In 2002, South Asia remained a central battleground in the global war on terrorism. The liberation of Afghanistan from the Taliban regime eliminated al-Qaeda’s principal base and sanctuary, but remnant cells continued to present a danger throughout Afghanistan. Fleeing terrorists also caused trouble in Pakistan and other states through which they transited. All countries in the South Asia region have strongly supported the Coalition effort against terrorism by al-Qaeda and the remnants of the Taliban, and the establishment of the new Transitional Authority in Afghanistan has fostered significant improvements in regional security. Further efforts and continued long-term international assistance will be needed to sustain progress, however.

Pakistan remained a key ally in the antiterrorism effort, offering support to US operations in Afghanistan, implementing close law-enforcement cooperation, and cracking down on domestic extremists. Extremist violence in Kashmir, meanwhile, fueled by infiltration from Pakistan across the Line of Control, threatened to become a flashpoint for a wider India-Pakistan conflict during most of the year.

The cease-fire in Sri Lanka between the Liberation Tigers of Tamil Eelam and the Sri Lankan Government held throughout 2002, and the two sides began direct talks, facilitated by Norway, aimed at ending the country’s long civil war and its attendant terrorism. At the same time, the Maoist insurgency in Nepal continued to be a bloody conflict characterized by the use of terrorist tactics. (The Government of Nepal and the Maoists adopted a cease-fire in January 2003.)

**Afghanistan**

In 2002, the Afghan people, supported by a US-led international Coalition, decisively defeated the brutal Taliban regime, which had provided sanctuary to terrorists and extremists from around the world—including North America, Europe, Africa, the Middle East, and Asia. The extremists had used Afghanistan as a training ground and base of operations for worldwide terrorism. Senior al-Qaeda leaders, including Usama Bin Ladin—
The new Afghan Government has pledged its support for the war on terrorism. Al-Qaida, which despite its setbacks still regards Afghanistan as a key battlefield in its war against the United States, will continue its armed opposition to the US presence, however. Al-Qaida has pockets of fighters throughout Afghanistan and probably several more in the neighboring tribal areas of Pakistan. To ensure that former Taliban and al-Qaida holdouts do not reemerge as a significant threat, the TISA must consolidate its support among the country's rival ethnic and regional factions.

Afghans have already passed several milestones on the road toward building a government in accordance with the Bonn Agreement, and the most critical steps—such as demobilizing rival militias, building a stable Afghan army, drafting a constitution, holding democratic elections, and creating a legal system—were underway at the end of the year.

Afghanistan is a party to three of the 12 international conventions and protocols relating to terrorism.

India

New Delhi continued to support the global Coalition against terrorism in 2002 while engaging in its own efforts to address internal and external threats. The Government of India enacted the Prevention of Terrorism Act to provide the central and state governments with additional law-enforcement tools in the war on terrorism. An anti-money-laundering bill was passed by Parliament in 2002 and signed into law in January 2003. Once implemented, it will establish a financial intelligence unit to monitor suspected terrorist transactions. In May, India and the United States launched the Indo-US Cyber
Indian policemen escort Mohammed Afzal (L), Abdul Rehman Geelani (C), and Shaukat Hussain Guru (behind), 18 December 2002, after they were sentenced to death for an attack on the Indian Parliament on 13 December 2001.


Like the United States, India faces a significant terrorist threat. Its primary source is the activity of militants opposed to continued Indian rule over the disputed province of Kashmir. In December 2001, terrorists staged a dramatic attack on the Indian Parliament. In January 2003, armed gunmen opened fire on police outside the American Center in Calcutta, killing four Indian policemen assigned to protect the building. The Government of India asserts that Lashkar-e-Tayyiba (LT) was behind a series of high-profile attacks. Among them were the May assault on an army base in Jammu that killed 36, an attack in July in Kashmir that killed 27 civilians, and two attacks on the Ragunath temple in Jammu in which at least 19 were killed. India also accused the LT of masterminding the 26 September attack at the Akshardham temple in Gujarat, which killed 31 persons. The United States has designated Lashkar-e Tayyiba a Foreign Terrorist Organization and has designated it pursuant to Executive Order 13224.

In 2002, India became a party to the 1979 Convention on the Physical Protection of Nuclear Material, making it a party to 11 of the 12 international conventions and protocols relating to terrorism.

Nepal

The Nepalese Government in 2002 strongly supported US counterterrorism activities and was responsive to multilateral efforts to police international terrorism. Nepal is party to five of the 12 international conventions and protocols relating to terrorism. Nepal's primary focus, however, remained the seven-year Maoist insurgency, which had claimed nearly 7,000 lives by the end of 2002.

