



**DEVELOPING A COMPREHENSIVE INDIAN OCEAN POLICY
FOR MALAYSIA**

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Introduction

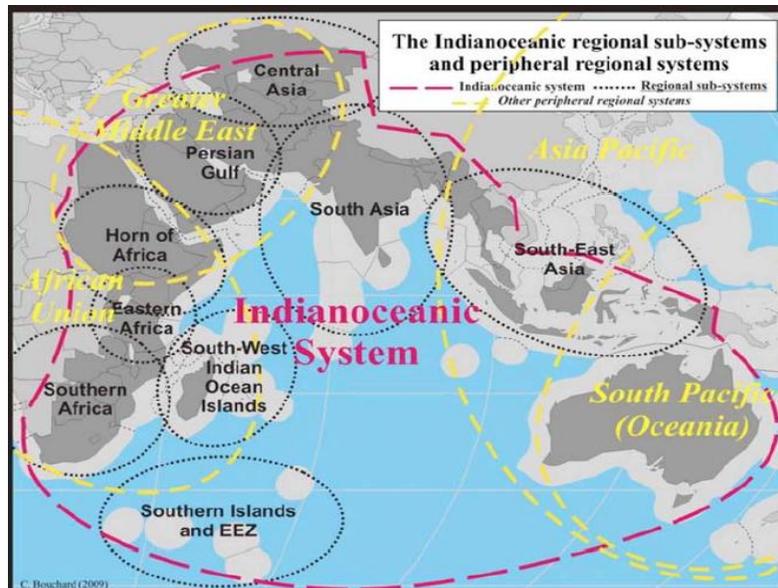


Fig 1: The Indianoceanic System

Source: Wikipedia

The Indian Ocean is the world's third largest ocean. It carries half of the world's container ships, one third of the world's bulk cargo traffic and two thirds of the world's oil shipments. It is a lifeline of international trade and transport. Indian Ocean's Straits of Hormuz is the only choke point for oil and gas from the gulf. All other routes that traverse the Indian Ocean has multiple routes to destinations worldwide. Historically, Malaysia's colonialists came mostly through the Indian Ocean. The Portuguese, Dutch and English used the Indian Ocean as a conduit during the European spice wars to safeguard their interests in the Straits of Malacca.

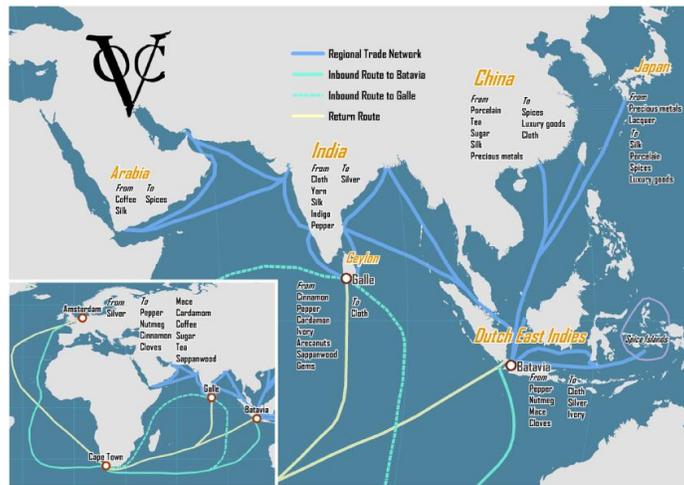


Fig 2: Ancient Trade Routes

Source: <http://imgarcade.com/1/indian-ocean-trade-network-goods/>

The region is woven together by trade routes and commands control of major sea-lanes. The Indian Ocean may be termed as the ‘front yard’ of Malaysia as it feeds into the narrow Straits of Malacca. Issues that are relevant to the Indian Ocean will surely have a bearing on Malaysia, especially on security and safety matters which are vital to economics. Since the western seaboard of Peninsula Malaysia is the seat of government with vital infrastructures to complement the population and the industry, the western seaboard may be the Centre of Gravity (CoG) of the nation. It may be the reason why Malaysia joined the Indian Ocean Rim Association (IORA-formerly known as IOR-ARC) on the 7th of March 1997.

