REPORT
ON SECURITY INTELLIGENCE POLICY

2011
EXECUTIVE SUMMARY

The Report on Security Intelligence Policy is the document that each year, pursuant to Section 38 of Law no. 124/2007, the Italian Government submits to Parliament, and consequently to all citizens. It outlines the decisions enacted to guarantee Italy’s national security and safeguard its values and essential interests, and illustrates the relevant activities conducted by the intelligence community.

The first section of the Report describes the activities carried out by the Intelligence System for the Security of the Republic: from the definition of intelligence requirements by the Government to their follow-up by intelligence – in terms of operations conducted by the AISE and the AISI, as well as in terms of coordination and control entrusted to the DIS.

The following section is an update on the main threats to security, described in a new format specifically devised to facilitate institutional communication and the promotion of a culture of security.

First, the Report addresses the close correlation between Contingent Factors and Threats to Security emerging from the dynamic and complex scenario the intelligence community had to cope with in 2011.

Particular attention is given to the combination of economic crisis and vulnerability of national interests. The critical economic trend,
coupled with structural circumstances, increased the pervasiveness of phenomena on the intelligence radar for some time due to their impact, actual or potential, on domestic economy and on the prospects for growth and development. This involves not only industrial espionage, seriously damaging Italian business competitiveness, but also foreign investments in strategic sectors of the Italian economy. Additionally, the liquidity crisis provided further opportunities to criminal organizations in economic and financial fields, both in Italy and abroad. Organized crime, in particular, consolidated its tendency to develop its business in central and northern Italy, serving interests that remain based on predatory and violent patterns, and, at times, are strategically inspired by imprisoned bosses.

A separate section is dedicated to subversive threats amidst social conflict and extremist exploitation, with reference to the attempt by extremist individuals and groups, both left- and right-wing, to exploit social unrest and turmoil to affirm anti-establishment appeals and to raise the level of confrontation with institutions. Meanwhile, along with unrealistic “revolutionary” theories inspired by Red Brigades ideals and reinforced by the economic crisis, a return to anarchic-insurgent violence was noted on the subversive side, again in connection with the economic situation.

The subsequent paragraph covers criticalities in the international scenario and their impact on domestic security, starting with the rapid and profound changes in North Africa and the Middle East.

In relation to North Africa, with a view to safeguarding national interests, priority was given to the transition process in Libya, the evolving political-institutional situation in Tunisia and in Egypt, developments in Morocco and Algeria, in a context which, especially in Algeria, witnessed the sustained activism of al Qaida in the Islamic Maghreb (AQIM), confirmed to be in expansion, especially towards the South. Migratory pressure, directly linked to transnational criminal networks that deal in human trafficking, and the impact in terms of energy security, all the more important in a close and growing competition on a global level, are amongst the implications of the North African crisis for Italy.
In the Middle East, the situation is still extremely volatile in the Syrian crisis, also due to possible repercussions on Lebanon, where the risks remain high for UNIFIL and the complex dynamics pertaining to the Palestinian question. The scenario in Iran is still affected by the growing confrontation with the international community coupled with internal dynamics. After the end of the American military mission, Iraq must deal with a difficult internal situation and with the ongoing vitality of al Qaida-inspired groups. Jihadist activities also significantly affect Yemen, where recurring clashes between Government and opposition forces strengthened the military dimension of al Qaida in the Arabian Peninsula (AQAP).

The security situation remained extremely unstable both in Afghanistan, where the threat level for Italian troops is still high, and in Pakistan, with no foreseeable change in trends, due to the growing capabilities and offensive determination of local extremist groups.

The scenario in Somalia is still marked by institutional and security fragilities. Despite a “tactical retreat” from the capital city, the Jihadist group al Shabaab carried out new large-scale terrorist attacks, appearing more and more interested in operating beyond Somali borders based on its strong relations with AQAP. Strictly connected to the Somali crisis, piracy is confirmed to be a threat for international security, all the more insidious due to the growing involvement of al Shabaab militants.

Other threats – distinct, although connected to those described above – are to be identified in GLOBAL CHALLENGES. In this context, the cyber threat underlies all other threats, due to its pervasive and multiform nature. An effective cyber-response capability, on a national and international level, is the result of a constantly evolving process. Here intelligence plays an active role and will also support the authority responsible, at a central level, for the general coordination and planning of Italy’s response.

Considerable resources were devoted to counter the threat of terrorism in Italy and in Europe, which is still marked by the largely unpredictable actions of “lone terrorists”, influenced by the relentless Jihadist propaganda circulating on the Internet.
As for the threat posed by the *proliferation of weapons of mass destruction*, which calls for continuous efforts to counter procurement-related activities, the situation in Iran remains in the forefront, along with the situation in Syria and the North Korean nuclear program.

Finally, the Report assesses the risks connected to *environmental threats* and to the *scarcity of resources* which, acting as multipliers of pre-existing political-social fragilities and inter-state tensions, may herald medium-long-term territorial and economic conflicts.
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2011
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The events that took place in 2011 mark it as a year of significant changes in terms of security threats due to ongoing dynamics, whose mid/long-term implications are still difficult to foresee.

There were, however, two far-reaching situations that impacted this scenario: the worsening of the economic crisis (which began in the financial sector and spread not only to national economies but also to the Eurozone in its entirety) and the upheavals in North Africa and the Middle East which, although strictly related to the situations of the countries involved, were probably triggered by the economic crisis.

In this context, Italy found itself on a particularly complex fault line. The changes in geo-political balances in south Mediterranean areas and the need to reduce Italy’s overexposure to risks amplified by the economic crisis urged and continue to urge for a structured and rapid response in terms of national security.

The crushing instability that swept over the southern coasts of the Mediterranean exacerbated a number of factors that could impact security – illegal migration, transnational organized crime and terrorism.

Moreover, the onset of a transition towards a new political order in some North African countries has a profound effect on the relations linking Italy to some of those countries, with increased collaboration and support responsibilities as events develop. The competition between international actors to acquire positions of influence especially in the energy market and in the foreseeable, profitable reconstruction phases became fiercer.
The economic crisis also served as a backdrop for the emergence of risks – from the vulnerability of the production system to the threat of criminal infiltrations, to the exploitation of social unrest by radical and subversive groups. Such risks include other criticalities which, although appearing less alarming, might nevertheless affect national interests. This is also due to foreign competition, at times supported by governments, aiming at profiting from the current situation in order to acquire significant industrial shares in sectors of technological excellence and strategic positions in fields traditionally marked by the Italian presence.

This multi-faceted threat environment was handled by the Italian intelligence services focusing on national security, and on the safeguard of national interests, both in Italy and abroad, in line with the mission entrusted to them by Law no. 124/2007 to ensure an early warning system to protect democratic institutions and the fundamental values of the State.

One of the strong points in the architecture of the Italian intelligence system is the close relationship between political guidance and intelligence activities. Such activities must conform to political directions due to the political nature of the choice of assets, interests and values that demand priority in order to protect national security. Thus, it is up to the political level to evaluate how effective such activities and results are.

The political oversight of intelligence services – entrusted to the Parliamentary Committee for the Security of the Republic (Comitato Parlamentare per la Sicurezza della Repubblica – COPASIR) – is fully consistent with this institutional framework. In addition to receiving semi-annual reports on intelligence activities, in 2011 the Committee developed an intense interaction with the Directors of the intelligence community, resulting in six hearings with the Director General of the DIS, seven with the Director of the AISE and three with the Director of the AISI. Economic and financial aspects were covered in meetings with the Vice Director for Intelligence of the AISI and the head of the relevant branch of the AISE.

In this same context, the Annual Report prescribed by Section 38 of Law no. 124/2007 represents a prime opportunity for institutional communication and the promotion of a culture of security.

To carry out these tasks, which the reform law entrusts to the DIS, the format of the Annual report was revisited and redesigned.

This resulted in new layout and graphics, along with a choice of contents and style aimed at highlighting the interconnection between security threats and the geographic areas of interest, with emphasis, albeit in
the intrinsically historical nature of the document, on evaluation and forecasting.

This report is therefore designed to provide a clearer picture of the scope and extent of the changes that took place during the past year and, in an overall perspective, to capture the various aspects affected by threats, whether those directly influenced or those that appear less exposed but which, according to intelligence reports, may result in significant criticalities for Italy.

Unlike previous reports centered on risks deriving from the threats considered, the 2011 Annual Report was structured so as to give priority to the emerging aspects that marked the domestic and international scene.

After the first section dedicated to outlining Government requirements and the related intelligence activity, the subsequent two sections delineate the threats drawing the attention of intelligence: from the threats that were most amplified by the economic crisis and by the changes in the Mediterranean area, to global ones, affecting security in an evolving perspective as well.
1. Government guidelines

Intelligence activities comply with the guidelines and decisions of the Inter-Ministerial Committee for the Security of the Republic (Comitato Interministeriale per la Sicurezza della Repubblica - CISR), which defines the intelligence guidelines and requirements, pursuant to Section 5.2 of Law no. 124/2007.

By matching “supply” and “demand”, intelligence requirements for 2011 were set on the basis of priorities determined by the ministers that comprise the CISR (Foreign Affairs, Defense, Interior, Justice, Economy and Finance, and Economic Development) for their respective areas of competence. Then, intelligence planned its activities in detail, with a view to rationalizing and optimizing available resources.

As usual, intelligence requirements included both phenomena and geographic areas of interest, especially those developing in ways that make interconnections between risks and threats to security (see Box 1) all the more significant.

In times marked by rapid changes, the process of defining intelligence requirements was necessarily based on close interaction between decision-makers and intelligence, which is tasked with translating requirements into appropriate operational plans. Intelligence activities in 2011 were aimed at providing a timely response to new priorities (in part originated from the economic crisis and international political tensions). These included criticalities in the economic sector, the threat linked to anarchist and antagonist movements, and the repercussions that instability in the south Mediterranean had on major Italian interests.

Besides adjusting intelligence action to the new environment, efforts were also directed towards the conventional threats countered by intelligence, such
as international terrorism. This urged intelligence services to promptly collect and assess threat indicators, especially those associated with jihadist groups, and to radicalization processes which may induce individuals not belonging to structured organizations to carry out attacks. In the same preventative approach, attention was given to those milieus providing ideological, logistic and financial support to terrorist groups, as well as to circles involved in recruiting and transferring would-be terrorists to crisis theaters, to links with criminal organizations and networks facilitating illegal migration, and to the threat of terrorists using non-conventional weapons.

With respect to domestic extremism, in addition to the priority given to extremist and anarchist groups and their international connections, intelligence paid particular attention to Marxist-Leninist groups who promote subversive strategies and attempt to infiltrate the working classes, to radical right-wing and violent, politically-inspired sports fans, as well as to the conflicts between opposing militant factions.

Security and development were the keywords in the fight against organized crime, targeting in particular their infiltration in politics and public administration, as well as in the economy.

As for economic intelligence, the requirements established by the CISR
demonstrate the scope and complexity of the effort requested of intelligence services. They are called upon to fight threats to national economic security and to provide decision-makers with the information needed to support Italy in the ever fiercer global competition. In this context, the contribution of intelligence was required to protect the banking and financial systems, as well as fair competition and market security and to safeguard strategic industrial assets, critical infrastructures and energy security.

Intelligence requirements related to counterespionage – aimed at protecting national interests both in Italy and abroad – and cyber threat, including cyber warfare by State players, reflect the statutory provisions entrusting intelligence agencies with the protection of Italy’s political, military, economic and industrial interests.

Furthermore, government guidelines focused intelligence attention on new emerging threats – such as water scarcity and climate changes – which are increasingly becoming global risk factors.

Being flexible vis-à-vis evolving trends and bearing in mind the transnational nature of threats, the Government confirmed intelligence priorities in relation to the main international crisis scenarios.

In this regard, the intelligence requirements related to the international scene mostly involved areas presenting critical situations that, for their geographic positions too, might turn into threats to national security and interests (see Box 2), as well as the areas where there is a significant

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**Box 2**

**“National interest”**

The notion of national interest brings to mind a dynamic and complex concept that has not been univocally defined by law and is subject of intense debate among political scientists.

In an intelligence perspective, a definition of national interest can be found in Law no. 124/2007, particularly in Sections 6 and 7 that outline the mission of the AISE and the AISI, identifying it with the defense of the independence, integrity and security of the Italian Republic (AISE) and the defense of the domestic security of the Republic and its democratic institutions as established by the Constitution (AISI), as well as the protection of Italy’s political, military, economic, scientific and industrial interests (AISE and AISI).

The guidelines dictated by the CISR when setting intelligence requirements concur to the definition of national interest as well.
Italian presence, including countries where Italian troops are operating.

To this end, intelligence collection was primarily oriented towards the following areas: North Africa, with particular reference to transitions and changes, the activity of radical Islamist movements and migration routes; the Horn of Africa, with specific reference to the persistent instability in Somalia, piracy and the situation in the Sudan; the Middle East and the Arabian Peninsula, especially as to the changing security environment and political tensions, the developments in peace talks and the conflicts between Shia and Sunni; Asia, mainly as to the ongoing instability in the Afghan-Pakistan area, territorial conflicts and criticalities in central Asia; the Balkans, with reference to persistent nationalist claims and widespread criminality; Latin America, as to energy policies and the concurrent ambitions for leadership in the area; the Arctic region, in connection with predominant geo-strategic interests, including the exploitation of natural resources.
2. Intelligence activity

On the basis of the guidelines issued by the President of the Council of Ministers and within the strategic framework defined by the CISR, the AISE and the AISI developed their respective operational plans, which evolved into detailed intelligence projects tailored to the targets and priorities defined by decision-makers.