The Maoist insurgency poses a continuing threat to US citizens and property in Nepal. Repeated anti-US rhetoric and actions suggest the Maoists view Western support for Kathmandu as a key obstacle to their goal of establishing a doctrinaire communist dictatorship. Furthermore, the Maoists have forged cooperative links with extremist groups across South Asia. In 2002, Maoists claimed responsibility for assassinating two US Embassy guards. In a press statement, they threatened foreign missions, including the US Embassy, to discourage foreign governments from supporting the Government of Nepal. Maoists, targeting US symbols, also bombed locally operated Coca-Cola bottling plants in November 2001 and in January and April 2002. In May, Maoists destroyed a Pepsi Cola truck and its contents.

Limited government finances, weak border controls, and poor security infrastructure have made Nepal a convenient logistics and transit point for some outside militants and international terrorists. The country also possesses a number of relatively soft targets that make it a potentially attractive site for terrorist operations. Security remains weak at many public facilities, including the Kathmandu International Airport, but the United States and others are actively working with the
Government to improve security. The Nepalese Department of Immigration has made recent improvements in its watchlist capability.

**Pakistan**

In 2002, Pakistan remained a vital partner in the global Coalition against terrorism, playing a key role in the diplomatic, law-enforcement, and military fight to eliminate al-Qaida. Pakistan granted logistic support and overflight rights to support Operation Enduring Freedom, consulted extensively with the United States and the United Nations on ways to combat terrorist financing, and drafted anti-money-laundering legislation. In January, the Government of Pakistan arrested and transferred to US custody nearly 500 suspected al-Qaida and Taliban terrorists, detained hundreds of extremists, and banned five extremist organizations: Lashkar-e-Tayyiba (LT), Jaish-e-Mohammed (JEM), Sipah-e-Sahaba Pakistan (SSP), Tehrik-i-Jafria Pakistan (TJP), and Tehrik-i-Nifaz-i-Shariat-i Mohammadi (TNSM). The United States has designated LT and JEM as Foreign Terrorist Organizations and also has designated them pursuant to Executive Order 13224.

In 2002, Pakistan became a party to the 1997 International Convention for the Suppression of Terrorist Bombings, making it a party to 10 of the 12 international conventions and protocols relating to terrorism.

Anti-US and anti-Western attacks in Pakistan increased in 2002 over the previous year, primarily due to opposition to the US-led Coalition in the war against terrorism. Significant attacks included the kidnapping and murder of US journalist Daniel Pearl; a grenade attack in March on an Islamabad church that killed five—among them two US citizens; a bus bombing in Karachi in May that killed 14, including 11 French naval engineers; and the bombing in June of the US Consulate in Karachi that killed 12 Pakistanis. In response, police have implemented enhanced security measures at diplomatic facilities, churches, and other sensitive sites. The Government of Pakistan has arrested, tried, and convicted those involved in the Daniel Pearl murder.

US-Pakistan joint counterterrorism efforts have been extensive. They include cooperative efforts in border security, criminal investigations, as well as several long-term training projects. In 2002, the United States and Pakistan established the Working Group on Counterterrorism and Law-Enforcement Cooperation. The meetings provide a forum for discussing ongoing US-Pakistani efforts, as well as a means for improving capabilities and cooperation. Islamabad has facilitated the transfer of over 400 captured alleged terrorists to US custody, and Pakistan remained ranked third in the world (behind the United States and Switzerland) in seizing terrorist assets. Abuse of the informal money-transfer system known as *hawala* remained a serious problem throughout the region, however.
A Pakistani police officer displays a Volkswagen packed with explosives that Islamic militants allegedly planned to ram into a diplomatic car in Karachi, 15 December 2002.

Sri Lanka

The positive developments in Sri Lanka that began in 2001 continued in 2002. Historically, the Liberation Tigers of Tamil Eelam (LTTE) has been one of the world’s deadliest terror groups—it pioneered the use of suicide vests and has committed far more suicide-bomb attacks than any other terrorist organization. The cease-fire between the LTTE and the Government, established in December 2001, was formalized in February 2002. Formal peace negotiations began in September 2002 and were continuing into 2003.

The LTTE has publicly accepted the concept of internal autonomy within a federal Sri Lankan state, conceding its longstanding demand for a separate Tamil Eelam state. Its recent public statements give reason to hope that it intends to transform itself from a terrorist organization into a legitimate political entity.

The LTTE, however, has not renounced terrorism; it continues to smuggle in weaponry; and it continues forcible recruitment, including the recruitment of children into its ranks. It is too early to tell whether the Sri Lankan peace process will ultimately bear fruit or whether the LTTE will actually reform itself. Although guarded optimism surrounds the peace process, the United States will continue to designate the LTTE as a Foreign Terrorist Organization until it unequivocally renounces terrorism in both word and deed.

Sri Lanka is a party to 10 of the 12 international conventions and protocols relating to terrorism.