Global drug trafficking

Main global drug supply routes

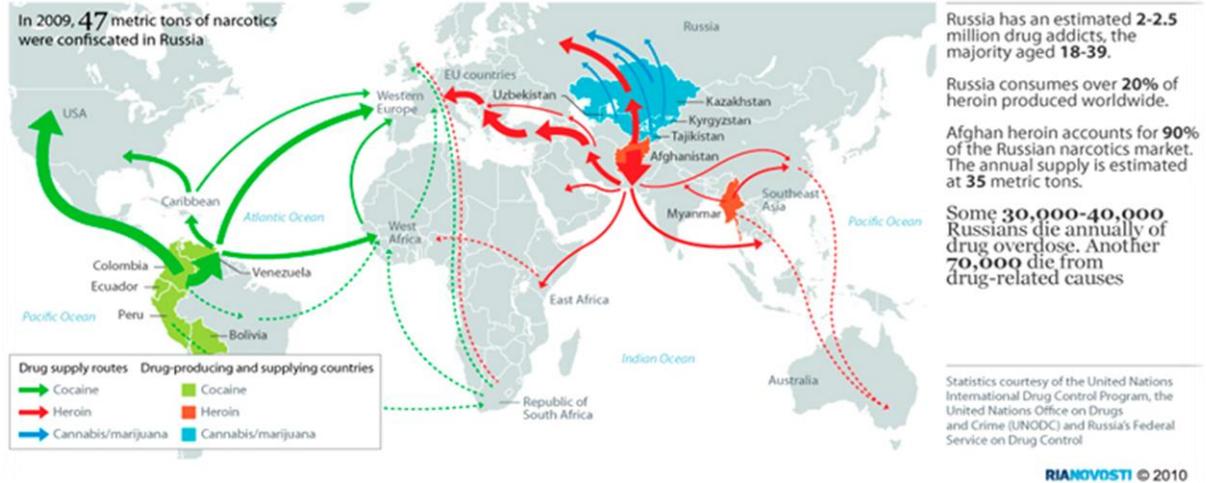


Fig 3: Drug Trafficking Routes

Source: UNODC

On the criminal front, crime syndicates that have peddled opium through the *Golden Triangle*¹ into South East Asia through the Bay of Bengal. Migrants, weapons, drugs and wildlife are still using the Indian Ocean routes to enter South East Asia.²

The infamous Gulf of Aden Piracy brought the world to it's knees for a very long time³. Malaysia was involved in Op Fajar (Operation Dawn) where after a series of naval ship deployments, decided to deploy auxiliary ships with military onboard.

The ongoing MH 370 search and recovery operations is also testimony of Malaysian policies in the Indian Ocean.

¹<http://www.independent.co.uk/news/world/asia/welcome-to-the-golden-triangle-the-centre-of-the-worlds-drug-trafficking-10100420.html>

²https://www.unodc.org/documents/data-and-analysis/Studies/TOCTA_EAP_web.pdf

³https://en.wikipedia.org/wiki/Operation_Dawn_8:_Gulf_of_Aden

IORA – Indian Ocean Rim Association.



Fig 4: IORA Member States

Source: Wikipedia

IOR-ARC, was a regional cooperation initiative of the Indian Ocean Rim countries. It was established in Mauritius in March 1997 with the aim of promoting economic and technical cooperation. IOR-ARC is the only pan-Indian ocean grouping. It brings together countries from three continents having different sizes, economic strengths, and a wide diversity of languages, cultures. It aims to create a platform for trade, socio-economic and cultural cooperation in the Indian Ocean rim area, which constitutes a population of about two billion people⁴.

Presently it has 19 members- Australia, Bangladesh, India, Indonesia, Iran, Kenya, Malaysia, Madagascar, Mauritius, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, UAE and Yemen. There are five Dialogue Partners namely China, Egypt, France, Japan and UK and two Observers namely,

⁴<http://mea.gov.in/in-focus-article.htm?20707/Indian+Ocean+Rim+Association+for+Regional+Cooperation+IORARC>

Indian Ocean Research Group (IORG) and Indian Ocean Tourism Organisation (IOTO), Oman.Today, IORA is a dynamic organisation of 21 Member States and 7 Dialogue Partners, with an ever-growing momentum for mutually beneficial regional organisation⁵



Fig 5: IORA Portal
Source: <http://www.iora.net/>

⁵<http://www.iora.net/about-us/background.aspx>

Priority Areas

To promote the sustained growth and balanced development of the region and of the Member States, and to create common ground for regional economic co-operation, six priority areas were identified at the 11th Council of Ministers, in Bengaluru, India.