Operational effectiveness, results and the level of intelligence production were constantly monitored by an ad-hoc Inter-agency Committee, presided over by the DIS. Through targeted monitoring and thorough auditing procedures, the Committee verified that intelligence activities complied with political guidelines (see Charts 1 and 2). With a view to obtaining the best results from the efforts deployed, primary importance was given to intelligence dissemination to government authorities and in particular to the ministers comprising the CISR (see Chart 3).
As previously mentioned, the intelligence community had to face an overall situation in constant and rapid development. The crises in North Africa and the Middle East, the worldwide economic-financial situation and its repercussions in the Eurozone, as well as the exponential growth of cyber threat acted all as potential incubators accelerating situations liable to have an impact on national security, as well as on Italy’s wellbeing and interests.

With respect to the Mediterranean area, the AISE closely followed the events on the field, their trends, emerging political players, as well as the political and security repercussions at local and regional level resulting from re-establishing power balance in the area and in the countries involved.

The AISI closely monitored the situation in Italy so as to detect any risk indicator associated with the uprisings.
Both agencies targeted extremism and ideological and religious radicalism, especially in relation to their influence on the level of the terrorist threat and to possible repercussions on migration flows and transnational crime, as well as energy security.

In the light of the worldwide economic and financial crisis, both the AISE and the AISI, in their respective fields of competence, played a role in safeguarding national interests, especially from threats originating from conflicts in strategic areas, from hostile competition, as well as from criminal infiltration into public administrations and the economic and productive fabric.

Within their respective areas of interest, the AISE and the AISI had a two-fold approach to counter-intelligence. They conducted briefings and initiatives aimed at raising awareness to the threat of espionage for diplomatic, military and civilian personnel, in the private sector as well. On an operational level, the agencies monitored and countered hostile intelligence activities.

Moreover, the agencies devoted significant, constant efforts as to OSINT (open source intelligence). The AISE
focused on the analysis of texts in rare languages, while the AISI targeted radical propaganda. A large amount of data was gathered on geographic areas and situations of interest, and was analyzed and shared in a concise and integrated manner in view of further collection and operational efforts. Significant in this regard were some projects, promoted by the DIS and financed by the European Union, aimed at testing and acquiring new technological tools designed to optimize the exploitation of open sources.

In compliance with the notion of “intelligence system” enshrined in Law no. 124/2007, interaction between the agencies was consolidated, also through ad hoc Coordination Tables operating within the DIS, which involved operations and analysis, as well as planning.

Among the most important initiatives on a strategic level, mention should be made of the Coordination Table on cyber security. The organizational framework for relevant intelligence activities was defined with a view to collaborating with the inter-ministerial body in charge of developing a model for national governance – whose definition is an absolute priority for Italy.

The table envisaged and promoted several initiatives including the preparation of a glossary of the cyber terms of interest for intelligence and security and the development of specialized training programs. The Intelligence School at the DIS was entrusted with these initiatives to raise awareness in the private sector and to train intelligence officers to an even higher level of skills.

Training, along with specific provisions for enhancing and upskilling resources, is part of a broader plan to promote and disseminate a culture of security.

Close, profitable contacts with academia are an integral part of these initiatives which offer a two-fold advantage by both training professionals and raising awareness about the intelligence role and mission through new ad hoc courses in academic curricula.

The cooperation agreement signed in July 2011 between the DIS and the Università degli Studi di Roma “Sapienza” marked the beginning of a program that will facilitate the dissemination of a culture of security in future ruling classes. The program offers degree and masters courses and doctorate degrees. It was designed to train a new generation of analysts and intelligence officers in ever more challenging subjects such as cyber security and economic and financial security. Similarly, economic intelligence is the focus of an ongoing collaboration project with the Università di Tor Vergata, Rome.

On the whole, this implies a new way of thinking about intelligence, developing a flexible and multi-disciplinary approach that takes into consideration diversified and dynamic interactions among risk scenarios, geo-political developments and threat factors, transnational phenomena and global security.
Particularly significant was the synergy among the different components of the Italian intelligence System. In this framework, special unified POCs, staffed with intelligence officers, were set up within the ministries comprising the CISR. This initiative responded to the need to ensure that intelligence promptly and timely reaches the relevant ministerial offices, whose feedback will help orienting and fine-tuning subsequent collection.

Another collaborative effort on an operational level involves the constant exchange of information between the AISE and the Ministry of Defense for the protection of Italian military troops abroad, as well as the close cooperation between intelligence agencies and police forces. As regards counterterrorism, cooperation continued to be developed also within the Committee for Strategic Counterterrorism Analysis (Comitato di Analisi Strategica Antiterrorismo – C.A.S.A.) (see Chart 4).

Mention should be made of the counterproliferation activity of the AISE and the police operations conducted with the AISI’s intelligence support, especially in terrorism and organized crime (see Box 3).

In 2011, international cooperation played a major role in terms of policy and technical and operational exchanges.
In combating subversive groups, especially anarchist factions involved in environmental, anti-military and anti-repression campaigns, the AISI provided police forces with intelligence regarding plans for high-impact environmental protests that led to the arrest of two militants, while two other activists were reported to judicial authorities. In addition, intelligence on a number of offenses committed by anarchists in central Italy (between May 2009 and December 2010) resulted in several arrest warrants. Information sent to police forces on radical right-wing activities contributed to the arrest of a number of subjects held responsible, among other things, for spreading propaganda based on racial and ethnic hate. Intelligence on extremist sports fans’ intentions to carry out violent actions during important soccer games allowed police to take effective preventive countermeasures.

As for the threat posed by Islamic radicals, intelligence supported law enforcement in a number of cases. In particular:

- persons attending a mosque in Calabria suspected of terrorist training. Investigations confirmed the subjects’ radical and anti-Western profile as outlined by the AISI;
- a North African individual, who had been sentenced in his home country to 4 years in prison on terrorism charges, was reported for being involved with Salafi jihad and helping would-be mujahidins reach war zones.

Moreover, AISI’s contribution made it possible to adopt measures (expulsion and denial of entry to the Schengen States) against an Albanian (known for his radical positions, frequenting jihadist websites, and allegedly intentioned to reach crisis areas), an Iranian previously involved in terrorist plans and two Afghans emerged, in separate investigations, for their pro-Taliban leanings.

As regards domestic crime, intelligence helped identify clan members and led to the arrest of fugitive bosses such as Emilio Tancredi (apprehended on 19 February in Rome), a notorious organized crime figure in Campania, at large since 2004; Gaetano Avolio (arrested on 7 March in Casandrino, Naples), a member of the Licciardi clan and subject to an European arrest warrant issued by German judicial authorities; Daniele Vicentino, a high-ranking member of the Mesagnesi clan, the leading faction of the Sacra Corona Unità (SCU) in Brindisi.

In addition, the AISI’s operations targeting organized crime in Apulia contributed to the arrest of: 18 members of the Brindisi-based SCU faction, 3 notorious members of the Strisciuglio clan (allegedly responsible for a murder and some attempted murders) and 10 members of the Parisi clan for aiding and abetting and possession of firearms.
The Agency’s activity in the economic and financial field enabled the Guardia di Finanza to arrest 12 members of a criminal organization involved in massive VAT frauds in northern Italy, and to report 16 individuals to judicial authorities on tax avoidance charges as part of a large-scale fraud scheme involving foreign intermediaries.

As to transnational crime, police forces received intelligence reports regarding:

- organizations involved in illegal migration and ID counterfeiting. Mention should be made of “Operation Cestia” that on 11 January disrupted a criminal gang, mostly composed of Afghans, specialized in facilitating the transfer of illegal migrants from Asia to Europe. “Operation Kornelio”, conducted with the AISI’s contribution, led to the arrest of three Moroccan nationals, charged with aiding and abetting illegal immigrants and exploitation of children in prostitution;
- Nigerians involved in drug trafficking and exploitation of prostitution, operating mainly in Campania and the Pescara area;
- a network of foreigner nationals (mostly Pakistanis, some North Africans and a Syrian) involved in heroin trafficking, aiding and abetting illegal immigrants from Pakistan, ID counterfeiting and financing terrorist organizations in their native countries.

The AISI successfully contributed to “Operation Scutum”, conducted in Rome, Naples, Milan, L’Aquila and Sardinia.

Finally, intelligence led to the seizure of large amounts of drugs from foreigner nationals, of material used to clone electronic means of payment and to the identification of the offenders responsible for several burglaries and other crimes.

In both bilateral and multilateral fora, intelligence agencies have developed and managed relations with foreign intelligence services, as well as with NATO, EU committees and other organizations, participating in several meetings, workshops and seminars.

International relations, developed through intense information exchange and numerous meetings (see Charts 5 and 6), served to better understand and counter a number of threats, in particular jihadi-inspired terrorism, anarchist subversion, espionage and cyber threat.
INFORMATION EXCHANGE
WITH FOREIGN INTELLIGENCE AGENCIES
YEAR 2011

REPORTS

Sent
Received

INTERNATIONAL COOPERATION
YEAR 2011

Bilateral meetings
Multilateral meetings

533
173
II
CONTINGENT FACTORS AND THREATS TO SECURITY

1. Economic crisis and Italy’s vulnerabilities

Economic intelligence was confronted with a multi-faceted threat scenario whose possible impact on national security was heightened by the worsening economic situation. In the case of Italy, this condition was aggravated by structural vulnerabilities in the economic system, thus amplifying the consequences of threats on national security and national interests both in Italy and abroad.

Intelligence focused not only on hostile players, criminal infiltrations in the domestic economy and opacity in financial circuits, but also on the systemic impact of the economic crisis and its possible detrimental effects on some Italian production sectors and services.

By reducing profits and access to credit for many domestic companies, the economic crisis increased their exposure to expansion plans of foreign multinational companies and direct competitors, interested in diversifying their activities and maximizing profits, as well as taking over or consolidating their leadership in some market sectors. This is to the detriment of Italy’s competitiveness – specially in fields of excellence – and employment rates – mostly due to the relocation of manufacturing plants.

At the same time, neighboring countries – especially those close to the northeastern regions of Italy – increasingly adopted benefits and tax-relief policies in order to attract the most valuable small/medium-size businesses.

The economic situation made the Italian entrepreneurial fabric more vulnerable to industrial espionage that could both affect the national productive and innovative potential, as well as pose a serious danger to Italy’s security and competitiveness.
As will be seen further on (see Section III), the threat is amplified in cyber space, especially as regards intellectual property and market strategies. The use of ICT networks and systems to steal data is bound to surpass conventional techniques, considering that significant business data is now stored in several databases, thus multiplying the possibilities for illegal access to information.

The need for domestic companies to resort to funding sources other than banks sparked the interest of foreign operators towards Italian markets. Regardless of the outcome of the transactions involved (acquisitions, mergers, partnerships, joint ventures, financing), this situation made target companies vulnerable to industrial espionage and disclosure of sensitive business, financial or operational data.

By monitoring foreign investments and shareholdings in domestic economy, intelligence helped safeguard national infrastructure and sectors strategically important in terms of know-how, employment and production.

Transportation, telecommunications and energy appeared to be the most attractive sectors for foreign investors. In particular, it emerged that Eastern European companies – pursuing a strategy of vertical integration in energy production – are getting more and more involved in the distribution of gas and oil products. The renewable energy sector remains exposed to cartel agreements among Asian companies that, as leaders in this sector, attempt to promote their interests in the West by limiting market competition.

Large Eastern European and Asian investors are likely to increase their role in the Italian market: Eastern European investors, pursuing a strategy inaugurated several years ago, may turn to medium and large companies in the Italian metallurgical sector, with targeted investments in steel mills and high-tech engineering industries, refineries and oil distribution companies and, to a lesser extent, in tourism.

Asian companies, attracted by Italian brands, could exploit the opportunities offered by new logistics agreements with domestic freight terminals, especially in central Italy, to increase investments.

According to intelligence reports, foreign competitors, in particular from Asia, could attempt to gain access to Italian research projects and acquire innovative technologies in order to exploit related patents.

This economic expansion is increasingly supported by Asian banks which may as well draw significant market shares away from domestic companies, especially in international financial transactions involving Italian companies operating abroad.

Intelligence monitoring of domestic banking and financial circuits pointed out criticalities – especially anomalous or non-transparent fundraising – in particular as to the incorporation of
Contingent factors and threats to security – Economic crisis and Italy’s vulnerabilities

As for energy security, intelligence activities abroad focused on procurement as a support for strategic decisions on the diversification of energy sources, assessing extraction areas and, in particular, the size of the reserves, extraction costs, geographic proximity, socio-political stability and the profitability of the related investments.

Intelligence actions were mainly focused on the criticalities in northern and sub-Saharan Africa and the Middle East, as well as other strategically important areas, from Latin America to the complex situations in Caucasian and Central Asian regions. In this same light, there is a growing intelligence interest for the Arctic region, due both to its reserve of hydrocarbons and the economic prospects related to the opening of new commercial routes.

Moreover, there may be an increase in foreign investments in Italy by opaque investors that use triangular transactions in offshore havens to transfer illegal proceeds.

Mention should also be made of intelligence revealing an increase in tax evasion, VAT in particular, and in financial fraud involving a growing number of individuals.

Irregular money transfers also appear to be on the increase: the development of the crisis and the stricter regulations adopted to fight tax evasion are elements susceptible not only to give birth to new forms of evasion but also to facilitate the emergence of new “money routes”.

Intelligence reports and analysis also focused on criminal involvement in economy and finance.

On an international level, this phenomenon appears to be a real industry of crime capable of contaminating and conditioning markets.

