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Donations a lifeline for S-E Asian terrorists

- Tighter banking laws lead terrorists to seek alternative ways of raising funds
- Some groups like Abu Sayyaf bank on kidnappings and extortion
- Terror groups provide financial support for one another

By Alastair McIndoe

IN MANILA - ISLAMIST militants across South-east Asia have become increasingly dependent on donations, including zakat or charity collections, to finance terror campaigns, say security experts.

More than half of the region's funding for terror now comes from individual donations, according to Mr Arabinda Acharya of the Singapore-based International Centre for Political Violence.

'It's the largest source of money for militants because it's difficult to detect,' Mr Acharya told a conference on countering the financing of terrorism in Manila this week.

The tightening of banking laws and closer monitoring in recent years have led to terrorist groups turning to alternative means of making and channelling money.

In the case of the Philippines, police here believe that the Abu Sayyaf has collected more than 20million pesos (S\$600,000) in zakat collections from Muslim communities since the group was founded in the early 1990s.

Some of it is likely to have come in the form of small cash donations by Filipino Muslim workers in the Middle East, duped into thinking the money was intended for the poor.

The group is also going high-tech, turning to the Internet to widen its pool of potential donors.

But for the moment, donations from mosques, charity and religious groups, and individuals add up to much less than the estimated 1.4billion pesos raked in by the Abu Sayyaf's main funding sources: kidnapping and extortion.

The links between terrorist groups also provide a useful source of cash. The Abu Sayyaf has reportedly received money from the Jemaah Islamiah (JI) group in return for harbouring some of its members involved in the 2002 Bali bombings.

For the JI, money from the Middle East, particularly from wealthy Saudi jihadists, is an important lifeline, said Dr Rohan Gunaratna, a Singapore-based counter-terrorism expert.

Middle East money too, funnelled via Indonesia, is sustaining the Abu Sayyaf.

'The Abu Sayyaf is able to survive because of the flow of funds from Jemaah Islamiah (JI) and an Indonesia-based charity group, Kompak,' said Dr Gunaratna.

JI also raises money from running businesses such as publishing and the manufacture of health products, he added.

Militants elsewhere in the world have also gone into investments in shares, gems and real estate.

Counter-terrorist operations in South-east Asia in recent years have disrupted the operational capacity of

militant organisations, particularly in Indonesia and the southern Philippines.

The Philippine armed forces launched a large offensive nearly two years ago to wipe out the Abu Sayyaf on a cluster of islands in the far south.

According to the military's newly-appointed chief, General Alexander Yano, the group is now leaderless and scattered in small units.

'The ideology's not there anymore,' General Yano told a media briefing on Tuesday. 'These splinter groups have their own motivation, which is mostly financial.'

The line between terrorism and common banditry was never that clear for the Abu Sayyaf. But the absence of a leader in its top echelons seems to have loosened its moorings to terrorism for now.

A recent report on the Abu Sayyaf by the US military academy at West Point concluded that it is a diminished terrorist threat.

But it continues to be a security menace. Family and friends of a Philippine television news crew seized by suspected Abu Sayyaf gunmen on Jolo Island last month reportedly paid 15million pesos for their release.

Some members of the security community want to cut that financial lifeline.

'Ransom payment must be criminalised and penalised to deter similar actions in the future,' said police chief Rodolfo Mendoza, a terrorism expert.

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