- Maritime Safety & Security
- Disaster Risk Management
- Fisheries Management
- Trade & Investment Facilitation
- Tourism & Cultural Exchanges
- Academic, Science & Technology,
- Blue Economy*
- Gender Empowerment*

The objectives of the IORA are as follows:

- To promote the sustained growth and balanced development of the region and of the Member States, and to create common ground for regional economic co-operation.
- To focus on those areas of economic co-operation which provide maximum opportunities to develop shared interests and reap mutual benefits.
- To explore all possibilities and avenues for trade liberalisation, to remove impediments to, and lower barriers towards, freer and enhanced flow of goods, services, investment, and technology within the region.
- To encourage close interaction of trade and industry, academic institutions, scholars and the peoples of the Member States without any discrimination among Member States and without prejudice to obligations under other regional economic and trade co-operation arrangements.

* These two were added later.

- To strengthen co-operation and dialogue among Member States in international fora on global economic issues, and where desirable to develop shared strategies and take common positions in the international fora on issues of mutual interest; and
- To promote co-operation in development of human resources, particularly through closer linkages among training institutions, universities and other specialised institutions of the Member States.

The Association has its own Charter and guidelines to include projects in its Work Programme.

Structure:

The apex body of the IORA is the Council of (Foreign) Ministers (COM). The meeting of the COM is preceded by the meetings of the Indian Ocean Rim Academic Group (IORAG), Indian Ocean Rim Business Forum (IORBF), Working Group on Trade and Investment (WGTI), and the Committee of Senior Officials (CSO).

The Secretariat of IORA is located at Port Louis, Mauritius. An IORA Special Fund was established in August 2004 to assist, support and encourage facilitation and promotion of economic cooperation activities, intellectual exchanges, studies and surveys or any other academic research, entrepreneurial or intellectual exercise and in capacity-building at national and/or regional level to support implementation of projects, programmes, and activities in furtherance of the IOR-ARC objectives.

Special Fund

The Special Fund was established in 2008 as a financial mechanism for supporting and complementing the funding of Projects and Programmes adopted by the Association.

The mission of the Special Fund is to contribute to the Association's objectives through the provision of funds and to assist members in their fund-raising for the feasibility study as well as the implementation of approved projects.

Objectives

The principal objectives of the Special Fund would be:-

- To assist with the provision of funds needed for the preparation and implementation of projects and programmes;
- To support technical assistance for preparation and/or implementation of projects;
- To assist Member States with pre-feasibility and feasibility project studies.

Contributions to the Special Fund

The High Level Task Force recommended the sources from where the Special Fund can accept financial contributions. The recommendations were adopted by the fourth Meeting of the Council of Ministers, held at Colombo, Sri Lanka in 2002. According to HLTF, "the Special Fund could draw upon the voluntary contributions of IORA Member States, Dialogue Partners and Observers, International Organisations (including UN Funds and Programmes), Private Sector, other interested partners such as NGO's for the implementation of approved IORA projects and programmes. Sources of non-member funding would require prior approval of the Committee of Senior Officials (CSO) /Council of Ministers (COM)."

Voluntary Contribution:

Member States

India	April 2006	\$ 50,000
Sultanate of Oman	October 2006	\$ 50,000
Islamic Republic of Iran	February 2007	\$ 75,063
Yemen	June 2009	\$ 25,000
India	July 2012	\$ 1 Million
South Africa	April 2013	\$ 5,000
UAE	July 2013	\$ 500,000
Australia	September 2013	\$ 7,985

Dialogue Partner

China	July 2011	\$ 100,000
China	November 2012	\$ 100,000

Used Contribution:

Tourism Feasibility Study	May 2009	\$ 25,000
Fisheries Support Unit (FSU)	May 2009	\$ 30,000
RCSTT (Establishment)	December 2010	\$ 25,000
Tsunami	June 2011	\$ 20,000
RCSTT (Events)	December 2012	\$ 50,000
Institutional Mechanism for promoting Intra-Regional Investment & Trade	March 2013	\$ 15,000

Fig 6: Source of Funds and Disbursements

Source: <http://www.iora.net/projects/special-fund/special-fund.aspx>

MIMA and IORA- Maritime Security and Safety

Maritime Safety and Security is a key area for IORA because a safe, secure Indian Ocean is vital in order to bolster the movement of goods and people amongst our Member States. The countries of the Indian Ocean region are remarkably diverse in terms of size, economic strength, languages and cultures. Member States range from small island states to G20 members. A powerful unifying force is the common bond of an ocean and a common commitment to the prosperity and sustainable development of the region. The Indian Ocean faces many **traditional** and **non-traditional security** challenges including piracy, illegal fishing, human trafficking, drug smuggling, trafficking of weapons, maritime pollution and climate change. A key priority of IORA is to ensure the reliable, uninterrupted and safe movement of people, goods, energy and resource supplies throughout the Indian Ocean.