Criminal organizations, as well as terrorist groups, have developed more and more sophisticated techniques to transfer, launder and reinvest illicit proceeds. Often they can take advantage of the complicity of specialized operators, loopholes in regulations, complex schemes in offshore countries, as well as of the greater opportunities deriving from ICT, including new financial institutions and distorted credit management by unfaithful bank officers. The difficulties connected to the financial crisis may increase irregularities by some Confidi entities (credit guarantee consortia), carrying out unauthorized financial activities, and by foreign banks determined to channel savings collected in Italy to companies in their own countries.
innovative financial services and electronic means of payment.

As to international terrorism financing (see also Box 17), criminal groups transfer funds through legitimate activities, which are not only an ideal cover for smuggling people and money but, in some cases, also powerful leverage in countries weakened by conflicts or serious institutional and social-economic instability.

As far as economic crime is concerned, intelligence confirmed the worsening of this threat due to the increased activity of criminal groups on an international level.

Intelligence analysis highlighted the facilitated interaction between criminal groups of different origin and business groups, as well as members of foreign intelligence services. An increase in economic crimes and frauds (especially in those countries where the proximity between ruling classes and criminal power facilitates opacity in economic dealings) was recorded as well.

Financial transactions involving countries with “permissive legislation” indicated that, thanks to specific corporate structures, they are particularly resilient to disruption efforts. In such a system, it becomes easier for criminal holdings to launder illicit proceeds and invest them in a number of legitimate sectors.

Money laundering and reinvestment of illicit proceeds by transnational criminal groups, especially Russian, Balkan and Asian organizations, represented a real threat for Italy and Italian companies operating abroad. The huge funds available to criminals make it possible for them to invest much more profitably than usual, distorting competition and competitiveness.

In this context too, the global economic-financial crisis is potentially capable of worsening the threat. Instability and recurring turbulence in international markets, the prospects of a recession and a general lack of liquidity have made legal economy more vulnerable to criminal infiltration.

This latter aspect, in Italy’s case, goes along with the pervasiveness of domestic organized crime, constantly monitored by intelligence.

According to intelligence services, the current situation appears bound to increase the criminal infiltration of domestic economy, especially through hidden investments and injection of illegal funds into struggling businesses to buy them out. This is but the latest development of a trend that for some time has seen mafia groups become more and more involved in the legitimate economy.

An increase in the number of businesses directly managed by criminal organizations is to be expected, since it appears to be instrumental not only in laundering illegal proceeds and in infiltrating and managing public contracts, but also in establishing profitable relations and acquiring more social consensus by offering jobs.
The tendency of criminal organizations to diversify economic and criminal interests has reportedly consolidated, as they expand to new sectors (energy, environment, online betting) while maintaining their interest in conventional fields such as construction, real estate, large distribution and illegal waste disposal.

Broadly speaking, the scene of domestic organized crime remains markedly volatile (see Box 5), as a result of the effective repression that continues to weaken the leadership, workforce and financial assets of major criminal organizations. The leaders of these groups, managing economic interests through “business committees”, tend to stay in the background vis-à-vis the “militant” wing which is therefore more exposed to law enforcement activities.

Although preferring more discreet strategies, mafia groups are intentioned to develop their criminal activities in the wealthier regions of central and northern Italy, seeking new opportunities to reinvest illegal proceeds. It is to be expected that they increase their efforts to bring their own contacts into local decision-making bodies in order to facilitate their economic activities.

As for Sicilian Cosa Nostra, criticalities may originate from the gap gradually growing between entrepreneurial and military levels. If this gap safeguards and conceals leaders’ assets and interests, it could nevertheless significantly affect the unity of the organization – the actual competitive “asset” of the Sicilian mafia.

In its home territory, Cosa Nostra seems determined to exert steady pressure by increasing racketeering and other criminal activities, both essential, together with drug trafficking, to ensure resources for the survival of the organization and the costly support of its jailed members and their families.

The Calabrian factions seem oriented towards adopting a lower profile, closing ranks and diversifying their involvement in economic sectors less exposed to media attention and law enforcement. In this light, they appear to seek more effective coordination among clans to facilitate a more centralized management of the most profitable interests.

‘Ndrangheta groups appear to intensify collusion and corruption schemes aimed at influencing local administrative bodies not only in their region of origin, Calabria, but primarily in those in central and northern Italy, in order to gain contracts and subcontracts for major public works, including roads, highways, railroads and ports.

Moreover, the ‘ndrangheta continues to carry out highly profitable conventional criminal activities, especially those associated with drug trafficking, through well-tested international networks and solid connections with production areas.
ITALIAN ORGANIZED CRIME

According to intelligence:

- **Cosa Nostra** appears committed to reorganizing top structures and inter-provincial coordination, in order to overcome the instability and uncertainty resulting from the twenty-year absence of the so called “cupola” (governing board) and the centrifugal tendencies of mafia families. In this context, ambitious, young leaders might gain more power and, seeking recognition, resort to violence. This would mark a drastic change from the low-profile strategy adopted following the severe setbacks suffered by major bosses.

In the Catania area, growing tensions among the clans may indicate that the balance of power among mafia organizations is being re-established;

- the **’ndrangheta** is committed to overcoming the disorientation caused by the large number of arrests and the destabilizing effects of cooperating witnesses (not just high-ranking members, but also women) which weakened the organization, both in its region of origin, Calabria, and in its areas of operations;

- the **camorra**, in Naples and surrounding areas, shows a shifting balance of power among clans. Threats are reported in the northern area of Naples due to the proliferation of more or less structured camorra groups, bound to fuel new conflicts. In the area around Vesuvius, traditionally solid local clans could be challenged by neighboring groups.

In the Caserta area, Michele Zagaria’s arrest left the Casalese cartel (the most dangerous camorra group in the region) coping with a significant leadership vacuum. Thanks to strong central management, Zagaria had succeeded in strengthening the position

Although weakened by police operations, camorra clans in Naples continue to practice extortion in the area and to maintain widespread control over local drug dealers. The most structured and business-oriented clans are increasingly interested in revitalization works, especially in the east side of the city, and show their clear intent to influence the different stages of construction contracts, from supplies to finalization.

Both in cities and provinces, camorra interests remain focused on energy and environmental sectors, waste disposal in particular.

In central and northern Italy (especially in Emilia Romagna, Lazio, Umbria and Abruzzo), where the Casalese cartel has developed large economic interests, the phase following the arrest of the boss Michele Zagaria might affect the
of high-ranking clan members and, by supporting imprisoned members and their families, he ensured the clan’s internal strength and avoided the risks of cooperating witnesses. Criticalities could result, on the one hand, from the strategic inattention of new generations and the difficulty in satisfying the needs of the numerous imprisoned members of the Casalese clan and, on the other, from the appetites of local fragmented groups made voracious by revitalization initiatives expected in the area;

- **Apulian organized crime** appears to be more and more fragmented, providing logistic support to other Italian and foreign criminal groups in running illegal operations in the Adriatic Sea, on a transnational basis too. In Bari, mafia groups seem to be competing to regain control over metropolitan areas. In the Salento region, SCU factions from Brindisi and Lecce will have to strive hard to reorganize due to the arrest of powerful fugitive bosses and high-ranking members now cooperating with justice. This might exacerbate tensions between the older generation, now mostly in prison, and the more violence-prone younger generation.

In prospect, the development of relations between mafia members in prison and those operating outside will become more and more important, due to:

- the impatience of some “regents” for the expensive support of imprisoned members;
- the strategic guidance that many bosses in jail continue to provide believing that they are still in charge.

Finally, a growing risk involves the greater and greater interactions among the diverse domestic mafia organizations, and between these and foreign crime groups operating in Italy, both in conventional criminal activities, such as drug trafficking, and in common business interests.

compitiveness of the business network associated with the criminal cartel.

Foreign organized crime groups operating in Italy (see Box 6) appear more and more competitive both in conventional illegal sectors (counterfeiting, drugs, exploitation of illegal migrants) and in the social and economic activities of their respective ethnic communities. As a consequence, foreign groups tend to emancipate from the Italian organizations, with whom they often interact, also for business activities.

Chinese and Nigerian clans may become more dangerous due to their propensity to reinvest illicit proceeds into legitimate businesses. This trend is typical of Russian-speaking organizations as well, especially Russian and Ukrainian, now capable of controlling diasporas and large investments in Italy on behalf of shady business circles in their home countries.
According to intelligence reports:

- **Chinese** gangs, dismantled by police operations, might regroup to regain control over illegal gambling, extortion and prostitution. Connections with Chinese criminal networks in their native country and in Northern Europe could increase the involvement of new gangs in drug trafficking. The most sophisticated groups, which showed considerable operational and organizational capabilities, could instead turn, with the aid of Italian groups, to more complex activities (including the transfer of waste abroad and shipping of counterfeit or contraband goods);

- profiting from their role in transcontinental drug routes (heroin from Asia and cocaine from South America), **Nigerian** groups are likely to expand to European markets. In Italy, they could take advantage of the spreading of “cultist” gangs to control and subjugate the diaspora, compromising integration. Their proven ability in trafficking of narcotics and human beings, prostitution and transferring money to their home country gives the Nigerian groups supremacy over other African groups;

- it was confirmed that **Balkan** organizations, established along inter-ethnic lines, are gradually taking root in Italy and may increase drug trafficking and other criminal activities;

- **South American** groups might also grow, especially in urban areas in Liguria, Lombardy and Umbria, should Italy-based emerging juvenile gangs attract more aggressive South American criminal organizations.
2. Subversive threats amid social unrest and extremist exploitation

The AISI closely followed the extremist and subversive front, especially the anarchist movement.

According to intelligence reports, extremists consider the worsening economic crisis and domestic and international countermeasures an opportunity to revitalize schemes of action aimed at catalyzing and radicalizing social unease.

The galaxy of dissent, however, for some time has been marked by internal differences that indicate the divergent ideological and tactical approaches of its members.

After a “retreat” into localized protests, although associated with wide-ranging national problems, signs of possible reversal were recently recorded: the demonstration for the tenth anniversary of the Genoa G8 and the “global” demonstration against the crisis, held in Rome on 15 October, attempted to give a unitary thrust to the protest both in terms of organization, as proven by the creation of “coordination committees”, and contents, with the definition of “transversal platforms” to give dissent a broad and shared political meaning.

The outcome of the Rome demonstrations, resulting in serious violence by a non-homogenous block, opened a broad debate within the protest movement, causing a rift between “moderates” – extremely critical towards violence weakening the demonstration’s “political message” – and other groups which either participated in the disorders or praised them.

Although the movement is still divided over political and organizational choices and methods to involve the masses, conflicts are likely to dissolve in order to prepare for further confrontation with the State at a local level, where protests are considered easier to handle.

On a local level there seems, indeed, to be room for discussion as to new opportunities for collaboration on issues such as environment, work, “repression”, the commons, as well as the effects of the crisis on employment, income, prices, services and social rights.

Additional synergies among the various national antagonist groups could develop as a consequence of measures adopted or suggested to face the crisis and revamp the economy.
As to protests, possible criticalities involve: the campaign against the high-speed train project in the Susa Valley, with protesters determined to “never give up”; popular protests over waste disposal, with clashes expected in some of the areas identified for new plants (in particular in Lazio, following the planned closure of the Malagrotta, Rome, landfill site); the fight against “repressive” policies, including detention centers for immigrants; student protests, possibly joining forces with those against precarious employment and the sectors involved in occupational controversies.

In this context, there is a strong possibility of demonstrations related to struggling companies, in order to exploit worker dissatisfaction, influence the outcomes of trade disputes and rekindle union conflicts.

Similarly, the antagonists focused on social malaise affecting the weakest groups and over-worked/under-paid workers, including non-European citizens, considered a potential reservoir for organized protests, also in synergy with Italian workers.

Protesters found new, atypical ways to press their claims, such as rooftop sit-ins, symbolic actions, etc. Aiming at driving the general public’s attention to specific occupational claims, they gained widespread media coverage and captured the interest of antagonist groups which often supported to the demonstrators’ “battle”.

In this regard, attempts at “virtual protests” are to be expected. Information technology could be used to harm or intimidate targets (defacing websites and launching DDoS attacks) or to break into computer systems (uploading malware, stealing and/or disclosing data and disrupting databases). These actions may have serious consequences, at least in terms of economic damage.

In 2011, some radical right-wing groups underwent an internal reorganization and started retraining the militant base to gain greater political legitimacy.

Radical components within the movement demonstrated (and most likely will consolidate) their commitment to social issues, especially in relation to the current international economic crisis, strengthening their activity throughout the country to intercept and represent popular protest. A surge in activities was reported in connection with previously experimented campaigns against the banking system and speculation, as well as on security, justice,
The protest did not spare the current government, considered to be the expression of “powerful special interests” and bearer of “impositions” dictated by the European Union.

The interest of some groups towards environmental issues seemed to be on the increase, as shown by the demonstrations staged during the June referendums on water privatization and nuclear plants, as well as by the initiatives aimed at exploiting animal rights claims, in particular against vivisection.

The intensified migration flows caused by the crisis in North Africa gave new impetus to the “anti-immigration” campaign, decrying the government policies in handling illegal migrants. Italy’s intervention in Libya was strongly criticized by radical right-wing groups which, inspired by “anti-imperialism” and “anti-globalization”, declared themselves in favor of the right to self-determination of peoples against any and all types of “external interference”.

With a view to amplifying the impact of their activity, different actors of the right-wing nebula gave great importance to propaganda to get more attention and visibility.

