



Cyprus Ministry of Defence

EU presidency

International seminars

<u>Seminar # 3 – For an EU comprehensive approach against piracy in the Horn of Africa:</u> <u>Fostering regional ownership</u>

Larnaka, 12-13 November 2012

Palm Beach Hotel

Conceptual Approach

Over the last fifty years, certain seas and oceans have become highways impossible to control due to the exponential development of maritime traffic (18 000 ships cross the Aden Gulf each year when 50 000 heavy duty ships operate in the world). Acting pirates in coastal states increasingly view those ships as potential prey. Piracy is one of the maritime new challenges for the XXI Century.

This new maritime scourge has to be carefully evaluated. In appearance, it is statistically insignificant facing the staggering figures of maritime traffic. Nowadays, the losses related to piracy only represent 1/1000 of the maritime traffic and 1/10 000 of the value of this same trade. However, this problem must be seriously taken into account in its scope and length due to several elements and dramatic developments. The ship-owners and maritime companies are affected in different ways: the direct costs of the attacks, the rerouting of ships toward much longer routes, the possible armament of ships and the presence of security guards, the increase of insurance.

The deterioration of the economic and political conditions in many coastal developing countries could lead to the rapid development of piracy within the next years in Nigeria, the Gulf of Guinea and the Caribbean sea or in the Straits of Malacca for example. Just like hostage taking, piracy works like a sounding box. Pirates usually kidnap men and any hostage taking creates a trauma that is usually settled through a ransom payment by States and ship-owners.

Piracy in the Gulf of Aden and the Horn of Africa represents a real strategic threat for the European Union (EU), as it can easily affect the traffic in the main Europe-Asia maritime corridor. Companies are already starting to reuse the former Cape of Good Hope sea route in order to avoid the Suez Canal. This choice significantly increases shipping costs. From this point of view, the European and American interests differ significantly. The United States are indeed less concerned by the problem in this zone (as they use the Pacific Ocean route), except regarding stability in the Horn of Africa. However, Egyptian interests are linked to the European ones. Some ship owners are hiring private security companies to protect their vessels while transiting the area. When hijacked, they pay heavy ransoms to pirates, giving them finances to develop their business. These approaches do not solve any problems and even tend to create new ones.



For these reasons, the EU launched Operation *Atalanta* in December 2008, which was thereinafter extended year after year. This first European naval military action, relying on several UN resolutions, involves more than twenty ships under the European banner as well as the Navies of third countries (South Korea, Malaysia, India, China, Pakistan ...). NATO and the US are also contributing. It is the first time that all those nations or organisations are involved in the same area for a similar mission, displaying a common interest in tackling piracy.

The EU is also implementing a comprehensive approach to this problem, combining surveillance, prevention, international legislation, coast-guard training, and capability building (eg. EUCAP NESTOR), and "full-force" intervention with economic funds for development, while countering illegal financial flows. The Somali authorities also need support to play their legitimate operative and sovereign role. In addition; synergies with existing initiatives are a concern for the EU.

The issue of European action, its scope and its length should be analysed. The total cost for Operation *Atalanta* already reached several hundreds of millions of Euros for the participating countries. Such an operation should be evaluated, regarding the consequences on maritime traffic and the global trade, but also on the effects for the countries in the area, keeping in mind that such a threat is developing in other regions, like the Gulf of Guinea and the Caribbean.

Seminar goals

- To promote solutions to tackle piracy and build capability in the HOA, supporting a global approach and focusing on the continuum security-stability-development, in relation with the Paris 16th July seminar on Piracy in the Horn of Africa;
- To highlight a flag state's point of view and to communicate with various actors;
- To analyze the impact of financial flows generated by piracy and to propose coordinated responses to address the criminal networks
- To address law and criminal enforcement responses
- To develop regional capabilities in order to give a legitimate and essential place to regional authorities, within CSDP projects in prime coordination with other international organizations/countries efforts.
- To sustain local economy development so as to create an alternative to piracy

Opening session

Nov. 12th

15h30-16h00: Registration

<u>16h00-16h30:</u> <u>Opening Session</u>

Opening address - Mr. Antreas Louroutziatis, Mayor of Larnaca

Opening address - Mr. Demetris ELIADES, Minister of Defence.