It has become important for the IORA to consider the development of a regional maritime vision or strategy incorporating capacity-building programmes to effectively address the issues of maritime safety and security. The strategy should be integrated, inter-sectoral and multidisciplinary, and should aim at promoting a maritime industry that is innovative, competitive and environment-friendly. It should also include mechanisms for optimising coordination, cooperation and dialogue between policymakers, private sectors and scientific communities in Member States.

IORA should build upon existing national, regional and multilateral measures to enhance coordination and should support a harmonised implementation of international maritime safety and security regulations to address the issues related to maritime safety and security. Resources should be utilised more effectively for enhanced cross-border co-operation and in the sharing of knowledge, experiences and best practices.

Exchange of information, capacity building and the provision of technical assistance amongst IORA Member States is an important element for cooperation in enhancing the political will to address the challenges of maritime safety and security. The

establishment of a regular forum for dialogue between stakeholders on security and safety should therefore be further explored.

Co-operation between public and private stakeholders could promote harmonisation and implementation of maritime safety and security regulations and would foster innovation and initiatives towards creating a common information-sharing environment for maritime security. It is recognized that the strength of the maritime industry lies in its entrepreneurship and ability to innovate.

In as far as IORA is concerned, there is yet to be a framework on *Priority Area Maritime Security and Safety*. There has been several dialogues and discussions, but no action plans and milestone charts have been developed. *Priority Area Blue Economy*⁶, has had a fair share of a framework. There has been several initiatives on Blue Economy by India, Seychelles⁷ and Mauritius.

MIMA has been involved in several events concerning IORA. Though this project was undertaken by the Centre for Maritime Security and Diplomacy (CMSD), the Centre for Marine Economics and Industries (MEI) has been involved with the Ministry of Foreign Affairs on the Indian Ocean Concord Meetings.⁸

⁶<http://www.iora.net/blue-economy/blue-economy.aspx>

⁷http://www.statehouse.gov.sc/uploads/presscorner/filepath_16.pdf

⁸http://www.iora.net/media/164641/160608_press_release_ad_hoc.pdf

Third Indian Ocean Dialogue (3IOD)- Padang, Indonesia 13-14 April, 2016⁹

Government officials, experts, think tanks, and civil society from 18 Member States of the Indian Ocean Rim Association (IORA) and 6 Dialogue Partners States gathered at Mercure Hotel, Padang, Indonesia, on 13-14 April 2016 for the third Indian Ocean Dialogue (3IOD) under the theme “*Addressing Maritime Security Challenges in the Indian Ocean through Enhanced Regionalism*”. Malaysia was represented by the Ministry of Foreign Affairs and SF/MSD from MIMA.

The 3IOD was jointly organised by the Ministry of Foreign Affairs of the Republic of Indonesia and the Habibie Center with the support of the IORA Secretariat. It was held in conjunction with the 2nd Multilateral Naval Exercise Komodo (2nd MNEK), the 16th Western Pacific Naval Symposium and the 2nd International Fleet Review hosted by the Indonesian Navy which was inaugurated by the President of the Republic of Indonesia.

During the opening session, Ms. Listyowati, Acting Director General for Asia-Pacific and African Affairs and Interim, Ministry of Foreign Affairs of the Republic of Indonesia, stated that the Indian Ocean Dialogue is earning itself a unique place in the IORA, one that is aimed to gather stakeholders of track 1.5 to discuss key strategic issues in the Indian Ocean. Ms. RahimahAbdulRahim, Executive Director of the Habibie Center underlined the importance of promoting connectivity in the Indian Ocean to facilitate business movement and to enhance trade and investment within the region. Mr. FirdausDahlan, the Director of IORA Secretariat, representing the Secretary General pointed out that the Dialogue would contribute in strengthening regional linkages and addressing Maritime Security Challenges in the Indian Ocean through multilateral cooperation which will serve as a role model in international and regional cooperation.