To that end, they frequently recurred to high-impact protests and practices, such as “hard bass” (see Box 7), considered capable of catalyzing consensus in youth and student movements. Particular attention was paid to the recruiting and “training” of new members organizing initiatives that covered both ideological aspects (political indoctrination and propaganda) and physical training, including self-defense and martial arts techniques.

Intelligence monitored the possibility that the more assertive presence of right-wing factions in Italy, together with the propensity of their members to “invade” spaces traditionally occupied by the antagonists on the other side of the fence, could spark conflicts among militants.

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**Box 7**

**Hard Bass**

The name comes from the music genre favored by youth groups (especially neo-Nazis and extremist sports fans) who, with their faces masked, improvise dances and at times simulate fights in public places.

The practice of hard bass is very popular in Russia and in some central and eastern European countries (Poland, Czech Republic, Serbia, Hungary, Slovakia and Ukraine). During the performances, usually filmed by participants and posted online, slogans against drugs and alcohol consumption are chanted.
as already occurred during the year with violent episodes involving opposing factions.

**International links**

On an international level, further interaction took place with like-minded foreign groups in view of the constitution of a “European political front”, with an anti-Atlantic, pro-Russian and Eurasian agenda. Their goal is to create a continental block (Eurasia) socially, economically and politically homogenous and able to oppose the “liberalist-capitalist” system and the “interference” by the United States of America.

**South Tyrolean separatism**

South Tyrolean groups kept constant contacts with pan-Germanic circles abroad. Their activity may be further revitalized by the popular referendum for self-determination promoted by local groups.

**Extremist sports fans and anti-system radicalism**

Extreme right-wing factions remained interested in extremist sports fan groups, considered a fertile ground for recruiting. Regardless of the team they support and their political leanings, extremist sports groups share enmity for police forces. On more than one occasion this was the cause for their participation in street protests, as during the previously-mentioned demonstration in Rome on 15 October, when they chose the violent option against the symbols of State “repression”.

As for the subversive factions, intelligence reported that residual Marxist-Leninist groups (inspired by the Red Brigades) although affected by dwindling membership, fragmentation and despite being marginal, consider the current economic crisis as a symptom of the unavoidable decline of capitalism. They believe that “worsening living conditions of the majority of the masses” create favorable conditions to fuel “the proletariat/middle-class conflict”.

A case in point was criticism levied against social protests – considered as mere, passing rebellion – highlighting their unrealistic aspiration to channel popular “rage” into a revolutionary path.

Hardliners currently in prison similarly instructed their external contacts to ignite social conflicts giving them “a class perspective” in order to channel them into the inevitable “clash aimed at toppling capitalism”.

It is to be expected that these milieus may intensify their efforts concentrating on new recruits open to the call of revolutionary struggle, to raise their political awareness, as well as to possibly identify individuals to be used in long-term subversive projects.

Intelligence analysis points out that in the short/mid term revolutionary-inspired individuals, influenced by social “rage”, may attempt to unite in order to carry out and
contingent factors and threats to security – subversive threats amid social unrest and extremist exploitation

The FAI is a subversive cartel, professedly non-hierarchical, based on anonymous and spontaneous insurgent actions carried out by “action groups” or “single individuals” who act “according to their own time and methods” in proclaimed “revolutionary campaigns”.

It made its first appearance in December 2003 when, following several parcel bombs to EU representatives and institutions, it published its manifesto, signed by four anarchist-insurgent groups. Later, seven other groups joined the founders. In subsequent years, the FAI claimed a total of 30 attacks, primarily against targets associated with “repression”. FAI activities seemed to come to an end in March 2007 when the last attack was conducted in Turin, when three devices exploded in rapid succession in the early hours of the morning in a residential neighborhood. Most likely, the modus operandi of that attack led to an increase in the internal conflicts previously highlighted by a December-2006 document, which, assessing four years of operations, reported divergences on the course undertaken.

After two years of “silence”, however, the FAI “brand” was used once again by the self-styled group of Sorelle in Armi – Nucleo Mauricio Morales (Sisters in Arms – Mauricio Morales Nucleus) that, in December 2009, claimed a parcel bomb to the detention center for immigrants in Gradisca d’Isonzo and the explosion of a device at the Università Bocconi – followed, in March 2010, by a parcel bomb sent to the Milan offices of the Lega Nord party. Shortly after the onset, the “Sisters” published a document calling for the “internationalization of insurgent campaigns” and proposing to open the original FAI “association pact” to foreign groups, as well as to create a network to support fugitives. This appeal was answered in Italy by the Cellula Rivoluzionaria Lambros Fountas (Lambros Fountas Revolutionary Cell). In April 2010 it sent a parcel bomb to a Carabinieri station in Rome and in December three bombs to the Embassies of Switzerland, Chile and Greece in Rome in solidarity with the anarchists imprisoned in those countries.
internationalization – a leading topic in the debate of the Italian members, including the two “historical” factions of Cooperativa Artigiana Fuoco e Affini (occasionalmente spettacolare) and Brigata 20 luglio, which, in the summer of 2011, posted a statement on the Internet, together with like-minded Greek groups, supporting the creation of the International Revolutionary Front (Fronte Rivoluzionario Internazionale – FRI).

The internationalization trend was confirmed by bomb parcels sent to:

- the Korydallos prison in Athens, Greece,
- Swissnuclear in Switzerland and Italian Folgore paratroopers barracks in Leghorn, Italy in March 2011; the action was claimed by Sorelle in Armi-Nucleo Mauricio Morales in the name of the FAI/Rete Internazionale,
- the Deutsche Bank in Frankfurt, the Greek Embassy in Paris and the managing director of tax collection agency Equitalia in Rome in December 2011. The self-styled Free Eat and Billy Cell (named after two imprisoned Indonesian anarchists) claimed responsibility, declaring its joining the Federazione Anarchica Informale/Fronte Rivoluzionario Internazionale.

The FAI has always acted against the symbols of State “coercion” (detention centers for immigrants, police and armed forces, interests and diplomatic offices of countries accused of persecuting “comrades”). Its latest actions were directed against the expressions of “economic and financial powers”, considered to be an integral part of the “domination system” and responsible for the crisis.

Further FAI/FRI-branded attacks, in Italy and abroad, might be directed against targets linked to the fight against “repression”, to solidarity with imprisoned “comrades”, to the defense of the environment and to anti-militarism, as well as against national or supranational organizations dealing with economic policies, public and private financial bodies and tax collection offices (considered a form of control and “oppression”, and all indicated in the communiqué issued in December as “banks, bankers, ticks and bloodsuckers”).

At the same time, some factions might intensify their attempt at infiltrating demonstrations (related to specific, local issues or wide-ranging social, economic and occupational claims) in order to radicalize dissent and provoke unrest and incidents, to be labeled as “insurrectional”.

Finally, an increase in unclaimed copy-cat actions and threatening messages to VIPs – instrumentally styled after Marxist-Leninist or anarchist subversion – is to be expected as part of a strategy intended to create a climate of alarm and tension capable of triggering individual, impromptu actions.
3. International criticalities and their impact on national security

In 2011, the overall picture of threats to national security was heavily influenced by international events. In meeting the intelligence requirements for 2011, both intelligence collection and analysis were therefore focused on the situations and events that might affect Italy more directly, due to the swiftly changing international scene.

The uprisings in North Africa and the Middle East represented and still represent today a real challenge for intelligence, with uncertainties due to rapidly shifting situations, coupled with mid/long-term dynamics capable of influencing the Italian stance, both in terms of strategic options and security policies.

The Libyan crisis

With respect to North Africa, the AISE activity was primarily focused on the crisis in Libya, starting with the repression of anti-government demonstrations in Cyrenaica and Tripolitania, to the insurgents’ military campaign that from Cyrenaica rapidly spread to the whole country and finally led to the “conquest” of Tripoli (19-21 August) and Sirte, and the execution of Muammar Gaddafi (20 October).

Despite the unifying value of anti-Gaddafi claims, the insurgent movement soon showed significant divergences between the various tribal and regional groups (Tripolitania, Cyrenaica and Fezzan), as well as between the lay and Islamic components.

The outcome of the transition therefore depends on the representative and unifying capabilities of the National Transitional Council (NTC). Should the complaints of the diverse constituencies go unanswered, they could spark severely destabilizing reactions, in consideration of the huge amount of weapons in the hands of the population. In this context, where tensions might easily increase as the Constituent Assembly election is approaching, international support to the new Libyan institutions (especially in terms of economic aid and cooperation for development) remains key to the stabilization of the country (see Box 9).

In Tunisia, where the “Arab spring” originally started with the January 2011 fall of President Ben Ali’s regime, the appointment of Prime Minister Beji Caïd el Sebsi, in February, opened a delicate political transition towards a pluralist and democratic system.
The repression enforced by the regime triggered the reaction of the international community and the subsequent military operations in Libya, initially with the Operation Odyssey Dawn and later, after the NATO took over the command, Operation Unified Protector. The UN Security Council adopted sanctions against Tripoli with two Resolutions (the first, no. 1970, imposing asset freeze and travel ban on members of the Libyan regime, including Colonel Gaddafi and some family members; the second, no. 1973, introducing a no-fly zone and authorizing the use of foreign military forces. Lastly, UNSCR 2009 (adopted on 16 September 2011) established the United Nations Support Mission in Libya (UNSMIL), tasked with assisting the new Libyan authorities in the transition phase.

In this context, intelligence followed the growth of the Islamic movement Ennahda. As a political party (with the original name of Movement of the Islamic Tendency – MIT), it proved capable of winning a large popular following in the country’s fragmented political panorama, as confirmed by its success in the elections for the Constituting Assembly (23 October) and by the appointment (13 December) of the new Prime Minister, Hamadi Jebali, a well-known Ennahda member. Meanwhile, protests have not subsided, fueled as they are by pressing socio-economic claims and criticism towards those political sectors accused of not having definitively severed links with the former regime.

... and in Egypt

In Egypt, intelligence attention was paid to the repercussions of the fall of President Hosni Mubarak (11 February) in light of the crucial role Egypt plays on a regional level.

The dynamics of the revolt were of particular interesting, especially the interaction among the various players and the start of a transition that could well be considered epoch-making for modern Egypt. Within a constantly evolving situation, the Supreme Council of the Armed Forces – which in February 2011 assumed full powers as guarantor of stability – had to deal with a particularly delicate situation from both a political and security point of view. With a road ahead paved with significant electoral appointments and deadlines – such as the presentation of the new Constitution – the outcome of the electoral affirmation of the fragmented Islamic mouvance is still to be fully grasped. At the same time, the situation on the ground (marked not only by growing...
popular dissent for the military junta, held responsible for the delays in the renewal process, but also by violent internecine disputes) served to prove once again that the inflamed political confrontation and the debate on the secular nature of Egypt are also relevant in terms of safeguarding religious minorities, in particular the Copts, victims of recurring episodes of intolerance by radical Salafites.

The Sinai region recorded terrorist attacks against energy infrastructures and the sustained activity by criminal groups smuggling and trafficking in persons with the nearby Gaza Strip. Security in the area was closely followed due to the potential impact on the delicate relations with Israel.

In Morocco, attention was given to the Royal Family’s choice to support policy reforms culminating with the drawing up of a new Constitution and early political elections (25 November). The elections confirmed the popularity of the Islamic-Reformist Party of Justice and Development, which was called upon, together with other lay parties, to guide the Government.

Despite the stabilizing role that the charismatic figure of the King (representing social cohesion) continues to play, socio-economic unbalances remain fertile ground for protests, including violent ones, which might easily be exploited by the Islamist opposition (see Box 10), especially by radical elements of Salafi leanings.

This was the context marred, on 28 April 2011, by a terrorist attack in Marrakech which, although carried out by a local cell unconnected with al Qaida, nonetheless confirmed the vitality of jihadist circles inspired by anti-Western hatred and ready to execute mass casualty attacks.

In Algeria, intelligence monitored internal developments and the socio-economic situation.

The possibility of sudden degenerations in anti-government demonstrations was at times reinforced by opposition’s intention to coordinate social discontent.

In response to this situation, reforms were announced (including the possibility of revising the Constitution), but they met with resistance from minority parties, skeptical about the innovative nature of the project.

At a regional level, and with particular reference to the growing activities of al Qaida in the Islamic Maghreb (AQIM), Algiers renewed efforts aimed at consolidating its leadership over security in the Sahel.

The area witnessed an increasing activity by AQIM, which took advantage of the Libyan crisis to replenish its ranks and to acquire weapons, all the while making large use of propaganda, as proved by the communiqués that, in line with AQ Core narrative, exhorted North African rebels to topple the “corrupt” and...
In early 2011, the Italy-based segment of the radical Moroccan movement Jamaat al Adl wal Ihsan (advocating the non-violent overturn of the Moroccan monarchy) engaged in several social initiatives. Noteworthy is the influence that recent Maghreb events reportedly exercised on younger members who, on the one hand, would welcome protests in Italy as well. On the other hand, they expressed impatience with the current leadership, accused of basing the entire organization on elitist and undemocratic criteria.

“apostate” regimes. The organization, which carried out several ambushes against security forces in Cabilia and suicide attacks that killed dozens of soldiers and police officers, confirmed its interest in expanding eastwards, especially in Libya, and in the Sahel.

In this latter region, AQIM cells appear to have acquired a marked criminal profile (also as a result of the enlistment of criminals escaped from prison or released by authorities in various North African countries) as proven by the systematic involvement in illegal activities, including the kidnapping of foreigners (see Box 11).

Moreover, the growing commitment of the countries in the region, especially Algeria, to promoting bilateral and multilateral initiatives to curb its activism, reportedly induced AQIM to move southwards to Burkina Faso and the countries of the Gulf of Guinea, where the group is forging alliances with local extremist organizations.