Opening Remarks - Presidency

16h30-18h15: 1st session - Assessing the threat and challenges in the Horn of Africa

During the year 2011, 439 attacks or attempted attacks occurred in the world, while 445 took place in 2010, 406 in 2009, 293 in 2008 – in 2010, there were unfortunately as many attacks as in 2003. The fact that certain zones were secured led to a dissemination of the phenomenon. Acts of piracy were at first restricted to the Gulf of Aden, but they are now spreading to the Seychelles and can be aimed at any ship, particularly at fishing boats. The Suez Canal's economic viability is also threatened.

- Situation in the HOA and the Indian Ocean: statistics for piracy acts, financial impact on states, maritime companies, and maritime trade routes (14 more navigation days and an additional cost of one million dollars per transit, after deduction of the 500 000 dollar Suez Canal right-of-way, increase of insurance premiums: 30.000 dollars on average, that is to say plus 300% in a few years). Expectable response: How to complement military operations to eradicate piracy?
- Nature of threats and their evolution: an increasing violence from pirates (damages, downtime, freight robbery, hostage ransom); frequent hostage abductions; connections to Islamic Groups in Africa and the Arabic peninsula. Impact of lack of governance and poverty on piracy and traffic.
- A need for a global approach and a key role for regional players where authorities of Somalia will be active and accountable before their people. This seminar will continue on the bases laid within the July 16th Paris seminar.

Chairman: Mr Walter STEVENS, Director CMPD

(speech on the need for a comprehensive approach)

TITLE of SPEECH	Name	Function
Political and security challenges for the African Union in the region	Mr. James Gadin	Political Officer / African Union Mission In Somalia (AMISOM), On behalf of H.E. Mr Boubacar Gaoussou Diarra African Union High Representative in Somalia.
Situation and perspectives of counter-piracy	Rear Adm D. POTTS	Commander EUNAVFOR "Atalanta"
Tackling piracy: the US approach	Mr Adrew WEINSCHENK	US Department of State
Tackling piracy with Asian experience	H.E. Mr Kojiro SHIOJIRI	Ambassador of Japan to the EU
The problem of Piracy: The Evolving Military Dynamic	Commander Rory BRYAN	Ministry of Defence, UK

<u>18h15-18h45:</u> Coff

Coffee break

18h45-19h00:

Focus on Countering the financing of piracy"

Investigating criminal networks -	Mr Michel QUILLÉ	Chief Operations Department, EUROPOL
international cooperation		

19h00-20h00: 2nd Session - A flag State's point of view

At first, companies and States were not prepared to confront piracy. Addressing the threat believed to be imaginative. How to respond efficiently? How to address the pirates reliably? Such questions were laid down by this critical problem. Moreover, the control of sea by Nations States proved its efficiency, but due to costs, this approach is not sustainable over a long period. An evaluation of the empirical responses is therefore necessary. Private companies and States now propose various responses. Each has to be assessed in the perspective of public-private partnerships (PPP):

- Assessing the role of **private companies in the frame of the CSDP** responsibility (harmonizing and regulating their activities). **Privatization of maritime security**: risk or solution?
- Maritime community's response: assessing how shipping and maritime companies react to the threat. Assessing the **financial impact and technical impact on maritime flows.**
- Cyprus' legal response and genuine position: given the recent anti-piracy bill, assessing the
 current legal frame for flags, VPDs and the convoy escort program. Confronting Member
 States' approaches.