The 3IOD was officially inaugurated by H.E. Mr. Salman Alfarisi, the Head of the Policy Analysis and Development Agency ad Interim of the Ministry of Foreign Affairs of the Republic of Indonesia, who mentioned that the discussions and outcome of this Dialogue would deepen the understanding of challenges confronting all the IORA

⁹http://www.iora.net/media/164376/160414_padang_consensus_as_of_11_35_pm.pdf

Member States and generate constructive ideas for enhancing cooperation in the region.

The two-day Dialogue included five sessions on different aspects of maritime security challenges such as (i) strengthening rules-based regionalism in the Indian Ocean; (ii) piracy and armed robbery, illicit trafficking and maritime terrorism; (iii) regional cooperation in combating IUU fishing; (iv) the role of naval powers in enhancing security in the Indian Ocean; and (v) energy security in the Indian Ocean. Each session was followed by interactive Question and Answer from the floor.

The deliberations of the above topics drawn a number of interventions from experts and professionals and proposed recommendations to be considered in the Dialogue, among others: the need to define regionalism based on IORA interests, to bridge the gap in capacity among coastal states in the Indian Ocean to tackle non-traditional security threats, to develop the Blue Economy approach which will be beneficial for all IORA Member States, particularly for the development of aquaculture in enhancing food security in the Indian Ocean, the importance of confidence- building measures as a way of cultivating trust among regional navies so they could work more effectively together to maintain maritime security in the region and IORA to formulate common approaches to secure and conserve energy resources for future generations.

The two-day deliberation on the above topic resulted Padang Consensus which contain some recommendations to be considered by relevant IORA meeting.

In her closing remarks, Ms. RahimaAbdul Rahim thanked the IORA Member States for their participation and for sharing their ideas and experience with the other member countries, the IORA Secretariat for their support and the Habibie team in the organisation of the Dialogue.

On behalf of the IORA Secretariat, Mr. FirdausDahlan extended gratitude to the Government of Indonesia for the hospitality extended to all Member States and Habibie Center for making this Dialogue a success. He pointed out that the workshop was fruitful with the assistance from experts in Maritime domain.

MIMA took the opportunity to present on **Non Traditional Security** issues focusing on *Maritime Organised Crime Syndicates* and the need to come together to break the logistics chain of crime. MIMA requested verbally to be the Centre of Excellence for *Priority Area Maritime Security and Safety*. Mr Firdaus Dahlan requested Malaysia to submit proposals for the Special Fund to address the issues of maritime security and safety focusing on Non Traditional Security.

Workshop on Emerging Trans-Regional Corridors: South and South East Asia – Kolkata, India:

The Observer Research Foundation (ORF) jointly organised this workshop

SF/MSD was invited to speak in the above workshop. Security Imperatives were outlined during the workshop. Indian Ocean Rim states were advised to set aside political differences and come together to provide public good in the form of exchanging information on organised crime syndicates and their operating systems.

Workshop on Maritime Governance – Governance in the Indian Ocean – Singapore, 29-30 November 2016.

The Institute of South East Asian Studies (ISAS) jointly organised this workshop

SF/MSD was invited to speak at the above forum where the issues of maritime organised crimes was discussed. The need to factor private industries and communities in Private-Public Partnership (PPP) cannot be understated. Social media, Journalists, Banking and Multimedia services can be important stakeholders in understanding crime networks.

7thInternational Maritime Conference (IMC-2017), Karachi, Pakistan – 11-14 Feb 2017

Naval and Military Staff, Government officials, experts, think tanks, and civil society from around the world gathered at Pearl Continental Hotel, Karachi, Pakistan, on 11-13 Feb 2017 for the 7th International Maritime Conference (IMC-2017) under the theme “*Strategic Outlook in the Indian Ocean Region 2030 and Beyond-Evolving Challenges and Strategies*”. Malaysia was represented by the Defence Adviser, High Commission of Malaysia to Pakistan, First Admiral Hatim Saad from the Royal Malaysian Navy and SF/MSD from MIMA. Though Pakistan is not a member of IORA, there are opportunities for Pakistan in the security (law enforcement) dimension through “constructive engagement”.

The IMC-2017 was jointly organised by the Pakistan Navy of the Islamic Republic of Pakistan and Bahria University with the support of the Ministry of Defence. It was held in conjunction with the AMAN Exercise 2017 (AMAN 2017), and an International Fleet Review hosted by the Pakistan Navy which was inaugurated by the President of the Islamic Republic of Pakistan.

MIMA was invited to speak in the Conference. Among the programmes of the Conference was the AMAN 2017 Naval Exercise followed by a visit to the Gwadar Port.