One of the most evident repercussions of the North African crisis was the migration towards Italian coastlines.

In retaliation for the military intervention in Libya, Gaddafi’s regime repeatedly attempted to increase the number of migrants fleeing Sub-Saharan Africa and the Horn of Africa.

Intelligence reports highlighted that trafficking of human beings was conducted by individuals associated with Gaddafi’s inner circle (who organized collection centers along Libyan coasts and set up boats for migrants heading for Italy). Not surprisingly, the migration flow decreased as the National Transitional Council (NTC) gained control of the country.

The capability of the new Libyan institutions to consolidate surveillance
Contingent factors and threats to security – International criticalities and their impact on national security

In 2011, respectively on 2 February and 23 October, two Italians – Maria Sandra Mariani and Rossella Urru, the latter together with two Spanish volunteers – were kidnapped in the Sahel. The two Italian nationals are still being held by their kidnappers, in all likelihood AQ-inspired groups operating in the region, together with Franco Lamolinara, an engineer abducted together with a British colleague on 13 May in northern Nigeria by local jihadi factions.

The kidnapping of Carmelo Stella, an Italian technician, on 9 December in Nigeria, and Francesco Azzarà, a volunteer kidnapped on 14 August in Darfur (Sudan) and freed, respectively, on 10 December and 16 December, were allegedly the work of criminal gangs.

The hijacking on 27 December of the oil tanker Enrico Ievoli with six Italians, five Ukrainians and seven Indians on board, is credited to Somali pirates. The event, still unsolved, took place just days after the release of the Savina Caylyn (five Italians on board) and the Rosalia D’Amato (six Italians involved), seized respectively on 8 February and 21 April, and freed on 21 December and 25 November.

The crisis in Tunisia generated migration flows that became a real humanitarian emergency, as over 20,000 people arrived in Italy in the first quarter of 2011 alone.

Intelligence reports highlighted the involvement of fishermen and dockers (especially in eastern and south-eastern Tunisia). In a difficult economic situation, worsened by reduced earnings from tourism, they had turned into traffickers lured by the prospect of easy money from the growing “emigration” demand, while Tunisian police forces concentrated on restoring order in large cities rather than on border security.

After the signing of the Italian-Tunisian Agreement (5 April 2011), the local security apparatus gave more impulse to the fight against illegal migration, despite actual difficulties such as lack of personnel and retaliations by criminal organizations. The consequent decrease of migration flows (accompanied by the adoption of effective repatriation procedures) cannot be considered however a consolidated fact, bearing in mind that the country is still in the middle of a delicate political
transition, marked by a fragile socio-economic situation.

In 2011, an increase was recorded in illegal migration to Italy from Egypt as well, although the main destination was Malta. Migration flows from Egypt were not so massive as those from Tunisia and Libya, thanks also to the constant efforts of the Egyptian authorities. Here too, however, any degeneration in the country’s security situation, coupled with consolidated activism by Egyptian criminal organizations, might revive the phenomenon.

Possible further developments in the Mediterranean migration scene remained linked to:

- socio-economic uncertainty and persistent anomie in Libya and in neighboring areas which offer new opportunities to emerging groups of Maghrebi and Central African traffickers, interested in intercepting flows from the Horn of Africa and the Sub-Saharan regions;
- traffickers operating in Libya who exploit alternative routes towards Tunisia and Algeria as well as towards the Balkans and Anatolia, consolidated transit areas for arrivals from the East (see Box 12).

This may lead to the reopening of the routes towards Sicily and, in part, Sardinia, and to the consolidation of the Egyptian and Middle Eastern routes towards Calabria and Apulia.

Intelligence attention to events in North Africa focused also on their repercussions on Italian energy security. The interruption of oil imports from Libya was compensated by traditional gas suppliers, such as Algeria, Russia and Norway, and crude oil suppliers, such as Azerbaijan, Russia, Saudi Arabia, Iran, Iraq and Nigeria. It could not be underestimated, however, that those suppliers at times may present criticalities too.

Difficulties are both due to internal and external factors and include the effects of the economic crisis, destabilizing activities, such as those undertaken in Nigeria by Boko Haram (see Box 13), tensions with neighboring countries and exposure to attacks against infrastructures or geographic bottlenecks (such as Hormuz, Aden, Bab el Mandeb, Suez).

After the partial reopening of Greenstream (the gas pipeline from Mellitah, Libya to Gela, Italy) on 15 October, intelligence attention focused on the situation in a region whose developments might modify the foreign presence, exposing national companies to aggressive competition, not just in the energy sector.

Developments in the Middle East were also closely followed. The region underwent rapid changes that, linked to North African events, triggered dynamics likely to impact regional stability and the already complex balance of power in the area. Syria and Yemen in particular were directly affected by popular uprisings and they may become epicenters of further
illegal Migration – The Eastern Routes

Information collected by both the AISE and the AISI and corroborated by police investigations, shows that the Anatolia-Balkan route is still used by a considerable number of illegal migrants heading for Italy and other European countries. Russian-speaking traffickers are massively involved in the business due to their ability to exploit loopholes in controls in the Black Sea area, using local seamen as skippers on sailing boats and yachts, and an efficient network of ID counterfeiters.

Turkey and Greece are used by criminal networks as pivotal distribution points for migrants from Asia (Afghanistan, Pakistan, Myanmar, Bangladesh, India, Sri Lanka, China, etc.), the Middle East and – in growing although still limited numbers – from Africa (especially the Horn of Africa). Migrants spread out from these areas and head for their final destinations following multiple and diversified routes (land, sea and air).

The most common routes from Greece are:
- by sea, towards Italy, using commercial ferries or swift dinghies and sailing boats;
- by land, towards central and northern Europe, through the Balkans by car or truck;
- by air, towards major European airports, using original and/or fake IDs.

The ongoing instability in the Middle East countries and the Arab world could further compromise the security framework in some countries in the region (Syria, Lebanon and Yemen), causing sudden migration flows towards Europe, especially the Balkans, with subsequent effects on the Italian Adriatic shores.

The route from southeast Asia partially coincides with the Anatolia-Balkan route. Indian, Afghani and Pakistani traffickers dominate illegal migration from Asia. In Italy they get the support of Italian entrepreneurs, professionals and businessmen to facilitate the entry and regularization of illegal migrants. In the future, such networks may increase their activity in the countries of destination for illegal migrants, turning them into illegal workers in slave-like conditions.

The intelligence focus on the Syrian crisis revealed that the situation might evolve into uncertain and critical scenarios considering the several variables at play: the opposition’s ability to gain domestic and international recognition as a political entity; the weight of the ethnic-religious factor (vitality of the Kurdish minority, instability in an area already marked by deep and interconnected fault lines.
In Nigeria, troubled by violent ethnic, social and religious conflicts, the terrorist group Boko Haram (BH) (pursuing the enforcement of Sharia law throughout the country) extended its area of operations to include, in addition to the northern regions, the central regions and the capital, Abuja. BH conducted several attacks against State facilities and security forces. In the Abuja attacks, respectively against the chief of police (16 June) and against the local United Nations offices (26 August), as well as the 25 December attacks against Christian targets, the group showed considerable military capabilities. Regardless of efforts by Nigerian security forces against terrorism, it is believed that BH will continue to plan high-impact terrorist attacks, possibly also in the southern regions, where oil extraction plants are located, gradually joining the strategic perspective of “global jihad” advocated by al Qaida.
the Sunni stronghold of Tripoli, where clashes between the two opposing factions, favorable or contrary to Assad’s regime, are likely to increase.

The latent tensions in the domestic scene made the relations with the Special Tribunal for Lebanon, tasked with investigating the murder of then Prime Minister Rafiq Hariri (on 14 February 2005), all the more critical especially after arrest warrants for four Hezbollah members were issued on 30 June 2011.

In such a context, intelligence mainly focused on the protection of Italian troops participating in the UNIFIL mission and collected information on the threat of attacks against Western targets, members of the Lebanese government and local security forces.

Significant events, in this regard, were the attacks on 27 May and 26 July 2011 against Italian and French military convoys in the Sidon area, as well as the attack on 9 December 2011 near Tyre, when five French soldiers were wounded.

Those events corroborated the threat (assessed as medium-high) originating from Salafi groups in the Palestinian refugee camps in Lebanon which, in line with the trend of 2010, continued to impact negatively the country’s security conditions.

These groups, though small in size, seem able to escape Lebanese security forces, making the overall situation subject to sudden degeneration. Among the factors impacting the Lebanese scenario, in addition to the effects of the Syrian crisis, is the evolution of the Israeli-Palestinian conflict: public protests in the Palestinian Territories often correspond to demonstrations which, although generally confined to refugee camps, are an opportunity to push demonstrators towards the Israeli border (the blue line), in the area under the responsibility of UNIFIL.

Developments in the Palestinian Territories (PT) were monitored also in light of persistent and widespread skepticism as to a resumption of talks with Israel. Meanwhile significant developments were registered, such as: a peace agreement between Hamas and Fatah; an agreement between Hamas and Israel for the release of Gilad Shalit, abducted in 2006, in exchange for 1,000 Palestinian prisoners; the Palestinian National Authority (ANP) initiative to submit an official application to the United Nations for the recognition of the Palestinian State.

The security situation in the area remains vulnerable to actions by armed movements operating in the Gaza Strip. They could deem it advantageous to rekindle tensions with new missile and rocket attacks against Israel that would cause a swift military response by Tel Aviv.
In Iran, the confrontation with Israel and the international community – a traditional propaganda leverage at a domestic level – did not smooth out the chronic divergences within the conservative block of the establishment. Such conflicts instead are to worsen in view of the March 2012 legislative elections and, most of all, the presidential elections in 2013.

The revolts in the region, which worried the leaders in Tehran, did not seem capable of giving decisive strength to the anti-regime protests, involving in particular the Green Movement, which has lacked so far significant support by the most influential industrial and commercial sectors of the country, and by religious and military circles.

Worsening living conditions are thus likely to fuel widespread discontent against the government. In this context, the drop in trade and sales in bazaars due to the new taxation system on imported goods, the increase in prices and the consequent reduction in demand are all noteworthy.

As for the Iranian role in the region, it will be strongly influenced by the outcome of the Syrian crisis, since the removal of Assad’s regime would deprive Tehran of a traditional ally, weakening de facto its stance vis-à-vis both the Arab-Sunni States and Israel.

All this while the Iranian stance on the nuclear issue (see Section III) continues to negatively affect Tehran relations with the international community.

In Iraq, tensions within the Government, primarily due to sectarian reasons, were accompanied by widespread discontent caused by persistent socio-economic difficulties and the lack of adequate security conditions. Protests continued against the state’s failure to provide essential services (water, electricity and gas) and the increase in prices of basic goods. Following the conclusion of the US military mission (15 December 2011), the already precarious internal situation further deteriorated, due to the chronic political, ethnic and religious disputes within the institutions, as well as to the terrorist attacks which on just one day, 22 December 2011, caused more than sixty deaths and dozens of wounded in Baghdad. These events confirmed the fragility of the security situation and represented the peak of a phenomenon that, in 2011, saw repeated terrorist attacks, with serious repercussions for the population.

The jihadi pro-al Qaida factions, operating under the name al Qaida in Iraq (AQI) and its umbrella organization, the Islamic State of Iraq (ISI), showed remarkable vitality, with several attacks against Shia and institutional targets.

A persistent risk of new escalations stems from both increased offensive capabilities and the evolution of jihadi cells which, as an outcome of a process of gradual
decentralization, now appear structurally compartmentalized and operationally autonomous, making countering activities all the more difficult.

The Iraqi security situation is affected by other critical factors, such as the influence of regional dynamics and the Kurdish question, marked by latent attrition between Iraqi Kurdistan authorities and the central government, and between local Kurds and the other communities, especially the Arabs, living in the region.

The situation is further aggravated by Turkish and Iranian military maneuvers against Turkish and Iranian Kurds in Iraqi Kurdistan, with civilian casualties and hundreds of people fleeing the area, as well as by the renewed confrontation between Ankara and the armed components of PKK/Kongra-Gel, whose ramifications abroad remain committed to propaganda, proselytism and fundraising (see Box 14).

South Yemen, in particular, witnessed growing activity by jihadi factions linked to al Qaida in the Arabian Peninsula (AQAP).

Considered the most structured of the AQ network and notorious for its transnational terrorist plans, the terrorist organization suffered an heavy blow on 30 September with the killing of its leader, Anwar al-Awlaki. The death of the mind behind the online Jihadi English magazine Inspire (see Section III, Box 23) deprived the group of an influential propagandist especially committed to reaching second or third generation Muslims in the West.

At a local level, however, the open conflict with government forces seemed to strengthen the military dimension and operational capabilities of AQAP, which remains a real threat for the stability in the area.

Yemen remains marked by considerable uncertainty on a political and security level, despite the agreement with the opposition signed by the President of the Republic, Ali Abdullah Saleh (Riyadh, 23 November). Although the agreement provided for the transfer of the President’s powers to the Vice President, Mansur Hadi, and a government of national unity, led by a member of the opposition, Muhammad Basindawa, yet it does not seem sufficient to stabilize the situation in the northern and southern regions of the country, where groups hostile to Sana’a authorities are operating.

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The Afghan-Pakistan area continued to be extremely important for regional and international security due to the fragility of power balances, the vitality of insurgent groups
PKK/Kongra Gel – Activity in Italy

Intelligence confirmed the involvement of the Italy-based segment of PKK/Kongra-Gel in fundraising, especially through the annual campaign, the Kampanya, which represents the primary financing source for the organization. Fundraisers are believed, in some cases, to have used extortion to obtain money from members of the Kurdish community close to the PKK Kongra-Gelas well as from members of the Islamist Turkish Hizbullah.

