is in line with the world standards of financial intelligence agencies and a recognition of Russia’s active role in suppressing money laundering”²¹.

In conclusion, it should be stressed that, while with the start of the global counter-terrorist campaign, suppression of money laundering activities has gained increasing prominence, it should not be seen as a panacea for eliminating the financial sources of terrorism. The main problem here is that the channels used for transferring funds for terrorist purposes do not necessarily have to be integrated into a global financing network and official banking system and are often informal and hard to detect and trace, such as the “*hawala*” system, widespread in the Muslim world²². In fact, one of the unintended side-effects of the increased national and international monitoring of the formal financial and banking system has been that the money flows increasingly went underground and the financing of terrorist activities is increasingly handled through informal channels, which makes the task of suppressing them all the more complicated. Against this background, financial suppression measures undertaken by

¹⁹ The “*Group of Twenty*” was formed in 1999 and is composed of the Ministers of Finance and the Chairmen of the Central Banks of 19 countries. In addition to the G8 member states, these are Saudi Arabia, Turkey, Australia, Indonesia, China, South Africa, India, Mexico, Argentina, Brazil and South Korea.

²⁰ Named after the venue of the Group’s first meeting in Egmont–Arenberg Palace (Brussels).

²¹ Cited from *RosBusinessConsulting*, 5 June 2002.

²² “*Hawala*” is the Arabic for “*money transfer*”. “*Hawala*” is a traditional way of transferring money, based on trust, which makes it possible, by simple mention of the required sum by fax or telephone, to transfer money to practically any point in the world, without leaving any trace in bank records.

various governments and international institutions as part of the global campaign to suppress terrorist financing might, in fact, seem better tailored for purposes that go far beyond counter-terrorism itself, such as increasing the transparency of national banking and financial systems and thus make them more favorable to foreign investors or launching a global campaign against the remaining off-shore zones, as well as other enclaves and money flows currently not under the full control of official financial institutions.

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A year after September 11, 2001, Russia that had been confronted with a threat of terrorism for much of the 1990s became a most active player in the international campaign against terrorism. Russia has also played a prominent role in elaboration and implementation of counter-terrorist strategies of various international organizations, particularly those where it functions as a full member. On the one hand, in the course of the US-led counter-terrorist campaign, Russia has repeatedly stressed the primary importance of widest multilateral cooperation in addressing global security challenges and of making the maximal use of the potential of the UN and other international/regional organizations for these purposes. At the same time, as demonstrated by the post-September 11 experiences, Russia's practical cooperation with the United States within the framework of the counter-terrorist coalition has been most effective when exercised on a bilateral basis. In sum, Russia's active participation in the international counter-terrorist campaign is not only in line with its own specific counter-terrorist tasks, but also helps it to promote wider foreign policy goals, such as further and deeper political and economic integration into the international community.