Indian Ocean Maritime Security and Safety

In as far as MIMA is concerned, there are several entities that cover maritime security and safety in the Indian Ocean.

- **Seychelles.** MASE. This Project is funded as part of a larger EU Programme to Promote Regional Maritime Security (MASE).¹⁰. Although there has been a recent decline in attacks, piracy off the coast of Somalia continues to inflict substantial human and financial costs and threaten the development of a stable Somalia. States in the East African and Indian Ocean are also increasingly threatened by wider maritime crime, including the trafficking of drugs, arms, people and prohibited goods; migrant smuggling; and illegal fishing. This Project aims to develop and/or strengthen the national criminal justice institutions in Kenya, Seychelles, Mauritius and Tanzania to ensure the fair and efficient trials, and humane and secure detention, of individuals suspected or convicted of piracy and maritime crime, within a sound rule of law framework and in accordance with international human rights standards. The promotion of human rights from the point of arrest, through the process of trial and subsequent imprisonment is central to this project. The Project will continue support to regional piracy prosecutions previously funded by the EU under the MASE Start Up Project and under the Instrument contributing to Stability and Peace. The Project will also seek to extend that support to counter wider maritime crime in the region, in particular drug trafficking at sea. This project is funded by the EU with €5 million.

¹⁰<https://www.unodc.org/brussels/en/mase-east-africa.html>

- **European Union.** Critical Maritime Routes Indian Ocean (CRIMARIO). When piracy reached the highest peak in 2009, the European Union decided to support the implementation of a regional mechanism, the Djibouti Code of Conduct (DCoC), agreed in 2009 by 21 coastal states of the Western Indian Ocean. Conceived as a tool to tackle trans-regional crime, the Critical Maritime Routes programme (CMR) has launched a number of initiatives in the maritime domain with two main objectives, securing the Sea Lanes of Communication and protect the economy of the EU. EU MARSIC, the first CMR project (2010-2015), has initiated activities in the domain of Information sharing and training, two of the four pillars of DCoC. Working on a daily basis and in close cooperation with beneficiary countries (Djibouti - Kenya - Tanzania - Yemen), EU Marsic has succeeded in networking three main hubs (Information Sharing Centres) and the 21 National Focal Points identified in each DCoC country. EU CRIMARIO for establishing a maritime situational awareness. The EU CRIMARIO concept goes beyond the Information Sharing mechanism developed under Marsic, and aims to enhance the maritime security and safety in the wider Indian Ocean region by supporting the coastal countries in the establishment of maritime situational awareness (MSA). MSA is the sharing and fusion of data from various maritime sources such as national and international agencies, the maritime industry, and non-governmental organizations to achieve an understanding of the maritime domain. An effective and sustainable MSA would, in turn, enable maritime stakeholders to improve the security, safety and environment of the maritime domain. Information sharing and MSA are crucial aspects in maritime security and require a high level of cooperation among the countries. EU CRIMARIO will improve and strengthen the interoperability of existing information sharing and communication network, through capacity building activities. EU CRIMARIO will cover most of the Indian Ocean rim countries.¹¹

¹¹https://ec.europa.eu/europeaid/sites/devco/files/project-fiche-crimario-20150625_en.pdf

MIMA – Centre of Excellence for Maritime Security and Safety

Whilst the above initiatives have been going on for several years with a lot of funding from many quarters, there has not been any framework for managing security and safety as envisaged in IORA *Priority Area Maritime Security and Safety*. MIMA was contacted by the Ministry of Foreign Affairs through email and was provided with a sample of the *IORA Special Fund Application Form*. MIMA has also provided with the Ministry of Foreign Affairs with a proposal on the CoE. MIMA has contacted the following with regards to the CoE

- IORA Secretariat:

Mr. Firdaus Dahlan

Director (Indonesia)

IORA Secretariat

Tel: +230 454 1717

Email: hq@iora.net

- IORS (Mauritius):

Prof. V N Attri

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- IORG (Australia):

Prof. Dennis Rumley

Chair – Indian Ocean Research Group (IORG)

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- UNODC – MASE Programme in Seychelles:

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Policy Recommendation

It is proposed that through the experience in addressing maritime security and safety in ASEAN, EU, ARF, CSCAP and IORA, Malaysia is well placed through MIMA to be the Centre of Excellence (CoE) for Maritime Security and Safety focusing on Non Traditional Security. MIMA has submitted the proposal to the Ministry of Foreign Affairs and will be submitting the application for IORA Special Fund.