The search for a more assertive leadership for the Italian branch of the organization led to a rapid turnover of several prominent figures, while militants residing abroad reportedly visited a number of Kurd communities in Italy to step up their involvement in the Kurdish cause. Intelligence reports indicated political and ideological activities aimed at enticing young Kurds into paramilitary training and enlistment in armed groups. According to the AISI, Kurdish activism might intensify in view of the resumption of operations in Turkey.

and AQ-inspired organizations with possible plans against Western countries.

The trend outlined in the 2010 Report regarding the instability of the internal scenario in Afghanistan was fully confirmed, as proven by the tense confrontation between State powers, with ups and downs in the transition process (which provides for the transfer of full control to the Afghan authorities within 2014) as well as the uncertainties weighing on development and governance at a local level.

Activity of insurgent groups

In spite of a slight decrease in violence, assessed at 2% by the International Security Assistance Force (ISAF), security in the country remained extremely precarious. In the eastern and southern regions, attacks actually increased. A similar upward trend was reported in Kabul, theater of a number of complex, high-impact attacks (with IEDs and several hit squads) against foreign targets, government institutions and hotels.

Once again, these attacks demonstrated the insurgency’s offensive capabilities, proven also by the killing of well-known political figures, including the president of the Provincial Council of Kandahar, Ahmad Wali Karzai (brother of the head of State), and the president of the Afghan High Peace Council, Burhanuddin Rabbani, involved in negotiations with insurgent groups. The threat level also remained high in the western region, under Italian control, where our troops suffered repeated attacks
that killed a total of nine officers.

The critical elements that marked 2011 are likely to continue in the short-mid term. This is true for the political tensions and the transition process, at risk of failure in the absence of adequate progress in terms of governance and socio-economic development.

Violence by the insurgents is likely to continue unabated and jeopardize also the security of foreign personnel, both military and civilian, including Italian troops. In the Kabul province, the terrorist mouvance – comprising the main organizations operating in the country (the Taliban, the Haqqani network and Gulbuddin Hekmatyar’s Hezb-i Islami) – is considered capable of stepping up high-impact attacks, especially in the capital city, in retaliation for NATO operations.

The internal situation in Pakistan continued to show several criticalities, mainly due to precarious security, a dire economic situation and the complex political climate, fueled by conflicts in the government coalition, which led to serious incidents in the southeastern province of Sindh. As was the case in 2010, severe flooding in this area offered the Army the opportunity of presenting itself as the only institution able to cope with the humanitarian emergency, as opposed to civilian authorities, accused of inefficiency in organizing rescue operations.

Special attention was given to relations between Pakistan and the United States, which underwent a critical phase after the US special forces’ raid in Abbottabad that killed Osama bin Laden (see Box 15).

Cases in point are Islamabad’s decision to prohibit Afghanistan-bound NATO supply convoys from using its territory as a transit route and to prevent US access to the Shamsi airbase (province of Baluchistan).

Significant was also Islamabad’s reluctance to launch a ground military operation in North Waziristan (where the

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**Box 15**

**REPERCUSSIONS OF OSAMA BIN LADEN’S DEATH ON AL QAIDA ACTIVITIES**

Following the killing of Osama bin Laden (Obl) in Abbottabad (Orash Valley, north of Islamabad) on 2 May, the al Qaida network has not shown any significant signs of change. After an initial disarray over the choice of Obl’s successor, the terrorist network, under Ayman al Zawahiri’s leadership, continued to base its action on a strategy of decentralization aimed at winning regional extremist groups to the cause of global jihad.
Haqqani Network bases are located) lest the organization modify its strategy and turn from targets in central-eastern Afghanistan to Pakistani ones.

TTP offensive

Pakistan, more than any other country, suffered terrorist retaliations for Osama bin Laden’s death.

The wave of emotions unleashed by the AQ leader’s demise was exploited by the Sunni movement Tehrik-e Taliban Pakistan (TTP) which carried out several high-impact attacks, including the 13 May attack in Shabqadar, close to Peshawar, against a Pakistani border guards training center, and the 15-hour siege of a naval air base in Karachi on 22 May.

The Somali theater

As for Eastern Africa, the general situation in the Horn of Africa saw no improvement compared to 2010, in a context further complicated by the humanitarian emergency.

In Somalia, the political landscape continued to show the intrinsic fragility of the Transitional Federal Institutions (TFIs), weakened by chronic internal rivalries.

Thus, the full implementation of the road map seems highly unlikely, considering the difficult tasks (including the drafting of a new constitution) that Somali authorities must fulfill by August 2012 in order to lay the bases for the country’s future political setup and reconstruction. Both the pressure by the international community and the pragmatism and opportunism of Somali leaders may, however, lead to a compromise for the establishment of a new administration.

With respect to Somali insurgency, the radical al Shabaab movement showed growing difficulties in the armed conflict with the Federal Transitional Government (FTG) and the African Union Mission in Somalia (AMISOM) due to the huge losses incurred by the group, aggravated by defections and the widening rift between nationalist and jihadi members.

It was probably for these reasons that the movement decided to withdraw from Mogadishu and modify its modus operandi in favor of guerrilla tactics and attacks against Somali institutional targets.

Despite those difficulties, al Shabaab continued to pose a serious challenge to government troops and AMISOM in Mogadishu, as well as in the central and southern areas of the country—its traditional strongholds. It conducted a number of suicide attacks in the capital, including one against the Minister of Internal Affairs, Abdishakur Hassan Farah (10 June), killed by his niece, who had been recruited and trained by al Shabaab, and the gruesome attack against a government building on 4 October, leaving about 80 people dead and several injured.

Radical activity seriously impaired aid efforts to tackle the grave humanitarian
crisis affecting the region (see Section III), as proven by al Shabaab actions in the summer, intended to impede international humanitarian operations in the country.

As part of the same strategy, the group kidnapped, in September and October respectively, two tourists (an Englishwoman and a Frenchwoman) and two Spanish doctors working for Médecins Sans Frontières (MSF) (abducted in Kenya, in the Dadaab refugee camp, home to thousands of displaced people from the Horn of Africa).

At the same time, the terrorist movement has continued to try and expand to Somaliland and Puntland, where it already has “sleeper” cells and is engaged in propaganda and proselytizing.

All the while, al Shabaab has been strengthening its links to the AQ network, especially al Qaida in the Arabian Peninsula (AQAP), whose support is crucial for the Somali movement’s attempt to operate beyond Somali borders. Intelligence also reported al Shabaab leaders’ decision to swear alliance to the new leader of al Qaida, Ayman al-Zawahiri, and to plan attacks against Uganda and Burundi, for their participation in AMISOM, and Kenya, for the support provided to the TFG, and for the October military intervention against the group’s bases in Somalia.

Al Shabaab’s renewed terrorist campaign led to intensified efforts to fight international terrorism financing in the Horn of Africa. To this end, various channels used by al Shabaab were identified, as the group made some of its profits from controlling ports south of Mogadishu, especially Chisimaio, and from fundraising among the Somali diaspora.

Strictly associated with the security situation in Somalia, piracy – severely affecting the regularity of international shipping and related costs – moved from the Gulf of Aden to the Arabian Sea and the Indian Ocean. This was due not only to the effective protection offered by the international naval forces operating in the Gulf of Aden, but also to the growing availability of pirate “mother ships” that support hijackers on the open seas, thus widening the pirates’ area of operations.

Interestingly, the analysis of the criminal phenomenon reveals that, despite a considerable number of attempted attacks, the percentage of successful hijackings actually dropped, in all likelihood as a result of both naval patrols and the adoption of countermeasures by merchant ships.

Pirates, however, proved capable of managing lengthy kidnappings, also thanks to the support of al Shabaab (see Box 16), which reportedly receives money in exchange for the use of areas under its control.
Moreover, Islamic extremists allegedly guarantee the “security framework” necessary for men, arms and logistics to reach the pirates’ bases, preventing the response of security forces. The possibility that pirates diversify their criminal activity and start kidnapping Westerners in Somalia as well as Western tourists in Kenya cannot be excluded.

The socio-economic repercussions of piracy are important as well. Criminal proceeds distributed among hijackers, their supporters, and clan leaders who control the areas surrounding the pirates’ bases had an impact on local economy. This was the case in Puntland, which recorded an increase in real estate investments and in purchases of luxury goods by individuals involved in the criminal business. Thus, impoverished local youths are enticed to join pirate organizations.

At the same time, the massive proceeds from piracy originated a parallel channel for money transfer and money laundering out of Somalia through the hawala system (see Box 17).

The growth of piracy, possibly involving extremists, is inducing several States to promote international initiatives aimed at modifying current regulations and legitimizing the use of arms by security personnel (see Box 18), whose deployment onboard merchant ships transiting maritime areas at risk proved to be a particularly effective deterrent.

In the future, it is to be expected that pirates target unprotected, although less valuable, vessels, intensifying hijacking attempts and raising ransom demands, in order to keep their activity profitable.

In the Republic of Sudan, the political climate was and remains marked
Contingent factors and threats to security – International criticalities and their impact on national security

As for financial circuits and channels used to transfer funds for illegal purposes, including terrorism financing, some Middle East countries continue to act as international strategic hubs for the hawala system. These areas host a considerable number of informal operators (whether or not registered) and act as a “clearing house” for many foreign intermediaries.

These include the large network of Somali money transfer companies handling migrants’ cash flow – in some instances concealing contributions for insurgent groups – and a wide range of informal Af-Pak operators (money changers and hawaladars), often involved in laundering drug proceeds, the primary financing source for insurgents.

Money couriers operating in such informal money transfer circuits were also employed to avoid traceability. In some cases, funds were entrusted either to recruits heading for crisis theaters or to individuals traveling for business or personal reasons, as they could not be associated with terrorist groups.

In yet other cases, illegal financial flows were channeled through the banking system by fragmenting transactions or using third parties, which do not reveal any anomalies or evident connections with CT lists.

Box 17

INTERNATIONAL TERRORISM FINANCING

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by the developments connected to the conclusion of the process that, on 9 July 2011, led to the official birth of the Republic of South Sudan (RSS).

After the constitution of a new government (10 December), President Omar al Bashir continued to firmly hold onto power and maintain a balance between the two factions of the National Congress Party (NCP).

The overall security picture was characterized by significant critical factors, especially considering the situation in the conflict-ridden area of Abyei, with its massive oil resources, in the states of South Kordofan and Blue Nile, where Khartoum army was deployed to quell a revolt by ethnic Nubians, and in Darfur, where major rebel groups continue to reject negotiations with central authorities.

Relations between Khartoum and the RSS are likely to remain tense, with the possibility of conflicts between their respective military forces along the still not clearly defined borders.
Italy introduced measures to combat piracy with Decree Law no. 107 of 12 July 2011 (converted, with amendments, in Law no. 130 of 2 August 2011) which provides for:

- the use of Vessel Protection Detachments (VPDs) aboard Italian merchant ships transiting high-risk areas, upon request and at the expense of ship owners. The relevant agreement between the Ministry of Defense and the Confederation of Italian ship owners was signed in October;
- the possibility for ship owners to use private security personnel, subject to the introduction of legislation in line with regulations on arms and maritime security. Mention should be made of the difficulties related to the current limitations to arms storage onboard and their use in case of need, especially considering that, in order to effectively deter piracy, arms must be powerful and only highly specialized and well-trained personnel can be deployed for this purpose.
1. Cyber threat

In 2011, the exponential growth of the cyber threat made it an absolute priority for intelligence.

A large number of players, both State and non-State, seem now to be increasingly vulnerable to sophisticated targeted cyber attacks, such as those conducted using malware that can erase its own traces and rapidly create botnets (networks of infected computers) or worms like Stuxnet, which can seriously damage systems controlling industrial production processes.

New cyber attack tools include sophisticated hacking techniques (Advanced Persistent Threats - APTs), designed to steal sensitive information and intellectual property from companies and public entities.

New techniques have been developed to strike selected targets and interrupt, at least temporarily, systems and/or services.

On a global level, major sabotage cases in 2011 shared some common elements, especially as to:

- targets, including national and international, public and private entities considered “impregnable” (parliamentary bodies, international financial institutions, law enforcement, etc.);
- timeframe, frequently coinciding with attention-grabbing events. It was not by chance that targets included the Wi-Fi network of the first G8 conference on cyber security, some Turkish and Spanish institutional websites, respectively on the eve of parliamentary elections and following the arrest of three activists from Anonymous (see Box 19); websites of cyber security multinationals in conjunction with the adoption of the Pentagon’s cyber strategy;
the attempt by the larger hacktivists’
groups to portray themselves as
structured associations with an action
program, and to lay claim to acts of
sabotage through social media;
• reactions of system administrators
that often do not report the attacks
or minimize the damage, for fear
of revealing vulnerabilities in their
infrastructures;
• the difficulty to identify attackers,
including State entities, due to the
limits of traceability, as well as to develop
countermeasures against innovative
and continuously evolving techniques.

The cyber threat has come to the
forefront also due to the wide range of
reasons and, consequently, purposes of
the attacks: stealing data for criminal
purposes; infringement of intellectual
property; identity theft; intent to damage,
or even paralyze, critical infrastructures
or manipulate information with a view to
delegitimizing institutions or proselytizing
online; espionage through the theft
of privileged information or industrial
secrets, so as to alter competition and favor
a country’s strategic primacy. As for the
attacks by State players, in 2011 security
agencies raised alarms about the possibility
that several countries may be recruiting
hacker groups for offensive purposes. In
some cases, the objective is allegedly the
creation of a sort of international hacker
network to be deployed for sabotage and
espionage.