Chairman: Mr Christos MALIKIDES, Permanent Secretary, Ministry of Defence

TITLE of SPEECH	Name	Function
Toward a comprehensive approach: Harmonizing private sector needs and public responsibilities	Mr. Riyaz Hamza	The Nippon Foundation Lecturer in International Maritime Security Law, IMO International Maritime Law Institute, Malta
Impact and challenge on maritime trade	Mr Thomas Kazakos	Director General, Cyprus shipping chamber
Protection of Cyprus Ships against Acts of Piracy and other Unlawful Acts Law of 2012"	Capt. Giorgos Stylianides	Marine Surveyor A', Department of Merchant Shipping.
Security on board: labelling the private sector	Rear Admiral (ret) Pierre Martinez	Securymind

20.30: Dinner hosted by the Mayor of Larnaka

Nov. 13th

<u>09h00-10h30:</u> <u>3rd Session – A focus on "Countering the financing of piracy"</u>

The violence of attacks generally hides the underlying consequences of piracy. Behind the scenes, a large organization network works silently. Flows of arms, money and logistics, support the operative warriors (often ex-fishers) launched at their own risks. Piracy is now a business where discreet sponsors manage from abroad, with money laundering and traffic network organizations. Breaking this business implies a large cooperation of States, international organizations (global, regional or specialized) and requires new law enforcement and stabilization tools:

Countering the financial flows of piracy by coordinating a response and developing local capabilities.

Identifying money steps, profits generated and promoting cooperation and public-private synergies for turning off the tap.

Chairman: Mr. Giuseppe Maresca, Contact Group on Piracy off the Coast of Somalia (CGPCS), Chairman WGPCS 5

TITLE of SPEECH	Name	Function
Illicit flows of the proceeds generated by piracy	Mr. Stuart YIKONA	World Bank Senior Financial Sector Specialist Law Enforcement/FIU Financial Market Integrity VP/FSPFI
Addressing the criminal networks involved	Mr. Declan Barber	Director of Seychelles FIU (Financial Intelligence Unit)
Retracing money steps (and the role of the Somalian diaspora) - impact of proceeds on other illicit traffic.	Mr. Pierre St. Hilaire	Interpol Assistant Director EDPS/SCA/MPTF OIPC-INTERPOL

10h30-11h00: Coffee break

<u>11h00-12h30:</u> **4th Session – Developing successful and effective long term solutions**

Opening Remarks to the session – Mr. Saeed RAGE, Minister of Maritime Transport, Ports & Counter Piracy, Puntland State of the Republic of Somalia

Setting up a **new security model for critical maritime zones**, implies organizing financial autonomy and sufficient means. However, such autonomy needs a comprehensive, reliable and legitimate institutional control. The international community has to look for innovative financing for development. Such a goal implies a collaborative approach between public and private sectors. Also, **the security of sea is to be won ashore**. The international community therefore needs to develop a sustainable strategy, in order to balance the financial losses of the population, in relation to the expected end of piracy.

Conclusions of the Paris seminar in July 16th stressed the need for a global approach and the key role to be kept for regional players. As one of the main issues, **synergy** must be ensured with existing initiatives and for developing a sustainable development policy, adapted to local needs and

specificities. The launch of **EUCAP NESTOR**, for the active support of the capabilities of five navies in the Horn of Africa, is a very good start and such initiatives must be extended:

- Reinforcing the awareness: actions to be taken toward private sector and NGOs.
- **Finding innovative funding sources**: suggesting volunteer contribution from insurances and the private security sector. Possible players for public-private partnerships. Prospects for an Investment Mutual fund and mechanisms of efficiency and sustainability for multilateral governance.
- Political aspects: supporting the authorities of Somalia and fully involving them in various security and development projects.
- **Projects for development**: need for port, offshore facilities, developing the fisheries sector. Need to involve the private sector, NGOs in addition to the UN and EU agencies.
- Security aspect to include anticipation and awareness: building a regional coastal surveillance system, developing regional cooperation and information sharing.

Chairman: Mr Alexander RONDOS, EU Special Representative for the Horn of Africa

TITLE of SPEECH	Name	Function
Stability and development issues of Somalia	Mrs Adjoa ANYIMADU	Chatham House, Research Assistant
An independent assessment: toward a sustainable and equitable counter-piracy framework	Mr Jon HUGGINS	Director, OCEANS BEYOND PIRACY
A road map toward a sustainable stabilization	General Eric BONNEMAISON	Deputy Director, Strategic Affairs, Ministry of Defence (FR)

12h30-13h00: Synthesis by Mr. Alexander RONDOS, EU Special Representative for the Horn of Africa

13h00: Buffet Lunch.