Mobile operating systems and
platforms are not immune from the threat,
considering their widespread use and
the scant attention users pay to security.
The now commonplace habit of storing
documents, even those of a sensitive

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**Anonymous**

A group of hackers calling themselves *Anonymous* has been active on the Internet since January 2011.

The members of the group take inspiration from the protagonist of the attempted attack on the English Parliament in 1605 (the “Gunpowder Plot”) as depicted in a 1988 comic book series and in its 2006 cinematic transposition, “V for Vendetta”.

They claim to act in the name of social equity, justice and democracy.

They attack sites or servers of both State organizations and companies that, based on their conduct or activities, Anonymous considers to be “anti-democracy”.

Their modus operandi and the style of their claims suggest that the organization has no
leader, but rather it is composed of highly skilled subjects from all over the world.
nature, on mobile devices exposes both personal data and confidential information to theft.

The importance of cyber threat has gained in the landscape of security threats has made it a priority intelligence requirement, in a broader program based on an overall integrated approach.

In particular, the DIS had developed a wide-ranging program designed, on the one hand, to coordinate and exploit the expertise of AISE and AISI specialists, and, on the other, to integrate with the national governance framework.

In line with the policies adopted by several Western countries (see Box 20), this architecture complies with the recommendations the Parliamentary Oversight Committee COPASIR set forth in July 2010 on the urgent need to set up a national governance model on cyber security giving intelligence a central role in identifying the threat.

Intelligence activity has been consequently focused on the security of IT networks (which represent critical infrastructures \textit{per se} and are often used to manage other critical infrastructures) as well as of strategic corporate IT systems.

In an attempt to circumscribe the threat, solutions were suggested to ensure data security and reduce management costs for computer systems, such as cloud computing (see Box 21), as well as to implement initiatives to provide national critical IT infrastructures with technical support. The latter entailed the development of early warning capabilities in connection with cyber threats, as well as \textit{ex post} analysis to

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**Box 20**

**Cyber Security – Coordinating Bodies**

To address the pressing challenges posed by cyber threats, some countries established \textbf{national coordinating bodies} under the authority of the head of government. This solution was adopted in the United Kingdom, where the body in charge of the strategic direction of government actions, the Office of Cyber Security and Information Assurance (OCSIA), operates within the Cabinet Office; in France, where the Agence Nationale de la Sécurité des Systèmes d’Information (ANSSI) acts under the direct supervision of the Prime Minister; in the United States where, although the Department of Homeland Security (DHS) is responsible for preventing and fighting cyber threats on a federal level, coordination rests with the Cybersecurity Coordinator, within the National Security Council that directly supports the US President on national security matters.
Cloud computing (the virtual “safe” storing the entire community’s knowledge) has made storing data and software on personal computers unnecessary. Data is stored on remote servers, accessible online only, offered by large IT companies at competitive prices. Cloud computing has been criticized because it concentrates knowledge in a virtual space, thus making successful attacks against servers more profitable, and giving system administrators total control over data.

Other risks and criticalities may derive from the possible lack of an Internet connection (either accidental or malicious) that would make all cloud services and connected devices useless.

At a national level, intelligence carried out activities in order to:

• acquire and integrate state-of-the-art tactical systems to counter the threat;
• enhance a technological platform supporting intelligence in tracing attacks and identifying the interests behind them;
• implement standards and best practices in line with those of the European Union and the NATO, also through specific exercises;
• optimize the flow of TECHINT (Technological Intelligence) to national CERTs (Computer Emergency Response Teams);
• develop useful synergies with the private sector, in order to raise awareness of cyber threats;
• strengthen cooperation with major allied intelligence services, by intensifying the exchange of information and standardizing the approach to joint projects.

The importance of the notion of cyber space was underlined by the international conference on cyber space held at the beginning of November in London – with the participation of well-known political and ICT experts.

Noteworthy are the seven principles proposed by the United Kingdom as a reference point in developing rules of conduct in cyberspace, and namely:

• States should act in cyberspace proportionately and in accordance with international laws;
• everyone should be guaranteed access to cyberspace and related technologies;
• diversity of language, culture and ideas should be respected;
• cyber space should remain open to innovation and the free circulation of ideas, information and expression;
• the right to privacy of individuals should be respected and intellectual property be adequately safeguarded;
• joint efforts to fight cyber crime should be implemented;
• competition should be promoted to guarantee a fair return for those working in cyberspace.

In the overall cyber scenario, a growing number of States are using IT networks for offensive purposes as an integral part of their military policies.

It was in this framework that NATO Member States decided to include the cyber threat among the priorities of the new Strategic Concept of the Alliance in order to identify the most vulnerable sectors and the tools needed to prevent and fight cyber attacks.
2. Terrorist threat in Italy and Europe

Although the dramatic events of 22 July in Norway (with the double attacks in Oslo and Utøya) put xenophobic right-wing terrorism to the forefront, international jihadi terrorism continues to be the main threat to the West.

Now largely “regionalized”, AQ-inspired terrorism remains nevertheless anchored to a markedly anti-Western vision and committed to take the offensive on “infidel” soil.

Based on intelligence reports, the level of the jihadi threat in Europe remains stable on the whole.

Counterterrorism operations conducted in 2011 led to the disruption of terrorist cells and to the arrest of individuals suspected of planning terrorist attacks against diversified targets, particularly in Spain, the United Kingdom, Germany, France, Finland and Sweden. These operations are proof not only of the constant efforts by intelligence and law enforcement, but also of the continuous importance of Europe both as:

- logistic and financial rearguard and recruitment pool to support jihad in crisis areas; and
- possible target, rather than for structured cells linked to AQ-inspired organizations, for isolated radical elements, the so-called “do-it-yourself” lone terrorists, driven by emulation or in search of personal fame (see Box 22). This was the framework for the attacks carried out in Frankfurt on 2 March against US soldiers on their way to Afghanistan by an Islamic Serbian activist with Wahhabi leanings (resulting in two dead and two injured) and on 28 October in Sarajevo against US diplomatic personnel.

Intelligence points to the possibility that battle-hardened and well-trained individuals may come or return to Europe, on their own or on behalf of organizations operating abroad, in order to set up networks supporting terrorist actions to be carried out elsewhere or in the EU itself. In this respect, evidence emerged of foreign citizens residing in Europe or second/third-generation Europeans who moved to major African and Asian crisis areas. Once there, they reach terrorist training camps, sometimes returning to Europe after a training period.

Most of these subjects frequently visited jihadi web sites, where they allegedly “self-radicalized”, and often came into contact with individuals who could give them all the support they needed.
According to the common international definition, the lone wolf or lone actor terrorist is an individual who plans and carries out attacks autonomously. Unlike solo terrorists who also act on their own, lone actors do not receive any input from terrorist groups or networks. Sometimes the lone wolf conspires with others, giving birth to the so-called lone wolf pack, that is a small, isolated group acting without external direction.

Cases of lone wolf terrorism registered so far do not allow us to define a specific profile, even though some recurrent traits can be noted: young, male, with socio-economic/family problems, at times mental problems (obsession, compulsive behavior), criminal records, radicalized on the Internet, in possession (either legal or illegal) of firearms, operating in an area close to the place of residence, no links with victims.

The concept of lone wolf terrorist can be traced to 19th-century Russian anarchists and was then revitalized by jihadi literature. The 2004 “Global Islamic Resistance Call” by Islamic ideologist Mustafa Setmariam Nasar, aka Abu Musab al-Suri, contains the first reference, in an Islamic context, to lone actor or individual jihad. More recently, in 2010, the same concept was adopted by Adam Gadahn aka Azzam the American in his online video “A call to arms”, a sort of lone actor terrorism manifesto, and reiterated by Yemenite-American Anwar al Awlaqi in the English-language online jihadist magazine “Inspire”.

In this respect, the Internet continues to play a crucial role as an instrument to spread extremist ideologies facilitating radicalization and to consolidate relational networks for indoctrination, propaganda and proselytism.

Due to the effect of the momentous events that occurred in the Arab-Muslim world beginning early in the year – from the revolts in North Africa and the Middle East, to the demise of several members of the ideological and operative al Qaida leadership – there might be an increase in:

- the activism of radical Islamic militants who, galvanized by the fall of the “apostate” Tunisian, Egyptian and Libyan regimes and determined to take advantage of the delay in the stabilization of the local political and security framework, may support the attempts to revive jihad in those countries. NATO military intervention in Libya provided particular impulse to AQ rhetoric against the West, despite its long-standing enmity for Gaddafi’s regime. Among the most
significant messages, there is one dated 12 October, in which the new al Qaida leader, Ayman al Zawahiri, praised the Libyan rebels for the conquest of Tripoli and Muammar Gaddafi’s downfall, and defined NATO as a “Western gang”. Along the same line, attention should also be given to the repeated threats against European countries made by the AQ network, namely al Qaida in the Islamic Maghreb (AQIM), that may try to infiltrate its members among illegal migrants from North Africa and/or activate its cells in Europe;

- low-cost, small-scale attacks by self-starters (both individuals and micro-groups), spurred into action by the calls to individual jihad, against targets allegedly involved in the “anti-Islam crusade” or representing “Western interference” in Arab-Muslim countries.

Mention should be made of a video dated 2 June and posted on the Internet by as Sahab, the official al Qaida media outlet, praising the effectiveness of individual jihad, as well as the frequent references to its implementation, whether individual and/or spontaneous, that appeared in the English language online magazine “Inspire” (see Box 23).

In AQ leadership strategies, “low intensity” and “widespread” attacks serve the purpose of compensating for the temporary difficulty in carrying out high-impact attacks due to the severe setbacks suffered by AQ Core. The group is now trying to show its strength in Africa, through contacts with regional offshoots, and to keep on guerrilla warfare in Af-Pak, alongside the Taliban.

As to developments in Italy, the “Arab spring” has not had significant repercussions on the terrorist threat so far.

On the whole, the Muslim community followed the events composedly. Despite indicators of tension brewing in some dissident organizations (as a result of unexpected prospects for political affirmation in their home countries), neither violence between opposing factions nor a real answer to AQ appeals, which pleaded for turning the popular uprisings into jihad, were recorded in Italy.

Nevertheless, intelligence remains focused on the implications of the transition currently underway, in particular in North Africa, considering that:

- extremists previously involved in terror investigations in Italy, who were released or escaped from jail during the revolts, may try to use their contacts in Italy to earn support for the “cause” in their home countries. Their influence could give new life to what remains of radical circles (especially in Lombardy), that have long lacked charismatic figures capable of giving younger generations ideological guidance;

- threats may arise from Libya, should a reorganization and counteroffensive
The first issue of the magazine appeared in June 2010 on major extremist forums. This jihadist-leaning publication is the work of the now deceased ideologist of al Qaida in the Arabian Peninsula (AQAP), Anwar al Awlaki. Inspire is AQAP’s media outlet and fully embodies the AQ network media strategy, which makes large use of the media to provide global coverage to its anti-West doctrine in order to attract new recruits and sympathizers. The magazine’s intended audience are Muslim communities in Western countries.

José Pimentel, a twenty-year old Dominican-born US citizen, was arrested on 19 November 2011 by the New York police and charged with plotting to attack US government offices and troops returning home from Iraq and Afghanistan with homemade bombs. Allegedly, he learned how to build improvised explosive devices from Inspire. Self-radicalized on the internet, although expressing support for al Qaida online, Pimentel does not seem to be a member of any terrorist organization, thus representing a typical example of lone wolf terrorist.

by members of the old establishment correspond to a slowdown in the post-war normalization process. Another threat is posed by the possible strengthening of anti-West Islamist organizations (some of which accuse Italy of having acted against the Libyan people since the colonial period) or pro-al Qaida groups. Italy was expressly mentioned in a video-message dated 13 September by AQ leader, al Zawahiri, who exhorted Libyans not to forget “Italy and its crimes in your country, against your fathers”. Aside from these possible scenarios, Italy continues to be regarded with hostility by Islamic extremists and therefore remains a potential target for jihadi attacks due to its participation in military missions abroad, its uninterrupted commitment to the fight against terrorism and, in general, for ideological and religious reasons.

It is worth mentioning, for example, that users of the al Shumukh forum, one of the most important outlets for AQ propaganda, praised the floods in Liguria and Tuscany at the end of October, portraying them as Allah’s punishment against the “house of the infidels” and a “curse for the world war that they are waging against Islam and Muslims”.

The threats abroad, mentioned earlier concerning Italian troops and kidnappings in particular, are consequently coupled with the threats within Italian boundaries, where the most insidious factor involves
possible actions by free-lance solo terrorists influenced by the calls to individual jihad. Although no direct threat against Italy was recorded in 2011, it is noteworthy that in a video broadcast in June one of the most important AQ media people, the US convert Adam Gadahn, prompted Muslims in the West to strike at public figures, considered to be “easy targets”, citing the attacks involving the Pope and former Prime Minister Berlusconi.

2011 saw an increase in the number of Italian-speaking Muslims (including Italian converts) participating in web-forums, ideological blogs and social networks, in order to spread extremist ideologies – so as to radicalize co-religionists – and to maintain relations in Italy and abroad.

Mention should be made of reports concerning the circulation of jihadi publications and videos downloaded from the Internet within radical Islamic circles in northern Italy (monitored also for anti-Semitism in close-knit, small youth groups). The use of the Internet for extremist purposes was recorded also in Calabria in the case of the Moroccan imam of the mosque in Sellia Marina, who was arrested, on terrorist training charges, on 31 January 2011, together with his son and a fellow Moroccan.

Low-profile, within extremely circumscribed boundaries, is the activity conducted by some North African radical subjects, linked to members of Salafi jihadi groups operating in their home countries, who are reportedly interested in the “re-Islamization” of those societies, taking advantage of popular uprisings.

Support to networks in their home countries continues to be carried out also within the strictly compartmentalized Pakistani Salafi mouvance, operating in northern Italy. These contacts may acquire particular importance in view of the situation in Pakistan, where new recruits are reportedly more attracted to the global jihad championed by AQ than to the local “Kashmir question”.

At the present time, similar threats do not seem to originate from organizations (all listed as terrorist groups by the EU) associated with Kurdish separatism (see Box 14), Sikh extremism or the Tamil independence movement (see Box 24).

Likewise, no particular concern was raised by the National Council of Resistance of Iran (NCRI), whose efforts are currently directed at gaining international recognition and safeguarding militants stationed in the Ashraf base, Iraq.

Without an agreement on the final evacuation and destination of Camp Ashraf militants, with serious risks for all those involved, it was not possible to rule out
The security situation in northern Kosovo was characterized by interethnic conflicts and repeated clashes between Serb extremists opposing Pristina authorities and the Kosovo Force (KFOR) taking control of borders and customs. KFOR and EULEX (European Union Rule of Law Mission in Kosovo) are committed to ensuring the return to legality in the area and the consolidation of institutions in the rest of the country.

The situation could be negatively affected by newly formed Albanian paramilitary groups putting pressure on the international community – with possible destabilizing initiatives by isolated groups.

### Box 24

**Liberation Tigers of Tamil Eelam (LTTE) – Activity in Italy**

The Tamil diaspora seems more and more inclined to consider the armed experience of the Liberation Tigers of Tamil Eelam (LTTE) with detachment, preferring to support the political course undertaken on an international level in 2010 to achieve self-determination in Sri Lanka. Nevertheless, there are still some extremists (including individuals already tried, and then acquitted, on charges of supporting LTTE’s terrorist activities) who, in the absence of tangible results, might push the community towards more extreme positions.

protests by Mujahedin-e Khalq (the military branch of the Iranian dissident movement) including cases of self-immolation or demonstrative actions against Iraqi or Iranian interests.

Pan-Albanian irredentism

The small groups of pan-Albanian irredentists operating in Italy, while maintaining contacts with former members of paramilitary separatist organizations still serving the “cause” in the Balkans (see Box 25), remain rather disorganized, suffering from internal tensions and unable to consolidate their overambitious plans.

### Box 25

**Northern Kosovo**

The security situation in northern Kosovo was characterized by interethnic conflicts and repeated clashes between Serb extremists opposing Pristina authorities and the Kosovo Force (KFOR) taking control of borders and customs. KFOR and EULEX (European Union Rule of Law Mission in Kosovo) are committed to ensuring the return to legality in the area and the consolidation of institutions in the rest of the country.

The situation could be negatively affected by newly formed Albanian paramilitary groups putting pressure on the international community – with possible destabilizing initiatives by isolated groups.
3. Proliferation of weapons of mass destruction

Combating the non-conventional threat of WMD proliferation – based on a strategy primarily based on dissuasion and prevention – remained an absolute priority in the security agenda of both the Italian government and the international community.

In conjunction with and supporting diplomatic endeavors, intelligence efforts were directed not only towards proliferation plans by State players and the connected procurement networks, but also towards the possibility that terrorist groups or individuals may use highly dangerous materials and agents.

In 2011, the threat mostly referred to the developments of the Iranian, Syrian and North Korean dossiers.

In open violation of relevant UN Resolutions, Iran continued enriching uranium in the Natanz facility, where a total of approximately 5,000 kilos of low-enriched uranium (3-4%) – theoretically sufficient for three fission devices – were produced, while approximately 80 kilos of 20%-enriched uranium have been produced so far at the Pilot Fuel Enrichment Plant (PFEP) in the same facility.

Moreover, the Iranians reportedly solved part of the problems caused in 2010 to the IT systems of the Fuel Enrichment Plant (FEP) in Natanz by the Stuxnet worm with the alleged temporary black-out of about 1,000 centrifuges. The fact was apparently confirmed by the increase in operating centrifuges, from 4,800 to more than 6,200, while the average monthly production of enriched uranium, after the increase of the first quarter of 2011, slightly diminished in the second half of the year.

Iran’s confrontation with the international community – marked by President Ahmadinejad’s statements confirming the determination to carry on with plans for uranium enrichment (see Box 26) and not to provide explanations on controversial aspects of the nuclear program – reached new heights following a new report of the International Atomic Energy Agency (IAEA). Published on 8 November, the document stated that it was impossible to provide credible assurance that the nuclear activities conducted by Iran pertained exclusively to civilian purposes.

Against this background, new indications regarded Iran’s structured plans to develop nuclear weapons. According to reports, the project, allegedly started in 2003, might still be ongoing (see Box 27).

Intelligence from various sources indicates that Iranian projects are in all likelihood compatible with military
Nuclear programs in Iran – Projects announced by Tehran

In addition to pursuing the construction of the IR-40 reactor in the Khondab research center and to the extraction and concentration activities in Gchine and Saghand (Yazd), Tehran announced:

- the start of the production of enriched uranium (20%) in the cave plant at Fordow, near Qom, in which three IR-1 centrifuge cascades have already been installed;
- the installation of new second-generation centrifuges (known as IR-2M and IR-4, with carbon fiber components), with considerably greater performance, reliability and production capabilities than those used so far, the obsolete IR-1s. In this respect, it should be noted that Tehran, due to the difficulties in procuring carbon fiber and the relevant technology, is trying to acquire autonomous capabilities. In particular, in August Iranian TV broadcast the inauguration ceremony for the first carbon fiber production plant;
- the intention to build 4 or 5 isotope producing research reactors, which could be fueled with the enriched 20% uranium produced with domestic resources.

Due to its attitude towards the IAEA, Syria was referred to the UN Security Council for violations of the Non-Proliferation Treaty.

The decision was adopted on 9 June 2011 by the Agency’s Council of Governors following the Report published on 24 May which stated that the building destroyed by Israeli air force in September 2007 in Dayr az Zawr, near al Kibar (see Box 28), was most probably a plutonium nuclear reactor, which should have been reported to the IAEA.

Damascus attempted to block the initiative with a letter to IAEA’s General Director claiming Syria’s willingness to fully collaborate with the Agency, opening the sites to inspection, but in vain.
The ongoing crisis in Syria prompted intelligence to monitor also chemical warfare activities, since Damascus has never signed the Chemical Weapons Convention and developed a military program in this field.

The report issued by the IAEA in September confirmed the existence of North Korea’s large-scale nuclear program, based on uranium enrichment, in all likelihood developed thanks to the decisive assistance provided by the network of companies and intermediaries directed by Pakistani scientist Abdul Qaader Khan. On a diplomatic level, new developments may follow the August statements of North Korean leader Kim Jong-II (who died on 17 December 2011), confirmed by his successor Kim Jong-Un, as to their willingness to resume the six-party talks with no preconditions and agree to a moratorium on nuclear tests and the production of fissile material for military purposes. North Korean new-found cooperative stance allegedly includes the production of enriched uranium, required to fuel the electro-nuclear reactor under development in Yongbyon, should the material be provided from abroad.

All the while, new evidence confirmed the construction of a new reactor in the Yongbyon nuclear research center and a plant to enrich uranium comprising approximately 2,000 centrifuges. Even though both facilities are officially intended for peaceful applications, their use within the military program cannot be excluded – considering North Korean stated intention to develop a nuclear deterrent.

Moreover, Pyongyang has allegedly neared completion of a new underground tunnel in the Punggye-ri nuclear test site (Hamgyong province) where nuclear tests were conducted in 2006 and in 2009.
Immediately after the Israeli bombing of Dayr Az Zawr, the Syrians cleared the site, rebuilt the facility housing the reactor and declared that it was intended for “conventional military purposes”. The IAEA inspection conducted in the spring of 2008, however, found traces of natural uranium, incompatible with the use of the site as a conventional military base. Explanations provided by Damascus (which maintained that the traces derived from ammunition used by Israel during the air raid) proved to be groundless, based on the analyses that IAEA conducted on samples.

The AISE closely monitored the CBRNE (Chemical, Biological, Radiological, Nuclear and Explosives) threat, providing technical and scientific evaluations on dual-use materials that could be employed to build conventional and non-conventional weapons. Likewise, specific attention was devoted to the possible use of CBRNE material for terrorist purposes.
4. Environmental threats and scarcity of resources

In 2011 intelligence analysis did not fail to take into account the risks deriving from phenomena that, although not being actual threats, might act incubators of instability and conflict multipliers. These factors comprise the scarcity of natural and food resources, as well as health and environmental hazards, including those associated with the use of energy sources, such as nuclear power.

Due consideration was given to the effects of the humanitarian emergency in the Horn of Africa, especially for its impact on the already fragile Somali institutions, the organization and coordination of humanitarian aid and al Shabaab’s activism, which exploited the emergency to discredit local authorities and international organizations.

Another problem under intelligence monitoring was the growing competition for the scant water resources in some regions, with repercussions on political and social stability, as well as on relations among the countries involved. Due to their geo-strategic location, the following river basins remain particularly critical: Nile, Tigris, Euphrates, Jordan and Indus.

In particular, the criteria for exploiting Nile’s water caused tensions among riverside countries. The current distribution, favoring Egypt and Sudan, is strongly criticized by other riparian countries demanding more water and energy.

As a result, any project involving water reduction affects the relations of the countries bordering the Nile, despite international initiatives to regulate the situation, such as the Nile Basin Initiative (NBI), launched by the nine riparian countries (Egypt, Sudan, Ethiopia, Kenya, Democratic Republic of the Congo, Uganda, Tanzania, Rwanda, Burundi), plus Eritrea as an observer. Regional water politics was also influenced by:

- the birth of the Republic of South Sudan;
- Burundi’s joining the Nile “Cooperative Framework Agreement” (see Box 29);
- Ethiopia announcing the beginning of the construction of the “Millennium Dam”.

As to environmental hazards, attention focused on the repercussions of the Japanese Fukushima nuclear plant disaster, which contributed to modifying the global energy landscape.
The Cooperative Framework Agreement (CFA)

Operating within the Nile Basin Initiative (started by Egypt in 1999 to create a new framework for the joint exploitation of Nile resources), the CFA was created in May 2010 by Ethiopia, Kenya, Rwanda, Tanzania and Uganda to renegotiate the criteria for utilizing Nile waters. According to agreements signed in the 1920s and 1950s, Egypt and Sudan are entitled to veto any water works that the “tributary” States should undertake within their borders.

Programs for civilian use of nuclear power were reconsidered, while several of the most economically developed countries decided to intensify the use of natural gas and renewable sources.

Such initiatives spurred new interest in exploiting natural gas fields, as well as procuring and marketing unconventional natural gas (e.g. shale gas or coal bed methane), thus increasing geo-economic competition for access to and use of the resources.

Technologies to generate electricity from renewable resources were further developed, while international players showed an increasing interest in acquiring the relevant know-how and expanding to potentially promising areas, such as North Africa and the Balkans.

Producer countries with precarious political and security situations, negatively affecting investments in the energy field, acquired international importance.

The market for the metals commonly known as “rare earths” (see Box 30) played a key role in international dynamics.

The growing demand, accompanied by the progressive reduction in exports from China (the largest producer), continued to worry the countries depending on Beijing for supplies. Intelligence monitoring assessed the potential repercussions on global procurement needs, taking into consideration that Chinese reserves can meet the growing demand only for a limited period of time.

Overall, the criticalities associated with the control over rare earths point to significant mid/long-term threats.

Rare earths are used in several industries and in the defense sector, from ballistic missile control systems to radar and satellite systems. In an increasingly computerized society, the growing role of rare earths in electronics makes them a
The term “rare earths” identifies a group of 17 chemical elements – the 15 lanthanides (lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium and lutetium) plus scandium and yttrium – which are relatively abundant in nature, but are commonly found in ores requiring costly and environmentally hazardous extraction methods. Separation is extremely complex since these elements have similar chemical properties and isolating them may require hundreds of fractional crystallizations.

Rare earths are essential in high-tech industries, especially in the following sectors:
- chemical, petrochemical, metallurgy, iron and steel industry;
- telecommunications (radar systems);
- transportation (batteries, electric motors, catalytic mufflers, components for electric and hybrid vehicles);
- electronics (superconductors, microprocessors, disks, screen monitors, MP3 players, microphones);
- optics, lighting, optic-electronics and scientific and medical instruments (sensors, capacitors, lasers, optic fibers, fluorescent lighting, LEDs);
- nuclear (control bars).

Noteworthy was, therefore, the World Trade Organization ruling to uphold the claim filed by the United States, Mexico and the European Union against Chinese restrictions on exports of raw materials, including coke and bauxite. It set a precedent that will likely lead to a similar initiative on rare earths.

The most plausible alternative appears to be either a time-honored and hoped-for policy of Reduce, Re-use and Recycle, or the opening of new mines in Vietnam, Malaysia, Australia, Canada, Brazil, Mongolia and Kazakhstan or, finally, the stockpiling of strategic metals. Opening new mines, however, involves a considerable economic and environmental impact because rare earth separation and purification require complex, costly and polluting procedures. Breakthroughs in mining and processing technology now make other methods to extract precious minerals viable: for example, from the beach sands of the Indian coastal States of Orissa and Kerala, as well as from seafloor mud of the Senkaku Islands, in the Sea of China, claimed by both China and Japan.